



February 20, 2020

Representative Grier Hopkins
State Capitol #409
Juneau, AK 99801

RE: Support for HB 232 Municipal Tax Credits

Dear Representative Hopkins:

Thank you for your continued work toward finding meaningful solutions for improving air quality in Interior Alaska. HB 232 Municipal Tax Credits would allow local governments to offer municipal tax credits to home and business owners who invest in property improvements to increase energy efficiency or improve local air quality.

As you know, Aurora Energy, LLC. is a sister company of Usibelli Coal Mine, Inc. Aurora Energy owns and operates the 27 megawatt cogeneration coal plant in downtown Fairbanks. The plant produces electricity as well as heat which is distributed through an underground district heating system. Up to 40 percent of the heat distributed to Aurora Energy customers is recycled residual heat from electrical generation, which offsets the need to burn additional fuel for space heating. The district heat system provides, clean, efficient, and affordable space heating to approximately 211 customers in Fairbanks.

While the point sources (i.e. power plants) are not a significant contributing factor toward the PM2.5 problem in the community, Usibelli and Aurora share your commitment to helping find meaningful solutions to improving air quality. As such, Aurora Energy has been researching and analyzing the opportunity to construct a wood kiln to dry wood that is used for home heating. As you know, burning wet, unseasoned, wood is the number one cause of the PM2.5 problem in Interior Alaska.

Similar to the district heat system, operation of the wood kiln could also use recycled residual heat from the Aurora cogeneration plant. As you know, starting a new business is no small undertaking. While Usibelli has successfully operated since 1943, starting a new venture is not a decision the company makes lightly. However, HB 232 offers incentives to business to make such investments.

Usibelli and Aurora Energy remain committed to working toward meaningful solutions to improve air quality in Interior Alaska, Thank you for working with the Fairbanks North Star Borough to achieve these shared goals, especially with the introduction of HB 232 Municipal Tax Credits.

If there are any questions regarding Aurora Energy or Usibelli Coal Mine, please contact me at lorali@usibelli.com, or (907) 745-6028.

Sincerely,

A handwritten signature in black ink that reads "Lorali M. Simon".

Lorali M. Simon
Vice President, External Affairs