



Copper Valley Electric Association, Inc.

P.O. Box 45 • Glennallen, Alaska 99588 • www.cvea.org

Telephone: 907-822-3211 • Facsimile: 907-822-5586 • Valdez: 907-835-4301

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email: wilkinson@cvea.org

House Finance Committee
Alaska State Legislature
120 4th Street State Capitol Room 3
Juneau, Alaska 99801-1182

SUBJECT: House Bill 289

Dear House Finance Committee:

The purpose of my letter is to express strong support for House Bill 289 which relates to above ground storage of liquefied natural gas (LNG).

Copper Valley Electric Association (CVEA) provides electric service to 160 miles of the Richardson and 80 miles of the Glenn Highway; including the communities of Valdez, Glennallen, and Copper Center, among others.

This region will be severely challenged by the high cost of electricity and heat as the following statistics attest:

- Average electric revenue per kWh in the Copper River Valley is \$.3257 per kWh.
- Cost of diesel fuel delivered to CVEA's Glennallen power plant is \$27.54/ mmbtu
- Cost of #1 home heating fuel in the Copper Valley is \$ 31.88/ mmbtu

CVEA owns one hydro facility and we are developing a second, which when completed, will enable CVEA to generate 2/3 of our annual energy requirements with clean renewable hydroelectric energy.

A potential source of fuel to high cost diesel fuel could be LNG. House Bill 289 recognizes the challenges associated with handling LNG and provides incentives to developers to fairly evaluate this resource.

CVEA urges the House Finance Committee to move House Bill 289.

Sincerely,

Robert A. Wilkinson
Chief Executive Officer

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