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**Testimony for the Subcommittee on Indian and Alaska Native Affairs Oversight Hearing
on the “Federal Laws and Policies Affecting Energy Prices in Rural Alaska and their
effects on Native Villages.”**

April 5, 2012

Members of the Subcommittee, Thank you for the opportunity to testify.

My name is Jerry Isaac and I am from the Native Village of Tanacross. I am President of Tanana Chiefs Conference, a consortium of 42 Alaska Native tribes in the Interior of the state. Our tribal members in these rural communities pay some of the highest energy costs in the NATION—for electricity, home heating, and transportation—and I appreciate the invitation to speak with you on these important issues.

I am very grateful to the Chairman for holding this hearing here in Alaska, where members and staff of the Subcommittee can see firsthand the challenges faced by rural Alaskans. Until you see what life is like in these villages, it is next to impossible to understand.

Our rural villages have as many as 1,000 residents, others have only a dozen. In all cases, electricity is provided by stand-alone diesel generators, where the cost of diesel ranges from \$5 to \$9 per gallon.

The cost power is as high as 85 cents per kilowatt-hour, even with state subsidies such as Power Cost Equalization. There are no interties, no transmission lines connecting our villages. Each community is its own stand-alone energy center.

The electrification of rural villages in the 1960s and 70s immeasurably improved life for those residents. Now, with the ever-increasing price of oil, we are seeking to diversify our energy resources to include alternate and renewable sources such as solar, wind, hydrokinetic, and biomass.

Three years ago Tanana Chiefs Conference established a formal partnership with the Alaska Center for Energy and Power, an applied energy research institute at the University of Alaska Fairbanks. This partnership has brought engineering and technical expertise to our villages, and has provided opportunities for local energy planning and development. Several of our villages are currently devising biomass heating systems for public buildings. I mention this university partnership as an example of our tribal members taking ownership of their energy development needs, asking the energy experts for assistance in meeting their own challenges, not asking the experts to solve the problems for them.

I bring the same request to the Subcommittee. We do not ask for anyone to do something for us, rather help us to achieve our own energy solutions.

It is my impression much of the focus at the federal level on rural / Native American energy development involves entrepreneurial opportunities for power sales and export to centralized electric grids. Solar farms and wind farms on Lower 48 reservations are examples of economic development opportunities that I am pleased to see my friends in states such as Oklahoma and Arizona working towards.

Here in Alaska we have different needs, however. Tax credits and subsidies for large-scale energy projects mean little to the 96 residents of Ruby whose electric grid connects to nothing but the community itself. Access to woody biomass for a wood-fired boiler in the tribal hall is a small project when compared to Megawatt wind farms in Oklahoma, but it would have a measureable positive impact on the village of Ruby. A 25-kilowatt solar array on the Kaltag tribal hall is nothing compared to the Megawatt solar farms in Arizona that send power to Los Angeles, but such a project would save the Kaltag tribe significant money in energy costs.

Here in Alaska we are concerned with the sustainability of life in the rural communities. As a former rural resident, I have heard the Chairman speak to the significance of the villages in Alaska-and I appreciate his understanding. For Alaska Natives, either urban or rural, the villages mean the heart-center of our culture. The villages, because they sit on our traditional lands, is where we as people derive our strength. We need our small remote communities to enable our people and culture to thrive as such.

It is imperative we address Alaska's rural energy needs as every aspect of rural life is impacted by the high costs of energy. Alaska's rural education, health care and safety programs spend the most percentage of their budgets on energy costs than anywhere in the Nation, whereas if we could address energy issues these dollars could go to the heart of the programs.

I hope this hearing represents the start of a dialogue where we can share with the Subcommittee our unique energy needs. Please take away from this hearing the fact that even though Alaska may be viewed as a state rich with resources, somehow these resources are pulled out of rural Alaska refined elsewhere and return to rural Alaska with a price-tag amounting to the highest costs of energy in Nation.

Finally, I believe addressing rural Alaska's energy needs will not only benefit Alaska Natives and the State of Alaska, but the country. If this nation takes an active role in investing and developing diverse energy resources we will be far ahead of other nations and once again depend on our own resources.

The people of our region are taking an active role in meeting the energy challenges and I thank the Chairman and the Subcommittee for your efforts to help us help ourselves.

Thank you.