



# The Juneau Chamber of Commerce

9301 Glacier Hwy, Suite 110 • Juneau AK 99801

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October 31, 2016

Honorable Mayor Ken Koelsch  
And  
Assembly Members  
City and Borough of Juneau  
155 S. Seward Juneau, Alaska 99801

Re: Energy Plan

Dear Mayor Koelsch and Members of the Assembly:

The Juneau Chamber of Commerce *Resource & Infrastructure Committee* reviewed the Community Energy Plan and developed a series of comments and concerns with the existing document. The committee's work was subsequently reviewed and approved by the Chamber Board of Directors. This letter summarizes these findings.

In its current state, the Juneau Community Energy Plan is a plan in name only. The document's shortcomings include the lack of clearly defined goals and insufficient research to support recommended actions. These issues appear to result from the decision to use the Juneau Climate Action Plan as the document's foundation, coupled with the Juneau Commission on Sustainability's unsubstantiated perceptions of the value of actions recommended by the Climate Action Plan.

The document names two optional goals, either reduce greenhouse gases by 25% or reduce greenhouse gases by 80%. The authors state that since a correlation exists between energy consumption and emissions, a climate goal equals an energy goal. If this is true, then a contracting economy equals progress, and a growing economy equals a step backwards. The fact that the Juneau Commission of Sustainability did not recognize this implication of their goals undermines their credibility in overseeing the creation of an energy plan.

The Juneau Chamber of Commerce understands the value of low and stable energy costs, as well as a reliable supply of energy capable of accommodating growth in our local economy. We also recognize the need to work with, and not against, the interests of affected partners in order to achieve results. This document lacks any of the financial analysis necessary to distinguish between dreams and feasible goals, and the authors of this

9301 Glacier Hwy, Suite 110 • Juneau AK 99801 • (907) 463-3488 • Fax (907) 463-3489  
E-mail: [juneauchamber@pci.net](mailto:juneauchamber@pci.net) • [jcc@alaskan.com](mailto:jcc@alaskan.com) • Web site: <http://www.juneauchamber.com>

document did not seek input from many businesses at risk of significant harm if its recommendations are pursued. For example, we have specific concerns with the following:

**Energy Efficiency Measures for All Buildings:** Improving energy efficiency should remain a goal to the extent that a particular measure or mandate can provide a demonstrable economic benefit. Toward that end, if CBJ wishes to set an efficiency mandate through code requirements or a similar path, they should first demonstrate the benefit with cost-testing methods. Efficiency efforts should not exacerbate known issues, such as Juneau's housing crisis.

**Hiring of an Energy Manager:** Given the variety and complexity of CBJ building types and systems, hiring a single energy manager will likely not yield the best possible long-term results. Instead of creating a new position, CBJ should work with an energy management firm with the in-house resources to address the breadth of opportunities in CBJ. This type of contract work can vary in scale over time to appropriately reflect the potential for diminishing returns.

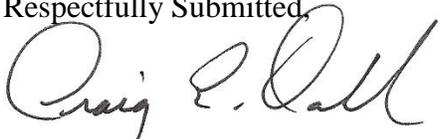
**Increasing Use of Electricity by Cruise Ships:** The CBJ Greenhouse Gas Inventory excludes emissions by cruise ships, so increasing hydroelectric supply to cruise ships will not directly address the emissions goals in this document. In addition, there are technical limitations in the electric system which will make it very difficult to provide power to additional ships, making the one year goal unachievable. Rather than taking action to force the cruise industry to divert capital investment toward a strategy that will only offset emissions for hotel loads while in port at a limited number of locations, CBJ should support the cruise industry's intent to invest over \$1 billion in emissions reduction technologies that will reduce emissions while at port and underway. The global reductions in emissions as a result of this approach will greatly exceed the maximum potential reduction in emissions possible by electrifying additional docks in Juneau.

**Uninterruptible Mine Electrification:** Due to the remote location of the two producing mines, truly uninterruptible electrification will never be achieved. Therefore the mines will always have to maintain backup diesel generation facilities for use when power cannot be delivered. The plan also needs to recognize that if the goals of increasing the use of hydropower are achieved in the Juneau urban area, sufficient surplus power may not be available for sale to the existing electrified mine and that the reductions in GHG emissions will simply be offset by increased diesel use at the mine. Reductions in sales to a large industrial surplus customer will result in an increase in rates to the firm commercial and residential customers in Juneau.

**Public Process:** The Sustainability Commission, according to the CBJ website, met at least eight times during 2016 prior to releasing the document. Minutes for only three of those meetings are available, and these only in draft form. It is impossible, therefore, for the public to adequately evaluate the Sustainability Commission's deliberations and decision-making that led to the development and release of the document. This raises serious concerns about transparency, the sufficiency of the Commission's process, whether appropriate CBJ policies for open meetings were followed, and whether any potential conflicts of interest were adequately disclosed. We believe that any action relative to the document should be suspended until, and if, these concerns can be addressed.

We believe that there are enough inconsistencies in the assumptions and conclusions in this document, that it not be adopted as a “Plan”, and instead accept it as a report needing further technical and financial justifications to support the assertions.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Craig E. Dahl". The signature is written in a cursive style with a large initial "C".

Craig E. Dahl, Executive Director  
Juneau Chamber of Commerce