

1/28/09

**PRESENTA-
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WIND
ENERGY
ALASKA**

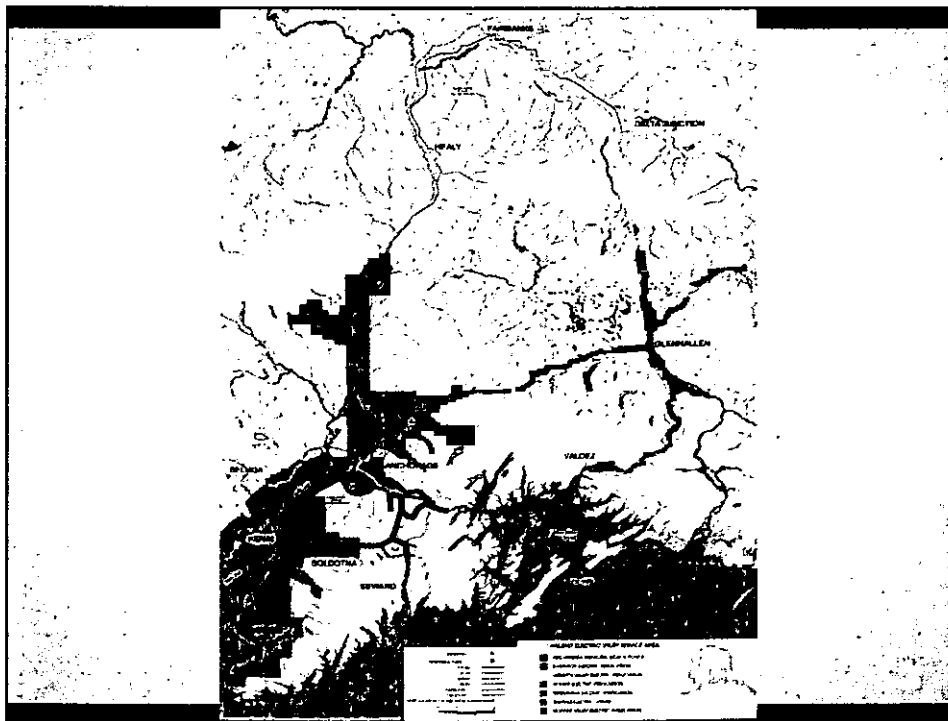
Wind Energy ALASKA

Fire Island Update

Senate Resources Committee

January 28, 2009

A joint venture of CIRI and enXco Development Corp.





Renewable Energy

Generally recognized renewables:

