



KENAI PENINSULA BOROUGH

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DALE BAGLEY
MAYOR

VIA FAX: (907) 465-3532
USPS

June 28, 2005

The Honorable Governor Frank Murkowski
State of Alaska
Box 110001
Juneau, AK 99811

Re: Healy Clean Coal Project

Dear Governor Murkowski:

I am writing you today to express the support the Kenai Peninsula Borough Administration for the activation of the Healy Clean Coal Project. This \$300 million facility is an asset that should be used to meet the future energy demands of Railbelt Alaska. This facility should not be allowed to continue to lie dormant when it could be providing benefits the citizens of Alaska. The 50 megawatts of electricity generated by the facility, while not a total solution, will play a significant role in meeting the growing energy demands of the Railbelt and its communities.

Besides the added generation capacity, this facility also is an important step towards diversifying the sources of energy used to generate electricity in the Railbelt. Our region holds significant reserves of coal that should be developed. 70% of Alaskans rely on Cook Inlet natural gas to heat and light their homes and businesses. 85% of electricity generated in the Railbelt relies on Cook Inlet natural gas as an energy source. With the recent declining reserves of Cook Inlet natural gas, it is becoming more important than ever to diversify the energy sources used to generate electricity in the Railbelt and coal offers an obvious alternative that should be developed. The Healy Clean Coal Project is an important step towards that diversification. The Kenai Peninsula Borough Administration fully supports the activation of this important asset.

Sincerely,

Dale L. Bagley
Kenai Peninsula Borough Mayor