

Testimony of

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Hearing on Kantishna Hills Renewable Energy Act of 2010

Mr. Chairman and Members of the subcommittees, thank you for the opportunity to testify on S.3820, a bill to authorize the Secretary of the Interior to issue permits for a micro hydro project in non-wilderness areas within the boundaries of Denali National Park and Preserve, to acquire land for Denali National Park and Preserve from Doyon Tourism, Inc., and for other purposes. I would especially like to thank my home state Senators. Senator Lisa Murkowski, who is the Ranking Republican Member of the Committee, invited me here to testify today. Senator Mark Begich authored this legislation. My name is Aaron Schutt, I am the Senior Vice President and Chief Operating Officer of Doyon, Limited.

Doyon is one of thirteen Alaska Native Regional Corporations, formed under the Alaska Native Claims Settlement Act of 1971 (ANCSA). Doyon has more than 18,000 Alaska Native shareholders, and we are proud of our record on behalf of those shareholders. Our mission is to promote the economic and social well-being of our shareholders and future shareholders, to strengthen our Native way of life and to protect and enhance our land and resources.

The issue that brings me here today involves Doyon's effort to improve our energy efficiency and environmental footprint on our in-holdings within the Denali National Park. The Kantishna Hills Renewable Energy Act provides an avenue for Doyon to develop a renewable energy system to provide electrical power to the Kantishna Roadhouse. The Kantishna Roadhouse is a full service wilderness lodge providing overnight accommodations to Denali National Park visitors.

Owned and operated by Doyon Tourism, a wholly-owned Doyon subsidiary, the Kantishna Roadhouse is located on an in-holding within Denali National Park. Kantishna Roadhouse serves thousands of Park visitors each year. As it is located 100 miles inside the Park, the Roadhouse is not connected to any utility grid and must produce 100% of its electrical energy onsite. Currently, our power comes from a diesel generator. This system requires trucking several thousand gallons of diesel fuel through the Park each year. We run the generator on a twenty four hour basis through the entire operating season. While Doyon Tourism strives to provide our services in the Park and on our lands in the most environmentally respectful way, we have been unable to economically install a renewable energy power supply until now.

In 2010, Doyon received a Tribal Renewable Energy Grant from the Department of Energy. We are using part of that grant to install a micro-hydro power generation system at the Kantishna Roadhouse. This micro-hydro project is modeled after the system installed at the Park Service's recently renovated Eielson Visitors Center, also located deep within Denali National Park and Preserve. This renewable energy system would potentially provide up to half of our current electrical energy needs, offsetting an equivalent amount of diesel usage and its incumbent environmental footprint.

Doyon is facing two problems with the construction of this renewable energy project, thus the need for this legislation. Of primary concern is the land ownership. While Doyon currently owns the proposed location of the micro-hydro power plant, it does not own some of the land needed for the project. The other issue is the deadline for use of the grant funds which expire two years after the date of award. This legislation addresses both of these problems.

Doyon has worked with the National Park Service for the past year to develop this legislation. S.3820 has two parts. First, it allows the Park Service to issue a permit to Doyon Tourism to build the proposed renewable energy project. Second, it calls on the Park Service to exchange lands with Doyon so that all of the lands needed for the construction and operation of the micro-hydro project are owned by Doyon Tourism. In exchange, Doyon would provide an equivalent amount of acreage on a value-for-value basis from its other land holdings in the vicinity of the Kantishna Roadhouse. Under the current agreement, six to seven acres would be exchanged between each of the two parties.

In conclusion, I would like to reinforce my comments that this legislation is good for all the parties involved. S.3820 will allow Doyon to move forward with a small renewable energy project. The project will substantially reduce all aspects of environmental footprint related to our current power generation system: fewer truckloads of diesel trucked in over the remote Park roads which in turn results in cleaner local air quality and less sound pollution in this remote area. Doyon believes this project mirrors the recent efforts of the National Park Service to achieve greater use of renewable energy at its facilities.

Thank you for the opportunity to testify before the joint hearing today. I would be pleased to answer any questions the Members of the Subcommittees may have.