BRADLEY LAKE PROJECT
MANAGEMENT COMMITTEE MEETING
AGENDA
January 16, 2026
10:00 AM
To participate dial 1-888-585-9008 and use code 212-753-619#

1. CALL TO ORDER
2. ROLL CALL (for Committee members)
3. PUBLIC ROLL CALL (for all others present)
4. AGENDA APPROVAL
5. PUBLIC COMMENTS
6. APPROVAL OF MEETING MINUTES – December 5, 2025
7. NEW BUSINESS
8. OLD BUSINESS
   - A. 2026 BPMC Meeting Schedule
   - B. 2021 REF Funding for Bradley Expansion
   - C. CIPLink (Grip 3, Phase 1) Update — Jim Mendenhall
   - D. Bradley Lake Expansion Project Update — Ryan McLaughlin
   - E. SQ Upgrade Update
   - F. Bradley Lake Expansion and CIPLINK Financing Update
9. OPERATORS REPORT — Martin Law
10. COMMITTEE REPORTS
    - A. Budget vs. Actuals — Mark Ziesmer
    - B. O&D Report — Josh Crowell
11. EXECUTIVE SESSION – (Bylaws Section 5.11.4) –To discuss (1) confidential matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Authority or the Project; and (2) confidential matters discussed with an attorney for the Committee of a member of the Committee, the immediate knowledge of which could have an adverse effect on the legal position of the Committee of the Authority.
12. MEMBERS COMMENTS
13. NEXT MEETING DATE – March 20, 2026 *(pending approval)*
14. ADJOURNMENT

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE (BPMC)
MEETING MINUTES
December 5, 2025

1. CALL TO ORDER

Chair Tony Izzo called the meeting of the Bradley Lake Hydroelectric Project Management Committee to order at 10:04 a.m. A quorum was established.

2. ROLL CALL (for Committee members)

Tony Izzo (Matanuska Electric Association [MEA]); Arthur Miller (Chugach Electric Association [CEA]); 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, Josi Hartley, Ryan McLaughlin, Jim Mendenhall, William Price, Robert Varga, Mark Ziesmer (AEA); Chris Lallish (Aldrich CPAs & Advisors); Joel Paisner (Ascent Law Partners); Matt Clarkson, Sherri Highers, Chris Koehler, Andrew Laughlin, Mike Miller, Paul Millwood (CEA); Molly Howard (GVEA); Andrew Jensen (Governor's Office); Larry Jorgensen, Martin Law, Andrew Patrick (HEA); David Pease, Matt Reisterer, Tony Zellers (MEA); and Julian Jensen (RT Casey).

4. AGENDA APPROVAL

Chair Izzo requested that the agenda is amended to move Item 8F. Old Business, SQ Upgrade Update to Item 8A., and the remaining items progress sequentially.

MOTION: A motion was made by Mr. Thayer to approve and amend the agenda moving Item 8F. to Item 8A. and adjust accordingly. Motion seconded by Vice Chair Miller.

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

5. PUBLIC COMMENTS - None.

6. APPROVAL OF MEETING MINUTES – September 19, 2025

MOTION: A motion was made by Mr. Thayer to approve the Minutes of September 19, 2025. Motion seconded by Vice-Chair Miller.

A roll call was taken, and the motion to approve the Minutes of September 19, 2025, passed unanimously.

7. NEW BUSINESS

A. FY25 BPMC Audited Financial Statements and Letter

Mark Ziesmer, AEA, introduced Chris Lallish, Aldrich CPAs & Advisors, to lead the audit discussion. Mr. Lallish reviewed the report included in the Board packet. Aldrich was hired to complete the special-purpose framework audit for the year ending June 30, 2025, and to issue an opinion on those financial statements. Management provided full cooperation throughout the process. No audit adjustments were needed, and no material weaknesses were identified. Mr. Lallish indicated that an unmodified opinion was issued. This is the highest form of assurance.

Mr. Lallish discussed that the audit included the operating and revenue funds of BPMC in accordance with auditing standards generally accepted in the United States. The audit was conducted to obtain the reasonable assurance that there were no material misstatements, however, the financial statements are ultimately the responsibility of the BPMC. Mr. Lallish reviewed the Statements of Assets and Liabilities. Overall, the assets decreased by approximately $1.3 million, due to decreases in cash and IRS subsidies receivable. The total liabilities also decreased approximately $1.3 million, due to a decrease in the payable to utilities for the Operations and Maintenance (O&M) refund. The total assets and total liabilities always equal each other for BPMC, due to the nature of no net income being recorded because of the refund of the surplus.

Mr. Lallish reviewed the Statements of Revenues and Expenses. The revenue is primarily derived from budgeted contributions for expenses, debt service, and capital activity for the year. This year, the major expenses were O&M and debt service payments. The O&M details are found on page 11. Mr. Lallish noted the Statements of Cash Flows shows the change in cash balance for the year. The Notes to the Financial Statements are required. They give background information on the funds. Note 1 provides information on the significant accounting policies. Note 2 lists details on the cash balances and where the money is invested. Note 3 outlines the major contracts and agreements of BPMC. Note 4 reviews all the related party activity, including accounts payable details and dollars related to the contract. Note 5 details the surplus refunds to be returned to the member utilities in 2026 at the direction of the Committee. Note 6 explains the shortage and funding for the SSQ Line in June 2023 that was collected by the BPMC in 2024. It is expected that Note 6 will no longer be included in next year's financial statements.

Mr. Lallish discussed the supplemental schedule and Statements of Expenses. This information provides a more detailed analysis of the O&M expenses compared to the budget and the prior year actual expenditures.

Mr. Lallish expressed appreciation to Pam Ellis, AEA Controller, and Mr. Ziesmer, for their accurate and timely information during the process, thus making the audit as smooth as possible. There were no comments or questions.

MOTION: A motion was made by Mr. Thayer to accept the FY2025 BPMC audited financial

statements, as presented. Motion seconded by Mr. Hickey.

A roll call was taken, and the motion to approve the audited financial statements passed unanimously.

B. FY25 Refund of Surplus

Mr. Ziesmer gave a high-level overview of the FY25 surplus refunds as outlined in the report in the packet. The total surplus refund amount for FY25 is $1,969,060. The refunds are divided into three categories. The Bradley Lake refunds total $1,796,642, which includes an O&M refund of $394,403 for O&M, and a Renewal and Contingency (R&C) refund of $1,402,238. The Battle Creek refunds total $17,230, and are entirely for O&M. The SSQ Line refunds total $155,188, and are entirely for O&M. These refunds will be distributed to member utilities based on their share percentages as detailed in the report. Mr. Ziesmer reviewed Note 5 – Surplus Refunds of the financial statements. This links the amounts in the financial statements to the amounts in the report. There were no comments or questions.

MOTION: A motion was made by Mr. Thayer to approve the $1,796,641.53 Bradley Lake utilities refund, the $17,230.35 Battle Creek utilities refund, and the $155,187.85 for the SSQ Line refund, as presented. Motion seconded by Vice Chair Miller.

A roll call was taken, and the motion to approve the utilities refunds, as presented, passed unanimously.

C. 2026 BPMC Meeting Schedule

Chair Izzo noted that the proposed meeting schedule for 2026 is included in the packet. He suggested that members approve the January 16, 2026, meeting, review the other dates during the interim and make a final decision during the January meeting. There was no objection.

MOTION: A motion was made by Mr. Janorschke to accept January 16, 2026, as the next meeting date, and consider the other meeting dates at that meeting. Motion seconded by Mr. Thayer.

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

8. OLD BUSINESS

A. SQ Upgrade Update

Chris Koehler, CEA, stated he is the Project Manager on the Sterling Substation to Quartz Creek Transmission Line rebuild. He said the contract for the steel pole structures has been executed. The vendor has submitted the calculations and those have been formally approved by the engineering contractor. The vendor drawings are in progress. The design is at 90%. The foundation designs are being finalized. The remaining materials are expected to be procured by the end of the first quarter in 2026. The bid will be issued in May of 2026, and the bids will be

due in August 2026. The construction is anticipated to begin in October 2026. Mr. Koehler noted that a field review of Project 3 has been completed. The geotech field work is in progress and is anticipated to be completed by the end of next week. The engineers will begin the steel pole structure drawings early next year, with the bid to come out in May 2026.

