



Alaska Energy Authority
BOARD MEETING MINUTES
March 17, 2010
Anchorage, Alaska

1. CALL TO ORDER

Vice Chairman John Winther called the meeting of the Alaska Energy Authority to order on March 17, 2010 at 11:40 p.m.

2. ROLL CALL: BOARD

A quorum was established.

Members participating: Vice-Chair John Winther (Public Member); Mike Felix (Public Member); Emil Notti (Commissioner, Department of Commerce, Community & Economic Development); and Jerry Burnett (Deputy Commissioner, Designee for Department of Revenue).

Member participating via phone: Commissioner Leo von Scheben (Department of Transportation & Public Facilities).

3. AGENDA APPROVAL

The agenda was approved with an additional item added by Commissioner von Scheben, which was discussion of the Petersburg-Kake power line and road status.

4. ROLL CALL: STAFF, PUBLIC

Staff present in Anchorage: Steve Haagenson (AEA Executive Director); James Hemsath (Deputy Director-Development); Valorie Walker (Deputy Director-Finance); Mike Catsi (Business Development Manager); Karsten Rodvik (Project Manager-External Affairs); Bruce Chertkow (Loan Officer); Mark Davis (Economic Development Officer); Shauna Howell (Administrative Assistant); and May Clark (Administrative Assistant).

Others present in Anchorage: Brian Bjorkquist (Department of Law); Anne Southam, ERM; and Steve Klein (First Infrastructure).

5. PUBLIC COMMENTS

There were no public comments.

6. PRIOR MINUTES

The minutes of February 17, 2010 were approved as presented.

7. OLD BUSINESS

7A. Regional Integrated Resource Plan (RIRP) Final Report

The Regional Integrated Resource Plan Final Report was presented to the board for approval.

MOTION: Deputy Commissioner Burnett moved to accept the RIRP Final Report. Seconded by Mr. Felix. A roll call vote was taken and the motion passed unanimously.

8. NEW BUSINESS

Commissioner von Scheben requested a meeting with staff to discuss the Kake-Petersburg road and power line project that has a cost estimate of \$38 million. Items to be discussed include routing of the power line versus the road, road quality construction, and routing with respect to Kupreanof Island.

9. DIRECTOR COMMENTS

9A. Director's Status Report of AEA Programs and Projects

Several weeks ago staff gave a status report to the Legislative Budget & Audit Committee. on the Renewable Energy Fund Round I. We may have only \$26 million of the \$126 million on the street and next year only \$21 million. We are ramping up now to get all of the projects completed. We will have \$80 million in projects completed within the next two years and save several million gallons of fuel within the next several years and we will reap all the benefits for the amount of dollars spent. Round III projects were broken out into \$25 million projects, with an additional \$25 million requested. The governor's budget included \$25 million. There were no questions from the board regarding all Renewable Energy Fund rounds.

The dropped generator at Tuntutuliak was shown in a picture emailed from Precision Power. The engine fell out of the side of a building. It is not an AEA project, but was directly funded to AVCP.

In the Legislature, two Omnibus bills, SB 220 and HB 305, are of interest to us. They involve reorganization of the board, energy efficiency, building efficiency, and policy and planning. The GRETC bill should move by end of day. The operating budget was approved and they will move on the capital budget today. Both Sara Fisher-Goad and James Strandberg are currently in Juneau testifying.

Mr. Haagenson was asked his opinion about the separating the two boards.

Mr. Haagenson said, "I'll give you my opinion on AIDEA. It seems interesting that they want to move it into Revenue because the mission of AIDEA has been working on for months is economic development, in Commerce. AIDEA is much more than a banker. Since we share boards neither one will affect the other, there's another bill in there where they want to separate boards and reconstitute boards and are we on the same mission. AIDEA makes money and AEA spends money, this board is very good at balancing those two things and we have a

good partnership, we share employees. If you were going to separate us and say you wanted to move us apart, it will increase costs. Right now we're getting the best synergy between the two organizations. If you're going to reorganize, you need to reorganize for a reason, and I'm not sure what that reason is."

The idea to split the boards arose originally in the House Omnibus Energy bill. They want to create a Department of Energy.

We are also working on, in coordination with AEA, is the purchase and sale of the PPF portfolio. One hearing was held and it was received favorably.

The Regional Integrated Resource Plan Final Report will be posted on AEA's website on March 18, 2010.

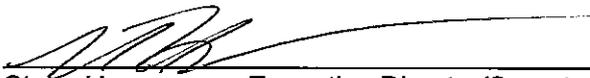
9B. Next meeting Wednesday, May 26, 2010.

10. BOARD COMMENTS

There were no board comments.

11. ADJOURNMENT

There being no further business of the board, the meeting was adjourned at 12:05 p.m.



Steve Haagenson, Executive Director/Secretary
Alaska Energy Authority