

## **Cost of Energy to the Community July 19, 2006**

The meeting was called to order by the committee chairman, Steve Haagenson at 7:00 A.M. The minutes from the July 12<sup>th</sup> meeting were approved. The committee attendees' email addresses were updated.

After a lengthy discussion on what should be the scope of the committee's goals ranging from possible immediate steps to provide some energy cost reduction to long term, even blue sky solutions, the agenda was approved.

The committee discussed:

- 1) Vertical integration and the cost benefits of owning the fuel source, producing it, transporting the fuel to the power plant, and then distributing the energy to the consumers,
- 2) Business models and the comparative difference between not for profit cooperative companies and for profit companies,
- 3) The potential of biomass as an energy source. This could come from the efficient use of some land fill materials and/or the consumption of fast growing willows and black spruce. An added benefit could come from reduction of forest fire fuels. The committee requested a presentation from the Borough on its biomass work, scheduled for the next meeting.
- 4) Wind is a great source of energy because the fuel is free. Some discussion centered on the wind studies in the state and the current test projects by GVEA. A detailed presentation would be given to the committee by GVEA next meeting.
- 5) Alaska has over 50% of the coal reserves in the United States. It is an excellent base load electrical energy source. The committee discussed the IGCC opportunities with associated carbon sequestration.
- 6) Geo-thermal power is very desirable but most of the known sources of high temperature water are located 300 to 400 miles from Fairbanks. The use of lower temperature water at Chena Hot Springs was discussed. All are wishing the best for this program.
- 7) Coal-bed methane was reviewed. There seems to be limited potential around the interior.
- 8) Hydro-electric can be a good renewable resource but consideration needs to be given to land, fish and capital cost issues.
- 9) Solar seems to provide good summer opportunities on a smaller scale but can't immediately help in the winter months when power demand is the highest in the interior.
- 10) Most felt that hydrogen will be a significant power source in the future but could be 30 to 40 years away.

The committee suggested that the agenda for the next meeting should include biomass and wind presentations. Steve Haagenson passed out the ANGDA Cook Inlet Energy Supply Alternative Study and asked that it be reviewed and the report's format be considered as an outline to help this committee.

The meeting was adjourned at 8:20 A.M.