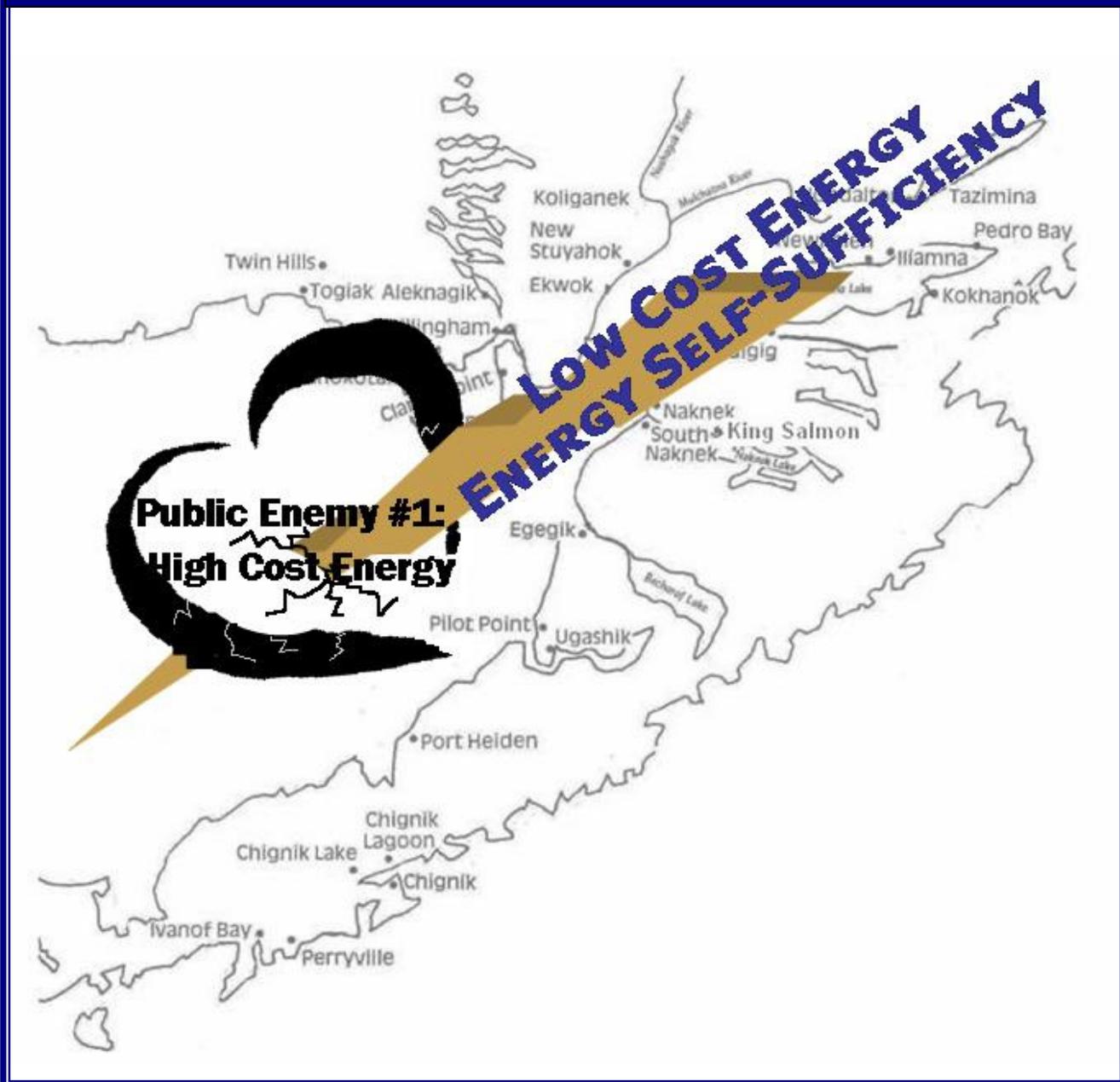


# Implementation Strategies for the Bristol Bay Energy Policy and Energy Crisis Recovery Plan: Phase Two

May 6, 2008





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May 6, 2008

*Prepared for the Bristol Bay Partners, an association of:*



Bristol Bay Area Health Corporation



Bristol Bay Economic Development Corporation



