
MINUTES
ALASKA ENERGY AUTHORITY
Board of Directors
Thursday, April 10, 2008 10:30am
Anchorage, Alaska

1. CALL TO ORDER

Chairman John Kelsey called the meeting of the Alaska Industrial Development and Authority to order on April 10, 2008 at 10:30am. A quorum was established.

2. BOARD OF DIRECTORS ROLL CALL

Members present in Anchorage: Chairman John Kelsey (Public Member); Deputy Commissioner Brian Andrews (Designee for Department of Revenue); Emil Notti (Department of Commerce, Community and Economic Development).

Vice Chair John Winther (Public Member) joined the meeting at 10:47am.

Participating by Teleconference: Commissioner Leo von Scheben (Department of Transportation and Public Facilities); and Commissioner Patrick Galvin (Department of Revenue).

3. PUBLIC ROLL CALL

Staff Present in Anchorage: Sara Fisher-Goad (Acting Executive Director); Chris Anderson (Deputy Director-Credit); Mike Harper (Deputy Director-Rural Energy); James Hemsath (Deputy Director-Development); Valorie Walker (Deputy Director-Finance); Chris Mello (Program Manager); Karsten Rodvik (Program Manager-External Affairs); Chris Rutz (Procurement Manager); Mark Schimscheimer (Project Manager); Jim Strandberg (Project Manager); Brenda Fuglestad (Administrative Manager); and Sherrie M. Siverson (Administrative Assistant).

Others Present: Brian Bjorkquist and Mike Mitchell (Department of Law); Eric Lidji (Petroleum News); Steve Pratt (Contractor, APA & ANGDA Consultant); Greta Goto (Co-Man Services); Paul D. Kendall (Public); Christine Vecchio (MEA Ratepayers Alliance).

Participating by Teleconference: Steve Haagenson (AEA Executive Director); Herb Hoyt (Public).

4. PUBLIC COMMENTS

Verbatim

Christine Vecchio: I am with the MEA Ratepayers Alliance in the Matanuska-Susitna Borough. Our organization would like to say that we are very pleased with the direction we see the Alaska Energy Authority going in the sense that it has become, I would say for want of better words, an agency unto itself. That may not be the case, I don't know the details, but I think having an

Executive Director apart from AIDEA says something about the importance of the issues that we are facing today in Alaska, especially with energy and climate change.

Our organization would like to offer our appreciation for the work being done (1) with the REGA Study and (2) for having an Executive Director, such as Mr. Haagenson. Mr. Haagenson has worked with the Interior Issues Council and he knows what it's like to work with divergent opinions and come to some comprehensive vision and implementation of needs of a community. The energy issue facing Alaska now is very critical and a lot of people I know are very concerned, but we also see it as an opportunity to bring in all the different parts of Alaska together. I think that's what it's going to take to come up with an energy policy which I know AEA will be working on that's going to address not only our present energy needs, but from my background it will take care and address the needs of at least seven generations into the future. We would like to offer ourselves, as members of the community, anything we can do to contribute to the process to come up with a comprehensive energy policy. We continue to participate in the REGA Study which I think has set, for us, a precedent of what it is to have public input, ongoing educating as many parts of the community as possible and come up with something that is viable and will be implemented. We thank you for the work that is being done. We offer ourselves, for however we can, for the work ahead. Thank you.

Mr. Kendall: Well, gosh you took me by surprise. I usually like to wait and see what unfolds and look at the larger picture before I comment. But I will seize the opportunity, assuming it is a limited one. Which seems to be what our society represents today, that we have a lot of wonderful people who truly exude a degree of confidence and capability and public trust, but they seem to be holding meetings of which seem to be an inside loop and just as this meeting here is today, I can feel the competence and the capabilities, but what I really miss and I do feel as those 600,000 plus other Alaskans out there, somehow we have to begin to open up the communications. I think it is the greatest wealth that we have is the multitudes that are out there and that you people have been chosen to represent the tipping point of the future. I think that you're missing that and you missed it because, not because you are bad or ill-willed, but simply because nobody's really unfolded you to realize that along with the new age of energy is a new age of communications. We need an Alaska channel to be able to film this and put it on video and send it out to other people as just an instantaneous moment. Here are some emails that I have presented to your distinguished Executive Director Mr. Haagenson and Mr. Harper.

