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Communities Served

- Alakanuk
- Ambler
- Andreafsky
- Anvik
- Brevig Mission
- Chevak
- Eek
- Elim
- Emmonak
- Gambell
- Goodnews Bay
- Grayling
- Holy Cross
- Hooper Bay
- Huslia
- Kaltag
- Kasigluk
- Kiana
- Kivalina
- Kotlik
- Koyuk
- Lower Kalskag
- Marshall
- Mekoryuk
- Minto
- Mt. Village
- New Stuyahok
- Nightmute
- Noatak
- Noorvik
- Nulato
- Nunapitchuk
- Old Harbor
- Pilot Station
- Pitkas Point
- Quinhagak
- Russian Mission
- St. Mary's
- St. Michael
- Savoonga
- Scammon Bay
- Selawik
- Shageluk
- Shaktoolik
- Shishmaref
- Shungnak
- Stebbins
- Teller
- Togiak
- Toksook Bay
- Tununak
- Upper Kalskag
- Wales



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AK-105

AVEC's 2008 Legislative Activity

With attention at state and federal levels focused on energy, 2008 turned out to be one of the busiest years ever for AVEC. State-level activity was particularly keen: The 90-day legislative session was largely focused on energy and was followed by a month-long special session in July devoted exclusively to non-gas pipeline energy. Overall, legislators and the executive branch responded favorably to AVEC issues.

As in previous years, PCE was at the top of AVEC's legislative agenda and the program fared well. Early in the session, we pursued supplemental funding to avoid major PCE cuts in the final months of the 2008 fiscal year, which ended June 30. The Legislature approved an additional \$1.2 million in the FY08 supplemental budget.

For the current fiscal year, July 1, 2008, through June 30, 2009, the Legislature provided the needed \$28.16 million for PCE through the regular operating budget.

At the special session in July, the Legislature increased the ceiling on PCE costs from 52.5 cents per kilowatt-hour (kWh) to \$1 per kWh to accommodate higher costs due to the escalating price of fuel oil. The ceiling reverts to 52.5 cents on June 30, 2009, but AVEC is working with the Legislature to retain the \$1 ceiling.

Another major state legislative endeavor was development and funding of a renewable energy program to benefit Alaskans across the state. That bore fruit with the passage of House Bill 152, which established the program with first-year funding of \$50 million. Another \$50 million was appropriated during the July special session. AVEC subsequently applied for project grants, and six were approved: wind generation in Quinhagak, Mekoryuk and Toksook Bay; a solar project in Ambler, Shungnak or Noatak; and two hydroelectric feasibility studies.

AVEC spent considerable time during the 2008 regular session on reimbursement for expenses associated with relocation of fuel tanks in Kivalina due to the severe storm that occurred in the fall of 2007. AVEC worked closely with legislators and the governor's office, resulting in a \$570,000 appropriation in the 2009 capital budget.

Another major effort that passed last year was a bill to recognize current technology by authorizing use of the Internet to help notify co-op members of unclaimed capital credits.

During the special session, the Legislature approved a \$20 million state loan to help AVEC buy fuel in 2008. More generically, AVEC supported a \$5.5 million increase in the bulk fuel revolving loan fund and \$5.3 million more for the bulk fuel bridge loan fund. Those increases were approved as well as an increase in maximum loan levels to \$750,000 from \$500,000.

AVEC continued pursuit of additional funding to demonstrate the viability of less expensive direct-current transmission in rural Alaska. Only alternating current is used now. The Denali Commission has provided Phase 1 funding of \$700,000, but additional funding is needed for the second phase, which will build the first power inverters and the final phase building a line between two rural communities.

AVEC's federal efforts last year included support for continued funding of the Rural Utilities Service's high-cost energy grant program and increased funding for renewable energy development. Funds recently were approved by Congress for an additional \$17.5 million for the high-cost energy program. We also are seeking funding for the direct-current project and for assistance to remove abandoned tanks and other large debris from communities.