Bristol Bay Housing Corporation



Bristol Bay Native Association



Bristol Bay Native Corporation

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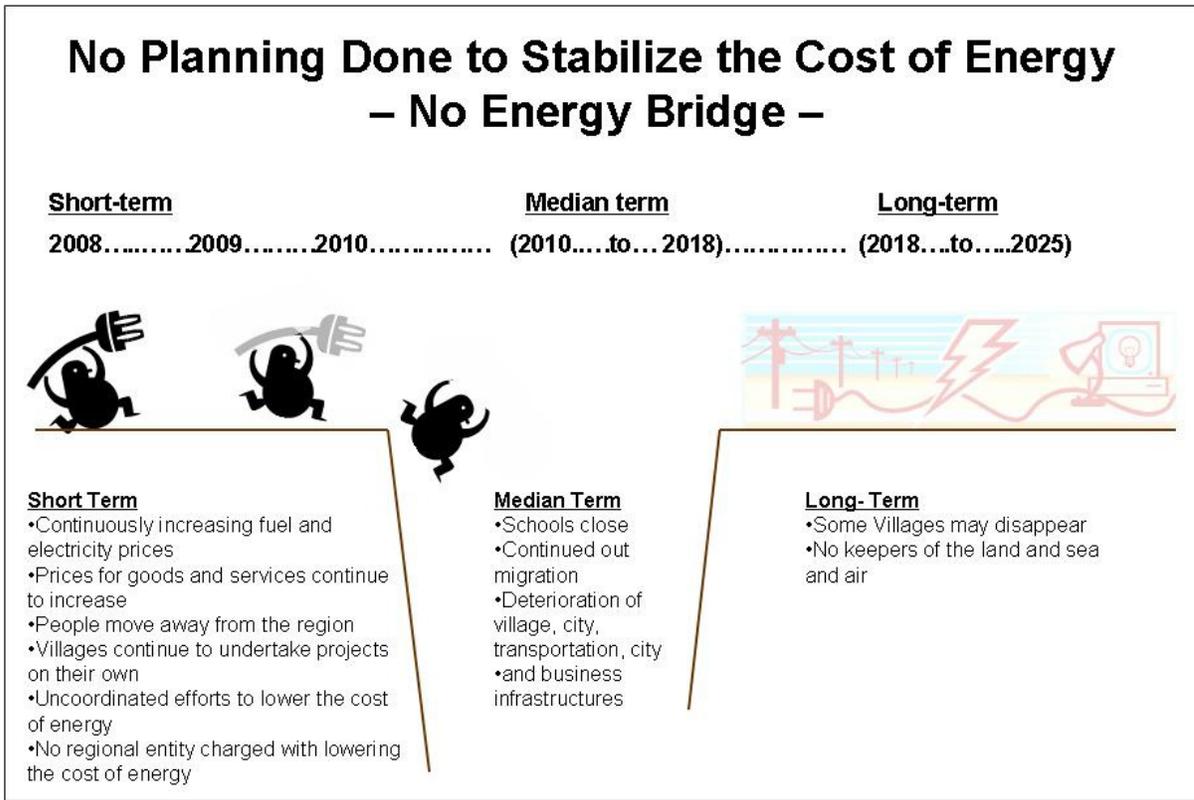
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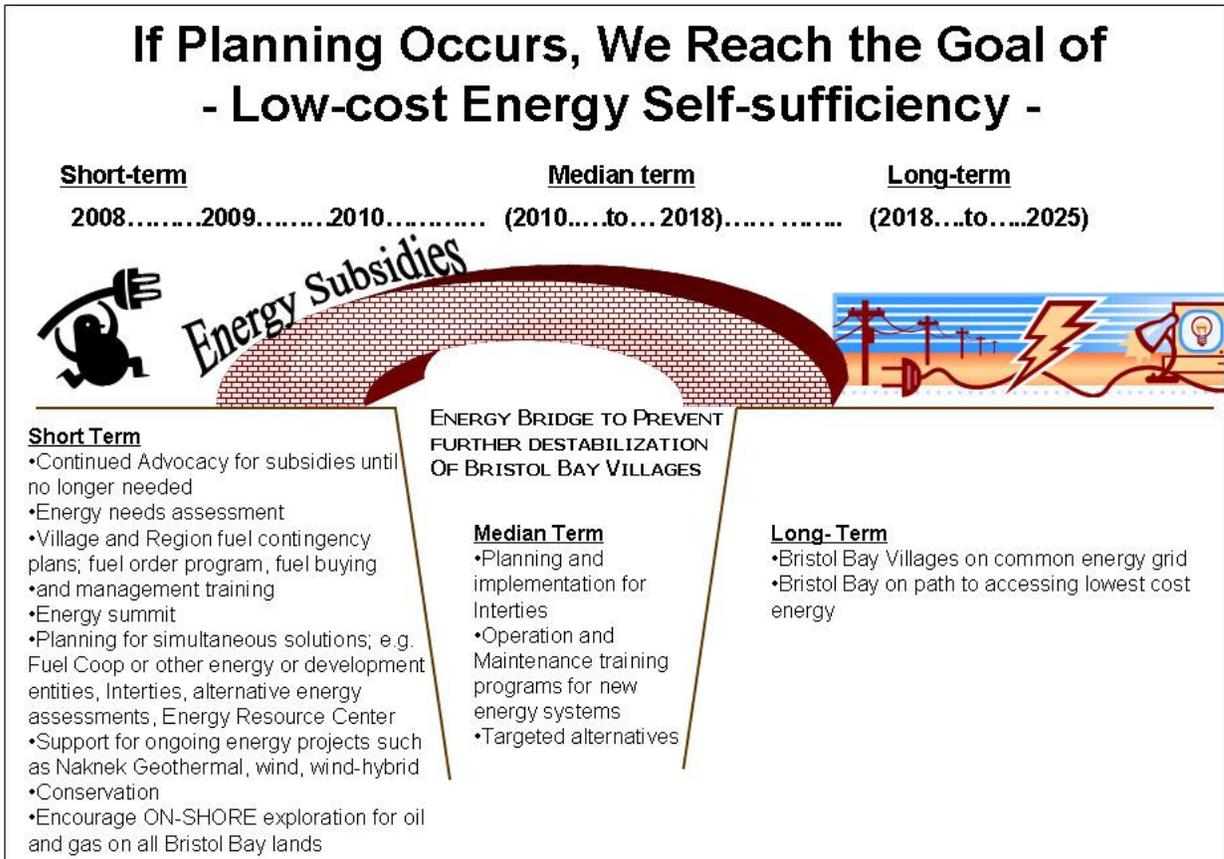
# Implementation Strategies for the Bristol Bay Energy Policy and Energy Crisis Recovery Plan: Phase Two

