



BERTA'S BRIEFINGS

REPRESENTATIVE BERTA GARDNER

Serving Geneva Woods, College Village, Green Acres, Tudor, Taku & Campbell Park

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We're Moving Like Molasses

Dear Friends and Neighbors,

Finally, it feels like the logjam is beginning to break. Today the House and Senate reached concurrence on the Operating and Mental Health budgets. In excess of nine billion fat ones, the Operating Budget is a cornucopia stuffed with goodies enough for everybody. My view is that the size alone is scary, but I have to confess that the things important to me were pretty much included: money for education and municipal revenue sharing, for merit and needs-based scholarships, for village public safety officers, for services for veterans, for the courts system and funds to allow the Department of Natural Resources to address their permit application backlog, and even a billion dollars for the state savings account. I voted to accept the concurrence agreement with the Senate.



Representative Berta Gardner and Chris Tuck during the House Joint Energy and Resources Committee hearing.

Joint meetings of the House Energy and Resources committee began this morning with discussions focused on all those energy projects which, grouped as one item in the capital budget, have created such controversy. Although we have heard that many of the projects have not been properly vetted and the funding is premature, our hearings today certainly did not support that. Most of the projects have already received state energy grants or some other form of state endorsement and support.

The projects under discussion are large and small, old and new ideas, and cover the entire

state. Keeping in mind our goal of having a diversified energy portfolio for our resource rich but sometimes energy poor state, here are some of my take-away thoughts from today's hearings:

- The Alaska Energy Authority (AEA) has about \$92 million worth of projects which were included in the Governor's budget. These range from money to start environmental and engineering work on the Susitna (Watana) hydro project, to funding for Rural Power System Upgrades and for the Electrical Emergencies Program for crisis assistance.
- The Alaska Industrial Development and Export Authority (AIDEA) is requesting \$500,000 for coal-to-liquids certification. The technology is new and promising, though not fully proven and the funds would be matched by private funds. The question for Alaska is: Does the process work for our coal? Funding would allow testing of coal from Usibeli and Chulitna. The project is important because the military has a goal of relying entirely on domestic fuel supplies by 2016 and we know we have an abundance of coal. A perfect success could result in billions of dollars in private sector investment to produce fuel for military bases in Alaska and Hawaii and for Alaska airports.
- At the other end of the scale, Akiak, population 342, is on the list for \$4 million for upgrading their diesel powered electrical system, which is beyond its useful life. The project requires a match of \$4 million and follows at least \$1.25 million from a federal block grant. Akiak is requesting that the match requirement be waived. By my reckoning, the price of this power system is a bit over \$27,000 per person. Fuel needs would be reduced by 50% for the life of the system. The community might have access to hydro and wind power, though testimony was unclear as to how much this has been explored or how the costs would compare.
- The work done on the Eva Creek Wind Project was impressive. After considering Fire Island and Delta Wind, Golden Valley Electric Utility of Fairbanks, settled on Eva Creek, a project which would use existing Northern Intertie and is anticipated to result in electricity costing about 10 cents/kwh. They are asking for \$10 million and expect to be up and running by late 2012.

I'll close now, with best wishes for you all.

I'm Berta and I'm still listening,



Berta
