

# Hydropower bill is a boon to rural Alaskans

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Gov. Hammond recently signed SB 26 and permitted SB 25 to become law without his signature. This assures the 1981 Legislature a place in history as the one which did the most to develop our energy resources for use in Alaska.

Alaskans will have the lowest possible electric rates. Power projects will be financed by direct appropriations from the general fund, and they will be built and owned by the state through the Alaska Power Authority.

These are not grants because the state retains ownership. There is no repayment of the investment in docks, harbors, airports and highways.

The wholesale power rate will be set at a level sufficient to cover operation and maintenance. The people of Alaska will benefit from reduced power rates as long as the facilities last. The useful life of a hydroelectric plant is extremely long, and it is reasonable to expect that the benefits of this program will be as long lasting as the permanent fund.

This program provides for the development of power projects

wherever the need and opportunity exist. Hydroelectric development is a major part of this program, but it certainly is not limited to hydro.

Any energy source except nuclear energy can be used. The Power Authority will study the feasibility of a proposed project just as it does now, and its report to the governor and Legislature will recommend construction of whatever emerges from those studies as the most appropriate power project to serve that particular area.

The project to be developed may be hydro, coal, wood, peat, wind, natural gas or even diesel if nothing else is feasible. Funding is specifically provided for applications engineering, purchase and installation of two Organic Rankine Cycle generators in northwest Alaska. This is a technology which is particularly promising in using locally available coal, wood or peat to generate electricity at reasonable costs in rural Alaska.

All regions are assured of benefits. The first projects financed by SB 26 are hydro projects located in Ketchikan, Sitka, Petersburg, Valdez, Kodiak and Port Lions. It would not be fair if those communities alone benefited from their projects and no more money were available after these projects are paid for.

exploitation of alternative energy production.

This is as important to me as any question related to the quality of life. I hope that Alaska remains a unique and a healthy place to live.

Tamara Smith  
Beluga, Alaska

The Tundra Times regrets the misunderstanding.

In the Aug. 12 issue of the Tundra Times, a story on the Alaska Native leadership project states that applicants for the project must be between 19 and 23. Applicants must be at least 19 years old but no age limit is placed on the participants.

Persons interested in the project should call Franklin L. Berry at 278-3131.

So SB 25 provides that the power development fund is to be capitalized at \$5 billion by 1986. This assures the availability of funding for later projects whether they will serve Anchorage or Bethel. It does not in any way commit funds to Sunitna before the feasibility study is completed.

However, it does recognize the fact that the Railbelt will need substantial new generation capacity. It provides at least a part of the funding for whatever proves to be the most feasible plant to meet that need. It is likely to be Sunitna, but it could be a large coal-fired plant or a number of smaller projects.

Nearly everyone will benefit significantly. Critics have complained that this program has an inherent regional bias, that only areas with hydro potential will benefit. This is simply not true.

Any area where central station electric service is feasible can benefit. Critics also contend that only 6 percent of the energy used in Alaska is electricity and that such an unimportant energy use should not be given so much attention.

The study they cite actually deals with energy use in certain rural villages where electric rates are now about 45 cents per kilowatt-hour, compared with about 4 cents per kilowatt-hour in Anchorage. It is understandable that electric usage in those villages is abnormally low at this time. In Alaska's Railbelt electricity accounts for approximately 30 percent of energy

consumption.

When power projects of any kind are developed in rural Alaska under this program, the electric rate will be low enough to permit the people from a more reasonable level of electric consumption. In areas like the Bristol Bay Region where hydro projects are likely to be built, electric heat will become the most reasonable method of home heating.

Funding can always be provided to meet the power needs of Alaskans on a basis that is fair to all regions. When the ability or the will of the state to directly pay for new power projects ends, later projects can be financed by revenue bonds.

The revenue potential from

earlier projects which the state owns free and clear will permit the new projects to be financed at the most favorable rates available.

By averaging the wholesale power rates for all projects in the system across the state, areas served by later projects will share in the benefits of the investment the state has already made in earlier projects. This is especially important to rural Alaska. People served by projects where the costs of construction and operation are higher will have the same wholesale power rate as people served by the largest and most efficient plant in the system.

This truly is a great program for Alaska.