



OHOAMIUT TRADITIONAL COUNCIL (OTC)

P.O. Box 49, Marshall, AK 99585

Ph: (907) 679-6517/6598

Fax (907) 679-6516

"Let us put our Minds Together and see what kind of Life we can build for our Children" –Sitting Bull

February 27, 2009

Allen Joseph, Grants Coordinator
AVCP RHA
P.O. Box 767
Bethel, AK 99559

RE: Representative Bob Herron on Rural Energy Issues

Dear Mr. Joseph:

The Ohogamiut Traditional Council (OTC) as a federally recognized tribe with jurisdiction in Marshall, Alaska, is advocating for long-term solutions to address the unrealistically high cost of living in Marshall spurred by high energy and transportation costs. Thus, the OTC requests that Mr. Robert Nick convey our plight to Representative Bob Herron and other dignitaries on the hearing on Rural Energy at Bethel Saturday February 28, 2009.

Marshall resident's pay \$7.11 with local taxes for heating fuel. \$6.21 with local taxes, and \$293.47 for one bottle of 100 pounds of propane. Other petroleum products like motor oil have also dramatically increased as well. Majority of the homes in Marshall are old and inadequately insulated/weatherized that contributes to the high consumption of heating fuel on a given cold spell. People are worried when the temperature drops because it means buying more stove oil with very little or no cash left on hand for groceries. Simply, we are forced to choose between food and heating fuel, which creates dilemma.

Though we in the Marshall area have more firewood available, record snowfall has covered logs along the river and other areas making it harder to look for wood to burn. Majority of the homes are equipped with Toyo, Laser stoves, and the newer AVCP homes utilize central boilers. On the average, families spend over \$1,000.00 per month on heating fuel alone with very little cash left to pay for utilities, groceries, and other lines of credit at the local stores. Many families are in debt with utility providers and it is certain that the AVEC will serve many disconnect notices this spring.

The unique challenges in Marshall reflect inflation spurred by the 2008 energy crisis is as follows:

- Colder than usual summer, fall, and winter of 2008-2009.
- Failed summer 2008 king salmon fishery, which is vital to the village economy.
- High grocery and store merchandise prices.
- Lines of local store credit maxed out for groceries and fuel.

- Area air travel to Bethel hub is unaffordable.
- Projected 2009 king salmon commercial fishery closure with subsistence harvest limitations.
- Local wild fire fighters crews did not go out summer 2008; income from this seasonal employment source is another important source of cash flow.
- High unemployment rates in the village as high as 85%.
- 85-90% of the village residents on public assistance.
- Stove oil and firewood theft on the rise.
- CITCO has not distributed free 100 gallons of heating fuel to eligible families to date.
- No local foodbanks for families with low food security.

We are requesting that the State of Alaska, federal government, and other agencies find long-term solutions to address the “third world-like” conditions here in the Wade Hampton District, by far; we are the poorest region in the country. Per capita income for our region was a mere \$8,717.00 during the 2000 Census with little changes to date.

Sincerely,

Jason S. Isaac, President

Nick P. Andrew, Jr., Executive Director

Cc: file:

**VILLAGE OF KOTLIK
P.O BOX 20210
KOTLIK, ALASKA 99620
(907)899-4326 / 4836 FAX (907)899-4790**

27 February, 2009

Allen Joseph
Grants Coordinator
AVCP Regional Housing Authority
P.O Box 767
Bethel, Alaska 99559

RE: Representative Bob Herron Hearing on Rural Energy issues

Dear Mr. Joseph,

The Kotlik Tribal Council requests that the information regarding the stories about Kotlik be presented in Robert Nick's testimony before the special committee of the State House of Representatives who will be holding a hearing on rural energy issues in Bethel on Saturday, February 28.

The homes in Kotlik are mainly heated with Toyo or Laser stoves, furnaces and other oil burning stoves. Very few homes have wood-stoves.

A lot of homes are poorly constructed which are not insulated enough to block out the cold winds. Therefore, they are "forced" to buy more stove oil than others. There are some who paid over \$1,200.00 in one month to heat their home during the month of December 2008 alone.