Mr. Thayer asked for a project budget update. Mr. Koehler discussed that the Project 2 steel pole structures are approximately $1.1 million over the anticipated amount. The forecast budget for the completion of the project totals approximately $90 million.

Mr. Janorschke asked if the $90 million includes the substation transformers. Chair Izzo indicated the $90 million does not include the transformers, but it does include the wire.

B. Dispute Resolution Process – Wheeling Services Agreement

C. IRS Refund and Interest

Mr. Thayer discussed that this item is a follow-up to the issue of staff chasing the IRS subsidy checks for Battle Creek Series 7 and 8 bonds. The checks were finally received for 2024 and for 2025 and have been deposited in the U.S. Bank. Mr. Thayer recognized Senator Sullivan publicly for his direct engagement with the IRS. Mr. Thayer believes that staff would still be chasing the receipt of the checks had Senator Sullivan not intervened. Mr. Thayer noted that the error was due to U.S. Bank, and as a result of discussions, BPMC now has a new client manager and a new analyst. Additionally, U.S. Bank has compensated BPMC for the missed interest due to their error. The interest amount deposited in the account is $15,168. The issue has been resolved and there is a path forward with U.S. Bank to ensure this error does not repeat. Direct deposit has been established.

D. Renewable Energy Credits (REC's) Update

Mr. Thayer reviewed that CEA and AEA have agreed to a standstill agreement that is expected to be signed soon. While the arbitrator decides the ownership of the RECs, this agreement allows AEA to sell the RECs. Mr. Thayer noted that BPMC gave the green light for this to occur back in 2024. During this delay of a year, there has been missed opportunity of $1.6 million revenue from selling the RECs and the vintage RECs. The hope is to get the agreement signed and to sell the 2025 RECs in December.

Mr. Janorschke noted for transparency that he believes that HEA is on the standstill agreement with CEA. Mr. Thayer agreed and stated that all of the utilities will be treated equally, even if the utility is not part of the standstill agreement.

Vice Chair Miller reiterated CEA's maintained perspective that if another utility wants to convey their RECs to AEA at any time, CEA still has no objection.

Chair Izzo asked if AEA's missed opportunity revenue of $1.6 million from the RECs would be subject to interest. Mr. Thayer noted that the funds would be deposited into an interest-bearing account. However, the $1.6 million is a lost opportunity because the RECs were not sold when

the BPMC had agreed to sell them.

E. 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 report on the Cook Inlet Power Link (CIPLink) project has been provided. The Department of Energy (DOE) is beginning to ramp back up after some shutdowns. Some name changes have been made; however, the people are still the same. On November 5, 2025, a meeting occurred with AEA and DOE to discuss the next phase and to complete the Go/No-Go presentation. This was well received. CIPLink remains in good standing with DOE as negotiations begin for Budget Period 2, starting July 1, 2025, up through June 30, 2027.

Mr. Mendenhall discussed that the DOE has requested a credit for some of the community benefits programs. AEA gave an estimate of the budgeted amount, and requested those funds are reallocated into the other cost categories of the project. Mr. Mendenhall outlined that the environmental review and paperwork for the 2026 season were submitted and some of the permits have been received. HDR is the contractor to help with the project. He noted that Stantec is conducting the major equipment procurement. Discussions occurred last month with Stantec and EPS to determine the interface at the substation, including the best termination point, the landfall location, and the final system configuration options. Mr. Mendenhall indicated that both Mark Billingsley and Josi Hartley of AEA have been working hard on pursuing additional financial avenue. AEA continues to have the $64.2 million in state appropriation. The additional $142.3 million is being sought to fully meet the cost obligations. Meetings will occur next week with the Energy Loan Program Office, which has recently changed its name to the Energy Dominance Financing Office.

Mr. Mendenhall reported that through September 30, 2025, a total of $1.25 million has been spent, and approximately $1.15 million has been billed. Once the Budget Period 2 contract is in place, the expenses from July 1, 2025, will be billed.

Mr. Hickey requested to comment. He referenced the written report for the EDRRC provided to members. Additionally, he attended the Energy Policy Tour in Hawaii with a group of Railbelt individuals in his role as General Manager of Seward Electric. Mr. Hickey advised that this is his final report. Chair Izzo expressed appreciation to Mr. Hickey and noted that he jumped ahead to Item 8G. on the agenda.

Chair Izzo asked the Committee if they had any comments or questions regarding agenda Item 8D. CIPLink Update.

F. Bradley Lake Expansion Project Update

Ryan McLaughlin, AEA, provided the Bradley Lake Expansion Update. Mr. McLaughlin discussed that design and licensing efforts are advancing as preparations continue to submit the draft license amendment application by late January of 2026. The subsurface investigations at the

Bradley Dam have been completed. Drilling crews and geophysics crews were onsite for approximately 6 weeks. Conditions were challenging and eight of the ten planned holes were drilled. The primary objectives of the effort included evaluating the seismic stability of the existing embankment dam, installing vibrating wiring piezometers to monitor the water level throughout the dam, performing packer testing to determine permeability, evaluating the bedrock contact beneath the spillway, and evaluating the efficacy of the existing grout curtain. The drilling effort was successful, and the engineers are engaged in the process of reviewing the data collected.

Mr. McLaughlin indicated that additional subsurface investigations would occur in 2026 and will include two deep boreholes midway along the tunnel alignment to confirm the bedrock. Mr. McLaughlin explained that the first picture in the packet is of the drill crew on top of the embankment dam. The second picture is also on the embankment dam and represents the challenging conditions during the majority of the subsurface investigations.

Mr. McLaughlin discussed that the second Board of Consultants (BOC) meeting was held on October 29, 2025. The main focus of the meeting was discussing the methodologies and status of the Probable Maximum Precipitation (PMP) study, Probable Maximum Flood (PMF) study, and seismic studies. Initial results indicate that the PMP storm is slightly lower than the original 1982 study. However, the PMF will be a little higher. Additionally, the BOC discussed the results of the preliminary seismic study analysis on Bradley Dam to determine potential wave runup against the dam. Preliminary design drawings of the project elements were also shared during the productive meeting.

Mr. McLaughlin noted that a follow-up meeting with the BOC and Federal Energy Regulatory Commission (FERC) occurred. The formal report is due on Monday and there will be two weeks to respond to those comments. Mr. McLaughlin discussed that FERC accepted the recommendation that the future Dixon Diversion Dam is classified as a low-hazard dam and that the 100-year flood can be used as the Inflow Design Flood.

Mr. McLaughlin continued the presentation and indicated the hope to install 3-phase power from the powerhouse to the dam in advance of the onsite arrival of the tunnel boring machine. EPS has designed the transformer and is completing the procurement documents. The lead time for the equipment is approximately two years. The cost is estimated at $500,000, and there is margin for this in the budget. The remaining equipment for the power upgrades is planned to be purchased in the fall of 2026, for the installation date of 2027. The current estimate is $12.3 million, including construction costs and contingency. This prepurchase amount is not included in the budget.

Mr. McLaughlin discussed that design documents for a 16-foot pool raise will be submitted in the Draft License Amendment Application. The scenario includes raising the existing spillway by 8.5 feet, installing a 7.5-foot Obermeyer gate, and raising the embankment dam by 13 feet. Additional conversations with the utilities will occur regarding using the maximum area of impact in the Draft License Amendment Application. Mr. McLaughlin noted that the final year of environmental studies has concluded. The field season included juvenile and adult salmon

surveys, raptor surveys, discharge measurements, wetland delineations, and cultural resources studies. Preliminary discussions with the resource agencies have begun regarding potential protection mitigation and enhancement measures for the project.

