



# Greater Juneau Chamber of Commerce

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October 4, 2019

The Honorable Lisa Murkowski  
522 Hart Senate Office Building  
Washington DC 20510

**(Delivered via email)**

Dear Senator Murkowski:

The Greater Juneau Chamber of Commerce represents over 350 members including private sector businesses non-profit organizations and local governments. Our member businesses include some of the largest employers in southeast Alaska, which provide employment for many Alaskans. The Juneau Chamber *supports economic diversity, encourages entrepreneurship, and endorses responsible, sustainable development to maintain Juneau's high quality of life while advocating economic vitality for all of Alaska.*

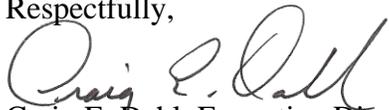
The Greater Juneau Chamber of Commerce respectfully requests that the Alaska delegation work to help ensure that Alaska hydropower projects placed into service after January 1, 2018 be eligible for production tax credits (PTCs) and investment tax credits (ITCs), as well as other incentives such as hydropower production incentives currently available to qualifying facilities" as defined under 42 U.S.C. 15881.

- Alaska has tremendous hydropower potential, including many projects which can be permitted and developed with minimal environmental impacts. At the same time communities across the state pay enormously high costs for energy. and oftentimes rely in significant part upon diesel-based generation of electricity.
- Tax credits and hydroelectric production incentives have historically been available to certain limited types of hydropower projects ("qualifying facilities"), such as projects which add hydropower equipment to unpowered dams and conduits. However, the current, narrow definition of "qualifying facilities" is unhelpful to Alaska because Alaska has very few technically feasible opportunities of this type.

- Alaska utility systems are distinctly disadvantaged because they lack interconnections to the North American grid and to each-other. Because of that there is no market for selling energy which may be in excess of local community needs, forcing communities to shoulder the entire burden of capital costs and debt service regardless of their energy requirements. This poses a significant economic disadvantage to hydropower development, which could be compensated for in part through tax credits.
- In the case of regulated utility cost structures, under which tax-related costs flow through to energy consumers, **Alaskan energy consumers would be the primary beneficiaries of tax credits.**
- Currently, private investment approaches are disadvantaged due to tax expenses that must be recovered through consumer charges. Accordingly, Alaska has historically had very low level of private investment in hydropower and has relied extensively upon public funds to finance new development. Extending tax credits and hydropower production incentives to a broadened variety of “qualifying facilities” can help encourage private investment and decrease reliance upon government grants.

The Greater Juneau Chamber of Commerce supports the development of hydropower throughout the southeast region, providing clean, renewable and dependable power for the long-term development and economic health of our local economies.

Respectfully,



Craig E. Dahl, Executive Director  
Greater Juneau Chamber of Commerce

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cc: U.S. Senator, Dan Sullivan  
U.S. Representative, Don Young