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**ALASKA ENERGY AUTHORITY  
BOARD OF DIRECTORS  
June 21, 2006 – 11:00 a.m.  
Anchorage, Juneau, and Petersburg Alaska  
Teleconference**

**1. CALL TO ORDER**

Chairman Barry called the meeting of the Alaska Energy Authority to order on June 21, 2006, at 11:00 a.m. A quorum was established.

**2. BOARD OF DIRECTORS ROLL CALL**

Directors present in Anchorage: Mr. Mike Barry (Chairman/Public Member), Commissioner Bill Noll (Department of Commerce, Community and Economic Development), and Commissioner Mike Barton (Department of Transportation and Public Facilities).

Director present in Juneau: Deputy Commissioner Tom Boutin (Designee for Department of Revenue).

Director present in Petersburg: Mr. John Winther (Public Member).

**3. PUBLIC ROLL CALL**

Staff present in Anchorage: Ronald W. Miller (Executive Director), Chris Anderson (Deputy Director-Credit & Business Development) James A. McMillan (Deputy Director-Credit & Business Development), Valorie Walker (Deputy Director-Finance), Brenda J. Fuglestad (Administrative Manager), Karl Reiche (Projects Development Manager), Becky Gay (Project Manager), Sara Fisher-Goad (Financial Analyst), Leona Hakala (Loan Officer), and Mike Harper (Deputy Director-Energy).

Others attending: Brian Bjorkquist and Mike Mitchell (Department of Law), Jan Sieberts (Washington Capitol), Don Zoerb, Kim Floyd, Jim Walker, and Michael Pauley (MEA), Deputy Commissioner Mark Edwards (DCCED), Brian Hickey, Don Edwards, and Lee Thibert (Chugach Electric Association), Jenny Trieu and Kate Lamal (Golden Valley Electric Association), and Lou Agi (ML&P).

**4. PUBLIC COMMENTS**

There was no public comment.

**5. PRIOR MINUTES – May 11, 2006**

The May 11, 2006 minutes were approved as presented.

**6. OLD BUSINESS**

There was no old business.

**7. NEW BUSINESS**

**7A. Resolution No. 2006-03, Resolution of the Alaska Energy Authority Relating to the Adoption of New Regulation Relating to Power Cost Equalization (PCE)**

Mr. Miller reviewed Resolution No. 2006-03 stating this resolution re-adopts the amended regulations that the Board adopted at its May 11, 2006 board meeting. Re-adoption is necessary because the regulations section of the Department of Law advised the Authority that it was required to give additional notice of the regulations and also advised that the Board was required to re-adopt the regulations after the additional notice was given. AIDEA gave the required additional notice on May 17, 2006. The regulations revise the Alaska Administrative Code Title 3 by adding Section 107.225, outlining the method the Alaska Energy Authority (AEA) will use to allocate supplemental appropriations to the Power Cost Equalization program made after earlier pro rata reductions. These regulations are unchanged from what was approved on May 11, 2006.

Staff recommended approval of Resolution No. 2006-03.

**MOTION: Commissioner Noll moved to approve Resolution No. 2006-03. Seconded by Commissioner Barton. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Messrs. Boutin, Barry, Barton, Noll, and Winther voting yea.**

**7B. Resolution No. 2006-02, Resolution of the Alaska Energy Authority Relating to the Appointment of Various Officers of the Authority; and Related Matters**

Mr. Miller reviewed Resolution No. 2006-02 stating the resolution clarifies and reaffirms that James A. McMillan is the Deputy Director-Credit & Business Development and Assistant Secretary until his planned retirement of August 1, 2006. The resolution also appoints Christine Anderson as Deputy Director-Credit & Business Development and Assistant Secretary.

Staff recommended approval of Resolution No. 2006-02.

