



General Manager
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Ketchikan, AK 99901

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TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, General Manager

DATE: March 22, 2021

RE: **EPAct 2005 Section 242 Hydro Incentive Program - Whitman Lake Hydroelectric Project**

By report dated April 14, 2016, my office advised the City Council that then Senior Project Engineer Jennifer Holstrom had submitted an application to the Department of Energy under the EPAct 2005 Section 242 Hydro Incentive Program for the Whitman Hydroelectric Project. As indicated in the attached memorandum from Ms. Holstrom, KPU has been notified that it will receive a payment of \$167,376 for power produced at the Whitman Lake Hydroelectric Project in 2019. I again wish to commend the Principal Project Engineer for her diligence in pursuing federal funding in support of the Whitman Lake Hydroelectric Project.



Electric Division
1065 Fair Street
Ketchikan, AK 99901

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Memorandum

TO: Karl Amylon, General Manager

CC: Andrew Donato, Electric Division Manager

FROM: Jennifer Holstrom, Principal Project Engineer

DATE: March 22, 2021

**SUBJECT: Payment for 2019 Whitman Lake generation under
EPAct 2005 Section 242 Hydro Incentive Program**

By the Energy Policy Act of 2005 (EPAct 2005) Congress established the "Section 242 Hydro Incentive Program" to support the expansion of hydropower energy development at existing dams through an incentive payment procedure.

In July 2020, I submitted an application through this program for the 9,908,112 kWh of electricity produced at the Whitman Lake project during 2019. We have now received notice from the U.S. Department of Energy (DOE) that payments will be made at the rate of \$0.01689284/kWh, which amounts to **a payment to KPU of \$167,376 for power produced at Whitman Lake in 2019.**

Since 2016, KPU has received incentive payments totaling \$535,362. If the EPAct 2005 Section 242 program continues to be funded by congress, the Whitman Lake project will be eligible for annual incentive payments for energy produced through 2023.



Department of Energy
Washington, DC 20585

March 22, 2021

Ms. Jennifer Holstrom
Ketchikan Public Utilities
1065 Fair Street
Ketchikan, AK 99901

Dear Ms Holstrom,

RE: EPAct 2005 Section 242 Hydro Incentive Program
Whitman Lake Hydroelectric Project 242-CY19-006

This letter is your notification of the U.S. Department of Energy (DOE) final calculation for your hydropower incentive payment under the Energy Policy Act of 2005 Section 242 Guidance for calendar year 2019. In a letter dated November 10, 2020, DOE determined that you are eligible for payment on 9,908,112 kilowatt-hours (kWhs). At the adjusted rate of \$0.01689284/kWh, your final payment is \$167,376.

DOE stated in its *Final Guidance for the EPAct 2005 Section 242 Hydroelectric Incentive Program*¹ that if funds are not sufficient to make full incentive payments to all qualified applicants, the total amount of qualified kWhs eligible for payment will be divided into the appropriated amount and a proportional payment will be made to each qualified recipient. For calendar year 2019, the proportional payment is the adjusted rate of \$0.01689284/kWh.

To receive your payment of \$167,376, you must submit an invoice through the Vendor Inquiry Payment Electronic Reporting System (VIPERS) website. Please access or create an account to submit your invoice for this incentive at <https://vipers.doe.gov/>. There is a log in or register button at the top of the page. You must include Purchase Order Number MIGOH12106 on your invoice in VIPERS. If you have questions with the site, Customer Service can be reached at (888) 251-3557.

Sincerely,

Timothy J. Welch
Hydropower Program Manager
Water Power Technologies Office

¹<https://www.energy.gov/eere/water/epact-2005-section-242-hydro-incentive-program>