Mr. McLaughlin showed the picture of the Martin River at the low flow of 220 cfs. He commented that the entire drainage shown in the picture can fill with water during floods.

Mr. Thayer noted that according to Bryan Carey, adding more boulders and structures will be required on the back half of the dam when the dam is relicensed. Mr. Thayer asked Mr. McLaughlin if they are taking that into account when the project is mobilized while working on raising the dam. Mr. McLaughlin agreed. He noted it is possible that modifications to the dam and spillway may be required, and it would make sense to complete that work simultaneously.

Mr. Thayer indicated that members of the staff will be working with the FERC Chair next week, and one of the topics on the agenda is the Bradley Expansion Project. Additional meetings are scheduled, and Mr. Thayer will provide reports to the Board.

Mr. Janorschke commented that his understanding is that the Operations and Dispatch (O&D) Committee recommended a 14-foot dam raise in the application. However, the plan now is to build a 16-foot dam raise. He asked if his understanding is correct. Mr. McLaughlin explained that the parameters in the draft application are not steadfast. He gave the example of the Battle Creek draft application that included an open channel rather than the pipeline. Mr. McLaughlin discussed that changes can be made, and that the draft license application is primarily for the resource agencies and the environmental aspects.

Mr. Janorschke asked if the BOC is comprised of the O&D Committee plus outside experts. Mr. McLaughlin noted that the BOC is an approved group required by FERC. They are internationally recognized engineer experts in hydrology and dam stability.

Vice Chair Miller asked Mr. McLaughlin how often the cost estimates for the overall project are reviewed. Mr. McLaughlin explained that there is no set schedule of review. However, a review and updated cost estimate will occur in December and January and will utilize the engineering documents that will be included in the draft license amendment application. Vice Chair Miller asked if it is possible to share the updated cost estimate with the utilities as soon as it is completed. Mr. McLaughlin agreed. Mr. Thayer indicated that the updated cost estimate will also be shared with the O&D Committee.

Mr. Bishop inquired as to the status of the organizations' governing boards approving the Dixon financing in 2026. Mr. Thayer explained that staff are leading the effort to analyze the different financing options. Staff will first report to the Alaska Energy Authority (AEA) Board and then will report to the BPMC. There are currently several different options. Staff is scheduled to meet with CFC next week. Additionally, staff have been invited to submit an application to the Energy Dominance Committee, even though this project is typically too small to be considered. Other options include bonding and traditional financing. Mr. Thayer and Mr. Ziesmer met with the State Bond Bank last month. They approved the allotment of tax-exempt bonds that the State

has the ability to receive. These could be utilized as a possible financing mechanism. Mr. Thayer explained that the Energy Dominance Finance Office / Loan Program Office (LPO) may fund the project at approximately 70%. The remaining 30% will have to be funded from other options. Mr. Thayer advised that a special Board meeting will occur with AEA's Finance Committee on December 15, 2025, to continue the review of the options. Mr. Thayer noted that the financial advisors reviewed the option of a private partner partnership, and they advised against that option.

Mr. Thayer discussed that staff are conducting the same financial research for the $142 million needed for the CIPLink project. He noted that the BPMC's path is narrower since a federal grant is involved and there is no option for tax exempt bonds.

G. Railbelt Regional Coordination Update

Chair Izzo indicated that the report is included in the packet and that Mr. Hickey provided the verbal report earlier in the meeting.

9. OPERATORS REPORT

Chair Izzo noted that Martin Law, HEA, will provide the Operators Report. Mr. Law advised that the Operator's Report is included in the Committee packet. The new parts have been successfully tested for the spare housing for the needle valve rebuild. However, one bushing was opened up by Voith from the original specifications. This does not appear to affect the performance of the needle. Voith will provide an explanation for their action. Additionally, Kosonen Consulting conducted a condition assessment of the needle valves in operation. The valves remain in good condition and should operate with no issues for the next two to five years. Based on this information, the rebuild of the needles has been postponed for two years. Annual monitoring and inspections will occur during the planned outage, and regular monitoring will occur during the daily rounds. Mr. Law directed the members' attention to the pictures in the packet showing the needle valve rebuild.

Chair Izzo expressed appreciation to Mr. Law for his complete report and for the photos that provide context, scale, and nature of the work at Bradley.

10. COMMITTEE REPORTS

A. Budget vs. Actuals

Mr. Ziesmer discussed the Bradley Lake Budget to Actual Expenses Report as of September 30, 2025. He explained that there was no FY26 activity recorded for Schedule A, Schedule E, and Schedule H, which are Non-R&C Capital Projects for Bradley Lake, Battle Creek, and SSQ. The total O&M expenses were $1,476,970, which is $456,874 below budget. Most of the FERC categories are within or close to budget. Mr. Ziesmer noted that FERC 539 Miscellaneous Hydraulic Power Generation Expenses were over budget by $28,500 in contractual expenses due to recent invoices. He believes this is a timing issue between the annualized budget and actual

expenses. It is expected to balance over time. Additionally, FERC 928 Regulatory Commission Expenses have a large underspend variance of $147,500. Mr. Ziesmer believes this amount will mitigate throughout the year.

Mr. Ziesmer reviewed Schedule D Renewal and Contingency (R&C) Fund Disbursements and Repayments. The R&C expenses totaled $154,317 and covered the fire alarm system replacement and the Bradley Expansion Project. The cumulative costs for the Bradley Expansion Project since inception have reached $8,340,556. Mr. Ziesmer reviewed Schedule F Battle Creek O&M expenses. The total amount was $130,094, which is $53,352 below budget. The expenses are primarily driven by the 4% allocation from Bradley Lake.

Mr. Ziesmer reviewed Schedule I SSQ Line O&M expenses. The total amount was $5,098, which is $63,372 below budget. The majority of the costs are related to overhead line maintenance. Mr. Ziesmer reviewed Appendix A, which is related to Bond Series 11 funding. The cumulative spending was $16,180,636. Of this amount, $14,683,354 was directly related to the two SSQ upgrade projects. There were no other comments or questions.

B. O&D Report

Molly Howard, GVEA, said she is filling in for Josh Crowell who prepared the report, which is in the packet. There were no questions or comments.

MOTION: A motion was made by Mr. Thayer to enter into executive session to (1) discuss confidential matters the immediate knowledge of which would have an adverse effect on the Authority or the project; and (2) matters discussed with an attorney for the Committee or a member of the Committee, the immediate knowledge of which may have an adverse effect on the legal position of the Committee or the Authority. Motion seconded by Vice Chair Miller.

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

11. EXECUTIVE SESSION: 11:04 a.m. - (Bylaws Section 5.11.4) –To (1) discuss confidential financial matters the immediate knowledge of which may have an adverse effect on the Authority or Project; and (2) matters discussed with an attorney for the Committee or a member of the Committee, the immediate knowledge of which could have an adverse effect on the legal position of the Committee or the Authority.

The Committee reconvened its regular meeting at 12:06 p.m. Chair Izzo stated that no formal action was taken on matters discussed while in executive session.

12. MEMBERS COMMENTS

Mr. Hickey expressed appreciation for the diligent efforts for the clean annual audit. He enjoyed the Operator's Report, especially the pictures.

Mr. Janorschke thanked the Vice Chair for filling in for the Chair and keeping the meeting on track. He expressed appreciation for the clean audit and for the diligent reports given today. He

wished everyone a Merry Christmas.

Mr. Bishop reiterated appreciation for the efforts from AEA, the Committees, the auditors, and for the comprehensive financial reporting.

Vice Chair Miller echoed the comments of appreciation for the updates provided today. He looks forward to continuing the positive momentum on the Bradley Lake Expansion Project. Vice Chair Miller thanked Mr. McLaughlin for his efforts on the project. Vice Chair Miller thanked Mr. Hickey for his extensive work in the Railbelt regional coordination efforts over the last several years and in assisting with grant funding opportunities.

Chair Izzo echoed the previous comments of appreciation, especially to Mr. Hickey for the fifth largest Grid Resilience and Innovation Partnerships (GRIP) grant in the country, and for the clean audit opinion. He thanked Jennifer Bertolini, AEA, for her diligence.

