

KEA Gets \$38M From USDA To Buy Terror Lake

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Kodiak Electric Association and U.S. Department of Agriculture officials pose with a giant check for 38-million dollars. The loan from the federal agency will help KEA purchase the Terror Lake hydroelectric plant. (Photo by Casey Kelly/KMXT)

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Casey Kelly/KMXT

Kodiak Electric Association has received a big boost in its efforts to purchase the Terror Lake hydro plant from the Four Dam Pool. A 38-million dollar loan from the United States Department of Agriculture's Rural Utility Service, announced Monday, will go along way toward ensuring that KEA will reach its goal of 95 percent renewable energy by the year 2020. KMXT's Casey Kelly reports.

The USDA rolled out all the stops for the announcement. The head of the agency's Rural Utility Service in Washington, D.C., Jim Andrew, made the trip to Kodiak to present KEA officials with a giant check for 38-million dollars. Andrew says the agency sees this benefiting not just Kodiak, but the rest of the country as well.

(Andrew
1 :11s "and it's
gonna be good for everybody.")

Andrew says the nation is starting to realize that it needs renewable energy. Soaring fuel prices have many utilities seeking out projects that will wean consumers from diesel generated power, and he says rural electric agencies have been at the forefront.

(Andrew
2 :16s “…leading
the charge on this by far.”)

Cliff
Davidson, chairman of the KEA board of directors, says USDA supported the
Terror Lake hydro project from the beginning, and the loan represents the next
step in securing the board’s goal of 95 percent renewable energy within 12
years.

(Davidson
1 :07s “…do
it without your partnership.”)

Terror Lake
is currently owned by the Four Dam Pool, a collective that includes four hydro
plants that service the communities of Ketchikan, Wrangell and Petersburg in
Southeast Alaska, as well as Glennallen, Valdez and Kodiak in Southcentral.

KEA Executive Director Darron Scott
says the loan should cover the entire cost of purchasing the hydro plant from
the pool. Owning Terror Lake, he says, will make it easier for the co-op to
move forward with future renewable energy projects, such as a wind farm slated
to go into operation on top of Pillar Mountain next year.

(Scott 1 :15s “…this
is a large step in that.”)

KEA was
already working on the agreement to purchase Terror Lake before the loan
announcement. Scott says the co-op has settled on the financial terms of the
deal and will be seeking approval from the other pool members by the end of the
year.

(Scott 2 :19s “…does
help the process for sure.”)

He says the
loan will be paid back over 30 years with a fixed low-interest rate. In
addition to presenting KEA with the loan check, USDA officials had a chance to

tour the Terror Lake facility, located 25 air-miles southwest of Kodiak city, during their trip to the island.

’m Casey
Kelly.

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