



## CITY OF UNALASKA

43 Raven Way • P. O. Box 610  
Unalaska, Alaska 99685  
www.ci.unalaska.ak.us

CONTACT:  
William Homka  
City Manager  
Telephone (907) 581-1602  
Email: [bhomka@ci.unalaska.ak.us](mailto:bhomka@ci.unalaska.ak.us)

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## NEWS RELEASE

**March 8, 2024**

### ***Makushin Geothermal Project***

The Unalaska City Council decided not to extend or renegotiate a Power Purchase Agreement (PPA) with OCCP (Ounalashka/Chena Power, LLC) related to their Makushin Geothermal Project.

The 2020 PPA had been amended on three occasions, but expired on December 10, 2023, due to lack of financing. The \$250 million project received only a \$5 million funding commitment from the Alaska Energy Authority in 2023. OCCP sought an increase from the City of Unalaska for the cost per kilowatt hour, from \$0.16 to \$0.22 per kWh. The increase was requested due to increased project costs, primarily due to project financing delays.

The City of Unalaska along with its Trilateral Partners, the Qawalangin Tribe and Ounalashka Corporation, are committed to transitioning the community's electric power production from diesel generation to renewable energy sources, including wind and geothermal. Unalaska has assembled a team of professionals to pursue a Climate Pollution Reduction Grant (CPRG) from the United States Environmental Protection Agency (EPA). On February 1, 2024 the City submitted a letter of intent to apply for the CPRG to fund the Makushin Geothermal Project. The grant awards up to \$500 Million and requires no local fund contribution as a grant match.

EPA's CPRG Program has \$5 Billion available in grants to States, Local Governments, Tribes and Territories to develop and implement ambitious plans for reducing greenhouse gas emissions and other harmful air pollution. The Makushin Geothermal Project is an ideal fit for this program and should be very competitive against the many communities who are applying from across the country.

CPRG applications are due no later than April 1, 2024.

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