

**PRESS RELEASE: FOR IMMEDIATE RELEASE**

**Alaska Power & Telephone to Receive \$3m USDA Grant to Construct 1.8 MW Wind Project Near Tok, Alaska**

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Alaska Power & Telephone is pleased to announce that it was selected by the US Department of Agriculture to receive \$3,000,000 in grant funds through the High Energy Cost Grant Program to construct a 1.8 megawatt wind farm in interior Alaska.

The 7-Mile Wind project will be a 1.8 MW Wind farm, located in a Class-4 Wind area adjacent the Glenn Highway, near the community of Tok, Alaska.

The 7-Mile Wind project will assist the communities of Tok, Tetlin, Dot Lake, and Tanacross by providing a locally-available source of cleaner, more affordable renewable energy. At present, these four communities have been 100% dependent upon diesel-based generation of electricity, and experience energy costs which in recent years have been higher than \$0.50 per kilowatt hour. Approximately 1,500 residents live within the communities which will benefit from the 7-Mile Wind project.

7-Mile Wind is anticipated to produce over 3.7 million kilowatt hours of home-sourced renewable energy per year. For perspective, the US EIA reports that the average US household consumes 911 kWh per month. The project is estimated to offset over a quarter million gallons of diesel fuel per year. Annual carbon savings are more than 66,650 metric tons.

The total cost of the project is estimated at \$10 million. AP&T will be working to complete the project's financing plan in the coming months, anticipating that remaining construction dollars will be predominantly comprised of private investment and loan funds. AP&T has a target of completing the project by the end of 2018, although the project's timeline is dependent upon weather and other factors.

Alaska Power & Telephone President and CEO Robert Grimm remarked: "AP&T is excited for this opportunity to partner with USDA to help provide our customers in the Tok region with

more affordable, ‘home-sourced’ energy. 7-Mile wind will also help stabilize energy pricing by reducing our customer’s exposure to pricing volatility and cost-escalation associated with diesel fuel.”

The 7-Mile wind project is one effort in a multi-technology approach to converting its rural service areas from diesel-based generation to other sources of energy. The company is also working to develop the 1.5 MW Yerrick Creek hydropower project near Tanacross.

“As a utility, AP&T has a long-term commitment to the communities we serve; this gives us a long-term, big picture approach to infrastructure planning,” Robert Grimm explained. “AP&T’s vision for Tok is to leverage a variety of technologies, which will include the 7-Mile Wind project, as well as the Yerrick Creek hydropower project. We believe development of both of these projects will help improve the economics of subsequent transmission interconnections to other nearby communities such as Northway and Mentasta. Meanwhile, AP&T is conducting tests to understand the benefits of fuels of opportunity, to help diversify fuel supply in the region.”

Business Development Director Jason Custer stated: “We are thankful to USDA, as well as Senators Murkowski and Sullivan, and Congressman Don Young, for their longstanding support of the High Energy Cost Grant program. Alaska is far behind the rest of North America in terms of access to renewables, transmission interconnections, and energy costs; the HECG is a vital tool for helping Alaskans catch-up to the rest of the US, and come closer to socioeconomic parity.”

Alaska Power & Telephone Company is an experienced renewable energy developer which currently owns and operates 7 small hydropower projects in rural Alaska, as well as the largest utility-owned solar installation in the State. The company is in the process of constructing two additional hydropower projects; the Hiilangaay project on Prince of Wales Island, and Yerrick Creek.