**MOTION: Commissioner Barton moved to approve Resolution No. 2006-02. Seconded by Commissioner Noll. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Messrs. Boutin, Barry, Barton, Noll, and Winther voting yea.**

**7C. Alaska Intertie Agreement**

**VERBATIM:**

Mr. Miller: Mr. Chairman, AEA has worked with the Intertie Operating Committee utilities attempting to find cures of defects in the Alaska Intertie Agreement. In the board packet is a memorandum outlining a chronology of recent events in that regard. The IOC utilities have met among themselves and recently reported to AEA that they are making progress towards crafting a utility proposal to address and identify the defects in the agreement and we understand that those proposals will be presented at this board meeting. We have not received a written

submission yet. The Board was copied with comments from Matanuska Electric and included in the board packet is correspondence from AEA to the utilities and email correspondence from the utilities to AEA regarding some of the proposals.

Chairman Barry: Before we call for presentations I would like to note that this is a reappearing item on our agenda. It does not appear to me anyway that we are making progress on this item despite pleas. I note in our packet that it says that we received a request on May 5<sup>th</sup> for specifics as to exactly what AEA was looking for. I've personally attended, in fact we had a board meeting in July of last year with utility managers to go over the problems with this agreement. At that meeting, a couple of utility general managers requested specifics about exactly what did we perceive to be the problems with the agreements and what specific issues had been raised by other members of the IOC. We went through those in great detail and I have to tell you that the lack of progress that we have made and a further request just last month for specifics – I'd like to get to sometime when I could hear from the utilities that they really understand what these issues are and we don't get into this, as I perceive, as a delaying tactic of asking again for specifics. There must be some way we can communicate to the utilities that are involved what the specifics are so that they can be addressed. And, when you make your presentations today I would like you to comment on why there doesn't seem to be an understanding of what these specifics are and what it is, if anything, that AEA can do to help you understand what these specifics are. At that time, I will first call on Mike Pauley, since he announced earlier that he wanted to make remarks.

Mr. Bjorkquist: Mr. Chairman, if I could just make one other clarification. In the board packet under the eight (8) page attachment, on page 8 under Item 6, the other mistake that I made that you caught me on this last week is that the last phrase was that alternatively that power can only go south. Obviously, the power is going north – Fairbanks is north of us not south of us and I was just directionally challenged in that regard. Just to clarify.

Chairman Barry: Thank you. We will consider that portion amended. Mr. Pauley?

Mr. Pauley: For the record, my name is Michael Pauley, I am senior advisor to the general manager at Matanuska Electric Association. On Wednesday of last week, AEA Executive Director Mr. Miller contacted utility members of the Intertie Operating Committee and reminded the parties about today's meeting and requested utilities to submit any written materials that they wished the AEA board to review by Friday, June 16<sup>th</sup>. As a member of AEG&T, an IOC participant, MEA complied with that request. We forwarded a letter to Mr. Miller that we understand has been shared with you. Our letter reiterates MEA's long held belief that the Alaska Energy Authority should exercise its authority under Section 2.22 of the Alaska Intertie Agreement and issue a notice of termination. Such notice, we believe, would create the needed incentive for the participating utilities to negotiate successor agreements that address the long term fund operation maintenance and repair of the intertie. We believe that without the incentive provided by the 48 month notice, we are not likely to see either a short term or long term fix to the problems associated with the existing agreement. The simple fact is this. Even though all members of the IOC have admitted that there are serious flaws in the existing agreement, it is nevertheless true that some IOC members perceive that the existing flawed agreement works to their benefit. So long as maintaining the status quo is in the interest of certain IOC members there is no reasonable basis for the AEA board to expect that a viable fix is ever going to emerge unless a notice of termination creates a real deadline and a real incentive for progress to be made. Only the certitude of knowing that the existing agreement will come to an end on a specific date will provide the appropriate incentive for IOC members to develop a successor agreement. MEA is not aware that any proposed short term or long term fix was submitted for AEA's consideration by the June 16<sup>th</sup> deadline, however, MEA did receive

an email that day from the law firm of Ater Wynne. The email was addressed to IOC member utilities but not to the Alaska Energy Authority. The first paragraph of that email states the following:

“Attached are two documents comprising our initial ideas for the terms of the agreements to resolve the issues with the Alaska Intertie Agreement.”