My name is Paul D. Kendall. I am a citizen here. My family goes back to Fairbanks in the early 60's I believe it is. Since I was a child I used to hear about Alaska. When I first came up to Fairbanks my family lived in University West. My children went to Woodview Elementary and you know there's an old saying that once Alaska gets in your heart you never forget her. So I've come and gone, but while I was outside I was a bit of an energy activist and a political activist. My family had 14 corporations and I am an entrepreneur. In the meantime, the exposed energy and the volatility and the emotionalism and all those things that are involved in it and some very very tough battles I have now, I bring to the table conclusions, and I think there is something very very very special here in Alaska. I think that you folks are on some type of a cusp, a junction, an intersection, that portends of the next great society and what I mean by that is, let me, it's so hard because energy is such a large subject I just get overwhelmed with wanting to talk about it all, but I realize you are not here to listen to me you are here to conduct business and I assure you I respect that.

I happen to think that the next great society is not going to come from a Messiah or from some intervention from outside or some cataclysmic event. I think the next societies will be energy-based societies. Those societies that understand who owns the energy, who generates it, how you distribute it and transmit it and the priorities of where that goes. Those societies will be the ones who will simply rock, they will rule, they will have their own territories, they will be all unto themselves. The generations who follow after them will be the ones who will benefit in multitudes. The reason I bring this up is that when I look at Alaska, everybody is looking at the gas pipeline. Now I grant you, I understand that the importance of billions of dollars of recurring revenue and the offshoots of that and the dollar circulation. Take me not to be too big of a fool, okay? I understand the importance of that. I think our Governor is shackled by the ankles to that pipeline. But what I see is something much bigger and I not only see a gasoline by Conoco Phillips, I see an Alaska pipeline, I see a China pipeline. That China connection is just huge, if you begin to weigh the potentials of trillions of dollars and the offshoots of that project. I also see a rail line, a water line, a hydrogen line, gosh I see an intertie grid connection line, and I see multiple energy projects. There is a future to hold in Alaska that goes equally in comparison to that gas pipeline. If you turn internally and look at your hydroelectric and your wave and your tidal and your current, your geothermal, your coal water, and I brought you a whole bunch of pictures of some of that stuff that I hope you find interesting. If you turn to that, as well as hydrogen, you will find, ladies and gentlemen, if you anchor the energy to your people and your society, you will be much much more than just those pipelines coming down out of there. So the scale and the scope of this are just enormous, just enormous. And whenever I say an energy, a society of energy, I'm talking about having a little old guy walk in the door and he goes well, you ask him what he does and he says well, I been holding these three generators and they ain't come on for ten years. Now that's magnificent because that society tomorrow will have a multitude of energy. You'll be able to switch on a switch. I want to see ten times whatever the energy need is that you need and the reason is this. When you begin to look at energy's implications to the stability of a society, to the revenue generation and to the new future, it is just incredible. If you put in a generation plant tomorrow and that, and you could actually debt service that thing out, you could simply pay it off quite frankly, the only charge would be your maintenance, distribution and replacement down the road. But if you put a house on electricity, that home will not only stabilize, you could do it for zero, for zero, because the displacement of the natural gas to go into the market to generate new revenue will generate you hoards of revenue. And that energy application goes on to multiply itself. It's just unbelievable in the sectors that it begins to unfold.

