

# GALENA CITY SCHOOL DISTRICT

GALENA, ALASKA 99741

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**SUPERINTENDENT**

Chris Reitan



Re: Galena's Biomass Energy Developments

Dear GCSD Family:

As shared in previous communications, GCSD is working in collaboration with the City of Galena and Loudon Tribal Council to develop a woody biomass heat project for the GILA campus. Our intent is to supplant much of the approximately 230,000 gallons of diesel fuel that is being consumed annually to heat the buildings on the GILA campus. It is important to remember that the school district is currently paying the City of Galena \$1.26 per gallon of diesel fuel. This is the diesel fuel that was provided by the Air Force as "transition fuel" for the community to grow into the facilities on the former Galena Air Force Base. At this reduced price for fuel, the cost of heating the GILA campus is about \$300,000 per year. However, the same quantity of fuel purchased at current market rates would cost about \$1,288,000. This dollar amount does not include the additional costs for labor, maintenance, and administrative costs for the city that would also need to be included on top of the fuel costs if the school district had to purchase the fuel at its full amount.

Recent studies have indicated that it will cost only about \$600,000 per year to heat the GILA facility with wood chips, based on burning 3,000 tons per year of wood at a cost of about \$175 per ton. That's roughly half as expensive as heating with diesel. Approximately 8,000 gallons of diesel would still be necessary to work in conjunction with wood during the coldest days of the school year. We believe it is critical to have the wood chip boiler system fully operational prior to 2017 when the transition fuel will be gone.

The City of Galena, Loudon Tribal Council and GCSD are collaborating on the development of a non-profit consortium that will be comprised of representatives from each of the organizations. The purpose of the consortium is to support this community's effort to develop and grow alternative energy sources, biomass being the first step. There will be a joint work session on Thursday, March 7 in the Charles Evans Library of the GCSD Board of Trustees, the Galena City Council, and the Loudon Tribal Council to share information regarding the development of a non-profit consortium. We welcome everyone's attendance.

In closing, it is important for all of our community stakeholders to be fully aware of the steps that are being taken in the community to develop a sustainable future. It is unfortunately obvious that how we have always conducted business in Galena will not provide the future that we want for this community and our children. We need to collaboratively take steps that will reduce our energy costs so that we can build a sustainable economic foundation in this wonderful rural community we all live in.

We look forward to seeing you at the joint work session on March 7 at 7:00pm.

Sincerely,

Chris Reitan, GCSD Superintendent  
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