Biomass

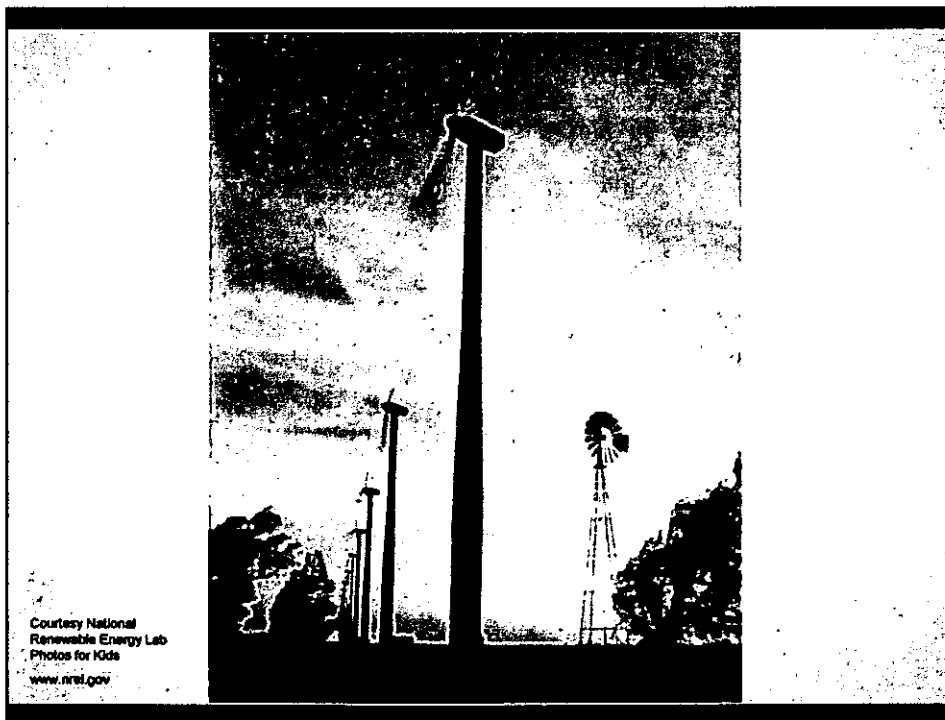
Solar

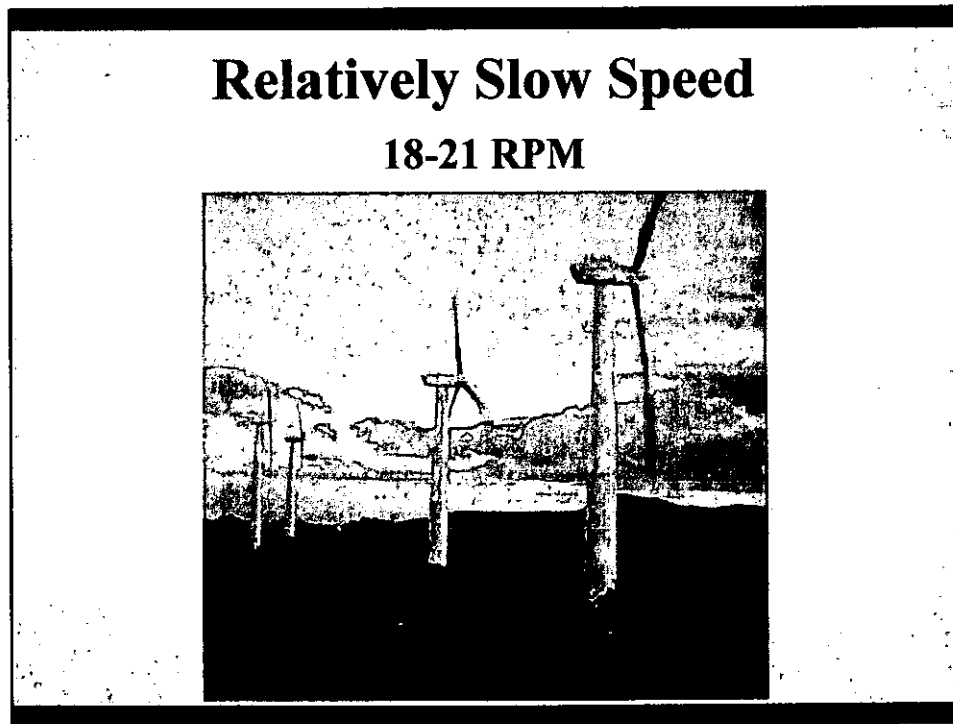
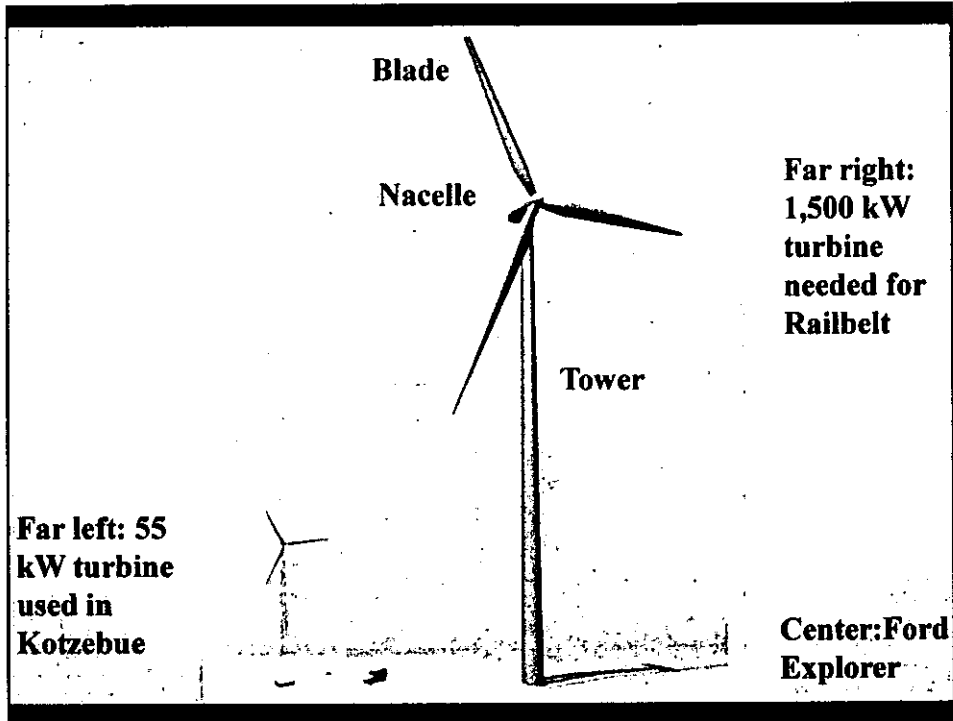
Wave and Tidal

