



February 17, 2015

Chair Olson and Members of the Committee
House Labor and Commerce
Juneau, Alaska

Re: Support for HB86

Honorable Chair and Committee Members,

My name is Meera Kohler. I am the President and CEO of Alaska Village Electric Cooperative, a non-profit electric utility serving 56 communities across this great state.

I wish to express my complete support for HB86, which moderates the risk environment under which the Power Cost Equalization Endowment Fund is managed. The present constraint of managing the Fund for a 7% nominal return is unrealistic and exposes the Fund to an unacceptably high risk of loss.

Although the fund has held its own in recent years, it is primarily because PCE was partially funded from the General Fund until very recent times so the corpus was able to grow at a modest annual rate. With the present downturn in the state's revenues, the general fund cannot afford to be burdened with a future drawdown to support PCE and a decline in the Fund's value could result in curtailment of the program, which would be a highly undesirable outcome.

I urge you to vote in favor of passage of this bill.

Sincerely,

A handwritten signature in blue ink, appearing to read "Meera Kohler".

Meera Kohler
President and CEO