

PRESS RELEASE

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AEA Completes Acquisition of Homer Electric Association's 115-kV Transmission Line

Railbelt benefits include better cost alignment and potential future upgrade

(Anchorage) – The Alaska Energy Authority (AEA) today has completed its previously announced acquisition of a Homer Electric Association (HEA) transmission asset for \$17 million that runs between the Sterling Substation and the Quartz Creek Substation (SSQ Line) on Kenai Lake.

"This acquisition furthers AEA's mission to reduce the cost of energy in Alaska," **said AEA Board Chair Dana Pruhs.** "The addition of these assets results in the SSQ Line becoming part of AEA's Bradley Lake Project with better cost-alignment and will facilitate upgrades benefiting Alaska ratepayers."

The SSQ Line is a critical component of the Railbelt transmission system. The 39.3 miles of 115-kilovolt transmission line delivers Bradley Lake hydroelectric generated power, the least expensive power available to Railbelt ratepayers, from HEA's grid to transmission lines linked to all the other Railbelt utilities. In the summer of 2019, the SSQ Line was a key line out-of-service for an extended time after receiving damage during the Swan Lake Fire. It took four months to bring the line back into service costing an estimated \$12 million to Railbelt Utility ratepayers.

"This purchase marks a pivotal moment in the history of our partnerships," said **AEA Executive Director Curtis W. Thayer.** "The transaction brings significant benefits to customers today and into the future – including better cost alignment, increased reliability, and future prospect for upgrades to the line, which would decrease line losses and allow for increased power transmission north, and unconstraining Bradley power."

"This transmission line is key in delivering consistently low-cost renewable hydroelectric power to some of the largest population centers in the state," noted **Tony Izzo, Chair of the Bradley Lake Project Management Committee and CEO of Matanuska Electric Association.** "We applaud the Alaska Energy Authority's leadership in partnering with the utilities to provide energy security and stabilize costs for ratepayers throughout the region."

Located near Homer, Bradley Lake is the largest hydroelectric project in Alaska and has the capacity to generate up to 120 megawatts of electricity – roughly the amount of energy needed to power a city the size of Fairbanks. With the SSQ Line under AEA ownership, AEA has an opportunity to upgrade the line to benefit Railbelt utility customers.

The Alaska Energy Authority is a public corporation of the State of Alaska governed by a board of directors with the mission to "reduce the cost of energy in Alaska."

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