

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE (BPMC)
REGULAR MEETING MINUTES
September 19, 2025

1. CALL TO ORDER

Vice Chair Arthur Miller called the meeting of the Bradley Lake Hydroelectric Project Management Committee to order at 10:04 a.m. He noted that he is sitting in today for Tony Izzo. A quorum was established.

2. ROLL CALL (for Committee members)

Arthur Miller (Chugach Electric Association [CEA]); Tony Zellers (Matanuska Electric Association [MEA]); Dan Bishop (Golden Valley Electric Association [GVEA]); Brad Janorschke (Homer Electric Association [HEA]); Brian Hickey (City of Seward); and Curtis Thayer (Alaska Energy Authority [AEA]).

3. PUBLIC ROLL CALL (for all others present)

Jennifer Bertolini, Mark Billingsley, Patrick Domitrovich, Pamela Ellis, Ryan McLaughlin, Jim Mendenhall, William Price, Leanne Smoke, Robert Vargas, Mark Ziesmer (AEA); Joel Paisner (Ascent Law Partners); Matt Clarkson, Josh Crowell, Sherri Highers, Chris Koehler, Andrew Laughlin, Mike Miller, Paul Millwood (CEA); Andrew Jensen (Governor's Office); Larry Jorgensen, Sarah Lambe, Martin Law, Andrew Patrick, Jessica Spuhler (HEA); Tony Izzo, David Pease, Jon Sinclair (MEA), and Julian Jensen (Public).

Tony Izzo commented that he is attending via the Teams Meeting and will need to leave the meeting at various times. There was no objection.

4. AGENDA APPROVAL

MOTION: A motion was made by Mr. Thayer to approve the agenda. Motion seconded by Mr. Zellers.

A roll call was taken, and the motion to approve the agenda passed unanimously.

5. PUBLIC COMMENTS - None.

6. APPROVAL OF MEETING MINUTES – July 25, 2025

MOTION: A motion was made by Mr. Thayer to approve the Minutes of July 25, 2025. Motion seconded by Mr. Bishop.

A roll call was taken, and the motion to approve the Minutes of July 25, 2025, passed

unanimously.

7. NEW BUSINESS – NONE

8. OLD BUSINESS

A. Resolution 25-03 In Support of Dixon Diversion Financing

Vice Chair Miller explained that there are two draft resolutions in the packet. The difference between the two draft resolutions is in the last Be It Also Resolved. The second draft resolution states: "(2) the Required Project Work determination is supported by any necessary industry and economic opinions; and (3) each Project Participant's governing board shall authorize the financing." Vice Chair Miller asked the members which version should advance, if any.

MOTION: A motion was made by Mr. Thayer to approve Draft 2 of Resolution No. 25-03. Motion seconded by Mr. Hickey.

Vice Chair Miller commented that he believes the second version provides additional specificity regarding the effort and gives appropriate oversight associated with the financing of the project. Vice Chair Miller recommended an amendment to Section (1), replacing the words "shall be" with the word "is," to read: (1) The Dixon Diversion is deemed a Required Project Work project under the Power Sales Agreement.

The maker of the motion, Mr. Thayer, accepted Vice Chair Miller's verbiage as a friendly amendment. The second, Mr. Hickey, accepted the friendly amendment.

Mr. Zellers noted that this is deemed required project work. He asked if BPMC is setting a precedent to require the governing boards to approve other required project work. Mr. Thayer explained that the resolution has the BPMC deem the Dixon Diversion as required project work. The resolution does not have the individual boards define the required project work. He noted that the seven-page legal opinion by the Orrick law firm has been shared with the Chief Executive Officers (CEOs) of the utilities. Additionally, the Department of Law used Orrick to perform the previous two opinions regarding required project work.

Mr. Zellers expressed his understanding and agreement of the basis for the opinion. However, his question is regarding future required project work, and the effect of this resolution that requires the project participants' boards to approve the financing.

Mr. Thayer explained that this resolution is nearly identical to the resolution for \$166 million and the resolution for \$17 million. He discussed that AEA is maintaining the condition that the individual boards have the final authority on the financing. This is a requirement of the AEA board. Mr. Thayer indicated that AEA is not going to secure financing for the Dixon Diversion without having resolutions from the individual utility boards agreeing to those financing terms, financing mechanisms, and the term sheet. The purpose of Resolution 25-03 is to allow AEA to work with financing partners to establish financing and subsequently bring that financing package before the BPMC and the utilities. Mr. Thayer explained that the resolution answers the

question in the affirmative that there are buyers for the water.

