



Representative Tammie Wilson

State Capital Room 415

Juneau, Alaska 99801

Dear Representative Wilson:

I am writing to express my appreciation for your work in introducing HB 35, that would create a low interest loan program to encourage and assist homeowners in converting from more expensive, less efficient home heating systems to other means of heat, including natural gas, propane and where available, District Heat.

As you know, Aurora Energy sells heat and electricity from its Chena Power Plant in downtown Fairbanks. The coal-fired cogeneration plant produces steam, which is then used to generate electricity and to power Aurora's Hot Water and Steam distribution systems providing clean, hassle-free, reliable, inexpensive heat throughout the core area of Fairbanks. In fact, a home connected to the Aurora District Heat system produces virtually zero emissions, because the heat source is at the power plant, where the plant operations and emissions are constantly monitored and fully regulated. When a new home is added to the system, the oil or gas boiler or furnace at that location is taken out of service, thus eliminating that emission source, and in the case of oil heat, eliminating the need for a fuel oil storage tank on the property.

Additionally, for well over ten years, Aurora Energy's hot water and steam District Heat have been the lowest cost heat alternative available, lower than either oil heat or natural gas heat. The impediment to more residences connecting to the Aurora system has been the relatively high cost of connecting to the system. Since the heat is generated at the power plant, the heat is distributed to customers through pipes in the streets. It can be costly to connect, and for smaller residences, the cost is sometimes prohibitive, compared to the savings brought about by the conversion. The loan program envisioned by HB 35 can be a tremendous help to those small homeowners and others.

As long as District Heat is treated on an equivalent basis with other alternative heat sources eligible for the loan program, Aurora Energy supports the concept of the loan program. We look forward to working with you to ensure a solid bill that will provide much needed help to the homeowners in Alaska, while continuing to improve the quality of the air we all breathe.

Thank you again, and we look forward for your work in this vital area.

Sincerely,

A handwritten signature in blue ink, appearing to read "Buki Wright", with a large, sweeping flourish extending to the right.

Buki Wright, President

Aurora Energy, LLC.