

ALASKA STATE LEGISLATURE  
JOINT MEETING  
SENATE RESOURCES STANDING COMMITTEE  
SENATE SPECIAL COMMITTEE ON ENERGY  
TANANA COMMUNITY CENTER

May 27, 2009

12:16 p.m.

**MEMBERS PRESENT**

SENATE RESOURCES

Senator Lesil McGuire, Co-Chair  
Senator Bill Wielechowski, Co-Chair  
Senator Hollis French  
Senator Thomas Wagoner  
Senator Gary Stevens

SENATE SPECIAL COMMITTEE ON ENERGY

Senator Lesil McGuire, Chair  
Senator Bill Wielechowski

**MEMBERS ABSENT**

SENATE RESOURCES

Senator Charlie Huggins, Vice Chair  
Senator Bert Stedman

SENATE SPECIAL COMMITTEE ON ENERGY

Senator Lyman Hoffman  
Senator Albert Kookesh  
Senator Bert Stedman

**COMMITTEE CALENDAR**

Public Hearing on State Energy Plan

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

JULIE ROBERTS

Tanana resident

**POSITION STATEMENT:** Testified that Tanana had been in disarray for quite a few weeks because of the floods and needed assistance. Supported a road connecting Tanana to Manley Hot Springs to bring the cost of transporting goods down.

MIKE ANDON

Tanana resident

**POSITION STATEMENT:** Thanked everyone for the great job they have done with their situation.

FAITH PETERS

Tanana resident

**POSITION STATEMENT:** Said she survived "Flood 2009 Tanana, Alaska," but she lost her home and business and the whole community needed help before winter sets in.

DON ELLER

Tanana resident

**POSITION STATEMENT:** Said they don't need to think of big projects, but just a gravel strip to the Yukon River; it could be a community project.

BEAR KETSLER

Tanana resident

**POSITION STATEMENT:** Asked them to continue appropriations to the Alaska Energy Authority (AEA) and consider feed-in tariffs.

KATHLEEN PETERSURAY, Environmental Specialist

Tanana Tribal Council

**POSITION STATEMENT:** Said their community needs help and they have only a short time to get houses livable before winter comes. Supported the weatherization program.

DENNIS EDWIN

Tanana resident

**POSITION STATEMENT:** Reiterated that they need efficient heating systems for their homes before winter.

CURTIS SUMMER, Chairman

Tanana Tribal Council

**POSITION STATEMENT:** They aren't asking for handouts; they can do the job themselves, but money will run out soon, and they need a little more.

CHARLIE CAMPBELL  
Tanana City Council

**POSITION STATEMENT:** Thanked them for coming out to Tanana. A wood fired boiler for the school would help tremendously, but coming up with the local match is always a problem, especially right now. If they could make that into an R&D project, they have the expertise and man power and are ready to go.

JOSEPHINE ROBERTS  
Tanana resident

**POSITION STATEMENT:** Said she is the oldest person in Tanana.

CHRISTINE EARHEART  
Tanana resident

**POSITION STATEMENT:** Said Power Cost Equalization (PCE) and Energy Assistance Programs are crucial to survival of people in the village.

CATHY ROBERTS  
Circle resident

**POSITION STATEMENT:** Said she moved to town after the flood. All the outhouses went down the river; sewer is a problem. The cost of freight is out of sight. She is okay, but the elders and people who are alone she worries about.

GERALD MCNICHOLAI  
Tanana resident

**POSITION STATEMENT:** Said some of them lost not only their homes, but all their material things as well - tools and motors. Some people have no other choice, but to rely on energy assistance. They need a little assistance, but they can work hard and know how to rebuild on their own.

GRAY WOODS  
Tanana resident

**POSITION STATEMENT:** Said the people of Tanana know how to rebuild, but they need a little help to get started.

JOHN BANYA, Superintendent and Principal  
Tanana School District

**POSITION STATEMENT:** Said Tanana needs energy assistance, but they are hard workers and smart.

#### **ACTION NARRATIVE**

[12:16:29 PM](#)

**CO-CHAIR LESIL MCGUIRE** called the joint meeting of the Senate Resources Standing Committee and the Senate Special Committee on Energy to order at 12:16 p.m.

**Public Hearing on State Energy Plan**

CO-CHAIR MCGUIRE announced the public hearing on the state's energy plan would be the order of business.

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JULIE ROBERTS testified that Tanana had been in disarray for quite a few weeks because of the floods. With the destruction of 40 homes, this time, the community needs to rebuild them to be as energy efficient as possible. She said gasoline is almost \$6/gallon. Her community wanted road access to Manley Hot Springs because most agree that road connection is important to reduce the cost of living in Tanana.

