



March 20, 2024

RE: Letter of Support for Makushin Geothermal Project

Dear Review Committee:

UniSea, Inc. is pleased to provide this letter of support for the Makushin Geothermal Project (MGP) in Unalaska. UniSea is a shore-based seafood processor located in Unalaska. UniSea began operating in Unalaska in 1974 and for the past 50 years has been a major seafood producer of Alaska crab, Alaska Pollock, and Pacific Cod, among other species. Processing companies on Unalaska currently generate their own power, using millions of gallons of diesel annually, at the cost of tens of millions of dollars. Unalaska's processors have long supported alternative sources of energy, and UniSea has carbon emissions reduction initiatives under way that will reduce our dependence on fossil fuels, but our power demands are too great to reduce even by half without a larger scaled project.

Unalaska is a remote island in the Aleutian Islands but is the center of the nation's fisheries resources. It has been the highest volume port in the U.S. for more than two decades, and the second or third highest in terms of value. Consistent, sustainable, and affordable energy is a critical factor in seafood processing operations in remote Alaska. The significance of Unalaska and this region with respect to the nation's fisheries cannot be overstated, and any efforts to continue to reduce both the cost and the carbon footprint in the production of food should be supported.

This correspondence is to express our strong support for the City of Unalaska's initiative to pursue a Climate Pollution Reduction Grant (CPRG) through the Environmental Protection Agency (EPA). It seeks \$125 million in funding for projects aimed at transitioning Unalaska to renewable energy sources, including wind and geothermal.

In 2019, Unalaska commissioned a wind power study that concluded the City could generate 5 MW of electricity from five wind turbines at a cost of \$39 million. Concurrently, the City signed a power purchase agreement to support the private development of geothermal power at Makushin Volcano. However, after four years of seeking project financing without success, the City declined an extension request for the power purchase agreement in February.

Instead, the City is now partnering with the Ounalashka Corporation and the Qawalangin Tribe to develop the geothermal project. Upgrades to the electric generation and distribution systems, which were delayed pending the delivery of geothermal power, are now imperative. Furthermore, discussions have commenced to form a power cooperative to increase resiliency and resources in the short term while transitioning away from diesel generation to eliminate harmful emissions such as NOx, PM10, and CO2. This will align Unalaska with global efforts to combat climate change and reduce environmental impacts.

Unalaska's project aims for zero-carbon-emission power generation to improve long-term environmental health and sustainability. This project will achieve these goals and establish an affordable cost of electricity for decades to come. Funding Unalaska's grant request will enable the characterization of the volcanic well field, badly needed to obtain project financing through grants, loans, and investments. Additionally, it will fund a 5 MW wind farm and a BESS system to integrate these sources into Unalaska's power grid.

Sincerely,

A handwritten signature in blue ink that reads "Tom Enlow".

Tom Enlow – President & CEO

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