Mr. Thayer noted that the "Lunch and Learn" session yesterday included approximately nine gubernatorial candidates, 10 legislators, and staff. The key points and takeaways included the Bradley Lake Expansion Project and CIPLink Project. The PowerPoint presentation and the links presented yesterday are on the website. Mr. Thayer noted his appreciation for CEA's presentation with the Chamber of Commerce reviewing these same key points. He gave high praises to staff for their work, especially to Mr. Mendenhall, Mr. Ziesmer, Ms. Hartley, Mr. McLaughlin, Ms. Bertolini, and William Price, AEA. Mr. Thayer advised that Bryan Carey is coming out of retirement to work part-time as a consultant with Mr. McLaughlin. This will maintain consistency and will provide the historical knowledge necessary for the projects. There were no other comments.

13. NEXT MEETING DATE – January 16, 2026

Chair Izzo said the next meeting date is January 16, 2026.

14. ADJOURNMENT

There being no further business for the committee, the meeting adjourned at 12:13 p.m.

_____

Tony Izzo, Chair

_____

Curtis Thayer, Secretary

2026 Proposed BPMC Meeting Dates:

January 16, 2026

March 20, 2026

May 1, 2026

June 19, 2026

July 24, 2026

September 25, 2026

December 4, 2026

ALASKA ENERGY AUTHORITY

December 16, 2025

Chugach Electric Association Inc.
Attn: Arthur Miller, Chief Executive Officer
5601 Electron Drive
Anchorage, AK 99518

Bradley Lake Project Management Committee
813 W Northern Lights Blvd
Anchorage, AK 99503

Subject: *Renewable Energy Fund Award No. 7014022 – Related Required Matching Funds Obligation for the Bradley Lake Project Management Committee*

Dear Mr. Miller & Bradley Lake Project Management Committee Representatives,

Please find this letter requesting the immediate provision of $1 million in matching funds from the Bradley Lake Project Management Committee (BPMC), as obligated under Renewable Energy Fund (REF) grant program award no. 7014022 (Award). This grant was awarded to Chugach Electric Association Inc., (Chugach) who submitted an application (Application) in Nov. 2021, on behalf of the BPMC, under Round 14 of the REF for purposes of advancement of the Dixon Diversion project (Project). The Application was selected for award for the full amount as requested in the Application, committing both REF funds ($1 million) and matching funds from the BPMC ($1 million), to cover costs related to the *"many engineering and environmental studies required by agencies to obtain a license amendment to the Bradley Lake Hydroelectric Project license."*

Chugach's Application on behalf of the BPMC, and the obligation of $1 million in BPMC matching funds were both authorized by the BPMC under Resolution no. 21-03 (Resolution), wherein the Resolution's stated purpose was to *"demonstrate the Bradley Lake Project Management Committee's (BPMC) support for Chugach Electric Association, Inc. (Chugach) to submit a REF grant application on behalf of all utility purchasers of Bradley Lake hydropower to partially fund the feasibility work needed to develop the project"* and it was further resolved that *"the BPMC supports submitting a $1 million grant application to the Renewable Energy Fund to be matched with $1 million from BPMC to pay for feasibility studies needed to advance the Dixon Diversion project."*

The award is governed by a Memorandum of Agreement (MOA), executed in March 2023, by and between the Alaska Energy Authority (AEA) and Chugach, the named grantee which applied on behalf of the BPMC, as authorized in the BPMC Resolution. To date, REF funds have been used to reimburse costs associated with geotechnical and hydrological study efforts conducted by contractors for studies required to advance and determine the feasibility of the Dixon Diversion project. No BPMC matching funds, however, have yet been applied to the grant. Per section 3.i. of the MOA – "Term of Agreement", *"This MOA will be deemed to be successfully ended upon the expenditure of all, or a portion thereof, the $2 million in funds assigned, at the discretion of the AEA project manager in consultation with Chugach and other members of the BPMC..."*

Owing to the stated absence of BPMC matching funds applied to the Award, AEA now requests that the BPMC determine a means by which such matching funds, in an amount of $1 million, shall

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be immediately attributed to this Award to meet this outstanding matching funds obligation, as evidenced in both the authorizing Resolution and the governing MOA. It is requested that these BPMC matching funds be provided immediately so to not cause delays and/or undesired cascading effects involving the FERC permitting timeline or the Project's targeted 2030 project commissioning.

Regards,

Curtis Thayer
Executive Director

CC:
Brian Hickey, Utility Director, City of Seward d.b.a. Seward Electric System
Tony Izzo, CEO, Matanuska Electric Association, Inc.
Bradley Janorschke, CEO, Homer Electric Association, Inc.
Travis Million, CEO, Golden Valley Electric Association, Inc.
Joel Paisner, Ascent Law Partners, LLP

Enclosed:
Copy of REF Round 14 Application – "Dixon Diversion Feasibility Project"
Copy of BPMC Resolution No. 20-03.
Copy of Memorandum of Agreement between AEA and Chugach

Application Forms and Instructions

This instruction page and the following grant application constitutes the Grant Application Form for Round 14 of the Renewable Energy Fund (REF). A separate application form is available for projects with a primary purpose of producing heat (see Request for Applications (RFA) Section 1.5). This is the standard form for all other projects, including projects that will produce heat and electricity. An electronic version of the RFA and both application forms is available online at: https://www.akenergyauthority.org/What-We-Do/Grants-Loans/Renewable-Energy-Fund/2021-REF-Application.

What follows are some basic information and instructions for this application:

- The Alaska Energy Authority (AEA) expects this application to be used as part of a two-year solicitation cycle with an opt-out provision in the second year of the cycle.
- If you are applying for grants for more than one project, provide separate application forms for each project.
- Multiple phases (e.g. final design, construction) for the same project may be submitted as one application.
- If you are applying for grant funding for more than one phase of a project, provide milestones and grant budget for each phase of the project (see Sections 3.1 and 3.2.2).
- In order to ensure that grants provide sufficient benefit to the public, AEA may limit recommendations for grants to preliminary development phases in accordance with 3 Alaska Administrative Code (ACC) 107.605(1).
- If some work has already been completed on your project and you are requesting funding for an advanced phase, submit information sufficient to demonstrate that the preceding phases are completed and funding for an advanced phase is warranted. *Supporting documentation may include, but is not limited to, reports, conceptual or final designs, models, photos, maps, proof of site control, utility agreements, business and operation plans, power sale agreements, relevant data sets, and other materials. Please provide a list of supporting documents in Section 11 of this application and attach the documents to your application.*
- If you have additional information or reports you would like the Authority to consider in reviewing your application, either provide an electronic version of the document with your submission or reference a web link where it can be downloaded or reviewed. Please provide a list of additional information; including any web links, in Section 12 of this application and attach the documents to your application. For guidance on application best practices please refer to the resource-specific Best Practices Checklists; links to the checklists can be found in the appendices list at the end of the accompanying REF Round 14 RFA.
- In the Sections below, please enter responses in the spaces provided. You may add additional rows or space to the form to provide sufficient space for the information, or attach additional sheets if needed.
- If you need assistance with your application, please contact AEA's Grants Coordinator by email at grants@akenergyauthority.org or by phone at (907) 771-3081.

REMINDER:

- AEA is subject to the Public Records Act AS 40.25, and materials submitted to AEA may be subject to disclosure requirements under the act if no statutory exemptions apply.
- All applications received will be posted on the Authority web site after final recommendations are made to the legislature. Please submit resumes as separate PDFs if the applicant would like those excluded from the web posting of this application.
- In accordance with 3 AAC 107.630 (b) Applicants may request trade secrets or proprietary company data be kept confidential subject to review and approval by AEA. If you want information to be kept confidential the applicant must:
    - Request the information be kept confidential.
    - Clearly identify the information that is the trade secret or proprietary in their application.
    - Receive concurrence from the Authority that the information will be kept confidential. If the Authority determines it is not confidential, it will be treated as a public record in accordance with AS 40.25 or returned to the applicant upon request.