When the email talks about our initial ideas it is not clear to us what is signified by the use the ‘our’ pronoun because the email later goes on to state that:

“No party has signed off on these documents.”

It further states:

“The effort to date has not resulted in a product that is ready to share with the state.”

I think that last sentence is worth repeating:

“The effort to date has not resulted in a product that is ready to share with the state.”

As the board of AEA contemplates its next step I think that line should be foremost in your minds. It has been almost a full year since AEA and the IOC utility managers met on July 22, 2005. With almost a full year to work on solutions, the entire fruit of this effort appears to be a few pages of brainstorming notes describing some management concepts that no utility has signed off on and which is not ready to be shared with the state. In the memorandum sent out to the AEA board a few days ago, Mr. Miller stated the following with respect to the previously announced June 15<sup>th</sup> deadline for AEA to issue its termination notice. Mr. Miller wrote:

“In reaction to concerns regarding the June 15, 2006 deadline and notice of termination, AEA modified the deadline provision to instead require a showing of real progress towards curing the defects in the agreement.”

The fundamental question that the AEA board must ask is will there be anything presented today that under any tortured analysis meets the standard of real progress. MEA is doubtful, but we will wait to see what happens. We still have not seen any realistic plan to establish an R&R fund to finance major maintenance or upgrades. There is still no detailed proposal about budgeting, no answers to the various issues relating to noncompliance with terms of the existing agreement, and no solution to the liability concerns raised by AEA staff. The AEA board can and should bring some discipline to this process by issuing the termination notice and clearly communicating to all parties involved that continuation of the flawed status quo agreement is not an option that is open any longer.

Thank you, Mr. Chairman, for your time. That concludes my comments.

Chairman Barry: Thank you, Mr. Pauley, if you would just stay there for a second, there may be questions. I have a few. The first one would be that you stated that some utilities may perceive it to be in their self interest to keep the agreement in place as it exists. Would you care to elaborate on that as to how – I attended the general manager’s meeting and I thought there was unanimity from every general manager that was there that the agreement wasn’t working. How could it be in somebody’s best interest to keep it in place if it doesn’t work?

Mr. Pauley: Well, I think that concept, I would actually refer to the email that Mr. Bjorkquist has sent out earlier where he basically talked about the cost benefits, economics issue of operating the intertie and – I think that there is an economic incentive for certain utilities to perhaps not want to invest in the repairs and upgrades that are needed, if at the end of the day it has a negative affect on the bottom line for the cost of wheeling power. As I said, Mr. Bjorkquist alluded to that – well, he was actually summarizing a discussion that the general managers had at the July 22, 2005 meeting, but – I don't know if that is answering your question, but I just think the existing agreement creates incentives for those investments not to be made.

Chairman Barry: How would you respond to a comment that perhaps agreements are difficult to reach because your utility won't agree to anything?

Mr. Pauley: Well, I think I would initially respond that, to my knowledge, AEG&T has not even been invited to participate in some of the recent discussions and so I'm not sure that I can represent what we would be or might not be willing to agree with when we weren't even invited to be at the table.

Chairman Barry: Well, you had the email with the notes of potential solutions; did you see anything in there that you could agree with?

Mr. Pauley: We have not had the opportunity to review those extensively; we just received those late Friday evening. Our initial comments are that it appears to be very sketchy, particularly the parts about a proposed governance, an administrative structure for the intertie – there's almost so little there that there is not much to really sink your teeth into and comment on.