Mr. Zellers expressed appreciation to Mr. Thayer for providing additional background. Mr. Zellers indicated that MEA does not object to the amended version of the resolution.

Mr. Janorschke indicated that his question may have been answered by Mr. Thayer. Mr. Janorschke asked if the proposed language in section (2), "the Required Project Work determination is supported by any necessary industry and economic opinions", was obtained from the Orrick response.

Mr. Thayer agreed and reiterated that this same requirement has been included in all the financing models, including on the SQ Line and other bonding. In the past, GDS Engineering was utilized for the opinion supporting prudent utility practice.

Mr. Janorschke discussed if the words "any necessary" should be included. He suggested that the words "any necessary" could be removed. Mr. Janorschke commented that he is supportive either way. Mr. Thayer indicated that AEA is open to his suggestions and noted that similar language was used in the past. He believes the opinion will still be the same.

Vice Chair Miller commented that he could support either removing the words "any necessary" or leaving the wording intact. He believes the meaning is the same either way.

Joel Paisner, Ascent Law Partners, responded to Mr. Janorschke's comments that the language is part and parcel of the Power Sales Agreement that if work is determined to be required project work, it needs to be supported by the industry and economic opinions. He noted that the threshold has to be crossed, whether or not the words "any necessary" are included. Mr. Paisner responded to comments made by Vice Chair Miller. Mr. Paisner explained that each project that the BPMC sponsors and AEA agrees to pay for needs to meet the required project work determination under the Power Sales Agreement. The same level of scrutiny will be conducted in the future, and the same terms need to be met. Likewise, that work will obtain the approvals, review, and authorizations by the utilities. Mr. Paisner discussed that this resolution is very consistent with the Power Sales Agreement and the past approved work.

Vice Chair Miller agreed with Mr. Paisner's comments. He thanked him and Mr. Thayer for their comments.

Mr. Bishop asked what work is left to be done to determine that it is required project work.

Mr. Thayer explained that the last portion is to get the opinion determining if the work is supported by industry and economic standards. The conclusion is that the Dixon Diversion should be considered required project work as an improvement or betterment to Bradley Lake.

Vice Chair Miller asked Mr. Thayer for the estimated timeline when GDS Engineering will begin working on the report.

Mr. Thayer stated that if approval is granted today, the procurement process will begin. GDS

Engineering was the only company that bid in the previous procurement. Mr. Thayer is hopeful that a report could be provided by the next meeting or shortly thereafter.

Vice Chair Miller asked Mr. Thayer for the estimated timeline to receive governing board authority from each of the respective utilities.

Mr. Thayer said that AEA is expected to come back to the BPMC with term options within a couple of months.

Vice Chair Miller asked if the financing must be in place by the first half of 2026 to maintain the current schedule and commercial operation date of 2031.

Mr. Thayer indicated that the goal is to have the financing identified and in place by the spring of 2026. The Federal Energy Regulatory Commission (FERC) filing is expected to occur in January. He believes the Loan Office option takes approximately six to nine months.

There were no other comments or questions.

A roll call was taken, and the motion to approve Draft 2 of Resolution No. 25-03, including the friendly amendment to Section (1), replacing the words "shall be" with the word "is," passed unanimously.

B. Updates:

i. CIPLink (Grip 3, Phase 1 Update)

Jim Mendenhall, AEA, provided the Grid Resilience and Innovation Partnerships (GRIP) 3, Phase 1 update. Mr. Mendenhall noted that the memorandum update on the Cook Inlet Power Link (CIPLink) project has been provided. AEA discussed that a response has been received from the Department of Energy (DOE) regarding the previously submitted data request. They are working to complete the data review process as expeditiously as possible, and they will be in contact as soon as possible. Mr. Mendenhall expressed his understanding that the DOE will not make any public announcements until the decisions are made for all the projects. The contract is pending. The cost estimates and "Go" recommendation were submitted. He noted that because of the schedule and timing, AEA requested that HDR proceed with the environmental review and other work in Cook Inlet during the summer. Mr. Mendenhall noted that they have National Environmental Policy Act (NEPA) authorization that allows for that work to be completed.