SECTION 1 – APPLICANT INFORMATION

Please specify the legal grantee that will own, operate, and maintain the project upon completion.

Name Chugach Electric Association, Inc.
On behalf of the Bradley Lake Management Committee (BPMC)

Tax ID # **92-0014224**

Date of last financial statement audit: **April 9, 2021 for year end 12/31/2020**

Mailing Address:	**Physical Address:**
PO Box 196300	5601 Electron Drive
Anchorage, AK 99519-6300	Anchorage, AK 99518

Telephone:	**Fax:**	**Email:**
(907) 762-4192	(907) 562-6994	sean_skaling@chugachelectric.com

1.1 Applicant Point of Contact / Grants Coordinator

Name: Sean Skaling

Title: Business & Sustainable Program Development Manager

Mailing Address:
Chugach Electric Association, Inc.
PO Box 196300
Anchorage, AK 99519-6300

Telephone:	**Fax:**	**Email:**
(907) 762-4192	(907) 562-6994	sean_skaling@chugachelectric.com

1.1.1 Applicant Signatory Authority Contact Information

Name: Lee Thibert

Title: Chief Executive Officer

Mailing Address:
Chugach Electric Association, Inc.
PO Box 196300
Anchorage, AK 99519-6300

Telephone:	**Fax:**	**Email:**
(907) 762-4747	(907) 562-6994	lee_thibert@chugachelectric.com

1.1.2 Applicant Alternate Points of Contact

Name	Telephone:	Fax:	Email:
Arthur Miller	(907) 762-4758	(907) 762-4816	arthur_miller@chugachelectric.com

1.2 Applicant Minimum Requirements
Please check as appropriate. If applicants do not meet the minimum requirements, the application will be rejected.

1.2.1 Applicant Type

☒ An electric utility holding a certificate of public convenience and necessity under AS 42.05 CPCN # 8 and CPCN # 121, or

☐ An independent power producer in accordance with 3 AAC 107.695 (a) (1) CPCN #_____, or

☐ A local government, or

☐ A governmental entity (which includes tribal councils and housing authorities)

Additional minimum requirements

☒ **1.2.2** Attached to this application is formal approval and endorsement for the project by the applicant's board of directors, executive management, or other governing authority. If the applicant is a collaborative grouping, a formal approval from each participant's governing authority is necessary. **(Indicate yes by checking the box)**

☒ **1.2.3** As an applicant, we have administrative and financial management systems and follow procurement standards that comply with the standards set forth in the grant agreement (Section 3 of the RFA). **(Indicate yes by checking the box)**

☒ **1.2.4** If awarded the grant, we can comply with all terms and conditions of the award as identified in the Standard Grant Agreement template at https://www.akenergyauthority.org/What-We-Do/Grants-Loans/Renewable-Energy-Fund/2021-REF-Application (Any exceptions should be clearly noted and submitted with the application.) **(Indicate yes by checking the box)**

☒ **1.2.5** We intend to own and operate any project that may be constructed with grant funds for the benefit of the general public. If no please describe the nature of the project and who will be the primary beneficiaries. **(Indicate yes by checking the box)**

SECTION 2 – PROJECT SUMMARY

2.1 Project Title
Provide a 4 to 7 word title for your project. Type in the space below.

Dixon Diversion Feasibility Project

2.2 Project Location

2.2.1 Location of Project – Latitude and longitude (preferred), street address, or community name.
Latitude and longitude coordinates may be obtained from Google Maps by finding you project's location on the map and then right clicking with the mouse and selecting "What is here? The coordinates will be displayed in the Google search window above the map in a format as follows: 61.195676.-149.898663. If you would like assistance obtaining this information, please contact AEA's Grants Coordinator by email at grants@akenergyauthority.org or by phone at (907) 771-3081.

Latitude	59.69163	Longitude	-150.91268

The location identified by the latitude and longitude coordinates above is the end of Dixon Glacier where water will be either diverted to Bradley Lake or captured in a run-of-river hydro facility and returned to the Martin River drainage.

2.2.2 Community benefiting – Name(s) of the community or communities that will be the beneficiaries of the project.

Railbelt electric utility service areas of Chugach Electric Association, Inc. (Chugach), Homer Electric Association, Inc. (HEA), Golden Valley Electric Association, Inc. (GVEA), Matanuska Electric Association, Inc. (MEA) and the City of Seward.

2.3 Project Type
Please check as appropriate.

2.3.1 Renewable Resource Type

☐	Wind	☐	Biomass or Biofuels (excluding heat-only)
☒	Hydro, Including Run of River	☐	Hydrokinetic
☐	Geothermal, Excluding Heat Pumps	☐	Transmission of Renewable Energy
☐	Solar Photovoltaic	☐	Storage of Renewable
☐	Other (Describe)	☐	Small Natural Gas

2.3.2 Proposed Grant Funded Phase(s) for this Request *(Check all that apply)*

	Pre-Construction		Construction
☐	Reconnaissance	☐	Final Design and Permitting
☒	Feasibility and Conceptual Design	☐	Construction

2.4 Project Description
Provide a brief, one-paragraph description of the proposed project.

Dixon Diversion would be an expansion to the Bradley Lake Hydroelectric Project. Two project alternatives are currently being studied. The primary option would build a tunnel to divert water from the Dixon Glacier watershed to Bradley Lake to increase the energy output of the existing Bradley Lake power plant. The other alternative would transport water by tunnel to a new power plant located on the Lower Martin River. Either alternative would generate enough energy annually to be among the largest hydroelectric projects in Alaska. The diversion project would generate an estimated 168,000 MWh annually, which would increase Bradley Lake's energy output by about 44 percent. This application uses the first option of diverting water to Bradley Lake for the estimated project costs and energy generation. The Martin River alternative is likely to have similar but higher costs and energy generation.

2.5 Scope of Work
Provide a short narrative for the scope of work detailing the tasks to be performed under this funding request. This should include work paid for by grant funds and matching funds or performed as in-kind match.

Matching and grant funds will be used to perform some of the many engineering and environmental studies required by agencies to obtain a license amendment to the Bradley Lake Hydroelectric Project license. It is expected that feasibility, conceptual design, and environmental studies will cost more than $5 million. The results of these studies will significantly advance the knowledge of geology, vegetation, fish, and wildlife populations of the area.

2.6 Previous REF Applications for the Project
See Section 1.15 of the RFA for the maximum per project cumulative grant award amount

Round Submitted	Title of application	Application #, if known	Did you receive a grant? Y/N	Amount of REF grant awarded ($)
	No previous applications have been submitted for this project			

SECTION 3 – Project Management, Development, and Operation

3.1 Schedule and Milestones

Please fill out the schedule below (or attach a similar sheet) for the work covered by this funding request. Be sure to identify key tasks and decision points, including go/no go decisions, in your project along with estimated start and end dates for each of the milestones and tasks. Please clearly identify the beginning and ending of all phases (I. Reconnaissance, II. Feasibility and Conceptual Design, III. Final Design and Permitting, and IV. Construction) of your proposed project. See the RFA, Sections 2.3-2.6 for the recommended milestones for each phase. Add additional rows as needed.

Task #	Milestones	Tasks	Start Date	End Date	Deliverables
1	Conceptual Analysis & Recommendation	Determine conceptual configurations of elements, cost estimates, and energy	11/2021	6/2023	Conceptual Alternatives Analysis & Recommendations
2	Detailed Hydrology Assessment	Install stream gauges on Dixon fork stream and Martin River, precipitation, and glacier volume change	11/2021	6/2023	Hydrology Report
3	Environmental Studies	Consultation with Agencies on required studies and perform studies	7/2022	6/2025	Environmental Study Reports
4	Geotechnical Investigation	Drilling of rock	6/2023	6/2024	Geotechnical Report
5	Draft Amendment & Exhibits	Draft Amendment and Exhibits for review prior to submitting to FERC	1/2024	6/2024	Draft Amendment with Exhibits
6	Final Amendment and Exhibits	Final amendment with engineering layout, costs, environmental studies	1/2025	6/2025	Final Amendment
7	Preliminary Design Report	Write a conceptual business and operations plan	1/2024	6/2025	Preliminary Design Report

3.2 Budget

3.2.1 Funding Sources

Indicate the funding sources for the phase(s) of the project applied for in this funding request.

