

**MINUTES**  
**Alaska Energy Authority**  
**Board of Directors**  
**Thursday, October 7, 2008**  
**Anchorage, Alaska**

**1. CALL TO ORDER**

Chairman John Kelsey called the meeting of the Alaska Energy Authority to order on October 7, 2008 at 2:06pm.

**2. BOARD OF DIRECTORS ROLL CALL**

A quorum was established. Members present in Anchorage: Chairman John Kelsey (Public Member); Commissioner Patrick Galvin (Department of Revenue); Commissioner Leo von Scheben (Department of Transportation & Public Facilities); Commissioner Emil Notti (Department of Commerce, Community & Economic Development).

Absent: Vice Chair John Winther (Public Member).

**3. PUBLIC ROLL CALL**

Staff Present in Anchorage: Ted Leonard (AIDEA Executive Director); Chris Anderson (Deputy Director-Credit); Sara Fisher-Goad (Deputy Director-Operations); James Hemsath (Deputy Director-Development); Valorie Walker (Deputy Director-Finance); Bruce Chertkow (Loan Officer); Karl Reiche (Projects Development Manager); Karsten Rodvik (Project Manager); Mark Schimscheimer (Project Manager); Brenda Fuglestad (Administrative Manager); and Sherrie M. Siverson (Administrative Assistant).

Others Present: Brian Bjorkquist and Mike Mitchell (Department of Law); and Paul D. Kendall (Public).

**PUBLIC COMMENTS**

Chairman Kelsey asked the public speakers to keep their comments to three minutes.

Mr. Paul D. Kendall distributed materials to the board members. He stated he feels that we are in a new age of energy and fossil fuel energy has hit the wall. He stated he is not sensing the feel for new energy, and fossil fuel is the last thing that should be embraced. He sent a letter requesting the names of all the teams AEA is working with, when they meet and also asked AEA to coordinate meetings between all the teams. He asked why AEA is not having an Energy Conference. He is waiting to see what is going to be unveiled regarding the Energy Plan in December. Everything should be focused towards energy, no schools, no roads, everything should be focused on turning the whole community towards energy.

**4. PRIOR MINUTES – June 12, 2008**

The minutes from June 12, 2008 were approved as presented.

**5. OLD BUSINESS**

There was no old business.

**6. NEW BUSINESS**

There was no new business.

**7. EXECUTIVE DIRECTOR COMMENTS**

Mr. Haagenson said the Request for Applications (RFA) for the Renewable Energy Fund was a result of HB 152 that provides AEA with statutory direction. Meetings with LB&A provided an opportunity to listen to their expectations.

Mr. Rutz stated the RFA went out on September 3, 2008 and is unique as there are two separate submittal dates: October 8 and November 10. The Renewable Energy Fund Advisory Committee assisted AEA in the development of the RFA. AEA will evaluate the RFA's and make a recommendation for the different projects, rather than awarding the grants. AEA will present the recommendations to LB&A for approval of the 2009 grants and submit the second round recommendations to the full Legislature for the 2010 grants. Once projects are selected, they will come back to AEA for grant administration, construction and project management services.

Mr. Haagenson stated another unique feature included in the evaluation process in a public benefit to cost ratio. This measure identifies the public benefit and compares this benefit to the grant funds provided. Most projects are currently evaluated on a project benefit to cost ratio. The addition of a public benefit to cost ratio provides a look at the benefits obtained from public funds. Projects that have high project benefit to cost ratios may not have a high public benefit to cost ration.

Mr. Rutz said the RFP was broken down by project phases of reconnaissance, pre-feasibility, design, pre-construction, or construction. Initial funding in the early phases would allow for a verification step before obtaining money for the following phases.

At the LB&A hearing, Representative Kelly asked if the Board had approved the project evaluation list. Mr. Bjorkquist stated that in the By-Laws, the Board has already delegated to the Executive Director of AEA the general authority to administer the day-to-day business activities of AEA, subject to the boards review and oversight. He stated that in his professional view, what LB&A has requested is already within that delegation.

The Board agreed that staff would rank the proposals and provide a copy to the Board for their information.

Discussions ensued regarding HB152 and the amount of grants that could be received and the workload impact at AEA staff. The current plan is to expand to meet the workload through the use of contractors.

Mr. Haagenson stated \$300 million in weatherization funds were provided to Alaska Housing Finance Corporation through a separate program.

### **Alaska Energy Plan**

Mr. Haagenson said the Alaska Energy Plan is moving forward. ISER, working with authority staff, has completed the list of fuel use by community. The technology teams have met and identified the technology that we will deploy.

Both rural and Railbelt issues will be included in the energy plan. Local energy options will be identified for each non-Railbelt community. Options in the Railbelt region will be considered and evaluated as part of the Integrated Resource Plan (IRP) that will be completed in late 2009.

### **CLI Organizational Assessment**

In an earlier meeting, Terry Stimson and Dick LaFever discussed questions they asked staff on their opinions of AEA, appropriate changes and methods of receiving information. The general feeling from Staff is they wanted to be involved in decision that would affect them and be part of developing the vision for AEA. Mr. Haagenson stated the AEA staff worked together to draft a mission, vision and value statement for AEA.

#### **Draft AEA Vision, Mission and Values Statement**

Vision: Affordable and sustainable energy for Alaska.

Mission: Provide world-class, customer focused energy services to Alaska.

Values: Building relationships founded on culture awareness, integrity and accountability.

### **Railbelt Electric Grid Authority Study**

The Railbelt Electric Grid Authority (REGA) report recommended the formation of a state authority which would not be regulated. We have heard several utilities and agencies voice concern over the non-regulated entity recommendation. We're listening to all parties to gain support for the REGA concept. REGA will continue to identify common ground for all participants as we move toward implementation.

## **8. BOARD COMMENTS**

Commissioner Galvin recognized Steve for the tremendous amount of work he has accomplished and stated he is pleased with the work that he has done.

Mr. Haagenson stated the credit goes to the committed people at AEA.

**9. ADJOURNMENT**

There being no objection and no further business of the Board, the meeting was adjourned at 3:06p.m.



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Steve Haagenon, Executive Director  
Alaska Energy Authority