So, for you people who are located in Alaska in an isolated terrain, a challenging terrain, whose mothers and fathers and relatives came here in a sense of freedom and sacrifice and believe me they did from the time I was a child out here. My uncle was talking about the sacrifices up here and all those challenges. It seems to me that your time has come. The fruition is just abundance after abundance and on my first day my first concern was that I just didn't see the leadership. I'm still concerned about some of the leadership, not that they're evil and ill-willed but they just seem to be lacking in being able to be unfolded. Your Juneau connection ladies and gentlemen I have concluded is the most deleterious of all of these things that would hold you back. The implications of a detached government that is absentee from its people are just huge. I run into that. I've been trying to sample the participation and it's a very subtle thing, but I think the people of Juneau are willing to let go and uncaptivate (sic) our leaders and let us get on with a bright future and having said that let me wrap up here.

You are being too kind to me and I sense that. What you'll notice in here is a whole series of things I hope will invoke thought and demand thought and I stand upon my words and my positions and I'm not afraid to hold myself accountable as either a fool or a folly or unknowing, whatever. But you'll notice in here some things that concern me, like funding for Lihea, PCE, and weatherization. Those are the most foolish things I have seen capital expenditures on since I was a young man. When you look at those expenditures they bring you very very little, if anything. You need to recapture those, capitalize those, activate your people and go out and initiate some energy projects and bring these people all up. But in addition to that, you'll see things that are very interesting. British Petroleum has an agreement in here with GE to manufacture, to produce up to 15 hydrogen power plants, 500 megawatt power plants, over the next decade. They are bringing online Carson, California to tie into waste water, which is fascinating, one in Australia and supposed to have one under way in Iceland. But it goes on. They have fueling, hydrogen fueling restations (sic) in Beijing, some other places, Michigan, Florida, Illinois, California. They're also now moving in heavily to the wind. And this is just one oil company. And another thing that I see is they're moving into universities. This is now, there are some things that are afoot in the land and the reason that I bring these up to you is this. And I see young ladies, conclusion here, wanting me to wind down here, and I would love an audience sometime to be just disassembled to be briefed, not that I am the same caliber of these folks, but I've been out in the fields fighting battles and may bring some various perspectives too.

What I would suggest to you is this; you need to put somebody in charge of communications. Your future holds something very magnificent, just huge. But as it unfolds in some cascading manner, some expotential (sic) manner, the key to it is going to be able to communicate. You cannot teach people by having to repeat something over and over again; it just spends your energy. The other thing, so communication is very important. The other thing is you need to have an energy summit right now, before June the 3rd. You need to flush out everybody out there, all sectors and see who's playing, who's not, who's using how much and you need to get a sense of the scope and the scale of exactly what Alaska's needs are. Do not let that gas pipeline lead you off focus, which is your people and the stability of your economy and its bright future. I thank you again for the longevity and the ongoing hyperbole here and all that stuff. I'll leave this with you and hope you'll find it interesting.

Mr. Herb Hoyt: Good morning. I wanted to speak with you very briefly about the proposed Point Baker bulk fuel upgrade. I would like to give you a real brief thumbnail sketch of where we are and what we do. The Point Baker Trading Post is the occupant/operant for the bulk fuel upgrade and we are located at the Northwest tip of Prince of Wales Island. This business was established in 1936 and has continually operated as a remote service center for work and pleasure boaters of southern Southeast. It is located somewhat centrally between Juneau, Sitka, Craig, Klawock, Ketchikan, Wrangell and Petersburg. There is lots of salmon here. I've seen as many as 240 gillnetters working Sumner Strait east and 209 trollers to the west, a lot of boats. Judy and I are now in our 22nd year of operating the trading post and in addition to the vessel fleets, we provide essentials to Point Baker and to Port Protection residents and visitors. We provide fuel to the community building and the floating post office, the only floating US Post Office in the system. We generate electric power 24/7 serving all of the above, as well as AT&T long distance and ACS local telephone utilities. The reason for the request for a bulk fuel upgrade is that our existing fuel tanks are 40-60 years old. They are all single walled, connected by threaded steel piping and they are founded on creosote timber cribbing with no provision for

containment in the event of a failure. If a spill of any notable volume occurred, the waters at Point Baker, Port Protection, and both arms of Sumner Strait would be affected.

