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SOUTHEAST ALASKA REGIONAL DEVELOPMENT ORGANIZATION

November 21, 2017

The Honorable Governor Bill Walker  
P.O. Box 110001  
Juneau, Alaska 99811-0001  
Via email

Re: Southeast Energy Project Priorities FY19 Budget

Dear Governor Walker:

Southeast Conference appreciates your efforts toward a balanced budget while still working to develop energy infrastructure in the State. During our recent annual meeting and subsequent energy committee meeting, we prioritized two construction-ready infrastructure projects and another nearly ready that merits your support.

The Gunnuck Creek Hydro in Kake has an amazing dam already in place with modest construction needed to help provide nearly half of Kake's energy needs and displace imported diesel. This project is ranked in the top 10 of the Renewable Energy Fund projects already approved in Round 9 for funding. With the excellent returns to the earnings of the PCE fund this past year, we ask that the intent of AS 42.45.085 be fulfilled with funds going toward these approved projects.

The Metlakatla Intertie project is part of that community's renewable energy and energy security priorities. It is also an integral part of the Triangle Lake Watershed and hydro development projects that have been authorized for up to \$26,000,000 from the power project loan fund (AS 42.45.010). However, that fund is not sufficiently capitalized to meet the potential needs of this or other needed projects in the State. We would respectfully request that funds also be made available to this loan program in the FY19 budget.

Finally, Southeast Conference is committed to assisting Angoon in their quest to lower energy costs and develop the Thayer Creek hydro project. We appreciate the significant effort and patience that your Administration and the Alaska Energy Authority has provided to that project.

Many of our communities still face incredibly high costs for energy and nearly every community has an energy project being developed, but these three projects merit additional support. Since 2002 Southeast Conference has worked to facilitate the development of the region's vast renewable energy resources as part of our mission to undertake and support activities that promote strong economies, healthy communities, and a quality environment in Southeast Alaska.

Southeast Conference and its members thank you for your commitment to addressing our State's energy issues. We look forward to working with your administration on these and other critical issues.

Sincerely,

A handwritten signature in blue ink that reads "Robert Venables". The signature is written in a cursive style with a large initial "R".

Robert Venables  
Executive Director  
Southeast Conference

Cc: Alaska Senate & House Finance Co-Chairs  
Alaska Energy Authority