While Bristol Bay villages and other regions of the state have enjoyed reliable diesel generated electricity for over 40 years, diesel use is becoming unsustainable. To reach a long-term source of energy that is as reliable as diesel has been, Bristol Bay communities need immediate relief from rising costs of gas, heating fuel and electricity. Additionally, short-term and median initiatives are needed to assure a smooth transition to a long-term diesel-free energy regime.



Phase One of the “Bristol Bay Energy Policy and Energy Crisis Recovery Plan” has been adopted by the Bristol Bay Partners.

“Phase Two: Implementation Strategies” is a multiple planning approach that takes into consideration all the possible short-term, median and long-term alternatives listed on the following pages. Regardless of what alternatives are finally decided upon, emphasis needs to be placed upon subsidies that are the bridge to median and long-term solutions to lowering the cost of energy in Bristol Bay. Implementation components of Phase Three will include plans to employ, timelines, personnel and estimated budgets.



## **Phase Two: Implementation Strategies**

The following section provides the Bristol Bay Partners with recommended short-term, median and long-term implementation strategies<sup>1</sup>.

### **Short-term (2008-2013) Strategies:**

- Continue support and advocate for Power Cost Equalization, Low Income Home Energy Assistance Program (LIHEAP) and other energy assistance programs such as energy tax waivers, fuel subsidies, Ultra Low Sulphur diesel regulation waivers
- Conduct a Bristol Bay Regional Energy Needs Assessment for every community in the region to determine current and future electrical power and fuel needs. Coordinate with Bristol Bay regional organizations to avoid duplication of effort (reference BBNA Resolution 2003-01<sup>2</sup>)
- Develop fuel contingency plans for Bristol Bay villages
- Convene a Bristol Bay Energy summit for the single purpose of reviewing and adopting a Bristol Bay Energy Policy and Energy Recovery Crisis plan (Energy and Bristol Bay, 1980)
- Organize a Bristol Bay Regional Fuel Cooperative
- Develop a Bristol Bay Regional Energy Development Cooperative and/or a Regional Development Authority when the Partners decide what organization will implement energy policies in the region
- Develop plans for sub-regional, regional, railbelt and statewide energy interties; a regional power grid that ultimately connects to a statewide energy grid<sup>3</sup>
- Develop a plan for possible use of clean coal technology as a bridge energy source as the region moves toward renewable energy usage
- Assess geothermal, hydro and hydro-diesel hybrid and small hydro systems including run-of-the-river, wind and wind-hybrid systems, natural gas, coalbed methane, nuclear, peat, coal, nuclear, hydro, tidal, and other alternatives
- Support ongoing alternative energy development projects such as Naknek Geothermal, Kakanak wind energy, Togiak/Tuya, Lake Elva/Grant Lake and other energy projects in the region
- Advocate for conservation, energy efficiency and cost reduction initiatives
- Develop plans for a Bristol Bay village fuel order program, bill collection strategies and fuel buying and management training for utilities

