



Southeast Alaska's Intertie Projects Back On The Table
Governor Forms Southeast Interties Work Group
By Dick Kauffman

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Ketchikan, Alaska - Regarding Governor Frank H. Murkowski's decision to fund a study to determine whether there are sufficient economic reasons to complete the Swan Lake-Tyee Intertie project, Ketchikan City Councilmember Charles Freeman said, "All in all, it's the best thing I've heard in two years because all we've heard in two years is no - and sometimes worse than no."

The Governor, along with Chief of Staff Jim Clark, Department of Transportation and Public Facilities Commissioner Mike Barton and Alaska Industrial Development and Export Authority Project Manager Jim Strandberg met for three hours with officials from across Southeast in Petersburg on Monday to discuss the economic feasibility of exporting hydro power from Southeast Alaska and in completing the Swan Lake-Tyee Intertie project.



The Swan Lake Project is located approximately 22 air miles northeast of Ketchikan, Alaska, on Falls Creek, which drains from Swan Lake to Carroll Inlet on Revillagigedo Island
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"This Intertie issue is important to everyone in Southeast Alaska," Governor Murkowski said. "We have got to come together to find a way to address the growing demand for lower-cost electricity while balancing that need with the needs of our neighbors to the East." Murkowski said, "I believe excess power can be generated from the Thomas Bay and other projects to be able to profitably export hydropower to B.C. Hydro."

"I'm looking forward to the day when the electricity is coursing through the lines providing for economic development throughout Southeast Alaska as well as reduced costs for rate payers," Murkowski said.

The Governor announced to the newly formed work group Monday that he had arranged for an appropriation of \$3.2 million to Alaska Industrial Development and Export Authority (AIDEA) and the Alaska Energy Authority (AEA) for a maximum six-month study to determine whether there are sufficient economic reasons to export hydroelectric power from Southeast up the Bradfield Canal.

Jim Strandberg of AEA will supervise this study and the Governor has asked DOT/PF Commissioner Barton to put together a steering group to help guide the study.

If this study determines that there is an economic basis for the export of hydropower Murkowski said he would do four things:

- Ask the Legislature for a supplemental appropriation



The Swan Lake Project is located approximately 22 air miles northeast of Ketchikan, Alaska, on Falls Creek, which drains from Swan Lake to Carroll Inlet on Revillagigedo Island
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- to this year's budget to complete the Swan Lake-Tyee Intertie
- Ask the Legislature for a supplemental capital appropriation to fund the prefeasibility study
 - Begin discussions with Nova Gold and BC Transmission Corporation to determine how power from Swan Lake-Tyee could be used to meet their needs
 - Negotiate with the U.S. Forest Service for a right-of-way for a power line up the Bradfield Canal near Ketchikan.

Freeman said, "If the report comes in favorable to show that this thing is going to be a money maker, then the Governor will ask for supplemental appropriations of \$40 million to finish the Swan Lake-Tyee intertie." He added, "The Bradfield [project] is several years down the road before it can even be started. We're ready to go, if we had the money, we're ready to go."

Regarding the Bradfield project, Freeman said the plan is that the state will build the transmission line for the Bradfield project

and private enterprise will build the dams at Thomas Bay and the Swan Lake-Tyee project will tie in.

Freeman said, "If all these things happen, the Swan Lake-Tyee intertie will be built first." He said it was a major concern that one project would have to follow the other and it was going to be the Swan Lake-Tyee intertie that did the following and we couldn't afford to do that because we have Forest Service permits that run out in 2009.

Over \$50 million was spent on the 57-mile Swan Lake-Tyee intertie project before funds ran out in 2004 and construction was halted. Another \$50 million is needed to complete the intertie.

Dave Carlson, CEO of the Four Dam Pool, speaking before the Greater Ketchikan Chamber of Commerce in April said, "Where we are right now, we have 57 miles of line for the Swan- Tyee intertie, all the right of way has been cleared and 50% of the foundations are installed."

The Swan Lake project is owned by The FOUR DAM POOL Power Agency and is operated and maintained under agreement by Ketchikan Public Utilities. The Swan Lake Project went into commercial operation on June 7, 1984 and was purchased from the Alaska Energy Authority and transferred to The FOUR DAM POOL Power Agency on January 31, 2002.

Participating from Ketchikan in Monday's work group addressing the Southeast Alaska intertie issues were Ketchikan City Councilmember Kj Harris, Ketchikan City Councilmember Charles Freeman, Ketchikan Borough Mayor Joe Williams and Jay Hanson from the Ketchikan Public Utilities grid. Freeman attended the meeting for City Mayor Bob Weinstein who was out of town.

Freeman said Petersburg was represented heavily with electric officials and citizens. "Almost all the electrical utilities had somebody there from affected regions." A very large contingent from Kake - whose users pay 52 cent a kilowatt-hour - attended because they are very interested in the Thomas Bay-Bradfield project.

No date has been set for the work group's next meeting. The administration said the work group would determine how to complete the 57-mile Swan Lake-Tyee Intertie project, study the Thomas Bay project and, the Bradfield Canal transmission line.

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