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Murkowski Calls Attention to Alaska's Isolated Energy Systems *Cost of Energy Can be "Staggering Burden" for Isolated Communities*

Washington, D.C. – U.S. Sen. Lisa Murkowski, R-Alaska, today underscored the importance of promoting fuel diversification and greater efficiency at a Senate Energy and Natural Resources Committee hearing she convened on the unique challenges facing isolated energy systems in places like Alaska, Hawaii, and the U.S. Territories.



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“Energy can be a staggering cost and a staggering burden” for people living in remote communities across Alaska and other isolated parts of the country, Murkowski said, adding that greater emphasis should be made to integrate hydropower, wind and other renewable energy sources where it makes sense to reduce reliance on diesel fuel for heating and electricity generation.

“While the nation’s regional grids have a diverse set of energy sources to draw from, most isolated areas simply don’t have that luxury. Instead, their energy prices are directly tied to the price of oil,” Murkowski said. “Alaska’s isolated communities are largely dependent on imported diesel fuel for their energy needs. The cost of importing that fuel adds significantly to the overall cost of electricity, and in the case of Alaska, it also adds to the cost of space heat.”



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Meera Kohler, president and CEO of the Alaska Village Electric Cooperation (AVEC), testified before the committee that high energy costs and reliability issues can be a life-and-death situation in Alaska, especially in winter when temperatures can be 60-below zero.

“In some of our smallest rural communities, over 20 percent of the population spends literally 50 percent or more of their disposable income on energy and that’s just electricity and heat. That is not supportable... you cannot have any kind of economic development when you have energy prices that are crippling the economy,” Kohler said.

Kohler stressed the need for federal help that would assist Alaska’s rural communities with the upfront costs of integrating alternative energy projects into their local generation mix.



Murkowski and Kohler discuss Alaska’s isolated energy systems after today’s hearing

“Most remote locations pay at least twice the national average for electricity,” Murkowski said. “In parts of my state, we see numbers and rates that are at times 10 times the national average. Lower prices are providing some relief right now, but energy source diversity is the best and

most stable option over the long-term.”

Murkowski pointed to the Southeast Alaska community of Pelican, which saw commercial fishing activity decline because of the energy costs associated with producing ice to keep the fish fresh. Murkowski said development of a small hydroelectric facility has lowered electricity costs and helped revitalize the local fishing industry, as well as lowered electricity prices for the entire community.

Murkowski also mentioned the Southwest Alaska village of Kwigillingok where wind turbines are helping cut energy costs and reducing diesel fuel consumption for the community of roughly 300.

“These are examples of how we need to think about energy in these systems by focusing on solutions that meet their unique needs – where energy sources match what the community needs and what the community can sustain,” Murkowski said.

Murkowski’s micro-grid legislation, [S. 1227](#), would assist isolated communities in diversifying their fuel sources by including them in the Department of Energy’s micro-grid activities.

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