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<sup>1</sup>Note: On Feb 28, 2008 an Interim Status Report was delivered to the Bristol Bay Partners, recommending immediate initiatives to stabilize the cost of fuel and electricity. The purpose of these recommendations was to provide a bridging mechanism so that short term, median and long-term planning could move forward without further destabilization of Bristol Bay communities.

<sup>2</sup> See Appendix 3 of the “Bristol Bay Energy Policy and Energy Crisis Recovery Plan: Phase One” for a copy of this resolution.

<sup>3</sup> See Appendix 5 of the “Bristol Bay Energy Policy and Energy Crisis Recovery Plan: Phase One” for information on new energy transmission technology.

- Push for establishing an Energy Resource Center at the Bristol Bay Campus or at SAVEC
- Assess workforce development programs to ensure that the region's workforce programs include energy development related training
- Convert the PCE Endowment Fund into a Rural Energy Development Fund to finance Rural and Remote Energy initiatives to achieve low cost energy for Bristol Bay villages once Bristol Bay villages no longer need the PCE program
- Create an education budget line item for school districts' heating and electricity; take energy costs out of the School Foundation Formula.

**Median Term (2013 to 2018) Strategies:**

- Support and extend interties that already exist and support development of additional interties to connect villages on a sub-regional, then regional grid
- Maintain a Bristol Bay operation and maintenance training program for energy systems in place
- Update environmental studies and complete any other government/regulatory studies for a Bristol Bay Regional Electrical Intertie System and transportation corridor
- Identify and aggressively move targeted energy alternatives ahead to achieve long-term energy goals
- Monitor regional intertie plans

**Long-term (2018 to 2025) Strategies:**

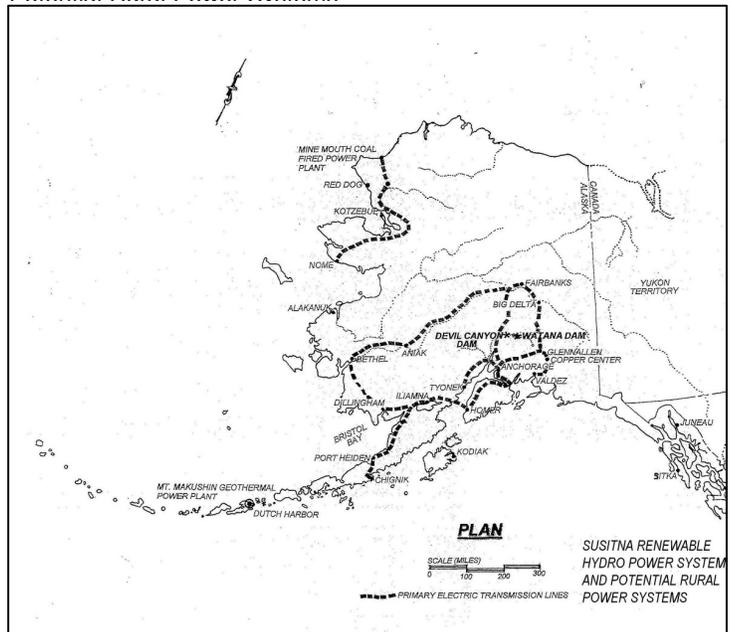
*In the long-term, Bristol Bay will need to determine if it has reached the goal of energy self-sufficiency and a diesel-free energy system.*

- Bristol Bay communities are on a common energy grid and are ready to be tied to a state-wide energy grid
- On path to accessing the lowest cost energy measured by 5 cents/kWh goal set by 2006 Bristol Bay Economic Summit

**Very long –term – lowest cost, energy security (2025-2100)**

- Statewide energy grid
- Susitna project
- Naknek Geothermal on line
- Hydro projects on line and producing green
- Mt. Spur
- Natural Gas Generating Plant on the North Slope

**Figure 3: Susitna Renewable Hydro Power System and Potential Rural Power Svstems**



**Source:** Peratrovich, Nottingham & Drage, 2008