

GREATER * FAIRBANKS CHAMBER OF COMMERCE

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March 18, 2008


Sen. Joe Thomas
Rep. Craig Johnson
State Capitol
Juneau, AK 99801-1182

Dear Sen. Thomas and Rep. Johnson:

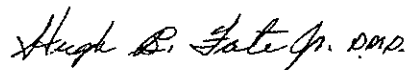
This is written to express support for House Bill No. 335 and Senate Bill No. 246 including fiscal notes, both introduced during the 25th Alaska Legislature, that advocate studies that will analyze the potential of a hydroelectric project on the Susitna River; a.k.a., the Susitna Hydroelectric Project, of south-central Alaska. The Susitna Hydroelectric Project, which was originally studied during the 1980s, would supply an estimated 600 megawatts of electric power that would greatly add to the stability and power supply diversity of the Alaska Railbelt.

There are several compelling reasons to support these legislative initiatives. Firstly, the high cost of energy in Alaska inhibits economic growth and is rapidly becoming a burden to every family in Alaska. Secondly, many combustion turbines are >30 years old and will need to be replaced or retrofitted within the next 10 years at costs estimated to range from \$1.0-2.5 billion USD. Thirdly, the operational life of the Susitna Hydroelectric project is estimated to exceed 100 years whereas power plants producing electricity from hydrocarbon resources generally need to be retrofitted 2-3 times during the same period. Fourth, once the initial costs of building the Susitna project are ascertained, then operating and maintenance costs may be more stable and predictable than other energy sources. Finally, the best model for stability in the Alaska Railbelt is the deployment of a diverse mix of energy sources, including coal, gas, oil, hydroelectric, and additional alternative renewable energy resources wherever warranted. 'Susitna Hydro' will add greatly to the renewable energy picture, and augment the existing, mixed energy sources of the region.

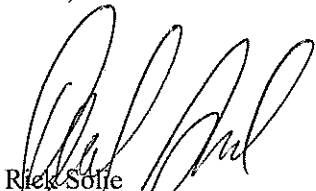
Sincerely,



Thomas K. Bundtzen
Chair, Natural Resources Committee



Hugh (Bud) Fate
Vice-Chair, Natural Resources Committee



Rick Sofie
Chairman, Board of Directors

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