

Alaska Energy Authority
BOARD MEETING MINUTES
July 19, 2011

Anchorage and Juneau, Alaska; NeiHu, Taiwan

1. CALL TO ORDER

Acting Chairman Commissioner Bell called the meeting of the Alaska Energy Authority to order on July 19, 2011 at 12:34 p.m.

2. ROLL CALL: BOARD MEMBERS

A quorum was established.

Members present: Susan Bell (Commissioner, Department of Commerce, Community, and Economic Development); and Robert Sheldon (Public Member).

Members present via telephone: Ron Arvin (Public Member); and Jerry Burnett (Deputy Commissioner).

3. AGENDA APPROVAL

Mr. Sheldon moved for approval and Commissioner Burnett seconded the motion. The agenda was approved as presented.

4. ROLL CALL: STAFF, PUBLIC

Staff present in Anchorage: Sara Fisher-Goad (AEA Executive Director); Valorie Walker (AEA Deputy Director- Finance); Karsten Rodvik (AEA Project Manager– External Affairs); Peter Crimp (AEA Deputy Director-AEEE); Linda MacMillan (AEA Deputy Director-Operations); Mark Davis (AIDEA Economic Development Officer); Karl Reiche (AIDEA Projects Development Manager); Bryan Carey (AEA Project Manager); Jim Strandberg (AEA Project Manager); Aaron Rhoades (HR Administrator); Brian Bjorkquist (Department of Law); Emily Binnian (AEA Project Manager); Sherrie Siverson (AIDEA Executive Assistant); Teri Webster (AIDEA Administrative Assistant); May Clark (AEA Administrative Assistant); Karin St. Clair (AEA Administrative Assistant); Amber Converse (AEA GIS Intern) and Joyelyn Sommers (AEA HR Intern).

Staff present via telephone: Sandra Moller (Deputy Director-Rural Energy Group).

Others present in Anchorage: Brian Newton, President/CEO GVEA; Randy Hobbs, Alpine Energy; Tim Bradner, AK Journal; Amanda Coyne, AK Dispatch.

Others present via telephone: Whitney Wolff, Talkeetna Community Council; Becky Long, Dennis Ransy and Alexa Fitzgerald, Talkeetna residents; Richard Leo, Trapper Creek resident; and Eli Frost.

Listen to the full audio recording of the 7/19/2011 AEA board meeting at <http://www.aea.org/boardmin.html>

5. PUBLIC COMMENTS

Becky Long, Talkeetna Resident

Ms. Long: I have been opposed to the proposed Susitna Hydro Electric Dam since the 80's. Upon reviewing the AEA meeting materials, I was disturbed not to see an update on the proposed Susitna Hydro Project. The Susitna River will be changed irrevocably by this dam and there should be a lot going on to report. AEA should publish a monthly newsletter to update the public on the proposed project. The Susitna Hydro studies link on the AEA website is inadequate and we need copies of the studies and data gaps placed in the Trapper Creek and Talkeetna libraries.

Acting Chairman Bell said the public should know the project information will be centralized as we move forward. She said we are just beginning a new fiscal year and the Susitna-Watana project bill was just signed allowing AEA to proceed.

Dennis Ransy, Talkeetna retired commercial fisherman

Mr. Ransy: There's been no real state public comment period or scoping process like other major projects. I have been involved in Susitna Dam idea for thirty plus years, there's no process for stakeholders, no forum and the so-called public meetings weren't. No dam has ever benefited the fish runs and we're told that amazingly this project will probably help our fish. You're taking a very cavalier attitude to the supposed number of kings discovered above the dam site. The need for the Susitna project is being based on low natural gas in Cook Inlet. The supply of natural gas in Cook Inlet could be enough for 200-300 years so let's build it then. There are two roads being cut into the wilderness areas that will never disappear. Has the Board seen and considered the letter from the Talkeetna Community Council with all their concerns.

Mr. Sheldon stated the Board received and read the letter from the Talkeetna Community Council.

Whitney Wolff – Talkeetna Community Council and Susitna Dam Committee

Ms. Wolff: I would like to thank the Board for their willingness to review the document sent to you, as well as your timely distribution and review of the Jan Konigsberg report. Our goal is to keep the communities of Talkeetna and Trapper Creek abreast of project development. We are disappointed in what appears to be a lack of adherence to your initial timeline. I want to stress the desire of Talkeetna and Trapper Creek, the communities most directly impacted by any potential negative effects of the dam, are listed as major stakeholders in the project. We want to be on the mailing list. There should be a better website updated regularly that is more specific to the Watana project. Who is leading the project?

