



February 16, 2012

Senator Dennis Egan, Chairman
Alaska Senate Labor & Commerce Committee
State Capitol
Juneau AK, 99801

AIPPA support for Senate Bill 25 -Alaska Sustainable Strategy for Energy Transmission and Supply (ASSETS) Act.

Dear Chairman Egan,

The Alaska Independent Power Producers Association is a membership organization comprised of Alaska's leading Alaska Independent Power Producers and developers. Our member's locations span Alaska and are invested in wind, biomass, hydrokinetic and hydropower developments. Our membership has sent in a letter of support to the bill's sponsor, Senator Lesil McGuire, but I would like to testify today on the job creation aspects of Senate Bill 25.

Alaska comprises one third of the land mass of the United States and is blessed with the equivalent reserves of vast and rich energy resources. The Alaska Center for Energy and Power at UAF funded by National Renewable Energy Laboratory just released its Preliminary Overview of Stranded Renewable Energy Resources of Alaska. This is a statewide investigation of the huge amount of renewable energy that is stranded in Alaska. I would like to point out some of the information contained in the preliminary overview by ACEP.

1. Alaska has over 677 MW of known geothermal capacity a good portion is located in SE Alaska.
2. Alaska has the largest amount of Class 7 wind in the United States
3. Alaska possesses 90% of the tidal potential and 50% of the wave energy potential of the US.
4. Alaska has tremendous hydropower potential with a huge and well researched amount located in SE.

Unfortunately, Alaska also has some of the highest energy costs paid by some of our citizens. We believe that the Senate Bill 25 is excellent investment legislation that will allow AIDEA to invest in commercially feasible projects that will provide competitive cost energy to Alaskans. We think it is wise to have project funding and investment decisions made on the merits and feasibility of a particular project.

But another key reason to support Senate Bill 25 is that it empowers Alaska independent power producers to invest in projects and to create needed family wage jobs in our State. I have some following job statistics from the National Hydropower Association (NHA) and the American Wind Energy Association (AWEA). The following statistics were on a per Megawatt (MW) basis.

According the NHA the following jobs are created out of renewable energy projects from their National Hydropower Association' Navigant study in 2010:

<u>Technology</u>	<u>Average Project Size</u>	<u>Total Full Time Equivalent Job year/ per MW (Average)</u>
Inland Hydrokinetic, Micro Hydro (<1 MW)	10 MW	6.00
Efficiency Improvements, New Capacity in existing facilities, modifications	10 MW	6.50
New Facilities in higher head / higher flow		
Existing Dams w/o Hydropower	50 MW	5.30
Pumped Storage	500 MW (interviews)	5.10
Ocean – Wave, Tidal	15 – 200 MW (literature)	14.0

According the American Wind Energy Association with a telephone call to their research staff, in 2010 there were roughly 75,000 jobs in the wind industry from 5116 MW of production. Based on the AWEA job numbers, this roughly equates to 14.66 direct and indirect jobs created per MW of wind production.

AIPPA firmly believes that this bill is a good investment for Alaska in that it will empower and enable Alaska entrepreneurs and private investors to gain financing to build energy infrastructure projects right here in Alaska that will not only create competitive cost power to fuel our Alaska commerce and economy, but could also create many hundred family wage jobs across Alaska.

Sincerely,

A handwritten signature in black ink, appearing to read "Duff Mitchell".

Duff Mitchell
Executive Director