Grant funds requested in this application	**$1,000,000**
Cash match to be provided[a]	**$1,000,000**
In-kind match to be provided[a]	**$0**
Energy efficiency match provided[b]	**$0**
Total costs for project phase(s) covered in application (sum of above)	**$2,000,000**

Describe your financial commitment to the project and the source(s) of match. Indicate whether these matching funds are secured or pending future approvals. Describe the impact, if any, that the timing of additional funds would have on the ability to proceed with the grant.

The BPMC is committed to providing the stated matching funds of $1,000,000 to complete this work. The matching funds are secured and approved. See the attached BPMC Resolution No. 21-03 for the matching funds commitment. BPMC's match and other funding sources will not impact the ability of this grant to proceed rapidly once issued. All funds received from the REF will reduce project costs that are ultimately paid for by the customers of the Railbelt utilities. Therefore, the grant will decrease the cost of energy for about three quarters of the state's population.

[a] Attach documentation for proof (see Section 1.18 of the Request for Applications)
[b] See Section 8.2 of this application and Section 1.18 of the RFA for requirements for Energy Efficiency Match.

3.2.2 Cost Overruns

Describe the plan to cover potential cost increases or shortfalls in funding.

BPMC will be responsible to manage or cover any cost overruns.

3.2.3 Total Project Costs

Indicate the anticipated total cost by phase of the project (including all funding sources). Use actual costs for completed phases. Indicate if the costs were actual or estimated.

Reconnaissance	***Actual***	**$500,000**
Feasibility and Conceptual Design	***Estimated***	**$7,000,000**
Final Design and Permitting	***Estimated***	**$2,000,000**
Construction	***Estimated***	**$175,000,000**
Total Project Costs (sum of above)	***Estimated***	**$184,500,000**
Metering/Tracking Equipment *[not included in project cost]*	***Estimated***	**$0**

3.2.4 Funding Subsequent Phases

If subsequent phases are required beyond the phases being applied for in this application, describe the anticipated sources of funding and the likelihood of receipt of those funds.

- State and/or federal grants
- Loans, bonds, or other financing options
- Additional incentives (i.e. tax credits)
- Additional revenue streams (i.e. green tag sales or other renewable energy subsidies or programs that might be available)

Final design and construction costs will be paid by the five Railbelt utilities participating in the BPMC. If state or federal grants are available and awarded, those funds would help offset the project cost and will lower the cost of energy for all residences and businesses served by those utilities, approximately three quarters of the population of the state from Homer to Fairbanks. Renewable Energy Certificates (green tags) from Bradley Lake are not anticipated at this time.

3.2.3 Budget Forms

Applications MUST include a separate worksheet for each project phase that was identified in Section 2.3.2 of this application — I. Reconnaissance, II. Feasibility and Conceptual Design, III. Final Design and Permitting, and IV. Construction. Please use the tables provided below to detail your proposed project's total budget. Be sure to use one table for each phase of your project, and delete any unnecessary tables. The milestones and tasks should match those listed in 3.1 above.

If you have any question regarding how to prepare these tables or if you need assistance preparing the application please feel free to contact AEA's Grants Coordinator by email at grants@akenergyauthority.org or by phone at (907) 771-3081.

Phase 2 — Feasibility and Conceptual Design					
Milestone or Task	**Anticipated Completion Date**	**RE- Fund Grant Funds**	**Grantee Matching Funds**	**Source of Matching Funds: Cash/In-kind/Federal Grants/Other State Grants/Other**	**TOTALS**
(List milestones based on phase and type of project. See Sections 2.3 thru 2.6 of the RFA)					
Conceptual Analysis & Recommendation	6/2023	$187,500	$187,500	BPMC Cash	$375,000
Detailed Hydrology Assessment	6/2023	$187,500	$187,500	BPMC Cash	$375,000
Various Environmental Studies	6/2025				
Geotechnical Investigation	6/2024	$625,000	$625,000	BPMC Cash	$1,250,000
Draft Amendment	6/2024				
Final Amendment	6/2025				
Preliminary Design Report	6/2025				
TOTALS		$1,000,000	$1,000,000	BPMC Cash	$2,000,000
Budget Categories:					
Direct Labor & Benefits					
Travel & Per Diem					
Equipment					
Materials & Supplies					
Contractual Services		$1,000,000	$1,000,000	BPMC Cash	$2,000,000
Construction Services					
Other					
TOTALS		$1,000,000	$1,000,000	BPMC Cash	$2,000,000

3.2.4 Cost Justification

Indicate the source(s) of the cost estimates used for the project budget, including costs for future phases not included in this application.

The cost estimates in this application are based on prior Alaska hydroelectric projects under the jurisdiction of the Federal Energy Regulatory Commission (FERC), specifically Bradley Lake, Susitna-Watana, Grant Lake, and Cooper Lake hydroelectric projects. Project team members have worked on all these projects.

3.3 Project Communications

3.3.1 Project Progress Reporting

Describe how you plan to monitor the progress of the project and keep AEA informed of the status. Who will be responsible for tracking the progress? What tools and methods will be used to track progress?

The progress of this project will be a regular agenda item for the BPMC. AEA and the Railbelt utilities are members of BPMC. In addition, monthly or more frequent updates will be presented to utility engineers and AEA management.

The engineering team comprised of utility and AEA staff engineers will be responsible for tracking progress using various means of communication and planning tools including Microsoft Word, Excel, SharePoint, and Project.

Due to AEA's ownership of Bradley Lake Hydroelectric Project and its role in the BPMC, AEA will be well informed of this project's progress.

3.3.2 Financial Reporting

Describe the controls that will be utilized to ensure that only costs that are reasonable, ordinary and necessary will be allocated to this project. Also discuss the controls in place that will ensure that no expenses for overhead, or any other unallowable costs will be requested for reimbursement from the REF Grant Program.

Budget for studies will be approved by the BPMC utilities and AEA through existing established processes with strong controls. Utilities submit expenses to BPMC. These are verified by AEA accounting staff and approved by other utilities through BPMC. All utilities and the BPMC are audited annually. Expenses for overhead or other unallowable costs will not be requested for reimbursement and will be reviewed through the BPMC accounting process.

SECTION 4 – QUALIFICATIONS AND EXPERIENCE

4.1 Project Team

Include resumes for known key personnel and contractors, including all functions below, as an attachment to your application. In the electronic submittal, please submit resumes as separate PDFs if the applicant would like those excluded from the web posting of this application.

4.1.1 Project Manager

Indicate who will be managing the project for the Grantee and include contact information. If the applicant does not have a project manager indicate how you intend to solicit project management support. If the applicant expects project management assistance from AEA or another government entity, state that in this section.

The BPMC will designate staff or hire a project manager for this project. The project manager will be supported by utility engineers experienced with hydroelectric permitting and hydro project management including Mike Brodie (Chugach Electric Association, Inc.), Mike Salzetti (Homer Electric Association, Inc.), and Bryan Carey (Alaska Energy Authority). Additionally, Betsy McGregor (Alaska Energy Authority) will participate in the permitting process. She has extensive hydro permitting experience in Alaska, having managed the Susitna Watana permitting process.

Chugach on behalf of the BPMC requests project management assistance from AEA.

Submitted with this application are the resumes of **Mike Salzetti** and **Mike Brodie**.

Resume statements for Bryan Carey and Betsy McGregor are below.

