



BOARD MEETING MINUTES
Wednesday, August 10, 2016
Anchorage, Alaska

1. CALL TO ORDER

Chair Dick called the meeting of the Alaska Energy Authority to order on August 10, 2016 at 10:02 am. A 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); Gary Wilken (Public Member); and Dan Kennedy (Public Member).

3. ROLL CALL: STAFF, PUBLIC

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

Others present: Alex DeMarban (Alaska Dispatch News (phone)); Elwood Brehmer (Alaska Journal of Commerce); Joe Evans (City of Pilot Point); Drew Cason (Denali Daniels and Associates (phone)); Marcia Davis (Governor's Office); Tim Gallagher (HDR); Alan Bailey (Petroleum News); and Elizabeth Pierce (Quintillion); Sydney Hamilton (Accu-Type Depositions).

5. AGENDA APPROVAL

Chair Dick switched the order of the agenda placing Item 5. Agenda Approval before Item 4. Public Comments. There was no objection.

Chair Dick requested to move Item 7C. Executive Session before Item 7A. AEA reorganization.

Mr. Lamb requested to add discussion of Susitna finances and strategy, and personnel realignment to the Executive Session.

The agenda was approved as amended without objection.

4. PUBLIC COMMENTS

None

6. PRIOR MINUTES - June 23, 2016

MOTION: A motion was made by Mr. Kennedy to approve the minutes of June 23, 2016. Ms. Brown seconded the motion. Motion passed without objection.

7. NEW BUSINESS

MOTION: Vice-Chair Pruhs made a motion to go into Executive Session to discuss confidential financial matters associated with strategy negotiations that would immediately impact the finances of the Authority related to AEA owned assets, an AEA grant, the deliberative process associated with proposed AEA legislation and personnel matters. Motion seconded by Ms. Brown.

Motion passed.

**7C. Executive Session: 10:07 am.
2017 AEA legislation proposals; Bradley Lake Power Sales Agreement; Thayer Lake Hydro grant; Susitna finances and strategy, and personnel realignment.**

The Board reconvened its regular meeting at 11:38 am. Chair Dick advised no formal actions were taken during executive session.

7A. AEA Reorganization - Resolution 2016-04 - Appointment of Various Officers

MOTION: Mr. Kennedy made a motion to adopt Resolution 2016-04. Motion seconded by Deputy Commissioner Parady.

Mr. Lamb informed Resolution 2016-04 confirms Mr. Warren as Chief Operating Officer and Assistant Secretary of the Authority, and appoints Mr. Skaling as Assistant Executive Director & Energy Policy Director and Assistant Secretary of the Authority.

A roll call was taken, and the motion passed unanimously.

7B. Renewable Energy Fund in FY17

Mr. Skaling provided a brief update on the Renewable Energy Fund (REF) program. Mr. Skaling informed the REF Advisory Committee (REFAC) is comprised of four legislators and five Governor-appointed positions. The REFAC met at the end of June and advised AEA not to solicit new applications this year, but instead to forward the 39 recommended projects in the same priority order from last year to the next legislative session. Last year none of the AEA-recommended projects were funded by the legislature due to the state budget constraints. Because these 39 projects were evaluated and recommended for funding, AEA and the REFAC propose to forward those same projects again next year. Public notice was sent on Monday and complies with statutes and regulations.

8. DIRECTOR COMMENTS

Mr. Lamb provided a handout to the Board addressing Deputy Commissioner Parady's question as to the amount of money it would take to create a 20-cent kWh rate for all communities. It would cost around \$77.7 million to bring all PCE eligible kWhs to \$0.20/kWh. The FY15 total cost of the PCE program was \$37.7 million.

Mr. Lamb informed Administrative Order No. 281 is progressing and a draft report is expected at the end of August. Vice-Chair Pruhs requested information on the process after the draft report is released. Mr. Lamb explained the nature of the recommendations provided by the report will determine the next steps and could possibly require legislative action.

Mr. Lamb stated the Legislature directed AEA in 2014 to prepare a plan and recommendations on infrastructure needs to deliver affordable energy. The Alaska Affordable Energy Strategy report is due to the Legislature on January 1, 2017, and will be reviewed by the Board before the deadline. Mr. Lamb indicated another Legislature directed plan that will come before the Board is the proposal to get off the Undesignated General Funds for the next budgetary cycle.

Mr. Lamb noted a few months back a presentation of the dashboards of the utilities was given and the issue of reserves held by utilities and communities was discussed. Mr. Lamb requested a small committee of the Board be formed to review the reserve challenges and current issues. Chair Dick agreed to assign a committee to review the issues.

Mr. Lamb informed the board Alaska was selected as one of four states nationwide to receive a one-day energy efficiency policy retreat award. AEA has been working closely with the Governor's office to plan the event, which will be September 8-9 in Anchorage and will explore two policies: an Energy Efficiency Resource Standard, and Property Assessed Clean Energy in commercial buildings. The award was given from the National Governor's Association and they will bring up subject matter experts and policy makers from other states who have deliberated and implemented these same policies. Attendees will include legislators, commissioners, and leaders of stakeholder organizations. The intent of the retreat is to identify an actionable plan for adopting relevant energy efficiency policy in Alaska

9. Next regularly scheduled meeting Thursday, September 22, 2016.

Chair Dick informed the next regularly scheduled meeting is September 22, 2016.

10. BOARD COMMENTS

Mr. Kennedy expressed his appreciation to Mr. Lamb and AEA staff for their hard work.

Chair Dick expressed his appreciation to staff for their fantastic work on the Alaska Affordable Energy Strategy and the administrative order.

Vice-Chair Pruhs expressed his willingness to commit the necessary time and effort to Mr. Lamb and staff to make this organization a success, in light of the current challenges and the decisions that will be made during the next legislative session.

Mr. Lamb expressed his gratitude for the comments and his appreciation for the Board's steady and calm demeanor during these turbulent circumstances. He noted the staff of AEA and AIDEA are capable and qualified and have lost many staff due to uncertainty. Mr. Lamb looks to the Board to communicate the stability to get through these uncertain times.

Ms. Brown expressed her availability to offer a different perspective to staff regarding any rural issues.

11. ADJOURNMENT

There being no further business of the Board, the AEA meeting adjourned at 11:55 am.



Michael Lamb, Interim Executive Director/Secretary
Alaska Energy Authority