
**Alaska Energy Authority
BOARD MEETING MINUTES
Thursday, January 15, 2009
Anchorage, Alaska**

1. CALL TO ORDER

Chairman Pat Galvin called the meeting of the Alaska Energy Authority to order on January 15, 2009 at 1:19 p.m.

2. BOARD OF DIRECTORS ROLL CALL

A quorum was established.

Members present in Anchorage: Chairman Pat Galvin (Commissioner, Department of Revenue); Vice Chair John Winther (Public Member); John Kelsey (Public Member); Commissioner Emil Notti (Department of Commerce, Community & Economic Development); and Commissioner Leo von Scheben (Department of Transportation & Public Facilities).

Chairman Galvin confirmed that public notice requirements had been met.

3. AGENDA APPROVAL

MOTION: Commissioner von Scheben moved to approve the agenda as presented. Seconded by Mr. Kelsey. There being no discussion, the question was called. A roll call vote was taken and the motion passed.

4. PUBLIC ROLL CALL

Staff present in Anchorage: Steve Haagenson (AEA Executive Director); Chris Anderson (Deputy Director-Credit); Mike Harper (Deputy Director-Rural Energy); James Hemsath (Deputy Director-Development); Valorie Walker (Deputy Director-Finance); Bruce Chertkow (Loan Officer); Karsten Rodvik (Project Manager-External Affairs); Chris Rutz (Procurement Manager); Mark Schimscheimer (Project Manager); Brenda Fuglestad (Administrative Manager); and Sherrie M. Siverson (Administrative Assistant).

Others present in Anchorage: Brian Bjorkquist (Department of Law); Charlie Cole (Attorney).

Participating via teleconference: Glen Martin, Robert Grimm, and Chad Haggar (Alaska Power and Telephone Company).

5. PUBLIC COMMENTS

There were no public comments.

6. PRIOR MINUTES – December 11, 2008

The minutes were approved as presented.

MOTION: Mr. Kelsey moved to approve the minutes as presented. Seconded by Mr. Winther. There being no discussion, the question was called. A roll call vote was taken and the motion passed.

7. OLD BUSINESS

There was no old business.

8. NEW BUSINESS

Resolution No. 2009-01 Alaska Power and Telephone Company, Power Project Fund Loan

Alaska Power & Telephone Company (AP&T) has requested a Power Project Fund loan in the amount of \$3,596,768. This 30-year loan is for construction of a transmission line from Coffman Cove to Naukati on Prince of Wales Island. The credit committee reviewed and approved the loan. Per regulations, Resolution 2009-01 requires approval by the Board.

In response to a question by Chairman Galvin, Mr. Chertkow said that PPF loans are typically secured by the project itself and confirmed that the net assets of AP&T substantially exceed the amount of loans and liens described in the memo to the board.

In response to questions from the board, Mr. Grimm said the northern intertie to Naukati and Coffman Cove would reduce community retail rates by 57%. Diesel heat would not be eliminated, but dramatically reduced. A tariff will apply to all customers on the island and the revenue will be used for repayment of the debt. Construction is anticipated to begin this spring on Department of Transportation Right-of-Way land and will require a U.S. Forest Service Special Use Permit.

MOTION: Commissioner Notti moved to approve Resolution 2009-01. Seconded by Commissioner von Scheben. There being no discussion, the question was called. A roll call vote was taken and the motion passed 5-0.

AYES: Kelsey, Notti, von Scheben, Winther, Galvin

NAYS: None

9. EXECUTIVE DIRECTOR COMMENTS

Communication Training

A recommendation from Crossroads Leadership Institute was to create an open, trusting and transparent environment; provide training in communication, conflict resolution, team building, and trust building with the purpose of increasing trust and transparency in the work environment. Jim Hemsath will facilitate a book club beginning with *Crucial Conversations: Tools for Talking When Stakes are High*. Beginning next week staff will meet for approximately 1½ hours over a three-week period to discuss the book.

Renewable Energy Fund

On January 12, 2009, AEA staff met with the Renewable Energy Fund Advisory Committee to review the methodology for grant recommendations. AEA is finalizing the Round 1 package for the Governor's office and the Office of Management & Budget (OMB), who will then submit them to the Legislative Budget & Audit Committee (LB&A). The ranked list will be presented at the next Board meeting.

Because the Round 2 review is only 25% complete, AEA is unable to forward detailed recommendations to the Legislature within 10 days of the start of the Legislative session as required in HB152. Mr. Haagenson will write a letter to Legislative leadership to request a 30-day delay, until March 1, 2009, to ensure time for a high quality evaluation. There are 79 projects spread across Alaska totaling \$100,000,000.

\$100 million in funds were appropriated for Round 1 and HB152 requires approval from LB&A before awarding grants to successful applicants. Funding for Round 2 requires appropriation by the full Legislature.

Alaska Energy: A First Step Toward Energy Independence

The narrative in this report is designed to provide information to engage Alaskans who have a passion to provide energy solutions, stimulate the Alaskan economy, and provide leadership for the benefit of all Alaskans.

Mr. Haagenson distributed copies of the report to Board members. Chairman Galvin said the report is not the Governor's energy plan, but is a primary component for areas outside the railbelt.

Mr. Haagenson provided a brief explanation of the "meter concept" on page 14. A CD included with the report contains community energy models sorted by Community Name, Alaska Legislative Senate Districts, Alaska Legislative House Districts, and Alaska Native Corporations. A pdf of the report and the community models are available on the web at http://www.akenergyauthority.org/alaska_energy.html

Railbelt Integrated Resource Plan Project (RIRP)

Proposals for development of a 50-year Regional Integrated Resource Plan (RIRP) are being evaluated. The long range plan will identify combinations of generation and transmission (G&T) capital improvement projects in the Railbelt Region of Alaska. The final report is expected late summer 2009.

The next board meeting will be February 26, 2009.

10. BOARD COMMENTS

The Board commended Steve and the staff for doing a great job.

11. ADJOURNMENT

There being no objection and no further business of the Board, the meeting was adjourned at 1:53 p.m.



Steve Haagenson, Executive Director/Secretary
Alaska Energy Authority