As many rural villages in Alaska, Kotlik residents and organizations are facing hardship due to the rising cost of energy.

- Freeze up came early the fall of 2008. Beginning October 2008, we have heard of people "missing" stove-oil from their 55 gallon tanks that are connected to their heating system. The high cost of fuel in Kotlik has caused people to "steal" fuel from others, just because they have no other means of purchasing fuel to heat their homes. This has happened many times (in the past) prior to Oct 08, people "stealing" stove-oil from others.
- Some people trade wood and/or borrow money from others for stove oil.
- The Kotlik Yupik Corporation has allowed some people to charge stove oil although they have exceeded their credit limit.
- The price of fuel has forced families to make the choice between paying for bills, food or fuel. Some families chose to buy stove oil over food so the family can sleep in a warm house. The school children were told they can eat breakfast and lunch at the school.
- Between November 20, 2008 and January 26, 2009, thirty eight (38) Kotlik residents were granted the Emergency Fuel Assistance through the Association of Village Council Presidents (AVCP). The emergency funding for Kotlik was used up on January 26, 2009.

- In February 2009, the Kotlik Tribal Council donated a total of 77 gallons of stove oil to families who had no other means of purchasing it themselves. Some people have been ashamed to ask for help whether from AVCP or the tribe, because they never had to in the past.
- More people have applied for the AVCP Energy Assistance than the previous years – hoping to get approved to lower their over-charged credit with the Kotlik Yupik Corporation and/or receive help with fuel.
- For heat, some people are using their electric cook range, portable hot plates and heaters. This has created their electric bills to be \$1,000.00 in one month.
- Despite employer's policy, some employees have been granted early pay advance to purchase fuel.

With high energy costs, and no Chinook salmon commercial fishing this summer, the Kotlik Tribe and local organizations have been trying to come up with ideas to help the people of Kotlik. There is a plan for bingo organizations to have special bingo nights and donate those net proceeds to those who are in need.

Sincerely,

Joseph P. Mike
Tribal President

Testimony to:

**Alaska State House of Representatives
Community & Regional Affairs Committee
on H.B. 150**

**By Robert Nick
Nunapitchuk, AK**

Introduction

Good morning, my name is Robert Nick, from Nunapitchuk.

Please allow me to express my thanks to co-chairs Rep. Bob Herron of Bethel and Rep. Cathy Munoz of Auke Bay for this opportunity to come before this committee and talk about rural Alaska energy issues, an area which today is dramatically affecting us and our State in many ways.

Energy Costs in Rural Alaska

As you might have heard, gas prices in bush Alaska are between \$6 to \$8 a gallon, while heating oil equals or costs a little more than gas. In Anchorage, the average electric bill is about \$80 to \$100 for electricity (around 7 to 8 cents per kWh, plus a few fees) for a 2,000 sq. ft. home in winter, using around 1,000 kilowatt hours (a month). In Bethel, residents with a 1,000 sq. ft. home pay around \$150 to \$200 for electricity (about 600 kilowatt hours a month) with the help of PCE, with other high fees (surcharges); without it, this cost would have been \$300 to \$400 month.

This year, we have faced some of the coldest weather, especially in December. People living in bush Alaska villages in some homes, we are told, were trying to keep warm using electric stoves, radiant heaters, or other electric burners. And this has had a dramatic effect on the rise of electricity in relation to the cold weather. And the very cold temperatures this winter have increased heating fuel use also, especially in poorly built homes. And almost all families have fuel-burning furnaces requiring electricity to run. In Kotlik, some families paid \$1,000 for electricity in one month. December heating bills were high, with some families in Kotlik and Atmaultluak paying \$1,200 a month for heating. Some paid less – around \$700. Those who only paid \$500 or less were “lucky.”

You’ve now heard it said that bush village residents are now choosing fuel over food so their children could sleep in a warm house. As for food, children are told by their parents to eat breakfast and/or lunch at school. And the parents, they say “they make do” with whatever they can. Many homes have empty cupboards and refrigerators, getting by on 100 percent subsistence foods, which in late winter gets harder to get.

