CURRENT STATUS

**Tanacross:** Loan Committee approved a $117,000 loan to complete financing and work on a biomass project to provide heat to a multi-use facility and community water treatment plant and washeteria in the community. The loan has a 10 year term and 3.9 percent interest. Other funding for this project came from the Renewable Energy Fund.

**King Cove:** AEA disbursed $1,422,803 to King Cove to pay for construction costs associated with the Waterfall Creek hydro project. The loan was approved for up to $1.975 million with a 40-year term at 4.34 percent interest. The PPF loan is part of a financing package that included Renewable Energy Fund grant money, Alaska Municipal Bond Bank funds and other local contribution.

**Haida Energy:** This $20 million loan is in the fixed line of credit period as the Hiilangaay hydro project on Prince of Wales Island is in construction phase with a maturity date of March 2019. $9.9 million in funds have been disbursed to date. Construction continues despite permitting issues related to the landing site(s) to access the project. Project developers are working with DNR and DEC to identify a long term solution; in the interim they are using alternate routes. AEA is currently reviewing phase 4 design documents to evaluate a change from use of steel pipe to fiberglass-reinforced polymer (FRP) pipe for the penstock.

**Venetie:** In February 2017, Venetie was approved for a loan for $42,000 at an interest rate of 3.53 percent with a maturity date in summer 2024. The loan is being used to complete a financing package to replace on engine-generator set and remanufacture a second. The Venetie project came in under budget as a result of good local project management and use of local labor. The community requested an extension of the term of the loan and an amendment to use the remaining funds to perform distribution system improvements that had been identified in an assessment provided by Tanana Chiefs Conference. The Loan Committee approved the changes and work is underway.

**Newtok:** The Loan Committee approved an extension of the maturity date for the loan from December 31, 2016 to June 30, 2017, increased the loan amount by $2,120 (from $232,000 to $234,120), and modified the scope of work for the Newtok powerhouse loan. These changes were necessitated by new information received by Newtok vendors once they were on site and able to perform a more detailed system assessment. AEA assisted the community in securing the insurance necessary to receive loan funds.

**Akhiok:** All work on the $37,000 Ampy Meter project in Akhiok was complete in November. The first of 20 quarterly payments was made January 1, 2017.

**Pelican:** AEA closed a $61,000 loan to provide a 20 percent match to a federal grant to stabilize the lower penstock of the hydroelectric facility located in Pelican. The City of Pelican had an abrupt change in local government administration which has delayed use of PPF loan funds.

**Kwigilingok:** All work on this $400,000 powerhouse project was complete December 30, 2016. The fixed line of credit converted to a term note with 3 percent interest on April 1, 2017. Because the project took much longer to complete than anticipated the loan committee approved, at the request of the community, an extension of the maturity date on the term note to allow for the originally anticipated repayment period of 20 quarters.

**Koliganek:** AEA staff has is processing a loan application from Koliganek for $200,000 to complete improvements to their powerhouse and heat recovery systems. Other funds in the project include a USDA High Cost Energy grant funds, and a small amount of RPSU funds from AEA, and community match.
**POWER PROJECT FUND LOAN (PPF)**

**Kipnuk:** AEA staff is working with Kipnuk to evaluate their financing/funding options to stabilize and improve their powerhouse and heat recovery system. This effort is being done in coordination with the RPSU program which is installing a new powerhouse module in the community this fall.

**Chefornak:** AEA staff is working with Chefornak to get a complete application packet for powerhouse upgrades.

**Port Alsworth:** AEA staff has met with Port Alsworth utility personnel and anticipates a loan application within the month to pay for new powerhouse equipment.

**PROGRAM OVERVIEW**

The Power Project Fund (PPF) loan program provides loans to local utilities, local governments or independent power producers for the development, expansion or upgrade of electric power facilities, including distribution, transmission, efficiency and conservation, bulk fuel storage and waste energy.

The loan term is related to the productive life of the project, but cannot exceed 50 years. Interest rates vary between tax-exempt rates at the high end and zero on the low end. The tax-exempt rate is equal to the average weekly yield of municipal bonds for the 12 months preceding the date of the loan application. As of April 2, 2018 this rate is 3.88 percent. The interest rate can be adjusted downward in certain circumstances to improve financial feasibility. Loan requests of more than $5 million require legislative approval.

**LOAN FUND STATUS**

As of March 31, 2018, the outstanding balance of AEA’s Power Project loans was approximately $15.4 million.

<table>
<thead>
<tr>
<th>As of March 31, 2018:</th>
<th></th>
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<tbody>
<tr>
<td>Cash balance</td>
<td>$24,722,833</td>
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<tr>
<td>Outstanding undisbursed commitments</td>
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<tr>
<td>Operating budget commitment (FY18)</td>
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<tr>
<td>Uncommitted Cash Balance</td>
<td>$11,198,311</td>
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