Bryan Carey, P.E., Owned Asset/Hydro Manager.
Bryan Carey is the project manager for the Alaska Energy Authority's Bradley Lake Hydroelectric Project (Alaska's largest Hydro project), Alaska Industrial Export Development Authority owned Snettisham Hydroelectric Project, and was the Project Engineer for the Susitna-Watana Hydroelectric Project. As the project manager/engineer he has directed numerous studies for licensing or amendments with Federal Energy Regulatory Commission (FERC). Recently he managed the West Fork Upper Battle Creek Diversion Project to divert water to Bradley Lake from project initiation, FERC license amendment, and construction.

In addition to the hydroelectric work he has been the project manager for various rural Alaska energy projects that include bulk fuel facilities, power plants, and small hydroelectric & wind projects.

Mr. Carey received a Bachelor of Science degree in engineering from the University of Alaska Fairbanks and a Master of Business Administration from University of Alaska Anchorage.

Betsy McGregor, Preliminary Design and Environmental Manager.
Betsy McGregor is the environmental manager for the Alaska Energy Authority and works on a wide breadth of development projects. Ms. McGregor is a fisheries and wildlife biologist by training and has 29 years of experience in natural resources in Alaska and the Pacific Northwest. In addition to her field experience, Betsy has extensive experience in agency consultation and preparing technical and regulatory documents associated with Federal Energy Regulatory Commission (FERC) licensing and compliance; National Environmental Policy Act; Clean Water Act Section 404 Wetlands permitting and Section 401 Water Quality Certification; National Historic Preservation Act Section 106; Endangered Species Act; Bald and Golden Eagle Protection Act; ADF&G Fish Habitat Permits;

and right-of-way easements. She was the Environmental Manager for the Susitna-Watana Hydroelectric Project FERC integrated licensing process, directing a team of consultants through consultation, study planning, study implementation and FERC filings. She provided technical support for the Bradley Lake FERC license amendment for the West Fork Upper Battle Creek Diversion Project and compliance with the Lower Battle Creek fish habitat implementation plan. She currently serves as the agency's project manager for the construction of the Fivemile Creek Hydroelectric Project and licensing study activities associated with the Nuyakuk Hydroelectric Project.

In addition to the hydroelectric work, she is the Volkswagen Program Manager for the State of Alaska, the Electric Vehicle Program Manager for the agency, and has assisted AIDEA with the Ambler Access Project permitting.

Ms. McGregor received a Bachelor of Science degree in Wildlife Science from Purdue University.

4.1.2 Project Accountant

Indicate who will be performing the accounting of this project for the grantee. If the applicant does not have a project accountant indicate how you intend to solicit financial accounting support.

BPMC will account for this project as part of routine business. BPMC accounting is managed by AEA.

4.1.3 Expertise and Resources

Describe the project team including the applicant, partners, and contractors.

For each member of the project team, indicate:

- the milestones/tasks in 3.1 they will be responsible for;
- the knowledge, skills, and experience that will be used to successfully deliver the tasks;
- how time and other resource conflicts will be managed to successfully complete the task.

If contractors have not been selected to complete the work, provide reviewers with sufficient detail to understand the applicant's capacity to successfully select contractors and manage complex contracts.

Chugach Electric Association, Inc. is the applicant and has extensive experience in permitting, licensing, building, operating, maintaining, and re-licensing hydroelectric projects in Alaska including Cooper Lake, Eklutna Lake, and is a member of the BPMC. Chugach is applying on behalf of the BPMC to support the project.

The other partners are the other four Railbelt electric utilities on the Railbelt who receive power from Bradley Lake and form the BPMC: Homer Electric Association, Inc., Seward Electric, Matanuska Electric Association, Inc., and Golden Valley Electric Association, Inc. Alaska Energy Authority, owner of Bradley Lake hydro is also a partner in the project.

The BPMC will oversee all milestones and tasks described in Section 3.1 above. The tasks will be conducted mostly by contractors selected for their experience and expertise in each of the task areas. Time and resource conflicts will be managed through the contracts issued.

The contractors have not been selected. BPMC, AEA and the participating utilities have extensive experience issuing and managing contracts for complex projects. New Requests for Proposals are expected to be issued in spring 2022 for the project environmental, engineering, and licensing expertise. Existing team members have managed the FERC licensing process for license amendments at Bradley Lake, Cooper Lake, and a new license at Grant Lake.

The BPMC regularly manages complex projects, such as the maintenance and refurbishment of Bradley Lake Hydro plant and the addition of Battle Creek Diversion Project, also funded by the Renewable Energy Fund.

4.2 Local Workforce

Describe how the project will use local labor or train a local labor workforce.

Local contractors will be solicited to the maximum extent because of their local knowledge and cost.

SECTION 5 – TECHNICAL FEASIBILITY

5.1 Resource Availability

5.1.1 Assessment of Proposed Energy Resource

Describe the potential extent/amount of the energy resource that is available, including average resource availability on an annual basis. For pre-construction applications, describe the resource to the extent known. For design and permitting or construction projects, please provide feasibility documents, design documents, and permitting documents (if applicable) as attachments to this application (See Section 11). Likelihood of the resource being available over the life of the project. See the "Resource Assessment" section of the appropriate Best Practice Checklist for additional guidance.

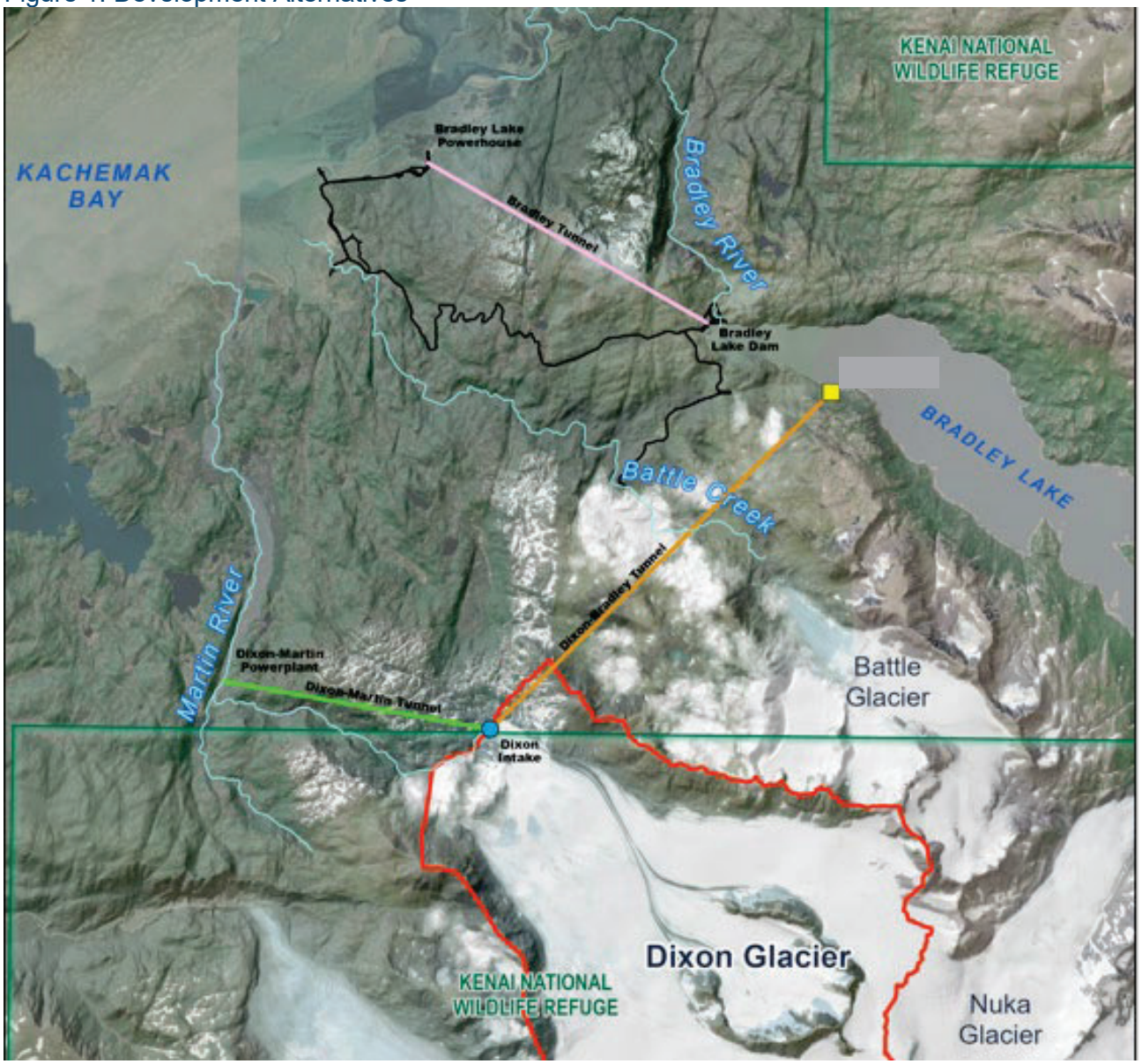
The Dixon basin is a coastal, 20-square-mile, high-elevation area. Based on previous work, the average annual precipitation is estimated around 120 inches of water. Glacial melt of Dixon Glacier increases the outflow greater than the precipitation alone.