Few Jobs in Rural Alaska

Many Alaska village residents that really need help during this energy crisis don't have much money due to little or few jobs or have low-paying jobs because of the depressed local economies of rural communities. To make things worse, grocery or store items are now very, very expensive - first of all, because of high freight costs due to the recent high energy prices and then the high cost of running stores due to high energy costs which is passed down to consumers. And this high cost of consumable foods will be further increased by the proposed By-Pass Mail rate increases in two months (May 11, 2009) by 30 to 40 percent.

Many village residents have limited income and where I come from, the Bethel Census and Wade-Hampton Districts, have high unemployment and poverty rates. The Bethel Census unemployment rate is 16.6%, while the Wade-Hampton unemployment rate is 22.8% (State of Alaska, Jan. 2009). The Bethel Census poverty rate is 20.7% or a fifth of the people out of the 17,147 population, while in Wade Hampton, the poverty rate is 26% or a *quarter* of the population of 7,580 (U.S. Census). (In comparison, the Anchorage poverty rate is around 8 to 10% and unemployment is around 6.8%.)

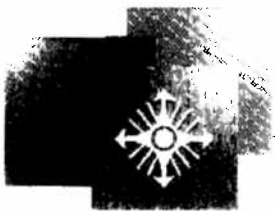
Conclusion

I am very thankful for last year's increase in the ceiling of the PCE program which has been very helpful to our rural community households this winter. We are asking the Alaska State Legislature to continue fully funding PCE at a cost ceiling of \$1.00 per kilowatt-hour (kWh), as per SB 4002, and making this permanent, since that would provide continuing assistance to rural Alaskans in paying for the very expensive electricity found in Bush Alaska.

I am also respectfully asking the Legislature to consider increasing the household limit from 500 kWh per month to the national average of 750kWh per month. Our regional economy is fragile and vulnerable and needs further consideration in the PCE program. Finally, I am asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. Without PCE, schools are struggling with high energy and electrical costs, and the cost of maintaining their utilities is taking away from teachers and classroom budgets, compromising the quality of education in those schools.

Thank you very much for listening to me and hearing me out. I don't speak only for myself, but for many of the residents in the Y-K Delta who are facing many hardships this winter because of high energy costs. As part of my testimony, I add some letters that other villages sent (sent by email) and wanted me to include with my other testimony for another energy related bill. Please make time to read them.

Again, thank you for the opportunity to comment.



Association of Alaska Housing Authorities

Written Testimony to the House Community & Regional Affairs Committee

Tlingit-Haida Regional Housing Authority
PO Box 32237
Juneau, Ak 99803-2234
907-780-6868

Interior Regional Housing Authority
828 27th Avenue
Fairbanks, Ak 99701-6918
907-452-8315

North Pacific Rim Housing Authority
8300 King Street
Anchorage, Ak 99518
907-562-1444

Cook Inlet Housing Authority
3510 Spencard Rd, Suite 201
Anchorage, Ak 99503-2745
907-276-8822

Aleutian Housing Authority
4000 Old Seward Hwy, Suite 202
Anchorage, Ak 99503
907-563-2146
Tagiugmullu Nunamullu Housing Authority
PO Box 409
Barrow, Ak 99723
907-852-7150

Bristol Bay Housing Authority
PO Box 50
Dillingham, Ak 99576-0050
907-842-5956

Copper River Basin Regional Housing Authority
PO Box 89
Glennallen, Ak 99588
907-822-3633

AVCP Regional Housing Authority
PO Box 767
Bethel, Ak 99559-0767
907-543-3121

Baranof Island Housing Authority
PO Box 517
Sitka, Ak 99835-0517
907-747-5088

Bering Straits Regional Housing Authority
PO Box 995
Nome, Ak 99762-0995
907-443-5256

Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, Ak 99504
907-338-6100

Kodiak Island Housing Authority
3137 Mill Bay Rd
Kodiak, AK 99613-7032
907-486-8111

Northwest Inupiat Housing Authority
PO Box 331
Kotzebue, Ak 99752-0331
907-442-3450

Ketchikan Indian Community
2960 Tongass Avenue
Ketchikan, Alaska 99901

Supporting HB 150

For Committee Meeting on March 12, 2009 at 8:00 a.m.

