



BOARD MEETING MINUTES
Wednesday, January 11, 2017
Anchorage, Alaska

1. CALL TO ORDER

Chair Dick called the meeting of the Alaska Energy Authority to order on January 11, 2017 at 10:03 am. A full quorum was established.

2. ROLL CALL: BOARD MEMBERS

Members present: Chair Russell Dick (Public Member); Vice-Chair Dana Pruhs (Public Member); Fred Parady (Deputy Commissioner, Department of Commerce, Community and Economic Development (DCCED)); Jerry Burnett (Deputy Commissioner, Department of Revenue); Elaine Brown (Public Member - phone); Gary Wilken (Public Member); and Dan Kennedy (Public Member).

3. ROLL CALL: STAFF, PUBLIC

Staff present: Katie Conway, Tom Erickson, Jennifer Haldane, Michael Lamb, Cady Lister, Kris Noonan, Sean Skaling, Melissa St. Denis, Kirk Warren, Teri Webster (AEA); and Brian Bjorkquist (Department of Law).

Others present: Elwood Brehmer (Alaska Journal of Commerce); Dan Bross (KUAC Public Radio - phone); and Alan Bailey (Petroleum News); Sydney Hamilton (Accu-Type Depositions).

4. AGENDA APPROVAL

Vice-Chair Pruhs requested to add discussion regarding executive personnel to the agenda to Item 7B.-Executive Session. Mr. Kennedy seconded the request. The agenda was approved as amended without objection.

5. PUBLIC COMMENTS

None

6. PRIOR MINUTES - Nov. 30, 2016

MOTION: A motion was made by Deputy Commissioner Parady to approve the minutes of November 30, 2016. Mr. Kennedy seconded the motion. Motion passed without objection.

7. NEW BUSINESS

7A. Emerging Energy Technology Fund Program Update

Mr. Lamb introduced Ms. Lister, who presented the Emerging Energy Technology Fund (EETF) Program update. The EETF was created by the Legislature in 2010, and its mission is to demonstrate energy technologies that have a reasonable expectation of commercial viability within five years. The purpose of the EETF is to collect data and to learn from the testing of new technologies, improvements to existing technologies, or of existing technologies that have never been used or tested in Alaska.

Ms. Lister gave an overview of the EETF Rounds 1 & 2, funded in 2012 and 2013, and included nearly 100 applications and 19 project awards. The total project cost was \$16.5 million, of which \$11.6 million was government funds comprised of \$4.8 million from Denali Commission, \$6.8 million from the State, and \$4.7 million of match from award recipients and project partners. Denali Commission provided an additional funding of \$1.1 million for third-party data analysis. Alaska Center for Energy and Power (ACEP) has been the recipient of most of the third-party analysis work. Eight projects are complete and two projects are nearing completion to-date. Ms. Lister will provide case studies and detailed materials to members on those projects if requested.

Mr. Wilken asked for an update on the status of the High Capacity Airborne Wind Turbine project. Ms. Lister informed the project was from Round 1 and is in the process of close-out. Most of the funding will be returned to AEA and Denali Commission. The project was not able to get FAA approval and the low price of fuel contributed to a change in direction for the developers.

Ms. Lister described the benefits of Rounds 1 & 2 include the continued intellectual and financial investment resources into Alaska by outside private entities, national labs, and universities. The EETF has aided in the development of two technology testbeds in the state, which can now also be used to test non-EETF projects; the hydrokinetic testbed in Nenana and ACEP's power systems integration lab at the University of Alaska Fairbanks.

Ms. Lister reported EETF Round 3 request for applications (RFA) was released in September of 2016. In recognition of the State's fiscal situation, AEA made every effort to use the EETF program in a targeted manner to provide the most benefit to Alaska consumers with broad implications for a positive impact on a large number of communities. Round 3 targeted both microgrid technologies that might increase the efficiency, reliability, resiliency of the grid or increase the renewable energy penetration level, and microgrid-enabling technologies that would allow a subsection of a grid to isolate itself and operate independently. AEA sought and found \$250,000 one-to-one matching funds from the Department of Energy to augment the State's investment. The EETF Advisory Committee established a goal of awarding \$250,000 of State funds that are leveraged with the one-to-one matching funds. The remaining amount of approximately \$500,000 in the EETF will be utilized to attract additional federal funds and to leverage projects for future rounds.

Ms. Lister noted Round 3 produced seven applicants, of which five were eligible projects. She provided an overview of the two projects selected for funding; Ocean Renewable Power Systems (ORPC) and Fairbanks North Star Borough.

Mr. Wilken suggested adding the location of the project to the listing of projects and project leads in the presentation.

Deputy Commissioner Parady asked for a description of the best and most promising completed project of the EETF. Ms. Lister noted the project that is closest to being commercially viable is the Safe and Efficient Exhaust Thimble from UAF, Institute of Northern Engineering.

MOTION: Vice-Chair Pruhs made a motion to go into Executive Session to discuss confidential litigation related to matters regarding Administrative Order 281, AEA Managed grants, Bradley Lake project litigation, AKAES, legislative-related update, and executive personnel. Mr. Kennedy seconded the motion.

Motion passed unanimously.

**7B. Executive Session: 10:24 am.
Administrative Order 281 update; AEA Managed grant(s); Bradley Lake project litigation; AKAES update; legislative-related update; and executive personnel**

The Board reconvened its regular meeting at 11:40 am. No formal actions were taken during executive session.

8. DIRECTOR COMMENTS

8A. Project Fact Sheets

8B. Next regularly scheduled meeting Thursday, Feb. 23, 2017

Mr. Lamb stated the major reports that were due and delivered in December were the AO 281 report, the AKAES report, and the UGF plan. There are a number of major reports due in January 2017, including the PCE report and the REF Recommendation status report. He thanks the staff for their hard work. The quarterly updated Project Fact Sheets were provided.

Three emergency responses have occurred since the last Board meeting and a write-up is included in the packets. Mr. Wilken inquired if AEA knew that Chalkyitsik had two generators down for awhile and only operating on one. Mr. Lamb stated we did not and it continues to be difficult to get PCE required data from communities or any information regarding generator status in order to provide a forewarning of possible failure emergencies.

Mr. Lamb noted he is scheduled to be out of the office from March 21 through 24, which means he will not be available for the March 23 meeting. He asked for the Board's consideration to reschedule the March meeting date. Chair Dick noted staff will coordinate and apprise members of any changes.

9. BOARD COMMENTS

Deputy Commissioner Parady expressed appreciation to the staff for their work. Chair Dick echoed his appreciation to staff for their diligent work, especially with reduced staff members. He requested Mr. Lamb express the sentiments to his team.

10. ADJOURNMENT

There being no further business of the Board, the AEA meeting adjourned at 11:50 am.



Michael Lamb, Interim Executive Director/Secretary
Alaska Energy Authority