



All-Alaska Generation & Transmission:

A proposal for a statewide utility



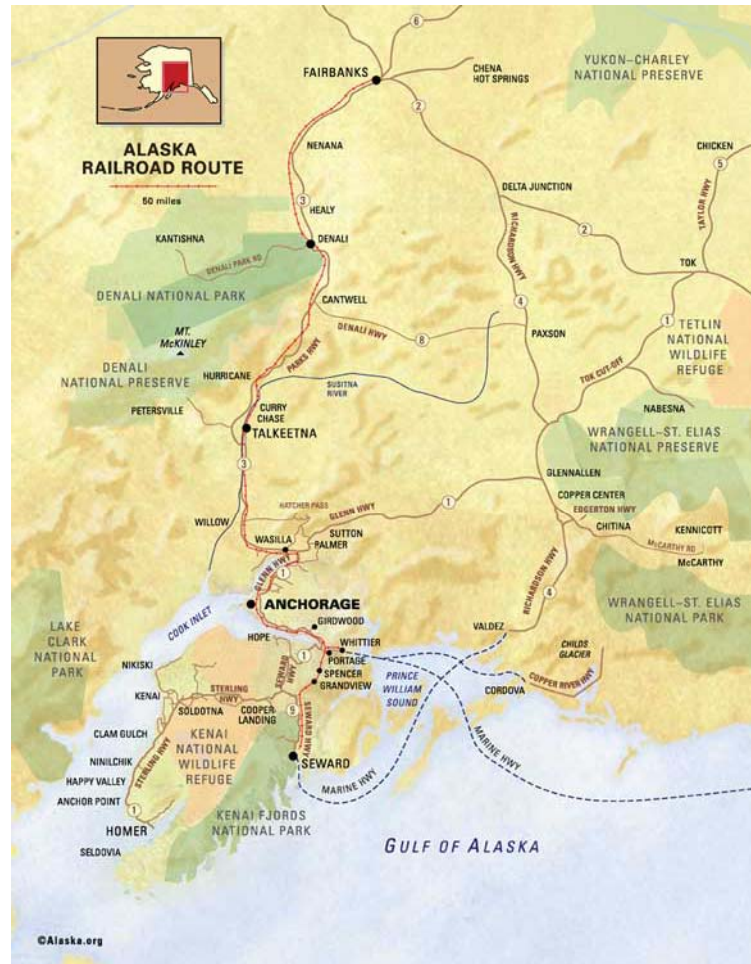
ACEP
Alaska Center for Energy and Power



Ross Coen
Alaska Center for Energy and Power

Alaska Rural Energy Conference
April 29, 2010

Railbelt Utility Consolidation



All-Alaska G&T

“Statewide Utility Consolidation”



All-Alaska G&T

- **AAG&T assumes operation of all power generation infrastructure in the state.**
- **Costs placed into a single pool.**
- **Each utility buys back power at postage-stamp rate and distributes to customers.**
- **“Virtual grid”**



Power Sales in Alaska:

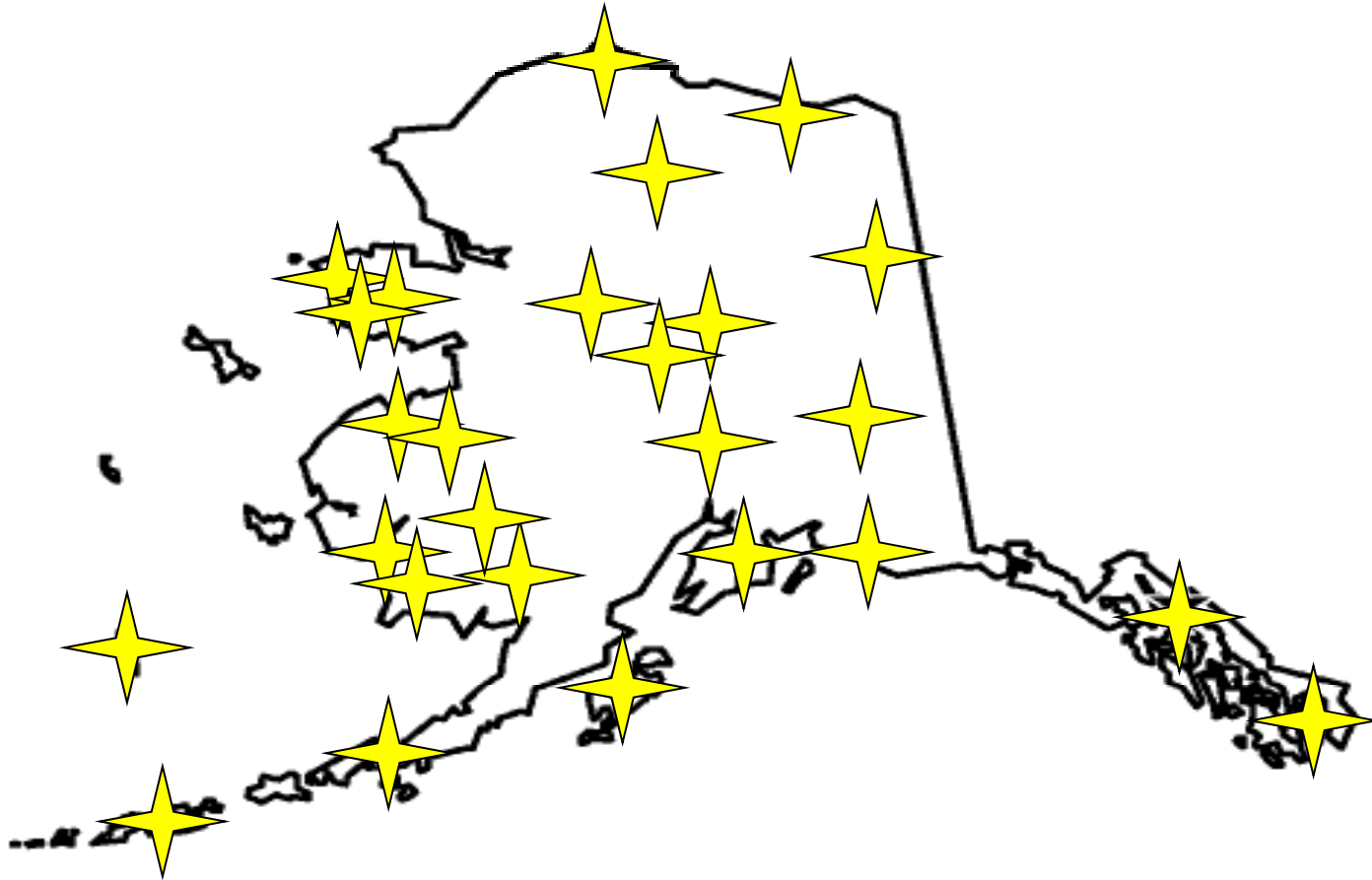
- **Alaska utilities sell approximately 6.5 billion kilowatt-hours annually.**
- **85% of that total is sold in the Railbelt and other low-cost areas (e.g., Juneau) where average power costs are \$.13/kwh.**
- **9% is sold in non-PCE communities (e.g., Four Dam Pool) at ~ \$.30/kwh.**
- **6% is sold in PCE communities at ~ \$.55/kwh.**

We're never going to "project" our way out of high-cost power in rural Alaska.



ACEP
Alaska Center for Energy and Power

All-Alaska G&T



ACEP
Alaska Center for Energy and Power

Benefits of All-Alaska G&T

- **Cost of power levels out at around \$.13 to \$.25 per kwh.**
- **Economic development becomes more feasible.**
- **The need for PCE is eliminated, saving the state approximately \$36 million annually.**
- **Lower operating costs for schools and state facilities, saving up to \$40 million annually.**
- **Communities no longer compete for scarce capital investment funding.**
- **Responsibility for O/M is transferred to AAG&T.**



ACEP Role in All-Alaska G&T:

