

# Alaska Energy Policy Task Force

*Created by the 23<sup>rd</sup> Alaska Legislature*

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**(Draft) Minutes of the  
December 2, 2003  
Meeting of the  
Alaska Energy Policy Task Force (EPTF)  
AIDEA/AEA Board Room, Third Floor**

**Call to Order:** Chair Barry called the meeting to order at 10:00 a.m.

**Roll Call:** Members present - Mike Barry, Dave Carlson, Robert Wilkinson, Wayne Carmony, Rick Eckert, Steve Haagenson, Meera Kohler. Tom Boutin on teleconference.

**Staff:** Becky Gay and Bernie Smith (EPTF.)

**Others attending :** Jim Posey of Anchorage Municipal Light and Power (ML&P), Don Zoerb, Mike Pauley and Tuckerman Babcock of Matanuska Electric Association (MEA), John Cooley, Lee Thibert and Mark Fouts of Chugach Electric Association (CEA), Chris Rose of Alaska Conservation Foundation (ACF), Jerry Burton of the Regulatory Commission of Alaska (RCA), Jim Cross and Myles Yerkes of Homer Electric Association (HEA) and Dave Calvert of City of Seward Electric.

**Approval of minutes of November 18 meeting:** Minutes were approved as amended.

**Presentation on Alaska Natural Gas Development Authority (ANGDA):** Harold Heinze, CEO of ANGDA, gave an overview of the Authority created by ballot measure. Noting that ANGDA is mandated to provide benefit to Alaskans and to build, not study, a gas line. Heinze emphasized the differences in cost of service to a public entity is lower, which gives the project financial margin. Heinze showed charts demonstrating the variety of benefits to Alaskans, project concept and cost (exporting 16 million tons/year of LNG with the total cost of \$12 Billion construction and tankers), and other financial measures. <http://146.63.35.79/>

**Status Report on the Railbelt Energy Study (RES):** Mark Fouts of Chugach Electric Association and Chair of the RES Technical Group introduced Ron Moe, Executive Consultant, R.W. Beck, who gave the preliminary status report, noting that the RES is a study; not an integrated resource plan (IRP). The study assumes the utilities act collectively to invest in new G&T assets and dispatch both new and existing generating resources. The objective of the RES was to identify capital investments in the Railbelt through 2033 that minimize future power costs and maintain current levels of power

supply reliability. The preliminary results suggest that the expected net present value of power supply costs for the 2008-2033 period is \$5.1 Billion, with the average cost of \$50/MWh (in real 2003 dollars) compared to \$27/MWh today. It assumes the North Slope gas line is not built. The final report will be delivered to the participating utilities January 15, 2004. Five of the six utilities participated.

**Introduction on Critical Infrastructure Protection (CIP) planning:** Julian Jensen, of Booze Allen Hamilton, onsite Dept. of Defense contractor, and Lt. Col. Bevan Orme, USAF, Alaskan Command, Chief, CIP Program at Elmendorf AFB, gave a brief presentation on current efforts challenging the armed services regarding security of private sector infrastructure needed by the Defense Dept. to conduct operations. Citing Homeland Security and civil support efforts to create a less "law enforcement centric" working group to coordinate and identify security efforts with the asset owners, Jensen asked for volunteers from the utility groups to work with as the efforts increase. Contact numbers were left with staff for follow-up contacts for the Task Force.

**Set meeting schedules and deadlines:** Due to the inclusion of scheduled presentations, the next meeting will be an extended one, **Thursday, December 18, at the Alaska Power Association Boardroom, 703 West Tudor Rd., Suite 200, from 10:00 a.m. – 5:00 p.m.**, with a teleconference available through the Legislative bridge number. An additional meeting was tentatively scheduled for December 30, if necessary.

**Public comments:** Chris Rose, Alaska Conservation Foundations, spoke briefly on efforts to recognize renewables in the final product, stating that hydroelectric should be broken out separately since it wasn't considered "renewable" unless "new" technology was involved, or it was small hydro.

**Review draft of preliminary Task Force Report:** Chair Barry began the review trying to get everyone armed with the same, most current staff prepared draft. The working document was displayed on a large screen, with edits by Task Force members and interested public integrated, underlined and/or colored for keeping the ensuing changes easier to identify. The discussion began centered around Objective II and III, which focused on how to best incorporate state-owned Railbelt energy assets into a solution for current and long-term needs and what joint efforts could be made to more efficiently fuel the Railbelt in the future. It was determined a better map could be made for the purposes and MEA volunteered to do that, showing load and generation. Staff is working on a glossary with Chugach's help. The document was edited freely, with staff working to capture the changes and additions. A new draft will be circulated to the Task Force for review before the meeting.

**Meeting adjourned at 4:15 p.m.**