

Introduced by: Dan Leinberger, Council Member  
Date: September 23, 2008  
Action: Passed  
Vote: 6-0

## *CITY OF BETHEL, ALASKA*

### **Resolution # 08-23**

#### **A RESOLUTION SUPPORTING THE PREPARATION AND SUBMISSION OF A GRANT APPLICATION TO THE ALASKA ENERGY AUTHORITY FOR THE PURCHASE AND INSTALLATION OF ONE OR MORE COMMERCIAL WIND TURBINES**

**WHEREAS**, the Wind Resource Assessment for Bethel, Alaska report completed in February 2006, indicates that Bethel has "good" wind energy development potential (Wind Power Class 4) and has yet to be developed;

**WHEREAS**, the Alaska Energy Authority (AEA) expressed interest in having Bethel serve as a wind energy hub that could help share its wind energy project experience, host training sessions, deliver technical expertise, and distribute parts and supplies to villages in the Kuskokwim River area actively engaged in wind power development;

**WHEREAS**, the Bethel City Council passed Resolution #05-31 on August 9, 2005 supporting wind power development in Bethel as a way to reduce/eliminate the cost of electricity to the City, other profit- and not-for-profit entities, and/or the community as a whole;

**WHEREAS**, the tariff under which the Bethel Utilities Corporation operates, allows prospective independent power producers, like the City of Bethel, to connect alternative energy generators to its utility grid and sell power to the utility at the avoided fuel cost rate;

**WHEREAS**, the Alternative Energy Committee, a volunteer administrative committee for the City of Bethel, is pursuing its short-term goal of installing and operating a small commercial wind turbine as a demonstration project and its long-term goal of owning and operating a commercial wind farm that would have the potential to lower the cost of electricity for Bethel residents;

**WHEREAS**, the Alaska Energy Authority is soliciting competitive applications from qualified applicants for the purpose of recommending grants for renewable energy projects to be funded by the Alaska State Legislature;

**WHEREAS**, the Alaska Energy Authority issued a Request for Proposals on September 4, 2008 with a deadline of October 8, 2008 for projects that will be ready and able to proceed quickly once funded;

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- WHEREAS**, the City of Bethel, as a local government entity, is eligible to apply for grant funds through the RFP issued by the Alaska Energy Authority;
- WHEREAS**, the City intends to include as part of its grant request, at least \$200,000 to complete the project funding requirement for the 100 kW wind turbine that was partially funded during the AEA spring 2008 grant cycle;
- WHEREAS**, the City intends to include as part of its grant request, the purchase, transportation, and installation of one or more commercial wind turbines;
- WHEREAS**, the City's Finance Department will create an energy enterprise fund, in which all grant funds, revenues, and expenses associated with this and other wind energy projects will be accounted for and properly tracked;
- WHEREAS**, the City intends to provide a direct public benefit by allocating a portion of the revenues over expenses achieved each year from the Energy Enterprise Fund to the City's Water and Sewer Enterprise Fund as a way to subsidize the City's cost to deliver water and sewer benefits;
- WHEREAS**, the City promises to administer the grant properly, including the purchase, installation, operation, and maintenance of each and every wind turbine purchased with some or all of these grant funds;
- WHEREAS**, the City authorizes the Grant Development Manager to be the point of contact and represent the City for the purposes of this application;
- WHEREAS**, the City of Bethel is in compliance with all local, state, and federal laws, including existing credit and federal tax obligations;
- WHEREAS**, while no cash match is required for this grant request, the City intends to provide in-kind resources for the success of the project, including land, administrative capacity, in-town transportation of equipment, use of heavy equipment, personnel, and sand;
- WHEREAS**, the purchase and installation of one or more commercial wind turbines like the one proposed herein offers the following major benefits to the City, community, and other entities considering similar projects: (1) actual cost figures from the purchase, installation, operation, and maintenance of the turbines, (2) results on wind characteristics (intensity, duration, frequency, direction) for a location in city limits, (3) City and Alternative Energy Committee experience in the preparation and submission of wind energy grants; (4) jobs for residents to transport, install, operate, and maintain the wind turbine(s); (5) increased potential for Bethel to serve as a wind energy hub community, supplying parts, labor, and training to surrounding villages; and (6) a true test in western Alaska of a municipality working with a private utility so the municipality could own and operate wind turbines connected to the utility grid;

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**NOW, THEREFORE, BE IT RESOLVED** that the Bethel City Council supports the preparation and submission of a grant application to the Alaska Energy Authority to fund the purchase and installation of one or more commercial wind turbines;

**BE IT FURTHER RESOLVED** that the City authorizes this application for project funding with the project match identified herein;

**ENACTED THIS 23<sup>rd</sup> DAY OF SEPTEMBER 2008 BY A VOTE OF 6 IN FAVOR AND 0 OPPOSED.**

  
Eric Middlebrook., Mayor

ATTEST:

  
Lori Strickler, City Clerk