MS. ROBERTS said they get quite a bit of sun February through September, so solar energy is a consideration for power. She looked forward to getting help from the state.

CO-CHAIR MCGUIRE said they had observed some innovation today. "This community has taken matters into their own hands and is leading the way." People have come from as far away as Korea to look at their boilers to see how they are burning wood and their power plant. They are inspirational.

SENATOR WIELECHOWSKI asked how much it costs to heat a house and provide electricity in Tanana.

MS. ROBERTS replied for her and her husband electricity is about \$100/mo., and they burn 5-6 cords of wood for heat. Her part of the community doesn't have running water or sewer or their costs would have been much higher. The other half of the community has both.

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SENATOR WAGONER asked how many miles a road to Manley Hot Springs would be.

MS. ROBERTS replied about 40 miles of road would connect to an existing dirt road. Manley Hot Springs is 80 miles from Tanana.

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SENATOR FRENCH asked if they had taken advantage of weatherization money to make homes more energy efficient.

MS. ROBERTS replied yes; quite a few had taken advantage of it. The windows are nice, but some of those homes have been flooded. The insulation is gone.

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MIKE ANDON thanked everyone for the great job they have done with their situation. They have seen the energy water produces if they could figure out how to harness it. The destroyed homes were not constructed with energy efficiency in mind. He said they had been getting "adequate" help as defined by the Knowles administration at just above poverty.

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FAITH PETERS said she survived "Flood 2009 Tanana, Alaska," but she lost her home and business. When she had them, it cost her about \$400/mo for power and phone. It used to cost \$500 or 40 cents/lb. to have products flown into her store. Her insurance company cannot help her with repairs because it doesn't cover floods. A road from Manley to Tanana would save energy for her community because she runs her products from Manley by boat, a 72-mile trip at \$5-\$6/gallon for gas.

Sun panels for summer would cut the cost of energy; windmills at Squaw Crossing would generate more energy for Tanana. A new wood burner in their school would make energy costs go down so that money could be put into education supplies and teachers. They have three months before winter comes to have everything.

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DON ELLER said they don't need to think of big projects, but just a gravel strip to the Yukon River; it could be a community project. Let the local boys be trained by Av Tech. They are only 16 miles from where the road ends. "It's doable." He said that the homes the government built were not energy efficient at all. For instance, the fixtures they put in required 5 or 6 bulbs. "The cheapest energy is the energy you don't use."

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BEAR KETSLER asked them to continue appropriations to the Alaska Energy Authority (AEA). He said the biomass project could be replicated easily, and they would like to help facilitate that. It really isn't rocket science. He urged funding small amounts of money to "R&D stuff" like what Tano Power is doing for their hydro-kinetic project.

He said the community has an energy plan, which has been instrumental in attracting dollars. The next public facility project is the school which is the backbone of the community. It would take three boiler systems like they just saw to reduce the cost of heating the school. That would free funds up for other community improvements.

MR. KETSLER touched on the idea of a feed-in tariff saying "Saved By the Sun" is a DVD about solar power, but it is really a story about how Germany was able to overcome its high cost of energy using a feed-in tariff.

CO-CHAIR MCGUIRE said that the two committees have been looking at the concept of net metering where energy can be put back into the grid.

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KATHLEEN PETERSURAY, Environmental Specialist, Tanana Tribal Council, said their community needs help and they have only a short time to get houses livable before winter comes. Tanana was found ineligible for the weatherization last year; but after the flood along the Yukon River, they should be put on a special list. They had a weatherization program, but it was for low income people, which is why many did not qualify for it.

They have collected data that indicates they have enough wind energy for individual homes to use. Since all of the homes have to be rebuilt or renovated, they are looking for them to be rebuilt energy efficient. The homes are huge and most have old and inefficient furnaces. When the price of gas goes down for "your" cities, the price stays the same in Tanana.

MS. PETERSURAY stated that they will be down to 37 children in their school this year; if they lose any more, their community will die. They need to cut energy costs for the school. They have a dream of having solar panels for every home; it's doable, but they cost a lot. She even uses them even at her fish camp. She thanked them for coming to Tanana.

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DENNIS EDWIN reiterated that they need efficient heating systems for their homes. He said even if you have 500 gallons of oil, without any support under it, the tank starts sinking. The state won't approve putting wood under them. He is focused on fishing right now, because that is his living, but the community needs help before winter.

