

ALASKA ENERGY AUTHORITY

RESOLUTION NO. 2021-03

**RESOLUTION OF THE ALASKA ENERGY AUTHORITY
TO INVESTIGATE AND DEVELOP A STRATEGIC PLAN FOR RAILBELT ASSETS**

WHEREAS, the Alaska Energy Authority (AEA) is a public corporation of the State of Alaska governed by a board of directors with the mission to “reduce the cost of energy in Alaska.” AEA is the State's energy office and lead agency for statewide energy policy and program development; and

WHEREAS, AEA owns the Alaska Intertie and the Bradley Lake Hydroelectric Project (Bradley Lake Project or Project), which includes the SSQ Transmission Line. These assets benefit Railbelt consumers by reducing the cost of power; and

WHEREAS, the Bradley Lake Project located near Homer, Alaska with an installed capacity of 120 megawatts, is the largest hydroelectric project in the state, providing electric power to the Railbelt utilities from the Kenai Peninsula to Fairbanks. The Bradley Lake Project generates ten percent of the total annual power used by Railbelt utilities and provides some of the lowest-cost power in Alaska; and

WHEREAS, the participants in the Bradley Lake Project have approved the investigation of further expansion opportunities associated with the Project; and

WHEREAS, the Alaska Intertie transmission line is a 170-mile long, 345kV transmission line between Willow and Healy that is owned by AEA and operates at 138 kV. The Intertie interconnects Golden Valley Electric Association (GVEA), the regulated utility that serves areas north of the Alaska Range, with southcentral Alaska utilities. As an integral part of the interconnected Bulk Electrical System

(BES) for the Railbelt region, this AEA-owned asset transmits Bradley Lake and economy power north into the GVEA system. Although power generally flows north, the line is also available for GVEA to transfer energy south if an emergency situation finds the Cook Inlet region short of electric power; and

WHEREAS, the SSQ Line is 39 miles long, and operates at 115 KV capacity, and was purchased as part of the Bradley Lake project as required project work to provide better cost-alignment for capacity upgrades benefiting Alaska ratepayers. The transmission path for energy produced by the Bradley Lake Project travels initially through HEA's transmission system, interconnecting with the AEA-purchased SSQ Line, continuing on through the CEA/MEA transmission system, the Alaska intertie and finally ending in the GVEA service territory. The alignment of utility interests related to capacity upgrades facilitates joint planning and ultimately lower costs paid by Railbelt ratepayers; and

WHEREAS, AEA, as the State's energy office, should continue developing energy policy in furtherance of its mission of reducing the cost of energy in Alaska that introduces renewable power to the Railbelt grid when the life-cycle costs of doing so are shown to be an affordable, cost-effective and secure energy option.

WHEREAS, the State has invested billions of dollars in Anchorage, Matanuska-Susitna Valley, and Fairbanks to reduce the cost of energy, and hundreds of millions of transmission upgrades still need to be completed to provide redundant, reliable electric service meeting the standards set forth in the reliability standards currently in place for the Railbelt BES; and

WHEREAS, the Bradley Lake project, as a mature asset in the Railbelt region of the state, has various expansion opportunities likely to result in low cost, clean,

affordable energy for generations of Alaskans and should be explored without delay; and

WHEREAS, as the owner of significant Railbelt generation and transmission assets, AEA ensures that sound public policy and energy initiatives maximize benefits to the Railbelt ratepayers; and


WHEREAS, a strategic plan addressing the least-cost options associated with the authority-owned assets would be in furtherance of AEA's mission.

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA ENERGY AUTHORITY AS FOLLOWS:

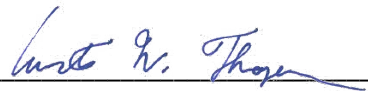
- 1) AEA will work collaboratively with Chugach Electric Association, Golden Valley Electric Association, Homer Electric Association, and Matanuska Electric Association to prepare a strategic plan addressing the costs and benefits associated with:
 - a. Transmission upgrades addressing capacity, reliability and redundancy;
 - b. Asset ownership options that meet the long-term needs of the interconnected Bulk Electric System (BES); and
 - c. The introduction of additional renewable energy options to the Railbelt.
- 2) AEA is authorized to pursue opportunities that will benefit the ratepayers. This may include upgrading assets, purchasing additional Railbelt assets, divesting of assets and exploring/identifying viable renewable energy projects for interconnections to the BES. The Executive Director shall report back to the Board and provide recommendations for their consideration.

- 3) The Executive Director of the Authority is hereby authorized to take such actions as may be necessary or convenient to carry out the purposes of this resolution in the name of and on behalf of the Authority.
- 4) This Resolution shall become effective immediately upon its passage and approval.

Dated and ANCHORAGE, ALASKA ON THIS 12TH DAY OF August, 2021.



J. Dana Pruhs, Chair



Curtis W. Thayer, Secretary

CORPORATE SEAL

