ALASKA RAILBELT CLEAN ENERGY TRANSPORTATION INFRASTRUCTURE GROWTH CLUSTER

Appendix 4: Equity

U.S. Economic Development Agency (EDA)
FY 2021 American Rescue Plan Act Build Back Better Regional Challenge

Submitted by:

Matanuska-Susitna Borough, Alaska

Mat-Su/Fairbanks Rail & Natural Gas Coalition Members:

1. EQUITY

A. Air Quality Attainment

In May 2018, the Mayors of the Fairbanks North Star Borough (FNSB), the City of Fairbanks, and the City of North Pole created the Fairbanks Air Quality Stakeholder Group "to identify, evaluate and recommend community-based solutions to bring the area into compliance with federal air quality standards for fine particulates." One of the recommendations of the group was to bring natural gas to Fairbanks to allow the switch from SFBA or oil boiler to natural gas.

Reducing air quality emissions is one of the important benefits of conversion to natural gas. FNSB has been formally designated an air quality non-attainment area, which requires the Borough to develop and implement a plan to address air quality issues. During focus groups, interviews, and surveys done in the Greater North Pole area, many area residents expressed their desire for natural gas service and were willing to pay for connecting their homes with some incentive. Interior Gas Utility (IGU) heavily subsidizes the cost of the service line installation. It costs about $2,600 to install a service line that is shorter than 100 ft., for which IGU charges residential customers only $225 and commercial customers $350. IGU works with local, state and federal governments in attempts to secure funds that help residents pay for their appliances and installation. In 2019, FNSB allocated $1MM to an oil to natural gas conversion program available to any customer in the non-attainment area. That program was replenished by the FNSB Assembly with another $1MM in 2021.

The Alaska Railbelt Clean Energy Transportation Infrastructure Project would help lower and stabilize energy costs, make natural gas more cost competitive as compared to oil, build energy redundancy, and make significant progress on completion of the Port MacKenzie Rail Extension. Being able to ship natural gas by rail drastically reduces its cost – and opens up new energy possibilities for all railbelt communities. In addition to reducing energy costs, the availability of a cleaner source of energy due to the cost savings generated by its transport by rail rather than truck will reduce greenhouse gas emissions.

B. Underserved Communities

The Project will also benefit disadvantaged communities and promote equity in the region. As shown in Table 1, the People of Color and Low-Income Populations have higher representation in the City of Fairbanks compared to the State and the Country. 31% of the City of Fairbanks' population is low income, which is about 6% higher than the State average. People of Color constitute about 42% of the City's population, which reflects a 3% overrepresentation of this demographic. Commissioning of this Project will benefit these disadvantaged communities.

Table 1: Fairbanks Demographic Indicators; Source: EPA's EJSCREEN

City of Fairbanks	Value	State		USA	
		Avg.	%tile	Avg.	%tile
People of Color Population	42%	39%	62	39%	60
Low Income Population	31%	25%	68	33%	53

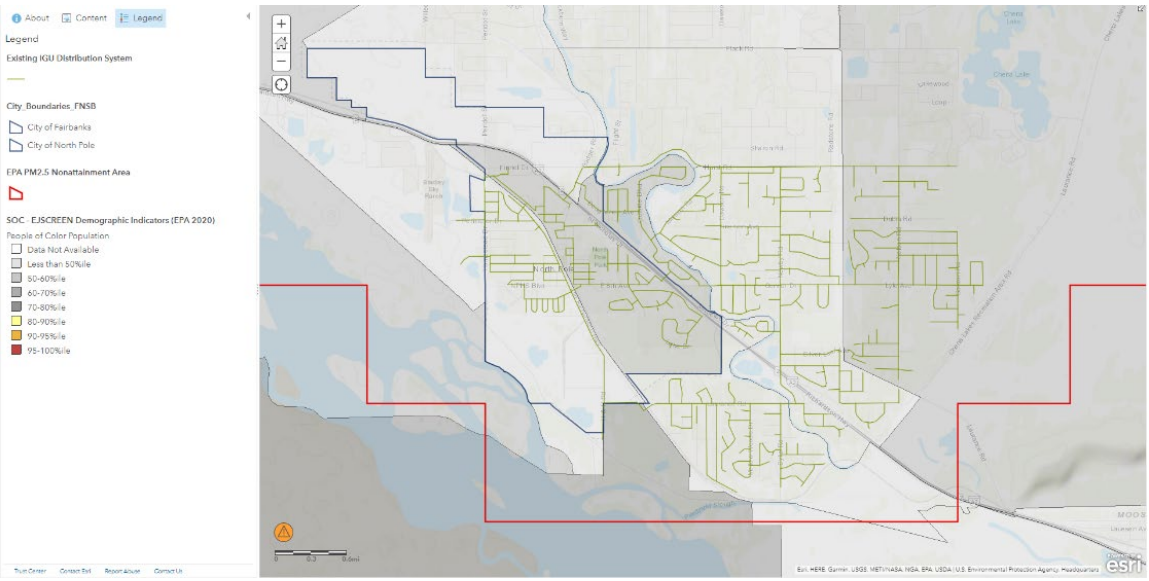
Linguistically Isolated Population	**1%**	**2%**	**63**	**4%**	**52**
Population with Less Than High School Education	**8%**	**7%**	**58**	**13%**	**43**

The Project will also impact the Cities of North Pole, Denali, Healy, Fort Wainwright, Nenana, and Talkeetna. As shown in Table 2, both Nenana and Talkeetna have a higher share of Low-Income Population compared to the State and national average, while the People of Color Population is 5% higher in Nenana than the State and the country.

Table 2: Demographic indicators of selected impacted communities; Source: EPA's EJSCREEN

Impacted Communities	North Pole	Healy	Nenana	Talkeetna	State	USA
People of Color Population	29%	19%	44%	11%	39%	39%
Low Income Population	20%	39%	36%	20%	25%	33%

While the City of North Pole as a whole has a lower share of Population of Color compared to the State and the national average, some of the areas served by IGU are in the above 50 percentile category, which indicates higher concentration of Population of Color compared to the national average, as shown in the map below.



The Project would also allow MSB to make significant progress on the rail extension and help meet commitments to local Alaska Native organizations. In 2015, MSB was granted a surface easement for the rail extension from Knikatnu, Inc., an Alaskan Native tribal entity, and both surface and subsurface easements from Cook Inlet Region, Inc., an Alaskan Native regional corporation. These easements were across three parcels, approximately 4.67 miles of the rail corridor, and each easement includes a condition that the easements only exist as long as the rail is constructed and operational by September 14, 2025 and the easement areas are used to transport goods and passengers by train. The rail embankment has been constructed on these parcels and now awaits funding to complete the project, including placing the sub-ballast, ballast, ties, rail and signal equipment. **The conditional nature of the easements from these two Native entities places an urgency on obtaining funding to complete the Project.**