

## Emily Deach

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**Subject:** Letter of Support: Goat Lake Study

**Importance:** High

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**From:** Jason Custer

**Sent:** Monday, August 28, 2023 2:32 PM

**To:** Andrew Cremata <mayor@skagway.org>; Brad Ryan <manager@skagway.org>; Emily Deach <e.deach@skagway.org>

**Subject:** Letter of Support: Goat Lake Study

**Importance:** High

Hello Mayor Cremata, Manager Ryan, and Deputy Manager Deach.

AP&T is preparing an application for Alaska Energy Authority Renewable Energy Fund (REF) grant funds to conduct a “reconnaissance study” of the possibility of a modest increase to the reservoir at the Goat Lake hydropower project. This would help increase the amount of clean energy that can be stored for the winter, may help improve operational efficiency of the other hydro projects in the summer, and could potentially help support integration of new renewables in the future. The reconnaissance study would evaluate project concepts, examine potential costs and benefits, and would develop an improved understanding of environmental impacts (which we believe are minimal), and agency requirements. In our grant application narrative, we consider a 3 foot increase that might possibly result in 900,000 kWh of additional storage capacity.

AP&T subsidiary Goat Lake Hydro, LLC would be making the application. We have not quite finalized the budget, but believe the final request will likely be in the neighborhood of \$200k, with supplementary/matching support from AP&T.

**We were wondering if the Municipality could please provide a letter of support similar to the one below.** While the application is due after 4pm tomorrow, a letter of support after the deadline would still be most helpful, and appreciated. I apologize for the short notice; we only reached a decision to submit an application very recently.

I appreciate that the Municipality of Skagway has been an outspoken advocate for clean energy development and for beneficial electrification through the years. AP&T needs to continue to evolve to be ready to meet its customers’ needs, and that is certainly true in Skagway, where there are many promising opportunities, and clean energy advocates. Your support of this request would be most welcome.

Please feel free to call me at 907-617-3773 if I can help answer any questions.

Thank you kindly for the consideration,

-Jason Custer

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[INSERT LETTERHEAD]

[INSERT DATE]

*Staff of the Alaska Energy Authority,*

*I write to express the Municipality of Skagway's support for Alaska Power & Telephone subsidiary Goat Lake Hydro Inc.'s (GLH's) application for AEA Renewable Energy Fund (REF) grant funds to conduct a preliminary reconnaissance study examining the possibility of expanding the reservoir at the Goat Lake hydropower project.*

*Goat Lake is an existing "low impact" hydropower project located near the community of Skagway. It provides energy to the communities of Skagway, Dyea, and Haines, as well as to Inside Passage Electric Cooperative for resale in the Klukwan area. GLH is requesting funds to conduct a "Phase I" Reconnaissance study to examine the possibility of raising the reservoir by a modest amount – perhaps 3 feet – to increase storage at the facility. It is important to fully understand the clean energy development opportunities that are available to support future growth. Our community has strong interest in projects including port electrification, development of an electric ferry, regional electric vehicle tourism, and heat pumps. Expanding the reservoir at the Goat Lake hydro project has the potential to supply a modest increment of new clean energy to supplant existing diesel generation, and support future growth.*

*Benefits of the project may include the following:*

- Increasing winter storage at the facility, when new inflows are limited.*
- Helping to enhance the efficient operation of other existing "run of the river" hydropower projects.*
- Additional storage may help support integration of other renewable energy resources in the future.*
- Minimizes the need for new development and disturbances by increasing use of an existing powerhouse, roads, transmission, and other facilities.*
- Helping to keep energy affordable long-term.*
- Reducing emissions, and improving air quality.*
- Improved price stability versus fossil fuels, which can have very volatile pricing.*
- Supporting grid stability and resiliency.*
- Increasing production of "Renewable Energy Certifications" (RECs), which help offset operating costs.*

*The study will provide decision-makers with preliminary information that will help support an improved understanding a reservoir increase, and its potential costs and benefits. The study will explore potential environmental impacts, licensing and permitting requirements, construction costs, economic benefits, and other considerations. If the initial study is favorable, it may lead preliminary project design. The Municipality of Skagway would be very interested in the outcome of this effort.*

*In conclusion, we encourage you to please fully fund GLH's request.*

*Respectfully Submitted,*

*[INSERT SIGNATURE]*

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**Jason Custer, CMA, PMP | Vice President, Regulatory & Government Affairs**

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