Mr. Mendenhall discussed that Stantec is assisting AEA with the planning and procurement in addition to their preliminary engineering report. This will offer more design and lead to making commitments for the material. He expects that the HVDC converter procurement will be for a full EPC turnkey contract on a negotiated basis, and the cable component will probably involve a combined supply and install contract. Further updates will be provided as progress continues.

Mr. Mendenhall indicated that the financial status remains at \$64.2 million. The additional \$142.3 million is being sought to fully meet the cost obligations. AEA is reviewing financing

options to finance the remaining balances, such as loans, private debt, public/private partnerships, or private equity. Mr. Mendenhall noted that the project costs total approximately \$1.4 million to date.

Vice Chair Miller asked for the timeline to identify the available financing options.

Mr. Mendenhall explained that review of the financing options is occurring in parallel with the Dixon Diversion Project. He noted that the Dixon Diversion is ahead in the process because it is a simpler project. Discussions are ongoing with the GRID Deployment Office and the Loan Program Office regarding the possibility of using a DOE loan for a project that has a DOD funded match. Mr. Mendenhall discussed that the additional funding must be in place by July 2027. He highlighted that the AEA team has been involved in these efforts and one meeting has occurred with the AEA Finance Subcommittee regarding options.

Vice Chair Miller asked if Mr. Mendenhall is still comfortable with the eight-year timeline.

Mr. Mendenhall agreed. He commented that DOE indicated they would provide a final decision as soon as possible. Due to that response, AEA decided to move forward with the environmental and the procurement efforts. AEA will pay 50% of the total amount of those efforts and AEA is willing to take the calculated risk to keep the project on schedule.

Mr. Janorschke expressed one of his engineering concerns regarding trips of the future line, and their effects that are different from trips that currently occur. He asked if Stantec is reviewing how to respond in those scenarios.

Mr. Mendenhall commented that he does not have the information to answer that question. Staff have worked closely with the EPS team and the Railbelt Transmission Study. His understanding is that this line will prevent faults because it provides another path. Mr. Mendenhall suggested that Mr. Janorschke email him the question and he will provide an answer. There were no other comments or questions.

ii. Bradley Lake Expansion Project Update (Dixon Diversion/Bradley Pool Raise)

Ryan McLaughlin, AEA, provided the Dixon Diversion Update. Mr. McLaughlin discussed that the project name has been changed from the Dixon Diversion to the Bradley Lake Expansion Project. This was done to ensure consistency and clarity with the FERC licensing documents. There are multiple sub-projects within the overall extension project. The overall Bradley Lake Expansion Project includes the Dixon Diversion project and the Bradley Pool Raise. The Dixon Diversion sub-project contains the diversion dam, tunnel inlet, tunnel outlet, and tunnel features. The Bradley Pool Raise sub-project contains the spillway crest raise and the dam crest raise.

Mr. McLaughlin explained that activity at the site is ongoing. The mobilization took three barge trips to complete. Drilling at the dam has begun, and nine boreholes will be drilled throughout the next month. The first borehole was drilled yesterday. Mr. McLaughlin indicated that DOWL

was on-site on Wednesday and completed the annual operator and safety inspection training. The engineers also visited the Dixon Diversion dam site to evaluate the current design with the existing site conditions. The next Board of Consultants meeting is scheduled October 29 – 31, 2025. The results of the Probable Maximum Precipitation (PMP) and Probable Maximum Flood (PMF) study will be discussed. Mr. McLaughlin noted that the initial results suggest that compared to the original studies in the 1980's, the PMP is slightly lower and the PMF is slightly higher. These results were not unusual since there is a larger drainage area.

Mr. McLaughlin discussed that AEA submitted a recommendation to FERC for the future Dixon Diversion dam to be classified as low-hazard. It is expected that FERC will concur, as the Bradley Lake Dam and the Battle Creed Diversion are also low hazard. Additionally, there are no structures or populations downstream. Furthermore, a concurrence has been requested regarding the Inflow Design Flood (IDF) recommendation that used the 100-year flood of 7,900 cfs. Concurrence is expected.

