

Sponsor Statement for House Bill 176
Appropriation: Kake – Petersburg Intertie

“An act making an appropriation to the Alaska Industrial Development and Export Authority for a power transmission intertie between Kake and Petersburg”

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This project would connect Kake into the 4-dam pool system and would make surplus energy from the Tyee hydropower project available to Kake. The transmission line would be an overhead route that would be roughly 55 miles in length and cost approximately \$19 million. Kake is presently a Power Cost Equalization (PCE) community being served by Tlingit-Haida Regional Electric Authority (THREA). Construction of the intertie would remove Kake from the PCE Program.

The benefit of this transmission line would allow Kake, now presently dependent on high cost diesel generation, to access much less expensive hydropower from the Tyee hydropower project that provides wholesale electricity to Wrangell and Petersburg. In addition, 4-dam pool members will benefit from the increased sales of power from Tyee. The intertie is essential for Kake to retain and expand its fish processing operations, on which it almost exclusively depends since the demise of logging in the Togass National Forest. In addition to the economic benefits, the environmental quality of the Kake environment will be enhanced from the annual reductions of nitrogen oxide, sulfur dioxide and particulate matter that is vented to the community from the diesel generators.

This legislation will create approximately \$300,000 savings annually from the PCE Program.