



Village of Lower Kalskag

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Sent Via Email

Alaska Joint Fiscal Plan Working Group
Senator Shelley Hughes
Senator Lyman Hoffman
Senator Scott Kawasaki
Senator Jesse Kiehl
Representative Kevin McCabe
Representative Ben Carpenter
Representative Calvin Schrage
Representative Jonathan Kreiss-Tomkins

Re: Protecting Power Cost Equalization Program

Dear Legislators,

The **Village of Lower Kalskag** writes to thank you for taking on the critical task of developing a sustainable fiscal plan for Alaska, and to strongly encourage you to include the Power Cost Equalization (PCE) program to be a part of that plan.

PCE is not a subsidy for rural Alaska. Rather, it was established in 1984 by the Alaska State Legislature to equalize the inequitable subsidization of energy development that occurred decades ago in urban parts of the state. Energy has remained relatively affordable for urban consumers because of the major hydro projects and interests for which the entire state paid. PCE, in turn, has helped keep costs down for rural communities. Without it, as we have seen since July 1, the price of power in rural Alaska rose dramatically.

As reported by Alaska Public Media, without this equalization, residents of rural regions will soon see their power bills rise by as much as \$100 a month. Others could see their bills double or triple. This increase would be considered unacceptable in any urban region of the state, and rural Alaska should not be treated differently.

Neglect to protect the PCE endowment will cause disproportionate harm to rural Alaskans.

Affordable energy is essential to the survival of Alaska's rural, native communities through continual economic swings, particularly now with the uncertainty of the coronavirus pandemic.

It is a Constitutional responsibility as legislators to ensure that all Alaskans are treated equally by the state government. Preserving the PCE program and its endowment must be a part of Alaska's long-term budget solution, in addition to reimbursing the credits that were not paid during this impasse. Whatever the sustainable, long-term plan looks like, PCE must be a part of the picture to ensure equitable treatment for our residents no matter where they live.

We greatly appreciate the work you are undertaking on behalf of this state's people. The **Village of Lower Kalskag** respectfully asks that you keep rural families, communities, and businesses in mind as you plan an Alaskan future.

Sincerely,

A handwritten signature in black ink, appearing to read "Anita Williams", with a stylized, flowing script.

Anita Williams, Tribal President