Mr. McLaughlin stated that EPS continues to work on the design for 3-phase power from the Bradley powerhouse to the dam. The work is at 65%. The design package is expected to be completed by next summer, at which time the cable and transformers can be ordered for an installation date of summer of 2027. Mr. McLaughlin discussed the decision to fully line the Dixon Tunnel. This will have minimal cost impact to the project compared to previous cost estimates, and should improve both worker safety and the hydraulics of the tunnel. Likewise, the design criteria was established for a 14-foot minimum finished inside diameter of the tunnel. This balances the cost of a larger tunnel versus the additional capacity to capture higher future flows. Mr. McLaughlin explained the table in the presentation regarding the average annual runoff volume to the proposed Dixon Dam location by record length.

Mr. McLaughlin reviewed the environmental aspects of the Bradley Lake Expansion Project. The sockeye run was completed through Red Lake, and resulted in a count of 1,479 sockeye. This is the highest count in the three years of monitoring. The Coho run is ongoing. Mr. McLaughlin discussed the photos included in the presentation that highlight the challenges and difficulties that the environmental monitoring tasks entail. The hope is that the current monitoring system will not get washed out and destroyed by high flows until the Coho run is complete. Mr. McLaughlin concluded his presentation with the report that the current expenditure amount to date is \$8.2 million.

Mr. Thayer read the note AEA received from FERC Commissioner Judy Chang expressing her appreciation for the hospitality during the recent tour of the Bradley Lake Hydroelectric Project.

Vice Chair Miller commented on the great job of management for the Bradley Lake Expansion Project. He asked if the borehole drilling will be completed this year.

Mr. McLaughlin indicated that the current drilling effort will be completed in mid-October. However, subsequent drilling will occur on the front side of the dam next spring when the water level is lower and the drilling midway along the tunnel alignment will occur next summer.

Vice Chair Miller asked if the project cost estimate is still within the \$350 million range.

Mr. McLaughlin agreed. He noted that the cost estimate will be updated over the winter. The preliminary results are very similar and within \$5 million of the previous estimate. There were no other comments or questions.

iii. SQ Upgrade Update

Chris Koehler, CEA, gave the SQ Upgrade Update presentation. Mr. Koehler noted that he is the Project Manager on the Sterling Substation to Quartz Creek Transmission Line rebuild of 39 miles of line owned by AEA. The line was purchased from HEA in 2020. There is an existing 100-foot right-of-way. The construction of the project is separated into three individual projects. Project 1 begins at the Sterling Substation and continues eight miles to the boundary of the Kenai National Wildlife Refuge. This construction was completed earlier this year. Project 2 begins at the end of Project 1 and runs through the start of the Kenai National Wildlife Refuge. It will end at the far side of the vehicle access in Mystery Hills. The construction is scheduled for 2026 and 2027. Project 3 is approximately 13 miles and will continue from Mystery Hills' helicopter access only area, across the Kenai River to the islanded zone between the Kenai River and the Russian River, then across Cooper Creek and all the way to Quartz Creek Substation. Construction is planned for 2027 and 2028.

Mr. Koehler explained that the project is needed because the line is at the end of its lifespan. The existing line has significant damage and outages. The line will be rebuilt for the reliability of the Bradley Lake Hydroelectric Plant. Mr. Koehler discussed that the scope of work is to retire the existing 39 miles of transmission line, conductors, structures, foundations, anchors, guys, and then to install fiber optic cable and a completely new upgraded transmission line designed and insulated to 230 kV.

Mr. Koehler reviewed the schedule graph included in the presentation. He reiterated that Project 1 construction is complete, and the as-builts and closeout are in progress. The preliminary engineering is completed for Project 2, including the geo-tech exploration work, preliminary foundation design, and steel load and design drawings. The bid package for the steel pole structures has been issued. Bids have been received and are being evaluated. Mr. Koehler discussed that the environmental assessment with AEA and US Fish and Wildlife Service is in progress. The Draft Environmental Assessment (EA) has been issued for public comment, and the final EA is anticipated to be released next month. Afterward, the Finding of No Significant Impact (FONSI), which is the approval from the federal agencies to construct the project, is expected.

