

Beyond oil, can Alaska be tapped as a source for renewable energy?

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Alaska has massive hydro, wind, geothermal and other renewable resources, but the state's rural villages are chained to diesel and suffer oppressive energy costs they say threaten their existence. Lawmakers, energy experts and Native leaders said Thursday it's a dire problem with elusive solutions.

"People are suffering, people are leaving. It is crushing opportunities, it is crushing innovation," said Ethan Schutt, senior vice president for land and [energy development](#) at Cook Inlet Region Inc., an [Alaska](#) Native corporation.

The Center for American Progress, a liberal-leaning think tank chaired by John Podesta, a former chief of staff under President Bill Clinton, held a forum Thursday to explore rural Alaska [renewable energy](#) issues. Podesta said the Lower 48 thinks of Alaska as all about oil, when it has an estimated 40 percent of the U.S. potential to generate electricity from rivers and 90 percent of the nation's potential to produce power from tidal resources.

Alaska's resources are vast, with the state so wide that, superimposed on the Lower 48, it would stretch from California to Florida. It has twice the length of shoreline as that in all the Lower 48 states combined, and geography that ranges from raging rivers to volcano-ringed mountain ranges and flat, windswept Arctic tundra.

The state's leaders have been trying to tap those resources for energy, but

the small population and daunting transportation costs make it a huge challenge.

Deputy Interior Secretary David Hayes said that rural Alaskan villages have "amazing resources," especially the potential to harness wind energy along the coast, while people in rural Alaska are paying up to \$10 a gallon for diesel used to generate electricity.

"The potential is there, but we're not seeing it," said Alaska Republican Sen. Lisa Murkowski. "It's extraordinarily expensive when you're not part of the grid."

Murkowski said the solution isn't for rural villagers to move to Anchorage, where energy is cheaper.

"The solution is to figure out how we bring affordable, reliable and renewable energy where people can stay in their villages where they've been for a thousand years," Murkowski said.

Alaska has many renewable energy projects, including hydro in its southeast and a huge dam proposed for the state's south-central region, but Murkowski said renewable energy development happens in "fits and starts."

Murkowski and Alaska Democratic Sen. Mark Begich said Alaska's urban areas are seeing benefits from state renewable energy funding, but the villages less so. Murkowski said part of the issue is the hard-nosed politics at play when the Legislature makes funding decisions in the state capital of Juneau.

"Our reality is rural Alaska is losing population, and when you lose population you lose representation in Juneau," Murkowski said.

Federal funding for Alaska has flattened out after years of explosive growth, and there's tough nationwide competition for grants. Murkowski said Alaska villages suffer in grant competitions when a cost-benefit analysis is done that takes into account the price of delivering equipment to the rural regions, known as the Bush, and the fact that a project may end up benefiting a village of just 500 people.

Murkowski and Begich urged companies to use rural Alaska as a testing ground for renewable projects, saying that if a project can be economical in Alaska it can work anywhere in the world. Hayes, the interior deputy secretary, agreed that a project capturing wind power, which he called the biggest energy opportunity for Alaska's remote villages, could then be replicated throughout the world.

The cost of renewable energy projects is going down and there are lots of potential opportunities, said Steven Chalk, who specializes in renewable energy at the U.S. Department of Energy. But Alaska is a tough place for it.

"The scale issue in Alaska, that's a big challenge in my mind," Chalk said. "There's not enough pull from the private sector because the projects are too small."

He said a potential solution could be villages working together and combining their projects into one.

Schutt, of the Cook Inlet Region Inc., said he's been working on how to combine projects and attract private financing. So far federal renewable energy tax breaks haven't helped much in rural Alaska, because the developers tend to be governments or non-profit electrical cooperatives that don't pay taxes, he said, but private investors could benefit from the tax breaks.

Longtime Alaska Native leader Byron Mallott said the stakes are high, with the possibility that the indigenous life of village Alaska could come to an end.

He said Natives will resist that. "The people are resilient, living on their own lands, and they are committed to remaining in those places," he said.

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