Chairman Barry: I guess that perhaps I should rephrase it. This board has struggled with this for over three and a half years and we can't find any single instance of progress and it would be very helpful if Matanuska Electric and AEG&T could identify any element that they could agree to. That would be progress just to have one single element of the agreement improved for the benefit of the railbelt utility system and I would challenge MEA to please find one or more of the elements that you could agree to so that we could make some progress here. I would turn around your statement where you're saying that maybe some utilities want to maintain the status quo for their individual benefit and is there any reason that MEA would like to upset the status quo for your benefit?

Mr. Pauley: Absolutely, Mr. Chairman. In particular, I would refer to the fact that we have been working, for the most part, without success in the Intertie Operating Committee to try to find some long term solution for the problem with snow loading on the Alaska Intertie and, in fact, I would say that our efforts in that area are one of the reasons why we are absolutely convinced that this agreement has to be terminated and completely replaced with something workable because of the lack of progress on that issue. We did succeed in – the Intertie Operating Committee did adopt some monitoring procedures for snow loading that were an improvement over what was there before and so we saw some incremental progress in that area but certainly not a long term solution. But, yes, that would be one example of something that we would greatly benefit from having a different structure that would allow us to move forward on that issue.

Chairman Barry: Any other members of the Board have questions; I've kind of monopolized this conversation – any questions from the board for Mr. Pauley?

Mr. Winther: I just want to agree with you – the slowness of progress made on this issue, I think it was bought up at the very first board meeting I attended. I express my frustrations along with yours, Mr. Chairman.

Chairman Barry: That was a general observation that was not directed to Mr. Pauley. Thank you. Who would like to be next?

Mr. Thibert: Mr. Chairman, for the record, board members, my name is Lee Thibert, I'm the chief of staff for Chugach Electric Association. I don't have any prepared remarks this morning but I would like to respond to a few things. Number one, I'd urge you not to terminate or give notice of termination of this agreement. There are a lot of issues on the table here from operating the system to budgets and how to deal with capital going forward. There are a number of projects that do need to be done. It certainly is not in Chugach Electric's best interest to have the contract stay the way it is. There are projects that need to be completed and as utilities we all need to work together to get a resolution to this problem and get it fixed. Chugach is committed to getting it fixed. I think you have a timeline in front of you that looks at the events over the past year and AEA has done an excellent job of identifying the specific problems. They have been outlined in detail, they have been presented to the utility and, I think, we've had a person at the table for the last several months trying to get resolution. I would commit that Chugach will sit down and continue to work through those issues and try to get them resolved. I would argue with MEA – they have been invited to the table but they had a conflict that they couldn't make. I think that if we could all agree to sit down together and work through these issues one by one we'll get there, but I think – I don't want to wait four years to get a resolution and basically I don't think we need to hold our feet to the fire – what we do need to do is work together and get it resolved. I stand before you, Mr. Chairman, and I think we, at Chugach, would like to move forward.

Chairman Barry: It's been proposed by someone that it is not mutually exclusive to terminate the agreement and continue working on modifications to an agreement. One might be beneficial to have modifications in place before the notice of termination was given so that people would have an idea and it would remove the necessity to have unanimity about how we are going to proceed because clearly with the unanimity requirement, any single utility can stop any progress from being made at any time. I'd like your comments on what would be the problem of giving notice of termination, there are four years that people can talk and sign up one at a time to whatever changes are necessary and agreed on amongst the various utilities.

Mr. Thibert: Mr. Chairman, I believe there are a lot of issues that don't need to be negotiated and if you terminate the agreement that opens everything completely. And, we as the utilities, spent years at the table already on the operating agreements, on sharing of reserves, all of those issues with operating within the railbelt. If all of those are opened up again, we'll be at the table forever. I think the better approach is that we have a list of items that are in dispute, let's work on those.

Chairman Barry: Will you agree that the existing agreement requires the utilities to present to AEA a budget?

Mr. Thibert: Yes, sir.

Chairman Barry: Do we have a budget?

Mr. Thibert: I can't tell you at this exact moment.

