



CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

ADMINISTRATION

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907-747-1812

March 21, 2024

Attention: Southeast Conference
9360 Glacier Highway, Suite 201
Juneau, AK 99801

[VIA EMAIL ONLY]

Re: Support for the Accelerating Clean Energy Savings in Alaska's Coastal Communities Program

Dear Mr. Venables,

I am writing to express the City and Borough of Sitka's (CBS) support for an implementation grant application to the Environmental Protection Agency's Climate Pollution Reduction Grant program by Southeast Conference (SEC) and Alaska Heat Smart (AHS). We strongly believe that their *Accelerating Clean Energy Savings in Alaska's Coastal Communities Program* (ACES-AK) will help catalyze critical rural energy improvements, lower residential heating costs, and dramatically reduce carbon emissions.

As an islanded grid, 100% of Sitka's electric needs are met by two municipally owned and operated hydroelectric dams which provide clean, inexpensive power. Thanks to efforts of other local entities that aim to increase the accessibility of beneficial electrification, a surge in interest and conversion has only emphasized the essential role clean energy plays in our community's wellbeing. Similarly, this rapid electrification underscores the importance of strategic collaboration to maximize the potential benefits of the current technological and financial landscape for our citizens. In response, CBS is actively preparing to support the community's electrification efforts and support programs like ACES-AK, through the development of the Sitka Community Renewable Energy Strategy, which aims to establish a shared energy vision, and through a partnership with the DOE's Clean Energy-to-Communities program to increase CBS's human capacity to responsibly manage our renewable, but finite, energy resources.

CBS believes strongly in both the need to decarbonize and lower the costs of space heating. The majority of coastal Alaska's communities are economically disadvantaged; Sitka is no exception and is considered partially disadvantaged. While fortunate to have electric rates lower than the majority of Alaska, approximately 30% of Sitka households are currently considered energy cost burdened (6% or more of income spent on energy), and approximately 7% of households are considered severely energy cost burdened (10% or more of income spent on energy). CBS is cognizant of this burden and as such, CBS continuously identifies opportunities to relieve the burden of utility costs; an action prioritized in our current strategic plan, and one the ACES-AK Program undoubtedly supports.

With decades of combined experience in the spaces of economic development and beneficial electrification, SEC and AHS are poised to better the lives of Alaska residents while meeting the goals of both the CPRG program and CBS's strategic plan. AHS currently operates in Sitka and CBS stands behind their commitment to both our community and our citizens. CBS is strongly supportive of the SEC-AHS proposal, and we look forward to the energy education and financial incentives at its core. We welcome the opportunity to assist the project by helping to build bridges into the community and jointly to work in the pursuit CBS's mission to provide public services that support a sustainable community for all.

Sincerely,

John Leach
Municipal Administrator

CC: [Andy Romanoff, Executive Director, Alaska Heat Smart] [via email only]
[Bri Gabel, Sustainability Coordinator, CBS] [via email only]