Mr. Koehler discussed that the engineering is progressing to the final Issued for Construction (IFC) packages. Project 2 is expected to go to bid in May of 2026, then move to award the bid in August of 2026, and mobilize in September 2026. The outage is planned for the first quarter of 2027, with completed construction and demobilization by May of 2027.

Mr. Koehler explained that preliminary engineering is ongoing for Project 3. The field reviews,

staking, and geo-tech exploration is envisioned to be completed this fall. The construction schedule is essentially the same as Project 2, only one year later, with the outage for that work in the first quarter of 2028.

Mr. Koehler summarized the project costs listed in the presentation. The total expenditure to date is approximately \$15 million. The forecast is to complete another \$75 million, for a completed estimated at \$90 million. Mr. Koehler discussed the challenges with the projects, including the significant increase in steel prices for Project 2 and Project 3, and the increase in general labor and equipment prices. The preliminary forecasts with the additional costs are included in the presentation. Work is ongoing to provide better clarity of that cost estimate.

Mr. Thayer commented on a data point, noting that the original budget for the SQ Line and the SS Line was \$90 million, which then increased to \$92 million. The SS Line's budget increased from \$25 million to \$34 million. A pause occurred to reevaluate the project costs. Mr. Thayer indicated that the current project cost estimates for the two projects increased from \$92 million to \$142 million. Mr. Thayer highlighted that there is only \$92 million in funding. He suggested that discussions occur now regarding the shortfall, rather than proceeding with Phase 2 and Phase 3 and running out of money. Mr. Thayer commented that Mr. Mendenhall has been working on this aspect.

Mr. Mendenhall concurred that the budget increase numbers presented by Mr. Thayer are accurate. He noted that including AEA's administrative costs, the total is closer to \$145 million. The \$90 million for transmission funding came from the \$166 million in bond money. Mr. Mendenhall agreed that there should be a discussion on the budget and the funding.

Vice Chair Miller commented that over the last five years, the cost of electric infrastructure has dramatically increased across the industry. This is not unique to these two projects. He does not believe that costs will decrease and does not know how much the cost increases are due to the impact of the tariffs or increases during the Covid time period. He believes further discussion is warranted, while recognizing that the lines are 40 to 60 years old and need to be replaced. Reliability is essential, nevertheless, it is imperative to do everything possible to keep the costs down.

Mr. Zellers asked about the value engineering efforts completed for these projects.

Mr. Koehler noted that the exploration, field reviews, and staking was verified prior to construction. He commented that not many options were considered from a value engineering perspective, and he does not know if there are many value engineering options to offer for a design to 230 kV standards.

Mr. Mendenhall commented that the upgrade of the line to 230 kV does not include the cost of the transformers and some of the substation work that must be completed. Additional funding will need to be spent. He suggested that those cost estimates are also addressed and developed.

Mr. Thayer added that this was deemed required project work under the original bonding for the \$166 million. He indicated that he would have further discussions with the AEA team regarding possibilities of funding while communicating with potential financiers of the Bradley Lake Expansion Project. He noted, for example, that the DOE Loan Office has 4% money available. Mr. Thayer commented that the projects are treated separately, however, it is possible and might be in the best interest to combine the applications. The AEA team is paying close attention and consideration to other groups who are inclined to financing projects in Alaska. Any information ascertained will be brought before the Committee.

Vice Chair Miller expressed his support for keeping all options open, especially if a lower rate could be obtained with DOE. Mr. Thayer commented that there are many investors interested in transmission and hydroelectricity. AEA will review to determine if a viable option is available.

Mr. Hickey expressed appreciation for the detailed report and the detailed conversation.

Mr. Janorschke thanked the presenter.

Vice Chair Miller asked Mr. Koehler if the bypass around Cooper Landing Road construction has had much impact or is expected to have much impact on the timeline of the project.

Mr. Koehler responded that there has been no impact from that construction project, as it is north of the right-of-way.

Vice Chair Miller expressed appreciation to Mr. Koehler for his comprehensive update. There were no other comments or questions.

C. Railbelt Regional Coordination Update

Mr. Hickey referred to the Railbelt Regional Coordination Update that is included in the Committee packet and there was very little activity. There were no comments or questions.

