

ALASKA ENERGY AUTHORITY

RESOLUTION NO. 2024-08

RESOLUTION OF THE ALASKA ENERGY AUTHORITY AUTHORIZING ACCEPTANCE OF A US DEPARTMENT OF ENERGY GRIP 3 ROUND 1 AWARD FOR THE RAILBELT INNOVATIVE RESILIENCY PROJECT

WHEREAS, the Alaska Energy Authority (AEA) is a public corporation of the State of Alaska, the State's energy office and lead agency for statewide energy policy and program development, and has the mission to "reduce the cost of energy in Alaska"; and

WHEREAS, Alaska Statute 44.83.080 authorizes the Alaska Energy Authority to accept grants and enter into contracts "for the construction, financing, operation, and maintenance of all or any part of a power project," "for the sale or transmission of power from a project," and "acquire battery and other energy storage systems;" and

WHEREAS, AEA Resolution No. 2021-3 authorized the Executive Director to work collaboratively with the Railbelt utilities (Chugach Electric Association, Golden Valley Electric Association, Matanuska Electric Association, Homer Electric Association, and Seward Electric System) to prepare a strategic plan including "transmission upgrades addressing capacity, reliability and redundancy" and to "pursue opportunities that will benefit ratepayers"; and

WHEREAS, on August 30, 2022, the US Department of Energy (DOE) issued a Funding Opportunity Announcement for the first round of its Grid Resilience and Innovative Partnerships (GRIP) program (DE-FOA-0002740) as part of its "once-in-a-generation investment" to "modernize and upgrade American infrastructure" through the federal Infrastructure Investment and Jobs Act; and

WHEREAS, AEA led a concept paper joined by the Railbelt utilities for Topic Area 3 of the GRIP program (GRIP 3) and was encouraged by DOE in March 2023 to submit a full application; and

WHEREAS, the full GRIP 3 Round 1 application titled the "Railbelt Innovative Resiliency Project" (RIR) was submitted in May 2023; and

WHEREAS, AEA was notified by DOE on October 17, 2023, that it had been selected for negotiation of a financial award; and

WHEREAS, the RIR project would be eight years in duration and would entail (1) construction of a submarine HVDC cable from the Kenai Peninsula to Beluga and (2) if feasible, installation of a battery energy storage system (BESS) in each of Alaska's northern region and central region; and

WHEREAS, the total cost of the RIR project that DOE has agreed to support is \$413M including a 1:1 AEA match such that the GRIP funding amount would be \$206.5M, which would be awarded on a rolling basis as matching funds are raised and project scope is approved by DOE; and

WHEREAS, anticipated benefits to consumers include (a) increased transfer capacity between regions that enable high renewable energy integration, (b) resilience and reliability improvements for railbelt tribal and disadvantaged communities including reduction on reliance on fossil fuel generation and associated emissions, (c) greater retention of high quality jobs, and (d) additional apprenticeships and internships to train a new generation of line- and wireworkers.

NOW, THEREFORE, BE IT RESOLVED, by the ALASKA ENERGY AUTHORITY as follows:

Section 1. The AEA Executive Director is hereby authorized to accept and execute the GRIP 3 Round 1 (DE-FOA-0002740) award for the Railbelt Innovative Resiliency Project.

Section 2. The AEA Executive Director is hereby authorized to successfully execute and complete the proposed Railbelt Innovative Resiliency Project and take such actions as may be necessary or convenient to carry out the purposes of this resolution.

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Section 3. This Resolution shall become effective immediately upon its passage and approval.

DATED at Anchorage, Alaska, this 16th day of September 2024.

ALASKA ENERGY AUTHORITY


Chair


Curtis W. Thayer, Secretary

Corporate seal

