CITY OF GUSTAVUS, ALASKA
RESOLUTION CY24-06

A RESOLUTION BY THE CITY OF GUSTAVUS SUPPORTING BUT RECOMMENDING AMENDMENT OF HB 365 TO EXTEND POWER COST EQUILIZATION CREDITS TO SCHOOLS

WHEREAS, the State of Alaska Power Cost Equalization (PCE) program, administered by the Alaska Energy Authority (AEA), provides economic support for residential customers and community facilities in rural Alaska communities with high energy costs and the AEA explains: *The PCE program reduces the electric rates paid by rural consumers to levels comparable to those paid by consumers in Anchorage, Fairbanks, and Juneau*; and,

WHEREAS, PCE applies to the first 750 kilowatt hours (kWh) that each resident purchases, per month. Additionally, Alaska communities each get an allotment of PCE for community facilities, calculated at a rate of 70 kWh per month times the number of residents; and,

WHEREAS, many rural Alaska communities have a limited number of community facilities, and by extension, utilize a limited amount of available community-facility PCE.

WHEREAS, according to data from its electric utility Alaska Power and Telephone Company, the community of Gustavus has recently been using approximately 3,500 kWh of its 46,060 kWh PCE allotment per month; a difference of 510,720 kWh per year; and,

WHEREAS, schools have been ineligible to receive community facility PCE as entities largely-funded by the State; and,

WHEREAS, energy costs represent a significant component of schools' operating costs and were the definitions of eligible community facilities changed, PCE could play a significant role in supporting school operating costs by allowing schools in rural communities to access existing, unutilized community-facility PCE; and,

WHEREAS, making schools eligible for community-facility PCE would help schools afford cleaner energy long-term and to avail themselves of federal grants that support beneficial electrification; and,

WHEREAS, in rural communities, school buildings serve as multipurpose community facilities, supporting a broad range of public uses and purposes; and

WHEREAS, HB 365 has been introduced to enable schools to qualify for PCE disbursements from the PCE Endowment; and,

WHEREAS, HB 365 would enable qualification of only the first 750 kWh of electric draw per month to qualify for PCE, but 750 kWh is a very small portion of a school's monthly electricity draw; and,

WHEREAS, providing schools PCE credit for only 750 kWh will leave substantial eligible community PCE still untapped in most communities.

WHEREAS, Gustavus requests that communities underutilizing their community facility PCE allocation should be allowed to provide any utilized PCE allocation to the school or schools serving that community, after other community facilities have received their full allocations; and

NOW THEREFORE BE IT RESOLVED that the City Council of Gustavus, Alaska encourages passage of HB 365, providing it is modified to allow communities to provide their unutilized community facility PCE allocations to schools.

PASSED and **APPROVED** by the Gustavus City Council this 11th day of March 2024, and effective upon adoption.

Shelley K. Owens, Mayor

Attest: Liesl M. Barker, City Clerk