ALASKA ENERGY AUTHORITY

RESOLUTION NO. 2026-07

RESOLUTION OF THE ALASKA ENERGY AUTHORITY AUTHORIZING A REVIEW OF TAX CREDIT APPLICABILITY AND THE STATUS OF STUDIES AND PERMITS REQUIRED FOR FEDERAL LICENSURE CONCERNING THE SUSITNA-WATANA HYDROELECTRIC 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 "Advanc[e] affordable, reliable energy in Alaska"; and

WHEREAS, Alaska Statute 44.83.080(18) authorizes the Alaska Energy Authority to "acquire a Susitna River power project, whether by construction, purchase, gift, or lease, including the acquisition of property rights and interests by eminent domain under AS 09;" and

WHEREAS, AEA recognizes that time is of the essence concerning the applicability of significant elective pay tax credits, of up to 50% of the eligible project cost, under § 48E "Clean electricity investment credit" of the Internal Reveue Code for the Susitna-Watana hydroelectric project with certain construction milestones required to be completed prior to the end of 2033 to secure maximum available credits; and

WHEREAS, AEA's previous cost estimate conducted in 2014 for the Susitna-Watana hydroelectric project was approximately $5.5 billion, or approximately $9 billion when adjusted to present values, and with project tax credits having the potential to reduce the cost of the project to a value similar to that of the 2014 estimate of $5.5 billion, yielding a levelized cost of energy of about $0.065 per kilowatt-hour, nearly equivalent to cost of energy generated by the AEA-owned Bradley Lake hydroelectric facility, which produces the lowest cost energy for Alaska's Railbelt region; and

WHEREAS, Prior to the project being placed in abeyance under Administrative Order 309 in 2019, AEA had expended funds of approximately $200 million in support of the Federal Energy Regulatory Commission's (FERC) study plan and licensing process for

the Susitna-Watana hydroelectric project including activities supporting 58 studies. AEA now finds it prudent to review these studies in conjunction with its federal agency partners, including FERC, to determine what activities, including required studies, and permits remain to be completed to obtain full FERC licensure and in a manner sufficiently timely to allow for all potential tax credits to be secured.

WHEREAS, AEA recognizes that the amendment of section 112 of the National Environmental Policy Act under Section 60026 of the "One Big Beautiful Bill Act" allows for an expedited Council on environmental quality review and would serve as a boon to the licensure process for the Susitna-Watana hydroelectric project; and

WHEREAS, the cost of energy along the Railbelt has been steadily increasing to supply side price pressures from dwindling natural gas supplies in the Cook Inlet, as evidenced by the published residential rates of nearly $0.35 per kilowatt-hour for ratepayers in interior region of the Railbelt served by Golden Valley Electric Association, Inc.; and

WHEREAS, AEA finds that the Susitna-Watana hydroelectric project is complementary to other major projects presently under consideration, including the Alaska LNG project; and

WHEREAS, Executive Order 14154, "*Unleashing American Energy*, issued January 20, 2025, and Executive Order 14260, *Protecting American Energy from State Overreach*," issued April 8, 2025, expressly recognize hydropower as an important domestic energy resource and emphasize the national importance of affordable, reliable electricity, energy security, and efficient regulatory processes; and

WHEREAS, President Donald J. Trump's Executive Order 14153 "*Unleashing Alaska's Extraordinary Resource Potential*" issued in January 2025 states that it is the policy of the United States to "fully avail itself of Alaska's vast lands and resources for the benefit of the Nation and the American citizens who call Alaska home; efficiently and effectively maximize the development and production of the natural resources located on both Federal and State lands within Alaska; [and] expedite the permitting and leasing of energy and natural resource projects in Alaska" and this review of the Susitna-Watana hydroelectric project is in direct alignment with this Order.

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

Section 1. The AEA Executive Director is hereby authorized to take such actions as may be necessary (i) to conduct a review of and/or investigate the applicability of tax credits for which the Susitna-Watana hydroelectric project may be eligible; and (ii) to conduct a review of the status of the study plan and licensing process, including but not limited to consulting with federal agency partners, such as FERC, in order to accurately determine what activities remain and/or would need to be completed by AEA to apply for, and obtain, full licensure for the Susitna-Watana hydroelectric project.

Section 2. The AEA Executive Director is hereby authorized to take such actions as may be necessary or convenient to carry out the purposes of this resolution.

Section 3. Reporting and Further Authorization. The Executive Director shall report to the Board the findings of the investigation authorizaed under this resolution, including anticipated project costs, federal tax credit eligibility, remaining FERC licensing requirements, and estimated costs and timelines associated with advancing the project.

Section 4. This Resolution shall become effective immediately upon its passage and approval.

DATED at Anchorage, Alaska, this 5th day of November 2026.

ALASKA ENERGY AUTHORITY

Clay Koplin, Chair

ALASKA ENERGY AUTHORITY CORPORATE SEAL 1978

Curtis W. Thayer, Secretary

Corporate seal