

The Alaska Affordable Energy Strategy

The Alaska Affordable Energy Strategy (AkaES) is a requirement of the 2014 Alaska LNG project legislation that directs AEA to prepare a plan to develop infrastructure that will deliver affordable energy to areas in the state that will not have direct access to a North Slope natural gas pipeline.

AEA is tasked with identifying the most cost effective means of generating, delivering, receiving, and storing energy for the targeted communities. In doing so, AEA must consider existing state energy policy (AS 44.99.115 and sec. 1, ch. 82, SLA 2010) and provide recommendations for funding, including financing options. The plan and any associated recommendations for legislation are due to the Alaska Legislature by Jan. 1, 2017.

Current Status: All agreements with partners and contractors to perform research have been finalized. Continuing to engage stakeholder groups and define collaborations. AEA worked internally and with our regional energy planning partners to design a process to achieve the AkaES goal. The AkaES project manager continues to coordinate with the AEA regional energy planning team to ensure the programs dovetail effectively.

A program plan and budget is being implemented to comprehensively investigate potential pathways, both infrastructure and non-infrastructure solutions, to long-term energy affordability. The program plan outlined five general areas to investigate potential strategies for bringing more affordable energy to communities: end-use efficiency; changes to generation, transmission, and distribution; improvements for transportation of fuel; management and ownership improvements; and a manner to directly underwrite energy costs. A key component of the plan is compiling, storing, and analyzing the necessary data, and ensuring that it is available and meaningful for stakeholders.

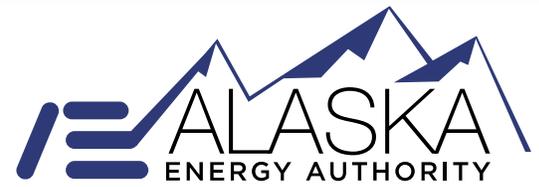
A technical and economic model is being programmed to assist in evaluating cost-effective options for communities and regions based on community-specific information. By incorporating the best available data from a number of regional and community-specific sources, including AEA's Renewable Energy Funds pre-construction projects, AHFC's residential programs, federal regional reconnaissance models, and other sources, the model will provide up-to-date recommendations. This model will be used in conjunction with the ongoing regional planning effort, which will help prioritize potential generation, storage and transmission construction, or energy efficiency action.

Partners and outside contractors were brought on board to participate in research to support the development of the required recommendations. To date AEA has developed scopes of work and agreements with several researchers at the Institute of Social and Economic Research (ISER) at UAA, the Alaska Center for Energy and Power (ACEP) at UAF, Northern Economics, the U.S.

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Army Corps of Engineers, and Vermont Energy Investment Corporation (VEIC) to provide specific products.

Examples of these partnerships included an investigation of the potential cost-effective options for regional bulk fuel storage with the U.S. Army Corps of Engineers. ISER provided research on demographic forecasting, subsidy mechanisms, utility structures, and other research needs. ACEP investigated technology development and ways to attract private capital to rural Alaska.

In addition to public entities, AEA has worked with private consultants with the aim of strategically complementing AEA’s internal resources and expertise, particularly investigating the applicability and barriers to LNG use (Northern Economics) and evaluating energy efficiency programs (VEIC).

AEA has received the final deliverables for most of the projects and posted them to the Alaska Affordable Energy Strategy webpage on the AEA website.

The AkaES research program will culminate with recommendations to the legislature on how to bring more affordable energy to the communities that would not have direct access to a North Slope natural gas pipeline. These recommendations may include improvements to current state programs; new assistance, loan, or grant programs; and new regulations or statutory requirements.

Schedule

