

## 2003 HIGH ENERGY COST GRANTS

### ALASKA - \$3,355,522

**City of Atka, population 102, will use \$390,000** in USDA grant funds to construct a hydro-electric plant to serve all residents and businesses, as well as local, State of Alaska, and Federal facilities. This new source of electricity will replace high cost diesel fuel that has been used to power the existing generation plant and make a significant reduction in the cost of power to local residents and businesses. Atka is seriously economically challenged. The per capita income level of \$17,095 is 55 percent of the state average of \$30,995. The hydroelectric plant will provide power to the locally owned seafood processing plant that currently has to provide its own electricity during the processing season.

**McGrath Light and Power (McGrath) will receive a \$465,522** High Energy Cost Grant from USDA. This is the electric utility for the village of McGrath, Alaska. The grant funds will be used for expansion of McGrath's existing waste heat recovery system, an energy retrofit of the power plant for more efficient use of power, and safety upgrades to its current power plant feeder system. McGrath's cost per KWh is \$.381 or 448 percent of the national average cost of power. Currently McGrath provides power to 182 residential customers, 45 commercial customers, and 22 institutional customers. The ultimate goal of this plan is to reduce McGrath's consumption of and dependence on diesel fuel.

**Alaska Village Electric Cooperative (AVEC) will receive \$2,500,000** in High Energy Cost Grant funds from USDA to address the cost of electricity in Chevak, Alaska. Chevak is a USDA Champion Community with high energy costs and persistent poverty. Chevak has a population of 765 people, 95.9 percent are Alaska Native or part Native. The funds will be used for a power plant upgrade, heat recovery system, and a wind generation system. Electricity costs will be reduced by increasing generating efficiency, improving reliability, and using wind energy and heat recovery to offset high generation costs. AVEC is a Denali Commission partner and the USDA grant is in concert with the Denali Commission's Program for rural Alaska energy upgrades.

### ARIZONA - \$173,000

**Tohono O'Odham Utility Authority will receive \$173,000** in High Energy Cost Grant funds from USDA to extend electric service to communities within the reservation that are without service. Eleven communities on the reservation that currently have no electric service have requested power, not only through the Utility Authority, but also through District Councils and through the Commerce Committee of the Tohono O'Odham Legislative Council. Availability of electric power will open the door for additional economic development in these communities including housing, business development and clean, safe drinking water. Residents currently depend on wood for both heating and cooking.

**CALIFORNIA - \$3,000,000**

**Yurok Tribe will receive \$ 3,000,000** in High Energy Cost Grant funds from USDA. The tribe is located in Northern California in the Klamath River Basin, on the border with Oregon. In a remote area, isolated by both distance and terrain, this represents one of the poorest communities in the state. Without this assistance, a significant portion of the Yurok Reservation will remain without electric power into the next century. Without electric power, residents must depend on wood and LP Gas for heating and cooking. This perpetuates the poverty and prevents sustainable development on the reservation. Electric power will open the door to improved housing, making available clean, safe drinking water, and even telecommunications services.

**HAWAII - \$1,108,548**

**The Maui Electric Company (MECO) will receive \$ 1,108, 548** in High Energy Cost Grant funds from USDA. Funds from this grant will enable the Maui Electric Company to install 300 renewable energy solar water heating systems to offset the impacts of extremely high residential cost in the Enterprise Community of Molokai Island, Hawaii. Molokai residents pay 23.7cents per Kwh and the installation of solar water heating systems will lower the annual electric cost by an estimated 45 percent. MECO will contribute \$300,000 in cash as well as marketing, coordination and administration of the effort. Program administration costs are estimated as less than 1.5 percent of the overall project cost. The median household income is 66 percent of the state median and the population of the entire Island is 7,404.

**IDAHO/NEVADA - \$3,775,000**

**The Raft River Rural Electric Cooperative (Raft) in Malta, Idaho has been selected for \$3,775,000** in High Energy Cost Grant funds. The Raft service area covers south central Idaho, northwestern Utah and northeastern Nevada. The funds from this grant will be used to replace a transmission line to provide power to the western division of the Raft service area, predominately the Duck Valley Indian Reservation straddling the Idaho-Nevada border and the community of Owyhee. The existing 69 kV line that was built in 1915, is inadequate, expensive to maintain, and does not provide reliable electric power to all of the Duck Valley Indian Reservation. The engineering studies are developing a new route that will better serve the area. Though the reservation is a financially stressed area, it is also a very progressive tribe, which is working to bring new industry and associated infrastructure to the area.

**MAINE - \$2,633,522**

**The Fox Islands Electric Cooperative of Vinalhaven, Maine has been selected for \$2,633,522** in High Energy Cost Grant funds. The funds will be used to replace an under-sea transmission cable to provide electric power to the islands of North Haven and

Vinalhaven, located ten miles off the mid coast of the state of Maine. The existing submerged cable, providing the only source of power to the islands, is experiencing major reliability problems with 26 failures in the past six years and seven in 2002. The construction of a new cable will provide reliable power and alleviate both the costly repair of the current source and the uncertainty of service.

**WASHINGTON - \$888,408**

**The Public Power District No. 1 of Ferry County, Republic, Washington has been selected for \$888,408** in High Energy Cost Grant funds. The funds will be used to assist some of the 175 to 200 customers in remote areas to obtain electric service. The full cost of service burden for these homes would be \$0.42 per kWh. This program would be made available to those consumers whose present amortized cost of electricity exceed \$.23 per kWh. Part of the funds will also be loaned to residents to purchase off-grid PV solar generation through the Western Solar Utility Network for locations where on-grid service remains too costly or difficult to provide. The utility currently serves the electrical needs of 3130 residential and commercial consumers, including the Colville Confederated Tribes Reservation.