

What You Hear Isn't Necessarily What You Get

As you know, Alaska Village Electric Cooperative has developed wind projects recently that have been extremely successful and have resulted in lower fuel costs of about 12 cents a kilowatt-hour (kWh) in the five communities served by the Toksook Bay and Kasigluk projects.

Since these projects were built, we have several more projects under construction, from which we expect to have similar benefits for the electricity users in those communities. We now find, however, there are other companies who are approaching our communities and proposing to build wind and other alternative energy projects.

AVEC is a member-owned, nonprofit utility whose overarching goal is to provide reliable, affordable power to the residents of its 53 communities. When we develop a wind project, 100 percent of its benefits flow directly to the electric consumers it serves. If a for-profit entity is proposing to build a utility-scale wind or solar project for your community, you can be assured of one thing: the majority of benefits from such a project are not going to come to you, the electricity user.

Private project developers typically propose projects that will generate profits for their owners. They generally propose to sell the electricity from the projects to the local utility for a price close to the current cost of diesel fuel. The cost of operating a wind project, including paying for conventional financing if grants aren't available, is much less than the cost of fuel that is being avoided. A private developer intends to keep those savings for its own purposes.

AVEC has continued its pioneering efforts in advancing wind-diesel systems and is internationally recognized for its positive efforts. We have learned a great deal about operations of small systems to maximize fuel savings. We also have concerns of power quality and system reliability that are not necessarily shared by an independent power producer. There may be cases where advantageous agreements can be reached, but developers must initiate discussions with the serving utility long before they make promises to communities that they may not be able to keep.

With your ongoing support, AVEC will continue to seek innovative solutions to reducing our dependence on diesel fuel and reducing the cost of energy to our communities.

Happy New Year!



Meera Kohler
President & CEO



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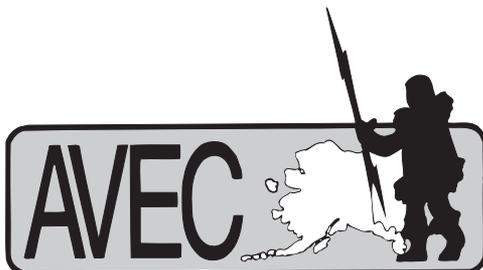
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