

February 20, 2023

Representative Tom McKay
Chairman, House Resources Committee
State Capitol
Juneau, Alaska 99801

RE: Support for HB 50 Carbon Storage

Dear Representative McKay and Members of the House Resources Committee:

Usibelli Coal Mine, Inc., writes in support of HB 50 establishing a regulatory framework for carbon storage in Alaska.

Usibelli Coal Mine is an Alaskan family owned and operated company in Healy, Alaska. Usibelli provides coal to the six coal-fired power plants in Interior Alaska: Eielson Airforce Base, Fort Wainwright Army Installation, University of Alaska, Aurora Energy, and Healy Units 1 and 2. Usibelli is the largest, year-round employer in the Denali Borough and produces approximately 1 million tons of coal annually.

Coal-fired plants are a backbone of energy generation in Interior Alaska, accounting for approximately fifty percent of electricity generation in the region. The price advantage of coal over other fuels helps to stabilize energy rates as it is Interior Alaska's lowest-cost source of energy. Alaska has the advantage of access to high-quality, ultra-low sulfur coal and improvements in coal technology, such as Carbon Capture, Utilization and Storage (CCUS) will help ensure its continued use.

Innovation, rather than elimination, is the future of coal. The passage of HB 50 is a necessary step in establishing a workable and meaningful carbon storage program in Alaska. Keep in mind that there are no readily available alternatives to coal in Interior Alaska. As this committee has previously heard, the deliverability of Cook Inlet natural gas is nearing its end. North Slope natural gas does not compare to the reliability, affordability, and abundance of coal. Usibelli has over 1000 years of coal reserves in its lease boundary – and 80 years of supply that is currently permitted.

Please support the continued use of fossil-fuels in Alaska by helping create a regulatory framework for carbon storage. For further information on Usibelli's work in CCUS opportunities in Alaska, please contact Lorali Simon at lorali@usibelli.com.

Sincerely,



Lorali Simon
Vice President, External Affairs