In 1998, a team from AEA conducted on-site evaluations and concluded that this facility must be upgraded. They rated it near the top in terms of damage potential in the state. Over time, the appropriate engineering evaluations, economic studies, regulatory reviews, permitting and construction plans and specifications were completed and the plans were released for construction in December 2005. Unfortunately, there were some unanswered concerns about the role the Point Baker community council would fill and what, if any, its liability might be. These concerns have now been resolved.

The Council is acutely aware that our area economy, given the demise of the timber industry, is totally dependent on commercial and pleasure boaters and recreational tourism. Scores of boats work this area and with the spiraling cost of fuel, they no longer want to run into the towns between openings. They prefer to spend a little more per gallon here for fuel than to burn up several hundred dollars worth running back and forth. Over the past decade, the appearance of modest to mid-size pleasure vessels has trended noticeably upward and we find that they also don't want to run from their planned courses for fuel. In just the past five years, seven new lodging facilities have come on-line here. With a total capacity near a hundred souls, the need for fuel at Point Baker continues to grow and its availability depends on the bulk fuel upgrade. The expanded capacity of the upgrade will further enhance growth potential of our community and will likely provide some economy of scale and fuel costs. The plans are complete and in hand. On the ground we have pioneered access from the beach head to the tank farm location and we have removed the overburden from the site. It's ready for drilling and blasting, site grading and erection of the tanks, piping and controls. We ask for your assistance in bringing this project to fruition. Thank you for the opportunity to provide input and I'll do my best to field any questions you may have.

End Verbatim

Commissioner von Scheben asked about the project cost. Mr. Hoyt replied that the estimate was approximately \$860,000 dollars including the design engineering and the construction.

Ms. Fisher-Goad stated that Mike Harper (Deputy Director-Rural Energy) and Chris Mello (Program Manager) were present to answer questions with respect to the Point Baker project.

Mr. Harper thanked the Board for the opportunity to discuss Point Baker. AEA has been working with Point Baker, but working with Denali Commission funds AEA has to abide by their rules and regulations. AEA had questions and concerns, and it has taken some time to resolve those. In the past six months, AEA feels more comfortable and has sufficient information to move forward with the project.

Mr. Winther stated that he visits Point Baker several times each summer and has seen it grow in the past 15 years. He queried Mr. Harper and Mr. Mello about other funding sources available, and what kind of time schedule they were looking at.

Mr. Harper stated that AEA uses Denali Commission funding of \$10-20 million dollars for the bulk fuel project every year. This is trending down and AEA may be short funds in the future.

Throughout the years other funding possibilities have been looked at including federal funds. AEA has utilized a Department of Housing and Urban Development program, which is currently funding a \$3 million dollar project in the Naknek-Bethel area. Mr. Mello is working with TAPL funds and AEA has been developing a new funding scheme that might be the source of project funds for this program.

Mr. Mello added that construction may begin in the summer of 2009 pending resolution of other issues. The Denali Commission has a private enterprise policy and can't put people into business or take other people out of business who can compete. There is some competition between Port Protection and Point Baker, but that is expected to be resolved. AEA is in the design phase in Point Baker and questions about the relationship of a private entity and the public still needs to be sorted out. In response to Mr. Winther, Mr. Mello stated that a cost of \$860,000 is low and is now estimated to be \$1.5 million.

Construction costs have been going up about 1% a month. There are also other challenges to be addressed. Fuel delivery companies are not inclined to lighter into those communities as easily as in the past. This needs to be addressed to see what potential is there. There are other communities in the area that are not getting fuel delivered because it is no longer cost effective for the suppliers and this needs to be taken into consideration. This region needs a reliable code-compliant fuel supply and Point Baker looks like the most logical place to put in a facility.