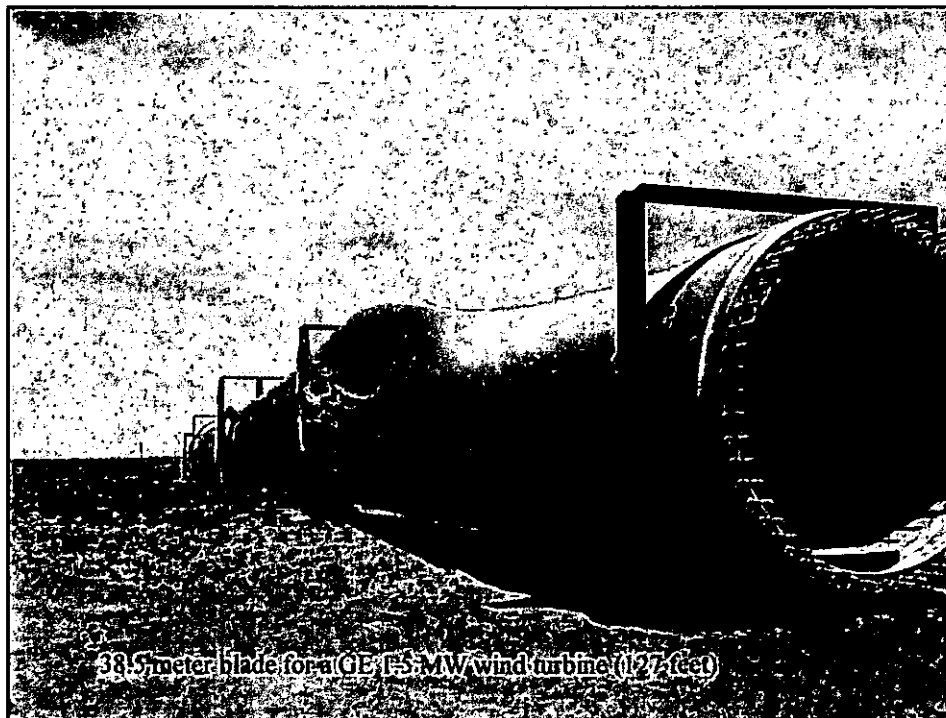
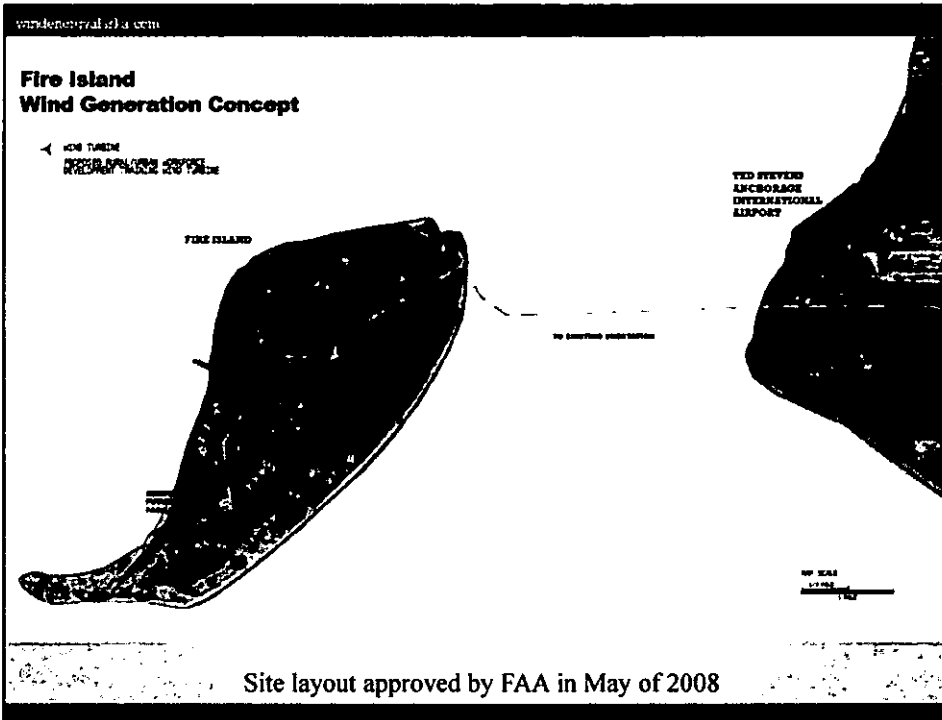
Geothermal

