

Suggested by: Mayor Porter

CITY OF KENAI

RESOLUTION NO. 2005-27

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, SUPPORTING THE REOPENING OF THE HEALY CLEAN COAL PLANT.

WHEREAS, the Agrium Task Force was established by Governor Frank Murkowski to, in part, examine new options to promote a more robust and stable natural gas supply model in the Cook Inlet Basin; and,

WHEREAS, the power generation utilities rely on Cook Inlet natural gas to generate over 85% of Railbelt Alaska's power requirements; and,

WHEREAS, over 70% of Alaska's citizens rely on Cook Inlet natural gas for their electricity and home heating needs; and,

WHEREAS, diversification of the energy supply need to generate electricity in Railbelt Alaska is a prudent step toward providing a more stable energy model for the region; and,

WHEREAS, the Healy Clean Coal Project (HCCP) was designed and built to demonstrate environmentally sound technology for using Alaska's abundant coal resources to generate 50 megawatts of electricity for consumers across Railbelt Alaska; and,

WHEREAS, the HCCP has completed its demonstration of its clean coal combustion technology in 1999 and has lay dormant since that demonstration test; and,

WHEREAS, the HCCP could be operational within 15 months at a cost of approximately \$15 million dollars to ready the plant for full time operations; and,

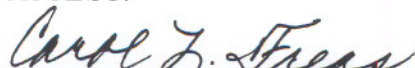
WHEREAS, a new grassroots coal-fired power plant would require eight to ten years to complete and may cost as much as \$150 million to build; and,

WHEREAS, HHCP could displace the usage of approximately 3.6 billion cubic feet of natural gas annually freeing it up for other uses, such as industrial uses like the Agrium Nitrogen plant in Nikiski.

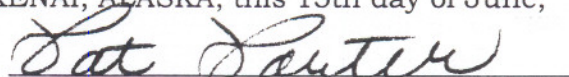
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, to support the reopening of the Healy Clean Coal Project to help diversify the energy supply of Railbelt Alaska and to bring increased flexibility and stability of the natural gas supply of the Cook Inlet Basin.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 15th day of June, 2005.

ATTEST:



Carol L. Freas, City Clerk



PAT PORTER, MAYOR