PRESS RELEASE

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FOR IMMEDIATE RELEASE: December 4, 2013

Healy Clean Coal Plant To Add Power On Railbelt

AIDEA and GVEA Close Sale of 50-Megawatt Plant to be Online in 2015

(Anchorage) – The Alaska Industrial Development and Export Authority (AIDEA) and Golden Valley Electric Association (GVEA) on Wednesday closed the sale of the 50-megawatt Healy Clean Coal Plant (HCCP) and transferred ownership of the plant to GVEA. The plant, now known as Healy Unit 2, is co-located with GVEA's 25-megawatt Healy Unit 1.

Construction and testing of the experimental plant was completed in the 1990s with federal and state funding, including a grant from the U.S. Department of Energy. HCCP has not been in operation since 2000.

"Today's agreement between AIDEA and Golden Valley will bring this plant online for the maximum value and direct benefit to Railbelt electric consumers," said AIDEA Executive Director Ted Leonard.

GVEA purchased the plant for $42 million, plus a reimbursement of $1.8 million for certain 2013 carrying costs. GVEA will spend an additional $37 million to update and enhance plant systems. GVEA also agreed to install advanced pollution controls as part of a consent decree with the U.S. Environmental Protection Agency. GVEA plans to have the plant in operation by the second quarter of 2015.

The plant is expected to help stabilize rates for GVEA's 34,480 members. Power costs have fluctuated wildly over the past seven years as oil prices have risen, fallen and risen again.

"Coal is an abundant and relatively inexpensive fuel source," said Bill Nordmark, GVEA Board Chairman. "Healy Unit 2 will bring more predictability to our members' bills."

At peak construction the plant will employ approximately 90 workers. The plant will also create a yet-to-be-determined number of permanent, full-time jobs in Healy.

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