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USDA SELECTS EIGHT ALASKA RECIPIENTS FOR \$11.2 MILLION IN HIGH ENERGY COST GRANTS

ANCHORAGE, May 30, 2008-Agriculture Under Secretary for Rural Development Thomas Dorr announced today that eight Alaska projects have been selected for funding under the USDA Rural Development High Energy Cost Grant program. Funds will be used to reduce energy costs in a number of rural Alaska communities. Nine projects were selected for funding in other states and in one territory.

“Rural energy costs in Alaska are among the highest in the nation, and the projects funded by these grants are intended to increase energy efficiency,” Dorr said. “The grants announced today will help make it possible for communities to upgrade their systems and provide electricity to customers in a more cost effective way.”

Among the projects selected was a proposal to construct a hydro project on Yerrick Creek near Tok. The project is intended to provide electricity to Tok, Dot Lake, Tanacross and Tetlin. USDA will provide \$1,675,000 for the project. The Southeast Alaska community of Yakutat will receive \$1.4 million to replace its power plant and distribution system and upgrade the fuel storage and handling system. The Nushagak Electric and Telephone Cooperative will receive \$1.6 million to add a high efficiency generator to the power plant in Dillingham. Also planned is a wind turbine and control system for the existing diesel generating plant serving the community of Kokhanok in the Lake and Peninsula Borough. The wind-diesel system, to be constructed with \$999,227 in grant funds, will save the community an estimated \$100,000 a year in fuel costs.

Dorr also announced that the Alaska Village Electric Cooperative (AVEC), based in Anchorage, will receive two grants: \$1.5 million to construct a 6.5-mile intertie between Teller and Brevig Mission on the Seward Peninsula, and \$1.25 million to complete installation of a wind turbine system at Hooper Bay, located in the Yukon-

Kuskokwim Delta region. Teller, Brevig Mission and Hooper Bay are all listed as “economically distressed” communities.

Including today’s announcement, USDA Rural Development has provided more than \$170 million in High Cost Energy Grant funds to Alaska since 2001. The Denali Commission has received \$128.5 million of that amount, including \$10 million this year.

High Energy Cost Grant funds may be used to acquire, construct, extend, upgrade or otherwise improve energy generation, transmission or distribution facilities serving communities in which the average residential cost for home energy exceeds 275 percent of the national average. Grants are available to individuals, businesses, non-profit entities, states, local governments and federally recognized Indian tribes and may not be used to pay utility bills or to purchase fuel. Also, grant funds may not be used for the sole benefit of the applicant. A complete list of the grant recipients is available at: www.rurdev.usda.gov.

USDA Rural Development’s mission is to increase economic opportunity and improve the quality of life for rural residents. Rural Development has invested more than \$90 billion since 2001 for equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. More than 1.7 million jobs have been created or saved through these investments. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA’s web site at <http://www.rurdev.usda.gov> .

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