

Alaska Energy Authority
BOARD MEETING MINUTES
February 17, 2010
Anchorage, Alaska

1. CALL TO ORDER

Chairman Patrick Galvin called the meeting of the Alaska Energy Authority to order on February 17, 2010 at 1:20 p.m.

2. ROLL CALL: BOARD

A quorum was established.

Members present: Emil Notti (Commissioner, Department of Commerce, Community & Economic Development); and Mike Felix (Public Member).

Members participating via conference call: Chair Patrick Galvin (Commissioner, Department of Revenue); Commissioner Leo von Scheben (Department of Transportation & Public Facilities); and Vice Chair John Winther (Public Member).

3. AGENDA APPROVAL

The agenda was approved as presented.

4. ROLL CALL: STAFF, PUBLIC

Staff present in Anchorage: Steve Haagenon (AEA Executive Director); Chris Anderson (Deputy Director-Credit); Sara Fisher-Goad (Deputy Director-Operations); Mike Harper (Deputy Director-Rural Energy); James Hemsath (Deputy Director-Development); Valorie Walker (Deputy Director-Finance); Mike Catsi (Business Development Manager); Karsten Rodvik (Project Manager-External Affairs); Jim Strandberg (Project Manager); Shauna Howell (Administrative Assistant); and Sherrie Siverson (Administrative Assistant).

Others present in Anchorage: Brian Bjorkquist and Mike Nave (Department of Law); Kevin Harper (Black & Veatch).

Participating via teleconference: Duff Mitchell, Cascade Creek (Self).

Joined the meeting in progress: Bryan Carey (AEA Project Manager); Peter Crimp (AEA Project Manager); and Doug Ott (AEA Project Manager).

5. PUBLIC COMMENTS

Mr. Duff Mitchell spoke on jobs waiting in Southeast Alaska for renewable energy. Two studies have been done: 1) by the National Hydropower Association (job study) and 2) by the BC Independent Power Producers (economic impact study). To emphasize the job component, for every 1 megawatt of renewable energy we produce, we create one full-time job. Both studies mention how you also create construction jobs and that number bounces 4+ jobs per every megawatt of hydropower. Some of the other renewable energies actually create more. Consider to develop and support renewable energy. There is a lot of private industry money that could develop these resources that would not only provide jobs, but would also provide a flooding of low cost, competitive hydropower for our region that could someday be moved to the Northern part of our state. Need to look at what we can do to improve our economy and our standard of living as that relates to jobs. I ask you to consider this factor in your decision analysis as you move forward with the energy plans for our state.

6. PRIOR MINUTES

The minutes of December 9, 2009 were approved as presented.

7. OLD BUSINESS

There was no old business.

8. NEW BUSINESS

8A. Regional Integrated Resource Plan (*presentation*)

Jim Strandberg of AEA and Kevin Harper of Black and Veatch gave a PowerPoint presentation: *A Comprehensive Plan for the Alaska Railbelt, Results of the Railbelt IRP.*

Chairman Galvin departed the meeting at 2:20 p.m. and turned the Chair over to Mr. Winther.

Board members will review the final report and make a decision whether or not to approve it at the next meeting.

9. DIRECTOR COMMENTS

9A. Director's Status Report of AEA Programs and Projects

- Alaska Energy Plan: finalizing the narrative and formatting the document; completed database output for 228 communities throughout Alaska; continue to meeting with people across Alaska to keep them engaged; working with the Governor's office for the timing of the rollout.
- Renewable Energy Fund Grant Recommendation Program, Round III: On November 10, 2009, AEA received 124 applications for Round III requesting over \$224 million. The applications were ranked and submitted to the Legislature on January 29, 2010.

Prior to the original recommendation submittal, AEA sent letters to the 27 applicants not recommended for funding. In addition to the notification, these letters described the procedure to appeal this determination. AEA received and responded to four appeal requests. During reconsideration, Mr. Haagenson reviewed the comments and reason for denial as lack of an integrated resource plan. Even though this is a good planning approach, it is outside the evaluation criteria set out in the regulations. Following reconsideration, he directed AEA staff to complete the ranking process for the Whitman Lake project.

Project Ranking: Green - top ranked \$25 M
Yellow - second ranked \$25 M
Brown - third ranked, remaining \$15.8 M

Results of the reconsideration reviews are:

1. Whitman Lake Hydroelectric Project #425 for \$2,000,000 ranked in the Yellow.
2. Metlakatla-Ketchikan Intertie Project #449 for \$2,000,000 ranked in the Brown.
3. Takatz Lake Hydroelectric Feasibility Project #405 for an additional \$440,614 ranked in Yellow.
4. The new Yellow ranked projects moved the following projects to Brown:
Hope Regional Hydroelectric Study Project #473
Cultivating Rural Alaska for Biomass Energy Project #428
Wood Chip Boiler Heating System Project #400
5. Transmission Line to Renewable Resources Project #491 moved from Yellow to Brown.
6. MSB Solar and Wind Potential Project #451 moved from Brown to Yellow.

We will be reporting the status of Renewable Energy Projects to LB&A next week.

9B. Next meeting Wednesday, March 17, 2010.

10. BOARD COMMENTS

There were no board comments.

11. ADJOURNMENT

There being no further business of the board, the meeting was adjourned at 2:46 p.m.



Steve Haagenson, Executive Director/Secretary
Alaska Energy Authority