- Research and information
- Independent analysis
- Facilitate discussion

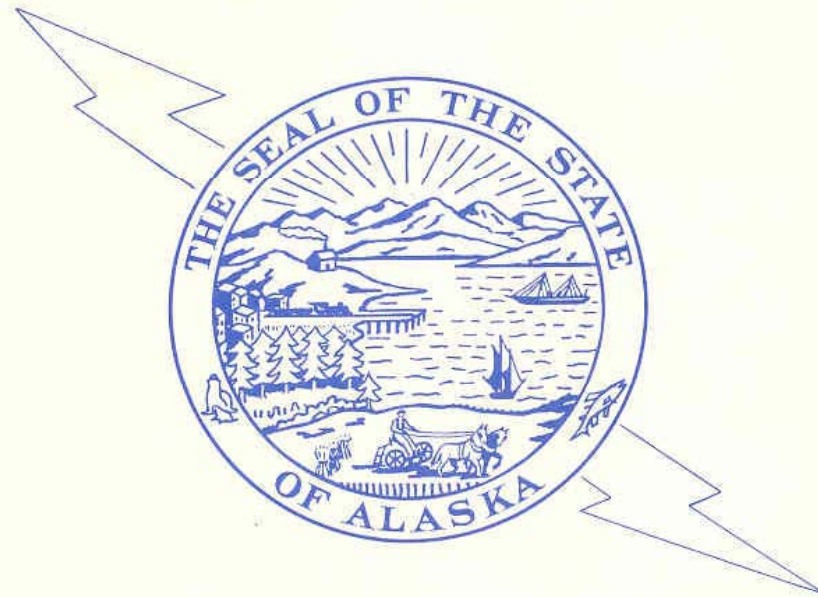
1979

**“ A DISCUSSION OF CONSIDERATIONS
PERTAINING TO RURAL ENERGY
POLICY OPTIONS ”**

APRIL 1979

1981

STATE OF ALASKA
LONG TERM ENERGY PLAN



Prepared For

Jay Hammond
Governor

DRAFT

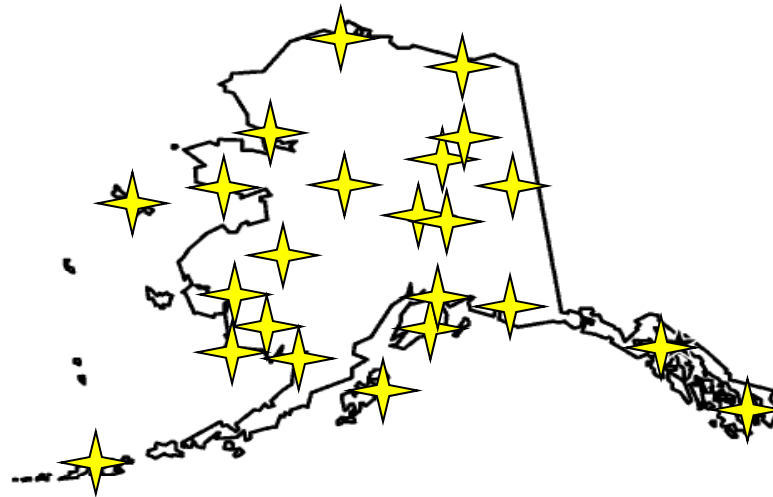
1960

"ALASKA POWER GENERATION
AND TRANSMISSION STUDY"

A REPORT TO THE
CENTRAL ALASKA POWER POOL
ANCHORAGE, ALASKA

Next steps?

ACEP recommends and is willing to facilitate the formation of an All-Alaska G&T Study Group.



ACEP
Alaska Center for Energy and Power

Track #1: Status quo

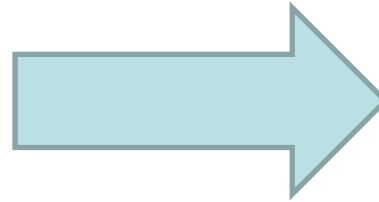
**Track #1:
Status quo**



Track #2: All-Alaska G&T



Track #2: All-Alaska G&T

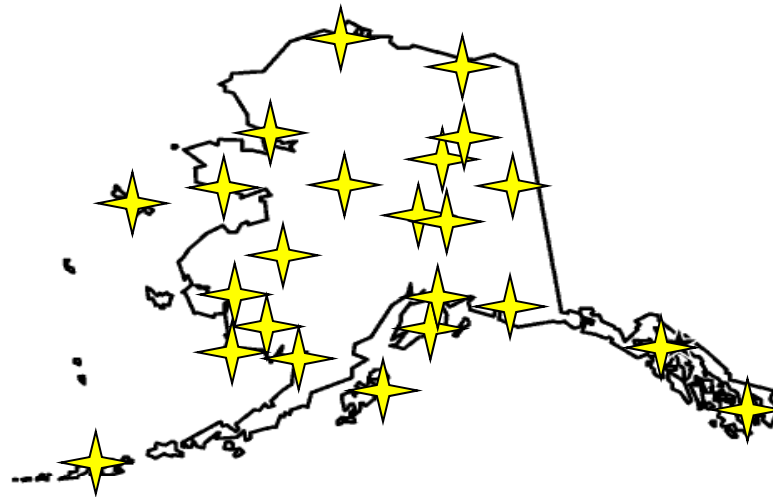


- ✓ When all generation costs are pooled, what is the true cost of power statewide?
- ✓ How does capital investment in one community affect the incremental benefit to the entire AAG&T system?
- ✓ How do we integrate utilities—private, municipal, co-op, etc.?
- ✓ Alternative / renewable energy development?
- ✓ Hub communities and HVDC transmission lines?
- ✓ Tiered rate structure to encourage conservation?
- ✓ ...and many other questions.



Next steps?

ACEP recommends and is willing to facilitate the formation of an All-Alaska G&T Study Group.



ACEP
Alaska Center for Energy and Power