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CO-CHAIR MCGUIRE said the Governor had applied for emergency funds and the legislature will do what it can to get them their supplies.

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CURTIS SUMMER, Chairman, Tanana Tribal Council, said he lived at Mission Hill that didn't get flooded. They are off the road system and gas is sky-high. They still have to worry about fishing, hunting and getting wood in a few short months. He is proud of Tanana for the way everybody pitched in to clean up. The people of Tanana are hard-working. They don't want people to come in and tell them what to do - because they have hard thinking people, too.

The HUD homes that were flooded were put together by "a family operation" that owned all the construction businesses in the early 80s. The houses were not energy efficient. The heat ducting from the furnaces have to be decontaminated because they were contaminated by flooding waters. All the walls inside the homes were taken apart because black mold was already starting. They aren't asking for handouts; they can do the job themselves. Money will run out soon, but people will help each other.

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CHARLIE CAMPBELL, Tanana City Council, thanked them for coming out to Tanana. He was impressed with how well the flood was managed; people really pulled together and the Tribal Council got people pointed in the right direction. They are hard working and innovative. They have seen the Laundromat with wood boilers and solar panels. Tanana is an ideal place for R&D; the expertise is already in place. Keep that in mind when considering funding.

The cost of fuel for the school was \$70,000 this year; last year it was a little over \$100,000. The Tanana School is the one rural school where the kids have made adequate yearly progress. This year in order to graduate the seniors the parents had to get together and do bake sales; they are trying to wring every last money out of the locals. A wood fired boiler for the school would help tremendously, but coming up with the local match is always a problem, especially right now. If they could make that into an R&D project, they are ready to go.

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JOSEPHINE ROBERTS said she is the oldest person in Tanana; she was 18 years old in 1940 when she came to work in the Tanana hospital that is going to be torn down this summer. For the first time this year she has running water and she said, "It feels good." It's kind of expensive, but she has a way to pay for it. But her power bill was \$300 this year, which she thought was high. "It's going to be tough for a lot of them. I've known them all my life. Most of them were born at the old hospital."

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CHRISTINE EARHEART said Power Cost Equalization (PCE) and Energy Assistance Programs are crucial to survival of people in the village. Without them people would freeze. It costs her and her family of seven about \$750/mo for food and supplies; she pays 45 percent on top of that to get it delivered. She hoped they could do something about that.

The original count is done at the beginning of the year; so when students return from going to school outside of Alaska the money doesn't follow them back to the village. They don't have a hot lunch program. Half the community has water and sewer and the other half doesn't. Funding ran out. She asked how they would you feel if half their town was hooked up and the other half wasn't.

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CATHY ROBERTS, Circle, said she moved to town since the flood. It is good to take a shower and use an in-house bathroom. All the outhouses went down the river; sewer is a problem. The cost of freight is out of sight. She is okay, but the elders and people who are alone she worries about.

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GERALD MCNICHOLAI said some them lost not only their homes, but all of their material things as well - tools and motors. Some people have no other choice, but to rely on energy assistance. The cost of living is three or four times more expensive than in Fairbanks. "Any help these people get is really appreciated....The loss is tremendous."

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GRAY WOODS said the people of Tanana know how to rebuild. He said he and his wife lost their home. He just wants insulation and his electricity fixed, so they can move back in.

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JOHN BANYA, Superintendent and Principal, Tanana School District, said this was his first year in Tanana, and that it is unique in many ways. He has spent 25 years working in rural Alaska, and academically Tanana is the best school he has worked in. It generally makes AYP, and the high school students almost all pass all the tests they have to graduate. In the lower grades the students are academically sound, also.

Tanana has some financial problems, he said, and unfortunately it has received a lot of negative publicity this year. The school needed money to make up for past mistakes even before the flood came along and now people really need assistance. He doesn't like to ask for help personally; he likes to make his own way. But in this case, help is necessary. He said last year school fuel cost \$105,000. With the fluctuation in price this year, it will be less than half of that. Who know what it will be next year. During the winter, their power bills were \$14,000 and \$15,000/mo; in warmer months it is \$5,000-7,000/mo. Their total budget is only a little bit over \$1 million, yet the energy, maintenance, and personnel costs eat up half of that. Student activities wouldn't even take place if it wasn't for the parents. There is a great spirit of cooperation and independence.

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CO-CHAIR MCGUIRE thanked everyone for their testimony and said they would take their thoughts back with them and follow up on the help that is coming out before the winter. An important part of the cost savings is finding low cost sustainable energy sources. There being no further business to come before the committee, she adjourned the meeting at 1:19 p.m.