Chairman Barry: We are nine days away from the new fiscal year and we don't have a budget. There are liability issues that go along with just doing nothing and that is where we've been. I recognize that there are utilities that are sincerely trying to do something, but it appears to me that your efforts to sincerely do something are being obstructed and negated by others and that can go on indefinitely. It does appear that it is going to be necessary for this Board to start some clock running to ensure that sooner or later the issue gets resolved. It doesn't look to us like the system can go indefinitely without maintenance. Do you think it can? How many more years can we go with the maintenance being deferred that's being deferred today?

Mr. Thibert: Mr. Chairman, it needs to be done soon.

Chairman Barry: Okay. Thank you. Any questions for Mr. Thibert? Thank you. Anyone else?

Ms. Lamal: Mr. Chairman, board, I'm Kate Lamal, I'm a vice president of power supply for Golden Valley Electric Association. What I'd like to do is just tell you that Golden Valley is committed to working on this agreement. It is very important to us and the interior to have that line operational. We have submitted operating budgets to AEA. What I'd really like to do is have Jenny Trieu who has been working diligently over the past year on putting together the framework documents for the agreements, both operational and managerial... I'd like to do that... I just wanted to tell you that Golden Valley has been working – to the best of my knowledge all participants have been invited to the table to discuss moving forward and most parties have been working on that.

Chairman Barry: Ms. Lamal, while you're here, could you comment on, what I would call the efficacy of, the notice of termination. What kind of effect it would have on your utility?

Ms. Lamal: I understand the thought process you have with termination would be to put a deadline out there and that perhaps that would expedite things. There have been a number of reasons why the utilities have not been able to move forward and that is because we cannot get unanimous agreement. And that any movement forward usually has at least one opposing party out there, which has made progress difficult. I don't know how we would look forward to termination to think that there is going to be unanimous agreement whether there is an existing agreement or not. All I can tell you is that we need to move forward and we need to keep that intertie viable, it needs to be maintained, we do need a budget, we do need an R&R and most of those can probably go forward with the existing agreement in place. I understand your frustration with having timelines not adhered to but I'm not sure that the termination will provide what you're looking for.

Chairman Barry: Is it your belief that we could just go along – if I'm hearing you correctly, we could maintain the status quo for years with no deleterious effects?

Ms. Lamal: No, I don't believe that. There are – the inability to fund major maintenance is a problem and whether we can forward fund it or debt fund it; however we end up doing that – it definitely needs to be addressed, yes, there's no doubt about that. However, I do have to say that the intertie has functioned, has been funded and has operated quite well for the entire time it has been in place. It's not to say we can't avoid future maintenance, but the existing agreements have worked in the past and they just need to be updated a little bit.

Chairman Barry: While you're here I'd like to get the benefit of your expertise. There appears to be some question as to whether the intertie is capable of moving power in both directions. Would you comment on that?

Ms. Lamal: I think that it could do that.

Chairman Barry: It can move power both north and south?

Ms. Lamal: Correct.

Chairman Barry: Thank you.

Ms. Trieu: Mr. Chairman, board members, my name is Jenny Trieu, I am an attorney for Golden Valley Electric Association. I have been working with both Mr. Miller and Mr. Bjorkquist over the last eight months or so in response to this Board's request for progress to resolve issues associated with the Alaska Intertie Agreement. Both Mr. Miller and Mr. Bjorkquist have been responsive to requests to clarify, at least to me as a person new to this effort, what the issues are specifically associated. Last November, I met, on behalf of Golden Valley, I met with Mr. Miller and Mr. Bjorkquist and presented a rough, what I would call a rough framework proposal for a supplemental agreement or a side agreement if you will, to address some of the Board's more immediate concerns, in particular, R&R and budget. We have discussed those and in the meantime those have been somewhat tabled in light of a request to come up with long term solutions to the issues. We have now, as you have heard from Mr. Pauley, have prepared frameworks for two long term agreements that hopefully, if not substantively, resolve the issues or at least provide a starting point with specific matters that the utilities can come to the table and discuss. I was the author of the email that Mr. Pauley read from and to explain the comment about why the documents were not, at this point, ready for presentation to the state. That was because in the interest – we've had about six weeks total to work on this since my last meeting with Mr. Bjorkquist and I think that was a very productive meeting. In the last six weeks, I would estimate that I have had about three telephone conference meetings with not all of the utility members but most of them – all of them have been invited – to talk about how we get started to resolve this. And, as a result I prepared the frameworks hoping that those would be a good starting point for discussions going forward. We fully intend to carry on discussions and we welcome all of the utilities to participate in these discussions and to put their issues out there. We continue to hope for a productive resolution that something other than termination of the agreement.

