

May 8, 2008

1/2

Dear Governor Palin,

This letter is in regards to my support of certain allocations in Senate Bill 221; more specifically four appropriations for Copper Valley Electric Association, Inc. (CVEA) that includes the following:

- \$2 million to match a federal grant for an upgrade to our Glennallen Diesel Plant to improve the reliability and back-up potential of our system. Glennallen and the Copper Basin is connected to Valdez via a 100+ mile transmission line that goes through avalanche prone territory that has seen at least 4 events, 2 in the last 6 years, that have cut off the Copper Basin area from the cheaper Valdez generation.
- \$1 million to permit the Allison Lake hydro project in Valdez that will, when completed, significantly reduce CVEA's dependance on fossil fuel generation for the entire Valdez-Copper Basin area. We're talking almost 100% hydro but maintaining fossil fuel generation as back-up for the "what ifs" to be accounted for.
- \$500,000 to upgrade the Valdez substation, which will replace an aging power transformer with an up-to-date efficient unit. The existing unit is aging and has been recommended for replacement.

May 8, 2008


2/2

- \$1.5 million to reimburse CVEA for money expended several years ago on a study for a tie line between CVEA and the Railbelt Grsd. I was not in Valdez at the time but I understand the collapse of the AEA (or the reallocation of funding) basically left CVEA in the dark and holding the bill.

All four of these appropriations are important to the member-owners of CVEA and may help the co-op from having to raise the energy rates. I understand and appreciate that you are trying to maintain a fiscally responsible government but the appropriations for CVEA are not of a recurring nature and will provide immediate relief with three of the four projects. The other, Allison Lake hydro project, will provide relief to the members of CVEA for generations to come once completed. Our Solomon Gulch hydro project has been providing approximately 60% of our yearly needs since the early 80's and is expected to continue to provide environmentally safe energy for decades to come.

I urge you to show support for the residents of Valdez and the Copper Basin by approving these appropriations. During this time of incredible windfalls from oil revenues, non-recurring project funding makes fiscal sense for the state to provide relief to its residents for immediate benefits and for benefits that will pay off for years to come.

Respectfully yours,


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