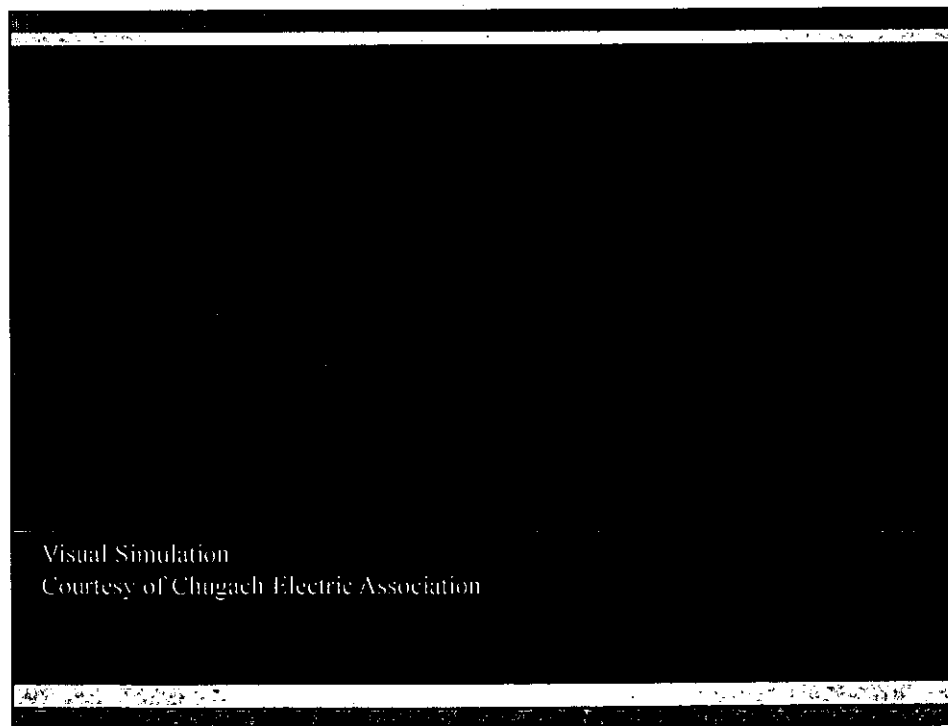
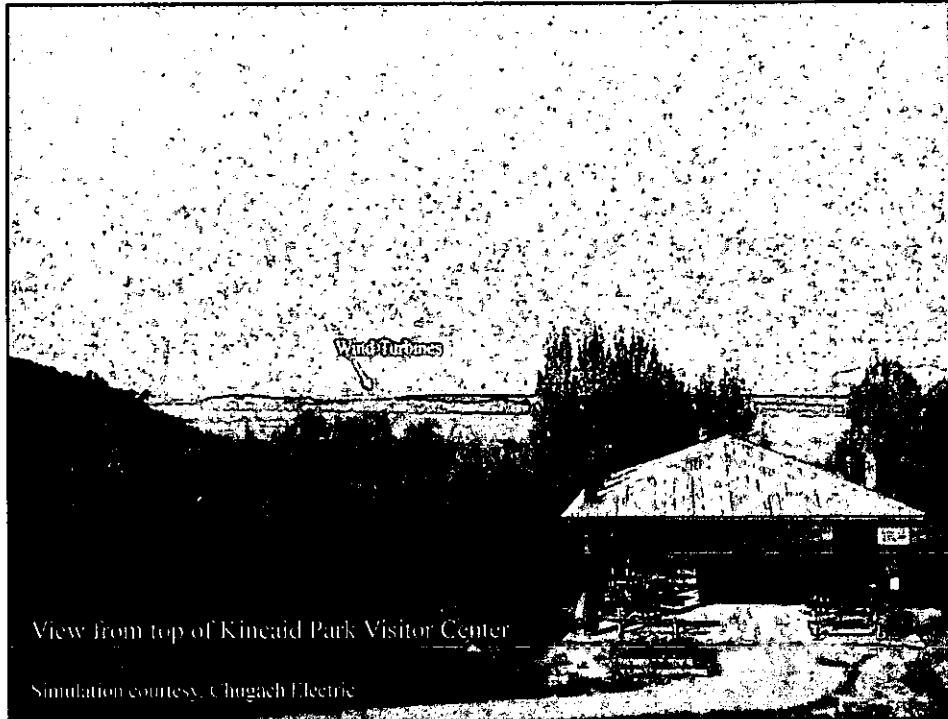
Hydro

Wind









Fire Island 2008 Milestones

- May 2008 FAA issues determination of no hazard
- June 2008 meeting with Fire Island MOU partners, Chugach, ML&P, Homer Electric and Golden Valley Electric
- Proposals from construction contractors received in July 2008
- Draft power purchase agreements to MOU partners.