Deputy Commissioner Andrews asked if there was a possibility of doing a bridge-loan while waiting for Denali Commission funding.

Mr. Mello stated that finding matching funds or local investments in a project is always an encouraging factor. Local investment is always a positive factor and helps move a project forward. He stated that this isn't a difficult project. It's a very small facility that is Coast Guard code compliant.

Commissioner von Scheben asked if money is an issue, can there be some kind of 50/50 split. Are there other ways of creative financing so Point Baker can move forward and come up with some of their own money? Mr. Mello stated he will confer with Deputy Commissioner Andrews and call Mr. Hoyt to discuss some of the possibilities.

Mr. Steve Pratt, Contractor, APA & ANGDA Consultant. ANGDA will complete the last of the open season educational forum series on April 30th. They are ahead of schedule on pipeline work and plan to take the summer off. He recently contracted with the Alaska Power Association to work on interfacing with organizations such as AEA, on the Alaska Energy Plan. Electric utilities in the state are trying to gain an understanding of just what a statewide energy plan is, and what do the utilities want. He will assist them to put it into some kind of framework and is really excited to see the AEA Executive Director take on the task of working towards a statewide energy plan. It's something that other folks have mentioned and is a critical need, especially in rural communities. He said he is here to learn, listen, and is anxious to do whatever he can to interface with Mr. Haagenson and provide support and help to make this work. Mr. Haagenson has an aggressive schedule to accomplish something by the end of year.

Mr. Kendall asked to comment on the agenda. A lot of these meetings that we have now, once you conclude the public testimony, there really is no participation and rather than raise a hand or distract like that, I just wanted to make sure, because if there is, I happen to think that at the end of these meetings you should perhaps, adjourn, but then in some informal sense, make yourself available to the public for the interaction. What I was looking for was if there was an opportunity that I would hold my questions properly until that time, but if there is not, I don't want to be raising my hand or looking eager to ask a question. Mr. Kendall said he understood that they were here to conduct business, but because you meet so seldom, there's no means of dissemination and leaves him without a chance to participate before adjournment.

Mr. Kelsey stated that the Board members were available and would be glad to talk to him and added that AIDEA and AEA have a capable staff.

5. **MINUTES** - February 14, 2008; and Joint AIDEA and AEA Continuation of February 14, 2008 Board Meeting, February 18, 2008

The minutes were approved as presented.

6. **OLD BUSINESS**

There was no old business.

7. **NEW BUSINESS**

7A. AEA Resolution No. 2008-03, Appointment of AEA Executive Director

Mr. Bjorkquist provided an overview of AEA Resolution No. 2008-03 for the appointment of Steve Haagenson as the AEA Executive Director. The process of appointing and hiring Steve Haagenson as AEA Executive Director is a two-step process because the Alaska Energy Authority does not hire its own employees. AIDEA has employees who serve the needs and functions of the Alaska Energy Authority. Under the bylaws of AIDEA, there is a two-step process for the hiring of the AEA Executive Director. One provision of the bylaw is not included in this appointment and that is that the bylaw also provides that the AEA Board and AIDEA Board can jointly designate certain employees who would fall under the supervision of the AEA Executive Director. After the AIDEA Board appoints an Executive Director, the two Executive Directors will get together and deal with designating certain employees to be supervised by the AEA Executive Director versus the AIDEA Executive Director. This is one component that will be dealt with in the future. This Resolution fulfills all of the Alaska Energy Authority Board requirements for the appointment. This Board designates who is going to be appointed Executive Director. This Board makes a determination that the appointment of an Executive Director is necessary for performing Alaska Energy Authority functions. This Board determines compensation. There is also a need for a contract between AEA and AIDEA to deal with cost reimbursement for everything under the contract. The Board has already done many of the things identified here: it has selected an Executive Director, determined compensation, and determined that the appointment is necessary to perform AEA functions. This Resolution ratifies what has been done in the past with respect to that. It authorizes the Executive Director of AEA to meet with the Executive Director of AIDEA and work out that contract relationship.