Chairman Barry: Thank you, Ms. Trieu. If I heard right, you're here representing Golden Valley Electric Association.

Ms. Trieu: Yes, Mr. Chairman.

Chairman Barry: So is there a counsel for the IOC that is working on this? They haven't even got a counsel working in it, right?

Ms Trieu: I think we have all decided to put our heads together as utility representatives, Mr. Chairman.

Chairman Barry: Okay. But the answer to my question is, that as far as you know, you are not interfacing with any counsel that purports to represent the Intertie Operating Committee. Is that correct?

Ms. Trieu: No sir, yes.

Chairman Barry: It would seem to be that if the IOC was truly interested in coming to a resolution, they would at least employ a counsel to represent them to be involved in this process. They can't even agree on that apparently.

Are there questions of Ms. Trieu? Hearing none, do you have any enlightenment for this Board as to what kind of adverse effects, if any, could come from a notice of termination?

Ms. Trieu: I agree with both Ms. Lamal and Mr. Thibert in the sense that the utilities have worked hard to provide a structure that they can work with and it may be counterproductive to start over, essentially.

Chairman Barry: I guess I don't understand why anyone would have to start over. All we are doing is formalizing that the clock is really running and if four years went by and nobody got anything done then wouldn't the state be in control? It's the state's asset.

Ms. Trieu: Yes, sir.

Chairman Barry: So if there is no agreement, if it truly does get terminated, I think the state would have something to say about it which we don't have today. I'm trying to find out from you as a counsel for Golden Valley Electric, what would be the problem and what would be a disincentive for people to stop talking if we had this clock running. It seems like it would just provide more incentive. Can you give me a specific disincentive? There isn't any requirement is there to throw away your notes that you have done already. Your side agreement could be just as effective if that clock were running, couldn't it?

Ms. Trieu: Mr. Chairman, we have appreciated this Boards' comments as far as termination and I understand what you are asking. Part of the thinking behind the most recently put together frameworks for a long term solution is to take into account the possibility that everything could change. We are trying diligently to be responsive to the requests of this Board and we understand that this Board has brought up termination as a possibility. Golden Valley does not, at this point, support that option, but at the same time we have heard you on the termination point and we are trying to come up with a solution that is productive for the railbelt in light of all of the options, Mr. Chairman.

Chairman Barry: I'm sure that it doesn't need to be said, but I'd like to have it on the record. This Board does not enjoy the delays and the non-progressiveness that we have endured for the past three and a half years. We have a responsibility to the citizens of the railbelt to do everything that we can to help ensure that safe, reliable, electricity service. And, we have been told by every general manager of the railbelt utilities that this agreement is not working and that is jeopardizing that service at some point, not today, clearly if it were an emergency I'd think we would all be able to get together and work something out. But the problem is that in this business emergencies are very egregious for everybody; it is not something you want – to wait until there is an emergency that happens and then start to find a solution. We have our responsibilities, you utilities have your responsibilities and it is up to your board of directors to see whether or not you are following through on your responsibilities, but it is this Board that needs to make sure that AEA follows through on its responsibilities and we're running out of time, we really, truly are. Thank you.