Ms. Fisher-Goad stated that Bryan Carey is the AEA Project Manager and our engineering firm is MWH. The TCC questions submitted are being looked at thoroughly in a Frequently Asked Question document. The webpage is under development and will be launched shortly. She also noted FERC personnel will be in Alaska to attend the National Hydropower Association meeting in Girdwood in August and will tentatively conduct an open house meeting in Talkeetna August 29. This information will be available on the project web page. Mr. Leo asked if AEA staff will be accompanying FERC to Talkeetna. Ms. Fisher-Goad affirmed that they will.

Richard Leo, Trapper Creek Resident

Mr. Leo: I understand the genesis of the Susitna project was the loss of natural gas in Cook Inlet. It seems like there could be substantial amounts of gas there. If that's the case, which agency is in charge of compiling the information to disseminate to both the Legislature and the public?

Ms. Fisher-Goad said we will be providing additional information with respect to gas issues in coordination with the Department of Natural Resources. The genesis of this project is the renewable energy goal policy set forth by the Legislature last year and supported by the Governor for a 50% renewable energy for electrical generation by 2025.

Brian Newton, President and CEO, Golden Valley Electric Association

Mr. Newton: The Alaska Intertie is a vital link to Golden Valley's operation and to this state. We transfer about 77 MWs up the Intertie which is not enough, as our peak load is about 200 megawatts. Our rates are not cheap in Fairbanks. Without the Intertie, our rates would be so high we would almost qualify for the PCE program. Getting the Intertie completed is critical to our operation, because we are the largest user and because the Intertie is so critical to our needs. Natural gas is not available in Fairbanks, making the Intertie our only link to natural gas-fired power. The Intertie agreement has been approved by pretty much all the utilities. I encourage your support of the Intertie agreement. We fully support Legislative activities to grant some of your ownership powers back. We think that AEA should be the owner of infrastructure, which can also help us finance critical projects in the future. Our arrangements with AEA owning Bradley Lake and the utilities maintaining it has worked extremely well. It will be a fantastic relationship and a partnership when we move forward with other projects. The Railbelt utilities formed ARCTEC. We have been working with AEA as a vital future partnership. AEA, as owner-financier and ARCTEC as the O&M contractor, would be similar to Bradley Lake operations. We'd like to see that move forward. We appreciate AEA's support in getting the capital projects through. It's a start for the transmission projects, funding for Susitna, and funding for the Battle Creek project. We would like to encourage you to do more and we will help you to do whatever we can so we can further this partnership.

6. NEW BUSINESS

6A. AEA Resolution No. 2011-02, Appointment and Removal of Various Officers of the Authority; and Related Matters.

Regarding Resolution 2011-02, Ms. Fisher Goad stated Sandra Moller replaced Mike Harper as Deputy Director, Rural Energy Projects, who retired. Linda MacMillan has filled Ms. Fisher-Goad's previous position as Deputy Director of Operations. In addition to Ms. Fisher-Goad's appointment as AEA Executive Director, separate from AIDEA, there were further divisions of duties and resources between AEA and AIDEA management. Therefore, Chris Anderson, in order to concentrate her efforts on the AIDEA loan programs and lending programs, will be removed as an officer of AEA. Valorie Walker is Deputy Director of Finance and Peter Crimp is Deputy Director of Alternative Energy and Energy Efficiency.

MOTION: Mr. Sheldon moved to approve Resolution 2011-02. Deputy Commissioner Burnett seconded the motion. Acting Chair Bell, hearing no opposition passed Resolution 2011-02.

7. DIRECTOR'S COMMENTS

7A. Director's Status Report of AEA Programs and Projects

Ms. Fisher-Goad said Susitna information will be included in the next Board packet. AEA management met with Mr. Sheldon, Mr. Short, CEO's and General Managers regarding the Intertie Agreement. The Agreement will be presented to the Board again in late August or September. The ARCTEC projects that were in the capital budget were vetoed, but because of how the projects were structured, AEA was allowed to propose reallocations. ARCTEC met to propose a reallocation of the projects, which is moving forward. We would like to have a Board work session this fall to discuss Independent Power Producers (IPPs) to allow the Board to hear from invited people who can tell us what AEA or other state agencies can do to enhance IPPs and help eliminate barriers to allow them to make private investments in the state. Chugach Electric Association first approached us to work on the Fire Island Wind study to integrate wind power into their system. ARCTEC provided a resolution of support for that. We are also working with GVEA on the integration of the Eva Creek Wind power project into their system.

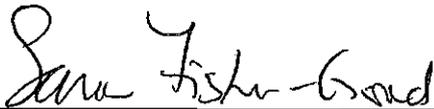
Ms. Fisher-Goad thanked the Board for approving Resolution 2011-02.

8. BOARD COMMENTS

There were no board comments.

9. ADJOURNMENT

There being no further business of the Board, the meeting was adjourned at 1:10p.m.



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