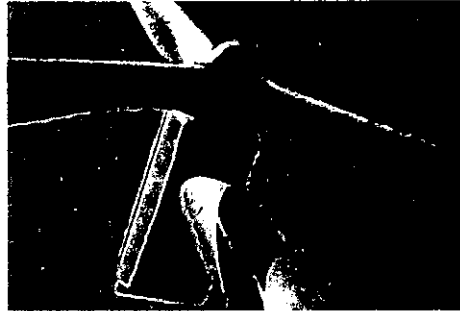
Fire Island - Recent Activity

- Staked road and power line alignments
- Applied for COE 404 permits
- Interagency meeting
- Public notice period has begun
- Meetings with prospective contractors
- MOU partners are kicking off integration studies.



Benefits

- Reduced emissions
- Diversification of resources
- Level-priced power



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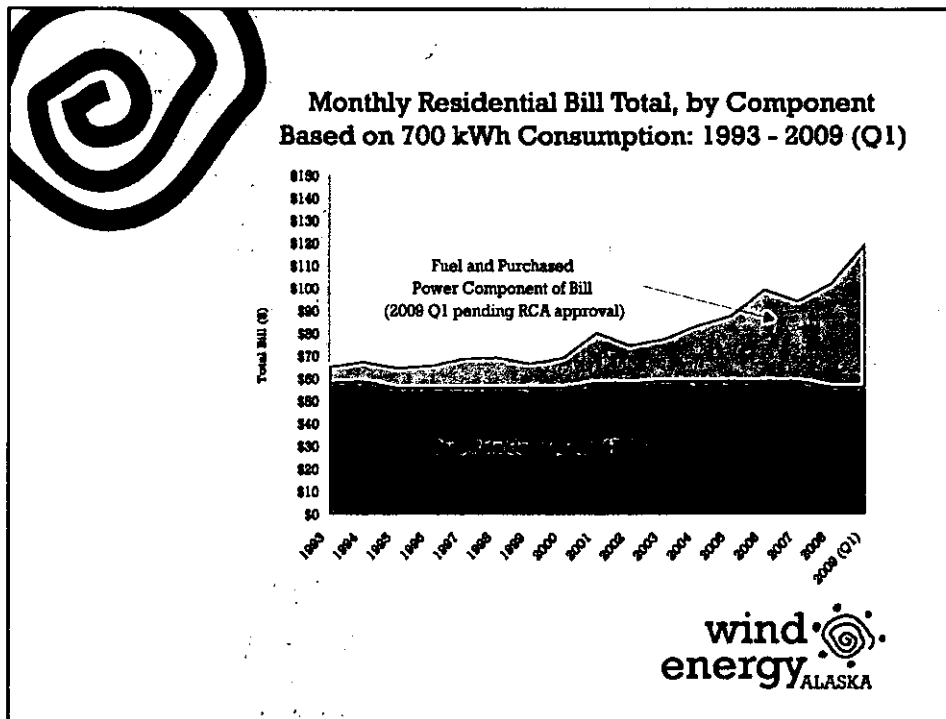


Renewables Economic Considerations

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Renewable Economic Considerations

- More than 90 percent of Southcentral Alaska's power is generated by natural gas.
- Natural gas is an excellent fuel but our community has too many eggs in one basket.
- Even a moderate size wind plant will help us diversify the investment portfolio.





Recent comparison

- Bradley Lake hydro was more expensive at first but is now among the lowest cost.
- Why ? – no fuel cost.
- Natural gas has doubled in price during the last three years.



Early Interest in Fire Island

- Developers estimated the cost of power in 2005.
- If Fire Island had been installed then, Fire Island power would be competitive with natural gas generation today.





Wind Economics

- Wind power is relatively “flat-priced” and helps to diversify community investment in power generation.
- What is needed is a policy that sets incremental goals to “graft” renewable power into the system over time.
- Fire Island will help us do that.