9. OPERATORS REPORT

Martin Law, HEA, provided the Operators Report. Mr. Law advised that the Operator's Report is included in the Committee packet. He noted that during the week of September 1, 2025, Battle Creek received a large rain event which increased the flow and carried gravel down into the diversion forebay that eventually overwhelmed the sediment blocks and carried over to the Mif gate. Mr. Law discussed that the Mif gate became partially plugged with gravel, restricting the flow to Battle Creek. He explained that the Mif gate supplies fish water to Battle Creek. A minimum flow must be maintained. Consequently, the Mif gate was fully opened to flush gravel and normal flows were restored. However, during that process, it was discovered that part of the support bracket had been damaged and prevented the gate from closing more than 50%. Mr. Law indicated that high flows were experienced on September 5 and 6, 2025. Staff were able to return Battle Creek to normal service on September 16, 2025, after making the repairs to the Mif gate. Mr. Law reported that a representative from DOWL is currently developing

recommendations to formulate a better prevention effort to remove the gravel out of the Mif gate with the sediment blocks.

Mr. Law indicated that other than the Mif gate issues, the plant is running well. There were no comments or questions.

10. COMMITTEE REPORTS

A. Audit Update

Mark Ziesmer, AEA, presented the audit update. Mr. Ziesmer said the report included in the packet is shorter than usual. There have been no major updates since the draft of the FY25 Budget versus Actual report was presented at the July 25, 2025, meeting. The usual trickle of final year-end invoices have been received. There have been no surprises. The FY25 AEA Audit is occurring now and is on schedule. A primary portion of the work involves items related to Bradley Lake and the Intertie. The audit is progressing as expected and AEA Finance is on track to present the audited financials to the Board in October. Additionally, the finances are on track to meet all the bond submission requirements which are due at the end of October.

Mr. Ziesmer noted that he will begin the Bradley Lake special audit in early October. This is an audit of the operations and revenue fund, which is the surplus calculation. Regarding FY26 Budget versus Actuals, Mr. Ziesmer indicated that he only had a small number of invoices for this time of year. He expects to have a more complete update at the next meeting on December 5, 2025.

Vice Chair Miller asked about the projected surplus amounts.

Mr. Ziesmer responded that he is still working on and finalizing the Budget versus Actual calculations and does not yet have an estimate to put forward.

There were no other comments or questions.

B. O&D Report

Josh Crowell, MEA, reviewed the Operation and Dispatch (O&D) Committee Report included in the Committee packet. There was a meeting between the SS and SSQ Lines project teams regarding schedule. The current recommendation is to begin the SS project construction in 2029 after the SSQ project. There were no comments or questions.

MOTION: A motion was made by Mr. Thayer to enter into executive session to discuss confidential matters and financing matters, the immediate knowledge of which would have an adverse effect on the Authority or the project. Motion seconded by Mr. Zellers.

A roll call was taken, and the motion to go into executive session passed unanimously.

- 11. EXECUTIVE SESSION: 11:07 a.m. -** (Bylaws Section 5.11.4(d)) –To discuss (1) confidential financial matters the immediate knowledge of which may have an adverse effect on the Authority or Project, and (2) confidential personnel matter.

The Committee reconvened its regular meeting at 11:09 a.m. Vice Chair Miller stated that no formal action was taken on matters discussed while in executive session.

12. MEMBERS COMMENTS

Mr. Hickey expressed appreciation for the comprehensive reports provided today.

Mr. Janorschke echoed Mr. Hickey's comments and apologized for not attending in-person due to weather conditions.

Mr. Zellers echoed the comments of appreciation for the good reports and for the good discussions.

Mr. Bishop echoed the comments of appreciation. He congratulated staff on the accomplishments of the grants received to improve the Railbelt electrical system.

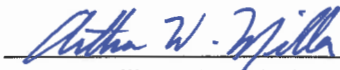
Mr. Thayer thanked everybody, especially the AEA team, for their efforts during this busy and good time.


Vice Chair Miller echoed the previous comments. He is excited about the progress and collaboration of the work, particularly on the DC Line and the Dixon Diversion Project. He looks forward to continuing that momentum.

13. NEXT MEETING DATE – December 5, 2025

14. ADJOURNMENT

There being no further business for the committee, the meeting adjourned at 11:12 a.m.


Arthur Miller, Vice Chair


Curtis Thayer, Secretary