

**Alaska Energy Authority
BOARD MEETING MINUTES
December 14, 2011
Anchorage, Alaska**

1. CALL TO ORDER

Chairman Short called the meeting of the Alaska Energy Authority to order on December 14, 2011 at 1:24 p.m.

2. ROLL CALL: BOARD MEMBERS

A quorum was established.

Members present: Hugh Short (Chairman); Ron Arvin (Public Member); Robert Sheldon (Public Member); Wilson Hughes (Public Member); Gary Wilken (Public Member); Deputy Commissioner Thayer (Department of Commerce, Community, and Economic Development); and Deputy Commissioner Bruce Tangeman (Department of Revenue).

3. AGENDA APPROVAL

Mr. Wilken moved for approval and Mr. Sheldon seconded the motion. The agenda was approved as amended. Chairman Short moved Item 7A to Item 4.

4. NEW BUSINESS

A. Executive Session – AEA Executive Director Review

Mr. Bjorkquist said this was an appropriate topic for Executive Session under the open meetings act. The Executive Director has the opportunity to request it be in public session, but she does not desire that, therefore it's an appropriate topic for Executive Session.

MOTION: Mr. Arvin moved to go into Executive Session to conduct the AEA Executive Director review. The motion passed unanimously.

EXECUTIVE SESSION – 1:30 p.m.

The Board convened its regular meeting at 2:00 p.m.

Recess: 2:00 p.m.

Reconvene: 2:15 p.m.

5. ROLL CALL: STAFF, PUBLIC

Staff present in Anchorage: Sara Fisher-Goad (AEA Executive Director); Valorie Walker (Deputy Director-Finance); Brian Bjorkquist and Jerry Juday (Department of Law); Shauna Howell (AEA Executive Assistant); May Clark (AEA Administrative Assistant); Sherrie Siverson (AIDEA Executive Assistant); Sandra Burrows (AIDEA Administrative Assistant); and Teri Webster (AIDEA Administrative Assistant)

Others present in Anchorage: Gordon Davis.

6. PUBLIC COMMENT

There were no public comments.

7. PRIOR MINUTES – November 9 and November 17, 2011

The November 17, 2011 minutes were approved as presented. The November 9, 2011 minutes were approved as amended.

8. EXECUTIVE DIRECTOR COMMENTS

Ms. Fisher-Goad noted that AEA's updated program and project fact sheets were included in the Board packets. The Board previously adopted the Emerging Energy Technology Fund (EETF) regulations at the November 17, 2011 meeting; however, the EETF Advisory Committee (EETFAC) said they were not informed of the meeting and we have apologized for that. The EETFAC has been notified of a January scheduled meeting to begin discussing the RFA pending complete approval of the regulations. AEA is completing work on the Southeast Integrated Resource Plan (SEIRP), and our consultants, Black & Veatch, will be here tomorrow to discuss the large report. The Executive Summary will be provided for Board comment and the report will soon be released for public comment. AEA staff will provide findings and recommendations to the Board on the Black & Veatch work. We also have been busy preparing to file the Preliminary Application Document (PAD) for the Susitna-Watana project at the end of December.

9. BOARD COMMENTS

Mr. Sheldon asked for an explanation on the Bulk Fuel program as to why upgrades have been completed in only three or four communities and not the other 30, referring to the leaky pipe discussion held at the previous work session. Ms. Fisher-Goad said the Bulk Fuel program is narrower with respect to the tank farms in the communities. We have been in contact with other agencies such as AHFC to discuss and address these issues.

Regarding the Emergency Response Program, Mr. Sheldon noted there were two generator sets purchased to replace those deployed the previous year; what happened to the two that were deployed. Ms. Fisher-Goad said she didn't know the specifics of the two generator sets, but typically the generators are placed into a revolving stock and remain in the community.

Regarding the PCE Endowment Fund, Mr. Sheldon noted that "at least 7% (of the endowment fund) over time goal investment." He asked if that was a statutory hurdle rate or has it been

reviewed lately. Ms. Fisher-Goad said it has been discussed lately and it is a significant investment rate. Legislative Finance capitalized the endowment at \$400 M this year. Assuming the rate of return, the amount actually being taken out this year will be 5%, based on the monthly average market value of the fund.

Mr. Wilken thanked staff for the informational document on the Susitna-Watana project. He suggested ongoing work be presented on each of the parameters which would help them understand and follow along with the effort. To be able to convert annual gigawatt hours to megawatts was helpful, but it would be better to always discuss the project in terms of megawatts, unless there was a specific reason to discuss it in gigawatts – then a notation showing the translation to megawatts should be shown at the same time. Defining technical terms has been helpful.

Mr. Hughes asked if the Project Management Plan document is still on schedule for completion at the first of the year. Ms. Fisher-Goad said yes, Mr. Dyok has completed a portion of it and will work on it during the Christmas holidays, since we have been concentrating all of our efforts on the PAD deadline of December 29. She also said the Native Alaskan outreach effort is also on a very tight schedule. AEA staff, Bruce Tiedeman, Community Outreach Coordinator, and Sandra Moller, Deputy Director, Rural Energy Group, are working with the team to help coordinate the best approach at both the corporate and village levels for those communities that will be impacted.

Mr. Arvin implored AEA to remain in constant contact with Valley and Talkeetna residents on the project. They must be kept informed and outreach must be kept up. Those residents are critical of the project and are very concerned. Ms. Fisher-Goad also mentioned presenting to the Mat-Su Assembly and Mayor's office; the team is attempting to balance outreach work with work that needs to get done on the project with consultants, contractors, and resource agencies as well. She said a community outreach meeting was held in Talkeetna and was successful. We have also talked to Mr. Wilken regarding a coordinated outreach in the Fairbanks area working with the City, Borough and other entities. We will do our best to make sure we are everywhere, especially the Valley.

Recess: 2:35 p.m.
Reconvene: 2:54 p.m.

The Board convened its regular meeting at 3:25 p.m.

10. ADJOURNMENT

There being no further business of the Board, the meeting was adjourned at 3:27 p.m.