The Association of Alaska Housing Authorities' (AAHA) membership includes 14 Regional Housing Authorities created pursuant to AK Statute, 18.55, and the Alaska Housing Finance Corporation (AHFC).

AAHA is in strong support of HB 150.

In partnership with AHFC and an ever-growing list of other state and federal partners, AAHA members serve residents in every part of Alaska. The regional housing authorities have built well over 7,000 housing units since their inception in 1971 and collectively administer well over 100 million in federal and state funds on an annual basis. The vast majority of housing in rural Alaska has been built by AAHA members and AAHA's urban members are a strong presence in Alaska's larger communities. In addition to new construction, AAHA members provide a wide range of other housing and housing related services, including providing weatherization and other housing rehab services throughout the state, developing community infrastructure, and working with our partners like AHFC, are also one of the largest employers in rural Alaska, playing a critical role in helping to sustain many of our local bush economies.

Given the role that AAHA members play in meeting these critical human needs across our state, and given the role and impact of energy costs throughout Alaska, it is obvious that we would have an extremely strong interest in the legislation under consideration today, and the broader issues of both short and long-term state energy policies.

It is our understanding that HB150 continues changes to the Power Cost Equalization Program (PCE), which were approved by the Alaska State Legislature in last July's special session. The changes increase the state subsidy for the PCE Program from up to .52 per kilowatt hour to up to \$1.00 per kilowatt hour.

This legislation responsibly addresses the rising cost of energy in the state and the disparity in energy costs in certain parts of the state. Again, on behalf of our many member organizations, serving residents throughout Alaska, we strongly support HB 150.

Heather Arnett, Administrator, Assoc. of AK Housing Authorities
(907) 338-3970, 4300 Boniface Pkwy., Anchorage, AK 99504,
aaha@alaska.net.

AVCP

ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS
P.O. BOX 219 • BETHEL, ALASKA 99559 • PHONE 543-3521

RESOLUTION 09-02-01

- TITLE:** RESOLUTION SUPPORTING A STATE FUEL CAP AND OTHER MEASURES TO LOWER THE COST OF ENERGY FOR REMOTE RURAL COMMUNITIES THROUGHOUT THE STATE OF ALASKA
- WHEREAS** The Association of Village Council Presidents, (AVCP) is the non-profit Alaska Native regional corporation for its fifty-six federally recognized indigenous Native tribes within Southwest Alaska; and
- WHEREAS** AVCP's member tribes reside in small isolated villages scattered throughout the Yukon-Kuskokwim Delta in an area that is approximately 59,000 square miles and roughly the size of the State of Oregon. The villages are not connected by road to one another, nor to the rest of Alaska. English is a second language for many tribal members who continue to practice a centuries old hunting, fishing and gathering way of life, congregating at home village sites in the winter and moving to fish camps in the summer; and
- WHEREAS** AVCP serves its member tribes by providing a variety of social service, human development and culturally relevant programs that promote tribal self-determination and self-governance and work to protect and enhance tribal culture and traditions; and
- WHEREAS** In an effort to meet this objective, AVCP has repeatedly requested Federal and State assistance to address our region's current energy crisis which has resulted from the high costs of fuel, the catastrophic Lower Yukon commercial fishery, the early and enduring cold snap, and failed fuel deliveries; and
- WHEREAS** During the last legislative session AVCP supported Senate Bill 4002, Senator Lyman Hoffman's carefully crafted energy subsidy legislation, which attempted to distribute relief to Alaska's rural households facing the daunting challenge of heating and lighting their homes during the grueling winter months; and
- WHEREAS** Senator Hoffman and Representative Mary Nelson argued that the subsidies provided through Senate Bill 4002 were justified by the fact that the State of Alaska furnishes its own employees living in Southwest Alaska with additional monies to defray the higher cost of living; and

WHEREAS While mid-range income Anchorage families were projected to spend about three percent (3%) of their income on energy costs (based on May's prices) and families residing in other cities or towns connected to Alaska's road system were projected to spend about five percent (5%) of a family's income on energy costs, mid-income households in Alaska's remote rural villages were expected to spend about eleven percent (11%) of their income for energy costs; and

