

ALASKA STATE LEGISLATURE

SESSION

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SENATOR BERT K. STEDMAN

SPONSOR STATEMENT

Senate Bill 132

“An Act relating to the Southeast Energy Fund.”

SB 132 provides a funding mechanism for construction of power generation projects in Southeast and for completion of the regional electrical grid. The state’s goal should be to provide low-cost, renewable energy to all Alaskans and natural gas doesn’t satisfy the energy needs of every region of the state. The communities in Southeast have a long history of working towards the long-term goal of energy independence by collaborating on power generation and transmission. However, most communities in the region are not on hydro power and the majority still burn oil to generate electricity and heat. In addition, many of the hydroelectric assets in Southeast are at or near capacity which severely limits regional economic growth opportunities.

While hydroelectric projects provide low-cost, renewable power over the long-term, they are extremely capital intensive. The state has a critical role to play in capitalizing these projects on the front end. The cost to complete the Southeast Alaska electric grid could be as high as \$1.5 billion.

SB 132 broadens the authority of the existing Southeast energy fund to provide a mechanism for distributing capital funds to expand regional power generation and ultimately complete an electrical grid that interconnects Southeast communities.

DISTRICT A

*Ketchikan • Sitka • Petersburg • Wrangell
Pelican • Elfin Cove • Port Alexander • Saxman • Meyers Chuck • Thorne Bay • Coffman Cove • Hollis*

The list of critical hydroelectric projects that may be funded through the Southeast Energy Fund include:

- Ketchikan-Whitman Lake Hydroelectric Project
- Petersburg-Ruth Lake Hydroelectric Project
- Sitka-Takatz Lake Hydroelectric Project
- Metlakatla Intertie to Ketchikan
- Sitka-Blue Lake Hydroelectric Project
- Prince of Wales Island Intertie
- Reynolds Creek Hydroelectric Project
- Falls Creek Hydroelectric Project
- Kake-Petersburg Intertie
- Metlakatla-Triangle Lake Hydroelectric Project

The communities in Southeast have spent years evaluating renewable energy options in the region. These projects have been vetted through a public process and most of them were specifically authorized by Congress as part of the 2001 Southeast Intertie Plan in P.L. 106-511.