Under Section 4, Sara Fisher-Goad, who has been the Acting Executive Director for the Alaska Energy Authority, will return to her role as a Deputy Director and Assistant Secretary of Alaska Energy Authority. Sections 5 and 6 delegate to the Executive Director signing authority over contracts and also allow the Executive Director to further designate other employees to sign contracts under Section 5. Under Section 6, it authorizes the AEA Executive Director to designate other officers of AEA to act in his place if he is absent. The appointment of Steve Haagenson as Executive Director was effective March 10, 2008. Section 7 ratifies all the actions that have been taken both by Steve and Sara, over the last month. They have been working cooperatively together over the past month with one performing certain functions as opposed to the other. So that there won't be a gap in authority or questions of authority, Section 7 is intended to ratify everything that both of them have done over the past month.

MOTION: Commissioner Galvin moved to approve Resolution No. 2008-03. Seconded by Commissioner Notti. There being no discussion, the question was called. A roll call vote was taken and the motion passed unanimously.

8. DIRECTOR'S COMMENTS

Mr. Haagenson reviewed the energy plan presentation stating AEA's goal and mission is to reduce the cost of energy in Alaska and we need to do it rapidly. Project results, even though it sounds simple, is actually quite a mouthful and we will try to make that happen as soon as we can. The guiding principles speak for themselves. One buzzword in there is "infrastructure." The first one actually replacing like diesel fuel, something that is equivalent to diesel fuel; you can use it in your existing infrastructure. The Global Exergy of the world chart shows all the energy in the world. It is a chart that shows where each type of energy comes in: solar, gravitational, wind, and nuclear power. It is a palette that you can pick all of the energy in the world from and as you look in a community, you can go out there and pick the pieces that you may have available. The graph shows a long list of communities we plan to visit. Mr. Harper has been working with his team and has reduced the number from 31 to 25. The process of current fuel usage is coming together really well. There are some estimates and PCE data used for estimating that number. Mr. Haagenson said he was at a convention in Reno and bumped into a woman he knows who operates TOTE. He asked her about fuel deliveries to rural Alaska and she said they are a parent company to Delta Yukon and Crowley. She and Steve plan to have a meeting next week to discuss quantities of fuel to be delivered where it is needed. It is estimated that 39-54M gallons of fuel a year is needed for western Alaska alone.

Selawik Energy Flow Model information was extracted from the Nana and Regional Plan and said they should get a gold star because they did a great job on it. It is a template to show how we can present the energy use and the costs by sector to figure out energy needs and costs. Technology evaluation basically goes through high level costing, so you understand what the delivery power would cost. Potential technology and fuels is where we get into hydroelectric such as Susitna, Chakachamna, kinetic, hydro. We'll look at wind, both small, large and also maybe a very large turbine. Biomass would include willows, large trees and also creation of power by biomass. The Nome Study is looking at Pilgrim Hot Springs under geothermal which is interesting and could help them a lot. We are looking at bullet lines on natural gas. One option is to put a bullet line out to Donlin Mine in the YK Delta, possibly all the way out to Bethel. This will be evaluated as well as L&G Trucking, gas-to-liquids from natural gas; the ANGDA proposal, a pilot program for propane in the Tanana region; and biogenic gas from peat in the

