

## **Juneau Area Power Supply System**

### **Project Update: January 2004**

The Juneau Area Power Supply System is a \$76 million plan to provide long term, reliable renewable hydroelectric energy for Juneau and the surrounding area of Southeast Alaska. There are two main elements of the plan: **The \$41 million, 63.5-mile Juneau-Greens Creek-Hoonah intertie** and **the \$35 million, 15-megawatt Lake Dorothy Hydroelectric Project**.

The first 11 miles of the intertie – from the Douglas Bridge to North Douglas Island – have been completed by the private sector for \$2.2 million. The permitting process for the second segment – from North Douglas to Greens Creek Mine on Admiralty Island – is well on its way. It is anticipated that all permits for the North Douglas-Greens Creek segment should be in hand in 2004 to allow construction to begin in the late summer of 2004, pending the necessary funding. The FERC License Order for the construction of the Lake Dorothy Hydroelectric project was issued on December 24, 2003. Final engineering is now underway for this project, which will be funded entirely by the private sector.

Hydroelectric energy delivered across the Juneau-Greens Creek-Hoonah intertie will completely replace diesel-generated energy in Hoonah and at the Greens Creek Mine. In Hoonah, the intertie will displace over 400,000 gallons of diesel fuel annually, supplying hydroelectric energy to 860 residents and 435 homes. In addition, the Intertie will displace over 5 million gallons of diesel fuel used annually to generate electrical energy at the Greens Creek Mine.

Alaska Electric Light & Power Company (AEL&P), the electric utility serving the City & Borough of Juneau, and other private sources will finance the Lake Dorothy project and about \$6 million of the Juneau-Greens Creek-Hoonah intertie. As previously mentioned, AEL&P has already constructed the first 11 miles of the intertie. When complete, the intertie will consist of 34 miles of submarine cable and 29.5 miles of overhead line. The intertie will be in full service in 2006, if the necessary funding can be assembled.

Overall federal matching assistance of \$35 million is requested to help complete the remaining 52.5 miles of the intertie. Phase 2 of the intertie will cost \$15 million and, as stated, will extend from North Douglas Island to Greens Creek Mine on Admiralty Island. Phase 3, the final phase, will cost \$20 million and go from Hawk Inlet on Admiralty Island to Hoonah. Last year, \$15 million was requested in federal assistance for Phase 2 construction; \$2 million was approved. The \$2 million will be used for permitting and continuation of construction in 2004. **For FY05, \$23 million is requested. This request includes \$13 million from the FY04 request plus \$10 million for FY05.** The final matching request will be for \$10 million for FY06.

The Juneau-Greens Creek-Hoonah intertie will allow diesel-fueled power generation to be replaced with clean, renewable hydropower and displace over 5.4 million gallons of diesel fuel annually, and will make feasible the construction of the Lake Dorothy Hydroelectric Project. The intertie will substantially increase economic development opportunities in Hoonah, where electric rates are currently in excess of 32 cents per kilowatt-hour. In addition, stable low cost hydroelectric energy to the Greens Creek Mine will help to assure its economic viability and preservation of the current 275 full-time jobs. Tlingit-Haida Regional Electrical Authority, the electric utility serving Hoonah, and the Greens Creek Mine actively support construction of the Juneau-Greens Creek-Hoonah Intertie.