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**Testimony on “Federal Laws and Policies Affecting Energy Prices in Rural Alaska and their Effects on Native Villages”**

Good Morning. My name is Melody Nibeck. I am the Tribal Energy Program Manager for the Bristol Bay Native Association (BBNA). We are a non-profit, tribal consortium that provides vital services to 31 rural villages in southwest Alaska. The Tribal Energy Program promotes energy efficiency and renewable energy with a focus on disseminating information; regional planning; facilitating partnerships; advocating for energy issues; and administering energy programs and projects.

While Bristol Bay villages and other regions of the state have relied on diesel to generate our electricity, heat our homes and power our vehicles and fishing fleet, our dependence on fossil fuels is becoming unsustainable. The rising cost of energy has reached unprecedented proportions. While all Americans suffer from the rising cost of gasoline, we suffer disproportionately, threatening our very survival. In Bristol Bay, the average price of heating fuel and gasoline is around \$6.00 per gallon; and the average residential rate for electricity is around .60 per kWh (before factoring the state Power Cost Equalization subsidy). The fishing fleet in one word is “anxious” as we wait for the spring fuel barges to arrive. For that matter, we are all anxious about our future.

It is entirely possible that many of my neighbors will not be able to pay their energy bills and still buy food and the other necessities of life. By way of example, my fuel bill for December was \$920.78 (169 gallons), and my fuel bill for February was \$871.74 (160 gallons). Rural families depend on subsistence, and under “normal” circumstances they are able to put away fish, berries, moose and caribou to help meet their food needs. But, for some families, the price of gasoline is limiting this ability.

There is hope. As major landowners, we have resources that can be developed. As owners of major corporations, we have the management capacity and organizational reach to work with the state and federal governments (and the private sector) to search for and create new sources of energy. Our federally recognized tribes, our regional housing authorities, and our regional tribal consortia all have a strong interest in being part of the solution of obtaining affordable energy and thereby maintaining our unique way of life.

We have encouraged the State of Alaska to adopt a long-term energy plan – one that covers every region of the State with an overall goal of equalizing energy costs for all Alaskans. We believe in an approach that provides energy assistance, encourages conservation, and promotes economic development. We also understand the need to continue to invest in conventional oil and gas. At the same time, we should be working on a transition to a low carbon future. To that end, we believe strongly in the development of alternative energy resources. Many projects are underway in Bristol Bay-mostly owing to the *Alaska Renewable Energy Grant Fund*. The region however is large and geographically diverse. In total land mass we equal the size of

the state of Ohio. There is no “one-size-fits-all” solution, which is true for most of Rural Alaska, making solutions specific and expensive.

How can the federal government play a key role in addressing the problem? We submit the following recommendations for consideration.

**1. Low Income Home Energy Assistance Program (LIHEAP)**–BBNA urges Congress to increase funding to LIHEAP commensurate with the price of crude oil. We administer LIHEAP for the region with tremendous success, but funding levels are always being threatened. The latest threat would have impacted our region by \$1 million creating tremendous hardship for our families. This past winter we saw a significant increase in heating degree days causing an even further burden on budgets.

**2. Denali Commission**–BBNA urges Congress to increase funding to the Denali Commission and in particular it’s Energy Program. The commission is a well-established model that works in Bristol Bay both in terms of energy project development and inter-agency coordination of resources and services.

**3. Energy Efficiency & Conservation Block Grant Program (EECBG)**-BBNA urges Congress to fund EECBG as called for in the Energy Independence and Security Act of 2007. The EECBG program assists local governments - including tribes - through formula and competitive grants to develop energy efficiency and conservation projects. We have been assisting 14 tribes implement their allocations through energy audits and retrofits on tribal buildings where local labor is hired and trained to make the suggested improvements. The EECBG is the only funding stream that goes directly to tribes for energy projects for non-residential buildings.

**4. Energy Independence and Security Act of 2007 (EISA)**-BBNA urges Congress to implement EISA. The Act includes a host of provisions to further renewable energy development, including grant programs to fund up to 50 percent for projects in Alaska.

**5. Regional Support**-BBNA urges Congress to support the creation of regional energy authorities and programs to support regional planning efforts, funding and development of projects. We will be signing a contract with the Alaska Energy Authority to begin phase one of a regional energy plan. This phase includes the necessary data collection and analysis, validation of capital, operating and fuel cost projections, validation of technology performance, and preliminary ranking of alternative energy projects at the local, sub regional and regional level. The projects will be identified and quantified and partnerships with the state and federal governments will be even more important. Congress provides many different types of essential services to tribes and tribal members when most could argue that funding for an energy program at the regional level is absolute and critical at this time.

We thank you for the opportunity to testify today. This is an enormous issue for Bristol Bay, but not insurmountable if we work together. We want to be part of the solution and look forward to working with both the Congress and the State of Alaska to address this issue.