



Chugach Consumers

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Susitna River Hydroelectric Power Project — HB 336 Testimony of Chugach Consumers January 28, 2008 – Anchorage Alaska House Resources Committee Hearing

Good afternoon. My name is Ray Kreig and I am testifying here as Chairman of Chugach Consumers, an advocacy group for electric utility customers. I have also served for 6½ years on the Chugach Electric board of directors and was board president for two years in the mid 1990's. I am also a professional civil engineer.

Chugach Consumers was formed in 1996 to advocate for the general public interest of Chugach Electric ratepayers, to educate consumers, and to diversify our economy. It is a group of fiscally-concerned ratepayers and others that support safe, reliable power at the lowest possible cost for all electric utility customers in South Central Alaska.

Chugach Consumers strongly supports HB 336 and we commend Rep. Johnson and Chugach Electric's new board for their leadership in stepping up and initiating this overdue review of one of the major alternatives to the present hydrocarbon based cost rollercoaster that ratepayers are on with gas fired generation.

The steadily rising cost of energy in the past few years has everyone (especially utility boards) talking about alternatives — wind, coal, small and large hydro and even nuclear. The utilities have to make decisions on new generation. It will be extremely useful to narrow the alternatives down if possible so the most promising can be focused on sooner rather than later.

The blast from the Anchorage Daily News this morning against reviewing Susitna is, in our opinion, misplaced. The state has over \$100 million invested in studies of the Susitna Hydro project and more and more people are thinking about large hydro as a solution. It is irresponsible not to look at this project again and update the numbers, at least in a general way.

If the numbers point to a likely cost of 30¢ per kilowatt hour then it can be put back on the shelf and attention will move to other alternatives.

We would like to suggest that the \$1 million in this appropriation not be put out in one large consultant RFP. This is not likely to get best value for this appropriation. A staged approach will get better information for the state's money.

We suggest that an engineering conference be first held by the Alaska Energy Authority. There are many engineers, environmental scientists and former regulators that worked on Susitna still around that should be hired to participate along with new leaders in the hydroelectric engineering profession.

\$100,000 should be sufficient for this first task and at the end of that process all will be better informed of the issues and players. Better decisions can then be made by AEA and the utilities as they go forward with this review and update of the original Susitna Project or a reconfigured and appropriately adjusted project for current needs.

Thank you.