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Alaska Power & Telephone Completes Construction of the Gustavus Intertie

Glacier Bay National Park Goes Renewable

Alaska Power & Telephone Company (AP&T) is pleased to announce completion of the Gustavus intertie – a federally-funded project linking the National Park Service’s facilities in Glacier Bay National Park and Preserve to clean, renewable energy available from the Falls Creek hydropower project near the community of Gustavus, Alaska. Prior to the intertie, the National Park Service’s only option for electrical power was to self-generate energy at high cost using off-grid diesel generators.

The Falls Creek project is a “low impact,” run-of-the-river hydropower facility built in 2009. It was originally designed to meet the needs of the community of Gustavus, as well as replace diesel generation at off-grid National Park Service facilities. Because the community of Gustavus is an islanded “micro-grid,” additional energy purchases by the Park Service will be a tremendous help in spreading utility fixed costs over a greater of sales base, significantly reducing energy costs for consumers.

As a result of the project, Gustavus customers can expect to see significant cost-savings on their bills, which will reflect the NPS’s level of energy purchases. All of the benefit of purchases by the NPS flows to energy consumers through a credit applied to the community’s Cost of Power Account. While the exact savings depend upon the National Park Service’s level of energy use, historic pre-COVID data suggests rate decreases could be as high as \$0.11 to \$0.12 per kWh for residential customers.

In addition to providing economic relief to energy consumers of Gustavus – a remote community with very high cost of living – the project has tremendously positive environmental impacts. Based on pre-COVID energy consumption levels in the park, the intertie project is conservatively estimated to avoid 38,000 gallons of fuel per year, and by extension 600 tons of carbon dioxide, plus other emissions. This is the equivalent of taking 128 passenger vehicles off the road. (Per US EPA carbon metrics.) The shift to hydropower represents an enormous environmental

footprint improvement in the tremendously unique and pristine environment of Glacier Bay National Park and Preserve.

Alaska's senior Senator Lisa Murkowski commented: "Supplying clean, cost-efficient energy in Alaska has long been a challenge, and one that I've been proud to work alongside my constituents to help address—this includes support for the Gustavus intertie project. For over a decade and through my position as Chairman of the Interior Appropriations Subcommittee I have pushed to advance this project because I know the value it will bring the National Park Service and the customers who will rely on its power. Finally seeing this renewable intertie complete, and knowing the economic and environmental benefits it will provide, is a big milestone. It is well past time the National Park Service in Gustavus moved off diesel power generation. I thank the Alaska Power and Telephone Company for their hard work and all those who helped make this a reality."

AP&T's CEO, Michael Garrett, reflected on the completion of the project. "This is truly a 'triple bottom line' project that produces societal, environmental, and economic benefits for a very broad range of stakeholders. Most notably lowering energy costs to the National Park Service and flowing financial benefits directly to the local Gustavus customers. We are thankful to the National Park Service, the community of Gustavus, and our subcontractor Northern Powerline Constructors for all of their teamwork and collaboration on this project."

Alaska Power & Telephone Company (OTC: APTL) is an investor-owned utility providing diverse utility services in over 40 communities in rural Alaska. Additional information on AP&T can be found at: www.aptalaska.com