WHEREAS It is estimated that the median annual cost of power and heating costs for an Anchorage family is about \$2,400, while it is approximately \$4,100 for midsize Alaska towns and cities, and \$6,600 for Alaska's remote rural villages; and


WHEREAS Now, more than ever, our communities are confronted with dire economic circumstances preventing them from being able to meet these costs. In fact, recent *Anchorage Daily News* and *Los Angeles Times* newspaper articles focused on our member villages of Emmonak and Tuluksak and described the immediate struggle facing many of our tribal members—a struggle forcing them to choose between using the little money they have to either feed their families or buy fuel to heat their homes; and

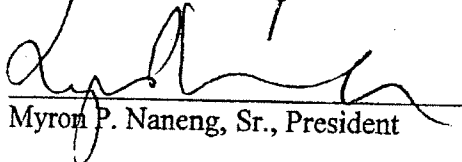
WHEREAS With the reality and hardship of half a winter still ahead of us, it is imperative that more appropriate energy relief be brought to the remote rural fifty- six (56) villages of the Yukon-Kuskokwim Delta.

NOW THEREFORE BE IT RESOLVED THAT the Association of Village Council Presidents fully supports Senator Hoffman's call for the State of Alaska to subsidize the difference when an Alaskan has to pay more than \$3 a gallon for residential heating fuel (for up to 600 gallons purchased per residence from the months of September through March).

BE IT FURTHER RESOLVED THAT the Association of Village Council Presidents wholly supports an extension of the Power Cost Equalization Program (PCE) through Senate Bill 88 and supports continued and full funding of the Renewable Energy Fund by the Alaska State Legislature.

ADOPTED by the Association of Village Council Presidents' Executive Board during a meeting at Bethel, Alaska, this 24th day of February, 2009.


Raymond J. Watson, Chairman


Myron P. Naneng, Sr., President

SLEETMUTE TRADITIONAL COUNCIL

P.O. Box: 109, Sleetmute, AK-99668; Ph: 907-449-4205; Fax: 907-449-4203

Email: sleetmutetraditionalcouncil@yahoo.com**House Community & Regional Affairs Committee**

March 17, 2009

RE: Testimony on HB 150

Honorable Co-Chairs and Members of the Committee:

On behalf of the Native village of Sleetmute we want to thank the Alaska Legislature's efforts in addressing the energy needs of all Alaskans, particularly those of our region which has been faced with challenging humanitarian issues stemming from the ever increasing electric and fuel costs. We are sincerely grateful for last year's increase in the ceiling of the PCE program which has been helping our community. The PCE program helps us to maintain the critical circulation of little income and revenue we are able to have in our village. The PCE program is a priority and we respectfully ask for:

Continuation of the PCE program and perpetuation of the eligible costs ceiling at \$1.00.

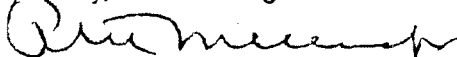
The AEA estimates the FY2010 cost of retaining the \$1.00 ceiling at \$3.4 million.

The bulk of our village income is dedicated to paying for the upkeep of energy, and if the PCE rate drops, our electric costs will go up immediately. We realize that our local utilities will have to collect on those fuel costs in order to recover from 2008. Our families simply cannot afford to pay for this when their energy costs are already taking up to 70% of their disposable income.

We ask respectfully that the legislature provide funding to continue PCE at a cost ceiling of \$1.00 per Kilowatt-hour (kWh.) And we are also asking you to consider increasing the household limit from 500kWh per month to the national average of 750kWh per month. Our local economy is fragile and vulnerable and needs consideration in the PCE program. We are asking for a restoration of PCE eligibility to businesses, clinics and other public facilities that were included in the program when it was originally enacted. This is critical to keep down inflation and increase the viability of our local economies in rural Alaska that are struggling or on the brink of failure.

Thank you for the opportunity to comment.

Sincerely, Native Village of Sleetmute



Tribal Council President