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## *Cooperation key to future of Railbelt power*

It did not come as a surprise that some of my recent vetoes of capital budget projects were controversial.

Finding efficiencies within the budget can be a challenging process, and any cut is bound to leave someone feeling slighted. But the final version of the capital budget was molded responsibly, with the best long-term interest of Alaskans in mind.

### SPECTRUM



*Gov. Sarah Palin*

The \$73 million or so in Railbelt Energy Fund projects are a good example of what I believe to be responsible cuts.

I know there has been disagreement about this, and some may be wondering if I understand that the Railbelt energy network needs help. The short answer is yes, I do. But the full answer is to take another year to completely think through the best choices for Railbelt energy needs.

The budget cuts were not necessarily a judgment about the merits of individual projects, which may well end up being funded. After all, the Railbelt's infrastructure for generating and transmitting power is in need of updating and expansion. But while the current approach to meeting the energy needs of Alaskans has worked fairly well over the course of the state's young history, changing dynamics demand that we reconsider the way this business is conducted.

For decades, six individual Railbelt utilities, pursuing individual agendas and fueled by ready supplies of low-cost natural gas, have served relatively small ratepayer constituencies. As successful as they have been, population growth, aging infrastructure and mounting uncertainties about fuel supplies and costs have altered the energy landscape.

Today, the geography, population base and economies of scale in the Railbelt lend themselves to a more big-picture approach as we move forward to face these challenges together. I believe the best solution lies in long-range collective planning for the development of energy projects that will serve the Railbelt region.

To achieve this worthwhile goal before spending tens of millions of dollars, it is important for the state, in partnership with Railbelt utilities, to complete an assignment already underway.

The Legislature last year appropriated \$800,000 to fund a comprehensive study of how the state and Railbelt utilities can share resources and unify operation of the Railbelt electrical grid. The Alaska Energy Authority is leading the study. An October kickoff conference is planned, where all stakeholders will come together to begin the process of mapping the best route into our energy future. The report is scheduled to be completed in time for next year's legislative session.

This is the beginning of a planning process that will take into account physical investments, potential business structures for collective investment and any necessary regulatory restructuring that would allow and encourage collective investment. It's an endeavor that holds great promise for Alaskans, including the promise of more reliable and inexpensive energy for the long term.

I encourage Alaskans to contact their local utility boards and let them know the importance of the comprehensive study.

Development of a viable long-term plan for the generation and transmission of reliable inexpensive power cannot be realized without the full participation, cooperation and conscientious commitment of Railbelt utilities. Ratepayers deserve no less.