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Palin cuts money for energy research

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JUNEAU — A new energy research center at the University of Alaska Fairbanks is looking for alternative funding after Gov. Sarah Palin last week vetoed a \$1.5 million state and federal appropriation for the center.

The Alaska Center for Energy and Power formed in January and is focused on developing new technologies to lower the cost of energy in rural Alaska and attract energy-intensive industry with cheap renewable resources.

Lawmakers included \$500,000 in state funding in the operating budget they approved last month, but Palin cut the funding.

Gwen Holdmann, the group's director, said Tuesday the \$500,000 in state funding was needed as a match for federal grant money.

“It really cripples us in our ability to bring federal funding,” she said of the governor's veto.

Holdmann said she was hoping to use some of the funding to bring a top expert in geothermal energy to Alaska to help develop a research program in the field. She said she also applied for federal grants to study new technologies involving river current, tidal energy, and combined wind and diesel power systems.

Palin's budget director Karen Rehfeld said Wednesday the governor was concerned about the growth of the state's operating budget and wanted to let the Alaska Energy Authority complete its statewide energy plan.

“Energy clearly is a huge priority for the state,” Rehfeld said, “but I think the governor wanted the other work to get done before we start deciding where we want to invest energy dollars.”

According to Holdmann, Palin's veto leaves a critical gap in the state's approach to addressing energy issues.

Palin recently signed into law HB 152, a bill setting up a fund for renewable energy projects, and she agreed to distribute \$50 million in state funds for renewable energy projects this year.

But that money can only go toward projects using proven technologies.

Holdmann said the restriction makes sense for the energy fund, but argued the state should also invest in research to explore new technologies.

“If we really want to position Alaska as a leader in the future, we also need to be looking just over the horizon at what the solutions are going to be tomorrow,” she said.

Holdmann said one example of a new technology that could benefit Alaska is the low-temperature geothermal power plant at Chena Hot Springs Resort, which she helped develop.

Holdmann said the research center would continue working with private sector businesses and other entities, such as the Fairbanks North Star Borough and the Alaska Energy Authority, and would look for other funding sources.

In a written explanation of her vetoes, Palin noted that she would consider funding the research center in a future budget.

Rehfeld added that the governor will look to use state funds in next year’s budget to carry out the energy plan AEA is putting together this year.

“Funding through the university may be a component of that, but we won’t know until the plan is complete,” she wrote in an e-mail.

More information on the Alaska Center for Energy and Power can be found at www.alaska.edu/uaf/cem/ine/acep.