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Rural Energy Action Council Reports to Governor

Juneau - The Rural Energy Action Council (REAC) delivered its report to Governor Murkowski on April 15, in time to enact its top priority this legislative session. REAC Co-Chair Edgar Blatchford, Commissioner of the Department of Commerce, Community and Economic Development, said, "Top priority is full funding for the Power Cost Equalization (PCE) program, which the Governor proposed to the Legislature in his budget."

The Council was created by Governor Murkowski to recommend "short term actions to address the high cost of energy in rural Alaska" and given a strict deadline of April 15 to submit its report. The Governor noted after receiving the report, "Safe, affordable energy is vital to economic development in rural Alaska. I will take these recommendations to heart and I thank the REAC members for their efforts."

After reviewing REAC's recommendations, Representative Richard Foster (D-Nome) stated, "There is no doubt that escalating energy costs hit rural Alaska extra hard due to the transportation multiplier of getting fuel to the community and the limited season for bulk delivery. Alaskans have a way of solving their problems together and the REAC report provides a good start and a way forward."

In addition to Co-Chairs Nels Anderson of Dillingham and Commissioner Blatchford, the Governor appointed rural residents Andy Baker of Kotzebue, Ernie Baumgartner of McGrath, Orie Williams of Fairbanks, Gene Peltola of Bethel and Bob Martin of Juneau to REAC to bring a statewide perspective. Mike Barry of Anchorage, Chairman of the Board of the Alaska Energy Authority and recent Chair of the legislatively-created Energy Policy Task Force, also served.

“Governor Murkowski requested action items for his consideration, so REAC members did exactly that. We support the Governor using his Executive powers or spearheading a legislative effort to do what it takes to get these things done,” said Co-Chair Nels Anderson.

The recommended actions are to:

- Fully fund the Power Cost Equalization (PCE) program.
- Front-load the PCE endowment.
- Create a bulk fuel operator technical assistance program.
- Include downstream tanks and pipes into upgrades.
- Support the creation of regional bulk fuel cooperatives.
- Enable single and cooperative applicants to receive higher loan limits for the bulk fuel revolving loan program.
- Improve power plant operational efficiencies and remote capabilities.
- Increase support for alternative energy systems, such as coal, in-stream, wind and gas projects.
- Accelerate renewable energy programs and implement energy conservation measures.
- Continue the Low Income Home Energy Assistance Program.
- Create a new line-item for energy funding for school districts.

Two actions which would have the most immediate and direct beneficial effect require legislative support; fully funding the Power Cost Equalization (PCE) program and front-loading the PCE Endowment fund.

For a copy of the report, contact AEA Project Development Specialist Jolene John at 269-3022 or go to: www.aidea.org.