Hooper Bay area. We plan to visit the regions and ask them what they know about the region and what resources are available locally. The financial model is a mix of the perfect energy plan and we are using the template to show how to select the least cost options and what they would cost on a fair comparison basis. The option selection is matching the appropriate type of technology to the least cost option. This shouldn't take very long once the template is done. In rapid deployment, we will define new and existing local companies that can provide services. Congress just approved a tax credit extension until the end of 2009 of 1.6 cents per kilowatt hour and also established \$1.2B dollars of renewable energy bonds, called credits. The official title is clean renewable energy bonds. We need to see if those are going to be available at low cost and can have access to part. The media can have access to part so we'll see if we can use that as part of our deployment and financing institutions part. Just published on the AEA website is a new email address and a letter: "Important Information from the new Executive Director." We were asked to make that available quickly so the Governor could link it to her April newsletter. Thank you to Karsten and Terence for their assistance. In the letter is a contact point so you can send an email. We will use this email address to collect comments and ideas. We will use the contact information in order to send advance notice of visits to regional areas. AEA staff have volunteered to work on the team and he expects to be joined by a few AIDEA staff as well. A work group structure using a linear responsibility chart will lead formation of a scope, schedule, and budget. Steve said he was impressed with the AEA staff and feels there is lot of in-house expertise and talent. The schedule is pretty aggressive, but doable.

We are currently modeling the public meetings after the AGIA process. The final community selection is underway of which 25 communities we are going to visit. We will break up into 3-4 teams to complete that effort so everybody doesn't go to every meeting. Letters were sent to the utilities in each area to gather information about electric use and date for revenue and cost flow. Letters are being drafted to agencies, identified participants, and communities asking for their input and participation in meetings. Lots of contacts have been made and Bethel has already been visited. Meetings are ongoing and regions which already had a plan have come to Anchorage to meet with the team. The Energy Plan will be posted on the AEA website soon so everyone has a chance to provide input to the project. Steve is also working on developing a technology matrix.

Commissioner von Scheben stated that DOT would like to be included in this process as energy is often tied to road development. Mr. Haagenson stated that transportation is one of the critical components to help solve energy issues and thanked the Commissioner for volunteering DOT's assistance.

Chairman Kelsey asked if Class A community corporations were required to bury tanks, or put them above ground, especially those near the waterfront.

Mr. Mello stated that AEA has built tank farms in 50 communities and have not come across any underground tanks. The AEA program only deals with above ground storage tanks.

Commissioner Galvin acknowledged the progress Steve Haagenson has made. He stated that it is gratifying for the board having hired him and identified him as the person who could move this project ahead and commended his actions and encouraged him to keep going.

Ms. Fisher-Goad added that in the board packets are AEA programs and projects updates for AEA. She added that it has been an experience and a pleasure working as the AEA Acting Executive Director. She complimented the board with respect to the person they chose as the new Executive Director. She stated that he came in with a lot of energy, no pun intended, with a statewide plan in mind and she looks forward to continuing to work with him to fulfill the planning goal.

Ms. Fisher Goad stated the board will be polled for the next AEA Board meeting date.

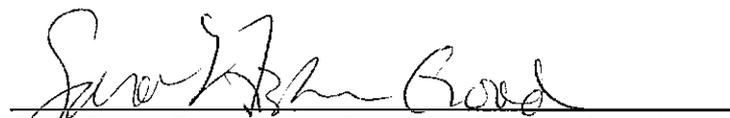
There is an AIDEA Board Meeting scheduled for 1:00pm on Wed. April 23, 2008. Ms. Valorie Walker stated that this meeting is to consider refunding of the existing 2007 refunded bonds to remove AMBAC as the insurer. This is due to rates that have gone up as a result of market turmoil relating to the insurers, and to put a different financing in place. Board members were sent a memo laying out the rationale for the refunding. AIDEA plans to have a direct-pay letter-of-credit with State Street Bank versus the existing AMBAC insurance with a standby letter-of-credit with State Street Bank. She and Brian Bjorkquist have been working on a team to negotiate that contract. Deputy Commissioner Andrews added that this is a problem going on with fixed income markets throughout the entire United States and is not a unique problem. It is important to take a look at refinancing the bonds so that AIDEA can enjoy cheaper costs associated with them.

9. BOARD COMMENTS

There were no further comments from the board.

10. ADJOURNMENT

There being no objection and no further business of the Board, the meeting was adjourned at 11:35am.



Sara Fisher Goad, Acting Executive Director/Secretary
Alaska Energy Authority