



CITY OF UNALASKA

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NEWS RELEASE

POWER COST EQUALIZATION PROGRAM

Unalaska, Alaska, August 2, 2021 – Alaska’s Power Cost Equalization (PCE) program provides economic assistance to communities and residents of rural electric utilities where the cost of electricity can be 3-5 times higher than for customers in more urban areas of the state. The purpose of the PCE endowment fund is to provide a long-term, stable financing source for power cost equalization for more affordable electric utility costs in high-cost service areas of the state.

The program has in the past provided utility credits to City of Unalaska residential utility customers, as well as the City of Unalaska and the IFHS Clinic. The amount of the credit was adjusted by the state each month, and passed on to utility customers with a monthly credit on their utility bill for the first 500 kilowatt hours used. Due to actions in the state legislature, the PCE program is no longer funded and the State has reduced the City’s PCE credit to zero.

The PCE credit has been threatened in past years, but the City of Unalaska continued to provide the credit during times of uncertainty, and the credit was eventually reinstated. That is no longer possible because the credit has been formally reduced to zero by the State of Alaska. Utility bills will be sent to customers on or about August 4, 2021, and there will be no PCE credit included, which means a higher utility bill. Over the course of a year, the average residential utility account can expect to pay approximately \$430 more without the PCE credit. Utility costs for the IFHS Clinic and City facilities will also increase due to loss of the PCE credit.

The City of Unalaska is formulating a plan to provide credits to all utility customers eligible for the PCE credit, using funds we expect to receive from the federal American Rescue Plan Act (ARPA). Once ARPA funding is accepted by the City, these credits can be passed on to residential utility customers after approval by City Council. This credit will not be as generous as the earlier utility credit provided using federal CARES funds, because ARPA funding is substantially less than CARES.

The Mayor, City Council, City Staff and the City’s Lobbyist continue to advocate for restoration and long term stabilization of the PCE program. Community members are encouraged to contact their legislators to inform them of the importance of restoring funding for the PCE program. Legislators can be contacted at these email addresses:

- Senator Lyman Hoffman: Senator.Lyman.Hoffman@akleg.gov
- Representative Bryce Edgmon: Representative.Bryce.Edgmon@akleg.gov

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