



# Upper Tanana Energy, LLC

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## Press Release

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### **Upper Tanana Energy Receives \$500,000 USDA REAP Grant for 1.5 MW Yerrick Creek Hydro Project near Tanacross, Alaska**

Upper Tanana Energy, LLC (UTE) is pleased to announce that it has received a new \$500,000 grant from the USDA Rural Development's Rural Energy for America Program (REAP), to be applied towards construction of the Yerrick Creek hydropower project near Tanacross, Alaska. Upper Tanana Energy is a unique renewable energy development partnership comprised of Tanacross Inc., (an Alaska Native Claims Settlement Act Corporation), the Native Village of Tanacross (a federally-recognized tribe), and local utility Alaska Power & Telephone Company (AP&T).

The Yerrick Creek Natural Energy Project will be a small (1.5MW) run-of-river hydropower project providing 4.9 million kilowatt hours of clean energy per year – enough to replace 375,000 gallons of diesel fuel per year, or approximately 40% of electricity used in the Tok and upper Tanana region. Total project cost is estimated at \$19 million. Communities benefitting from the project would include Tok, Tanacross, Tetlin, and Dot Lake. These communities are entirely dependent upon diesel-based generation of electricity, and experience energy costs far in excess of the US average; in 2014, the average energy cost was \$0.45 / kWh.

The project is located on lands owned by Tanacross Inc., and the State of Alaska, eliminating the need for an expensive and time-consuming federal permitting process. The project has received a Federal

Energy Regulatory Commission non-jurisdictional determination, and a Finding of No Significant Impact (FONSI). Upper Tanana Energy will serve as a wholesale supplier of power to Alaska Power & Telephone Company, providing a local renewable energy alternative to diesel fuel.

The Yerrick Creek Natural Energy Project will be a small, low impact “run-of-river” hydro project with a minimal environmental footprint. The project will use a small diversion to collect water for energy production, before returning water back to the creek downstream. “Run-of-river” projects like Yerrick Creek avoid the need to build large dams to store water, and allow renewable energy to be produced as conditions and river flows permit. The Yerrick Creek project’s useful lifespan is estimated at over 100 years, assuring a clean, reliable supply of affordable power to the Upper Tanana region for generations to come.

Nearly \$1,000,000 in expenditures to date have brought the project to construction-ready status, thanks to grants provided by the Alaska Energy Authority and USDA Rural Development, and private investment supplied by AP&T. Upper Tanana Energy constructed 5 miles of new transmission line for the project during the summer of 2015. The new USDA REAP grant will be applied to future construction activities.

Tanacross Inc. President Robert Brean stated: “The community is highly appreciative of this USDA funding award, which will play a significant role in helping to complete the Yerrick Creek project for the benefit of energy consumers in the upper Tanana region. Moreover, this generous award helps support Tanacross Inc. in realizing its long-term goal of clean energy production on the lands which our shareholders were provided through the Alaska Native Claims Settlement Act.”

Native Village of Tanacross representative Jeffery Weltzin stated: “Yerrick Creek will help provide more affordable energy to tribal members, and the region as a whole, while supporting tribal environmental stewardship values. The project will also help support Governor Bill Walker’s goal of addressing the Consumer Energy Crisis which is devastating rural interior Alaska due to diesel fuel prices. We are grateful for the new support USDA has provided, and hope it will encourage participation by other funders and agencies.”

While the USDA’s \$500,000 grant is a very important contribution to the project, additional grant funds are needed to complete the \$19 million project. Upper Tanana Energy partners are currently applying for \$4 million in State of Alaska Renewable Energy Fund grants, a \$1 million grant from the US Department of Energy, and hope to apply to the State of Alaska for low-interest loans in the coming year.

AP&T President and CEO Robert Grimm explained: “While AP&T is able to help support completion of Yerrick Creek predominantly through private investment, some additional grant and low interest loan funding support is required to assure the project is financially feasible. A modest degree of support by the State of Alaska would result in many millions of dollars in net cost-savings to the State in the form of reduced energy subsidy payments in the coming decades. We are hopeful that the State of Alaska will recognize the tremendous long-term financial relief this project provides to the State, in addition to families and businesses in Interior Alaska.”

AP&T is an experienced renewable energy developer, which currently owns and operates 7 similar small hydropower projects in rural Alaska, as well as the largest utility-owned solar electric installation in Alaska.

**Point of Contact for Additional Questions:**

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