Anybody else from the utility? Lou, do you have comments?

Mr. Agi: I'm really too new to the whole thing, but the most recent that I have been witness to has been earnest. And, you need some windows of time – I want to get into the agreement and help Jenny but as I say, I'm too new.

Chairman Barry: Comments from directors?

I guess what I would like to do then is to instruct the staff to come back to our next board meeting and to give us a report on what the effects of a notice of termination will be and give us their findings as to whether or not it is necessary and, any utilities that would like to make comments, or if some agreement can take place in the meantime, we would welcome that, but this will be a continuous agenda item at the AEA board meetings until we can get some kind of resolution to this. Come back to us at the next meeting. Thank you.

Commissioner Noll: Mr. Chairman, I would like to voice my support for your comments in particular. Nothing more need to be said so therefore I'm going to say something. I get a chance to travel around the state quite a bit as do other commissioners, and there is no escaping in our positions representing the government or the people, as you say, there is no escaping when you go to a public hearing and public citizens talk to you about the cost of energy. The crisis level that exists, especially in Rural Alaska, and I know that doesn't apply here necessarily to the railbelt, but I doubt if you will find many ratepayers in the area here who would say everything is fine, I'm really happy with the way things are going. So, without flogging this any further, I want to voice my experience as a support level for you and the comments you've made and urge some movement. We are certainly having to move in our department.

Chairman Barry: Thank you. I will say as a general comment without respect to just the intertie agreement, that in the three and a half years that I have personally been involved, I have seen seeds of cooperation between the utilities and I have seen progress between the railbelt utilities, a more willingness to work together and less stridency. It's just very disappointing that we're not seeing it in terms of this vital agreement that affects pretty much everybody in the railbelt. I've probably been somewhat harsh on those that are here today doing their job representing their utilities, it's because of a level of frustration that we all have here and is not without respect for the efforts that everyone is making to provide save, reliable, electrical service. We do enjoy less expensive and every bit as reliable service here in the railbelt than most people throughout the United States of America. So, it's not 100% bleak by any means, but we do have a very, very serious issue in front of us and I would implore all of the utilities to redouble their efforts to come together and find some agreements that can improve a pretty sever situation. Thank you all.

That concludes our regular business, we now have the director's status report.

## **END VERBATIM**

### **8A. Director's Status Report of AEA Programs and Projects**

Mr. Miller stated that AEA staff is active this time of the year with construction projects on bulk fuel tank farms and rural power system upgrades. There are over 30 MET towers throughout the state as part of the wind energy program. One was recently installed in Seward and staff is working with the community to become more aggressive with the wind program with the city of Seward.

### **8B. NEXT MEETING DATE**

The next meeting date will follow the Alaska Industrial Development and Export Authority board meeting on July 10, 2006.

**9. BOARD COMMENTS**

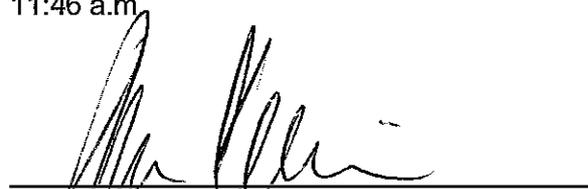
Commissioner Noll stated that the Homeland Security federal representative, Tom Burges, called to ask if we would discuss and scope out the beginnings of the energy assurance program for the state of Alaska. I have invited Ron Miller and AEA staff. The meeting will take place this Friday at the DCCED conference room.

Mr. Miller stated Becky Gay and Mike Harper have been very active in this regard and will be attending that meeting.

In response to Board questions, Commissioner Noll said that the energy assurance program is an overall plan that should there be a disaster there would be a back up plan for the state to have power.

**10. ADJOURNMENT**

There being no objection and no further business of the Board, the meeting was adjourned at 11:46 a.m.



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Ron Miller, Secretary  
Alaska Energy Authority