Two potential projects are currently being studied. An engineering alternatives report is due in the first half of 2022 which will guide the decision of which project to pursue.

The primary alternative is the diversion of this water into the Bradley Lake reservoir (see orange line in Figure 1). Assuming diversion of 75% of the water, the project would generate an estimated 168,000 MWh from the existing Bradley Lake Hydroelectric facility.

The other alternatives would harness the energy from the water dropping 1,000 feet over a relatively short distance in a run-of-river configuration which would return the water to the Martin River basin (see green line in Figure 1 below). Assuming diversion of 95 percent of the water, the project would generate an estimated 174,000 MWh per year from a new hydro power plant.

Figure 1: Development Alternatives



5.1.2 Alternatives to Proposed Energy Resource

Describe the pros and cons of your proposed energy resource vs. other alternatives that may be available for the market to be served by your project.

Alternatives to this project are to continue using fossil fuels (natural gas from Cook Inlet, liquid petroleum, and coal) to meet the majority of electric demand in the Railbelt, or develop wind, solar, new hydro, or other forms of renewable energy. The strong advantage this project has over the other alternatives is this project is expected to be less expensive than the other generating sources and would displace the incumbent fossil fuels. Additionally, if the decision is made to divert water into the existing Bradley Lake it will have relatively low environmental impact (especially as compared to fossil fuels or a new storage hydro project), the license amendment process is likely simpler, and

it is less likely to spur opposition. The run-of-river option also has the benefit over the alternatives that the environmental impacts are likely relatively minimal compared to storage hydro or other alternatives. However, due to its location next to Bradley Lake hydro project and sharing its transmission infrastructure, the run-of-river project would allow more of Bradley Lake's water to remain stored when the water is flowing through the run-of-river project. Both project alternatives result in a fully or virtually dispatchable new renewable energy source, which is of value in the Railbelt grid and which solar and wind can not provide without large energy storage devices.

5.1.3 Permits

Provide the following information as it may relate to permitting and how you intend to address outstanding permit issues. See the "Environmental and Permitting Risks" section of the appropriate Best Practice Checklist for additional guidance.

- List of applicable permits
- Anticipated permitting timeline
- Identify and describe potential barriers including potential permit timing issues, public opposition that may result in difficulty obtaining permits, and other permitting barriers

The project will be licensed and regulated by the FERC. Permits will be applied for and acquired within the FERC timeline and during final design. All land is owned by the State of Alaska Department of Natural Resources and is non parkland. Project is planned to be low visibility, with minimal impact to fish and game populations around the project. The FERC process requires public input and permits be completed prior to construction. Public education and communication will be an important part of the development process. Public opposition is expected to be low due to the characteristics of the project alternatives and its location.

5.2 Project Site

Describe the availability of the site and its suitability for the proposed energy system. Identify potential land ownership issues, including whether site owners have agreed to the project or how you intend to approach land ownership and access issues. See the "Site control" section of the appropriate Best Practice Checklist for additional guidance.

All project lands are owned by the State of Alaska. Easements and permits are expected to be straight forward as they would be an expansion of existing Bradley Lake easements. The project would be consistent with Bradley Lake land use which makes the easement and permit expansions simple and non-controversial.

5.3 Project Technical & Environmental Risk

5.3.1 Technical Risk

Describe potential technical risks and how you would address them.

- Which tasks are expected to be most challenging?
- How will the project team reduce the risk of these tasks?
- What internal controls will be put in place to limit and deal with technical risks?

See the "Common Planning Risks" section of the appropriate Best Practice Checklist for additional guidance.

During the feasibility phase, the greatest risks are managing cost and the safety of field crews. BPMC's management process and contracting language will mitigate cost risks. All utilities and AEA have strong safety cultures and procedures to ensure the safety of field crews.

During the construction phase, the long underground tunnels will be the most challenging. The project team will perform a robust study of the terrain and geology to better understand risk of tunneling. The construction budget will have contingencies for various unexpected rock conditions. All of these risks will be minimized through the procurement processes to hire contractors for various steps of the project.

BPMC recently built a very similar project, the Battle Creek Diversion, and successfully navigated the technical and environmental risks. This project will run parallel to the Battle Creek project using the same tools and procedures, but this time with the benefit of the recent experience on the same type of project in the same geographic area. For example, the team will work closely with stakeholders and consulting agencies to ensure a smooth process. The plan and path forward will be carefully planned and communicated. This proposal takes into account flow reservations and currently assumes a 25% flow reservation. If flow reservation is increased to 50%, the preliminary project economics remain positive.

The team is confident it can successfully navigate the technical and environmental risks this project presents, especially given its recent success with the same type of project at Bradley Lake.

5.3.2 Environmental Risk

Explain whether the following environmental and land use issues apply, and if so which project team members will be involved and how the issues will be addressed. See the "Environmental and Permitting Risks" section of the appropriate Best Practice Checklist for additional guidance.

- Threatened or endangered species
- Habitat issues
- Wetlands and other protected areas
- Archaeological and historical resources
- Land development constraints
- Telecommunications interference
- Aviation considerations
- Visual, aesthetics impacts
- Identify and describe other potential barriers

Previous Bradley Lake amendments have not identified threatened or endangered species, habitat issues, archaeological resources, land development constraints, telecommunications, or aviation issues in the vicinity of the project. There may be minor wetland impacts while constructing the access road, though most ground is well drained. The project location is not visible to the public unless they are in a plane.

5.4 Technical Feasibility of Proposed Energy System

In this section you will describe and give details of the existing and proposed systems. The information for existing system will be used as the baseline the proposal is compared to and also used to make sure that proposed system can be integrated.

Only complete sections applicable to your proposal. If your proposal only generates electricity, you can remove the sections for thermal (heat) generation.

5.4.1 Basic Operation of Existing Energy System

Describe the basic operation of the existing energy system including: description of control system; spinning reserve needs and variability in generation (any high loads brought on quickly); and current voltage, frequency, and outage issues across system. See the "Understanding the Existing System" section of the appropriate Best Practice Checklist for additional guidance.

The existing energy system is the Alaska Railbelt grid serving communities from Homer to Fairbanks. The Dixon Diversion project would significantly augment the existing Bradley Lake project, which is arguably the most valuable generation asset on the Railbelt. Bradley Lake provides a large amount of dispatchable energy for all Railbelt utilities, which directly offsets natural gas and other fossil fuels, allows for the integration of more variable renewable generation resources, and provides dispatching flexibility of the most efficient natural gas generators. By either adding more water to Bradley Lake or creating a new run-of-river hydro project that would allow Bradley Lake to store more water, the Dixon Diversion project allows all Railbelt utilities to increase the generation potential of Bradley Lake. The project will increase Bradley Lake's generation load factor, and dispatchers will have greater flexibility to use Bradley Lake at higher capacities throughout much of the year.

Chugach welcomes specific questions or requests for other information about the Railbelt system that can help AEA evaluate this project.

5.4.2 Existing Energy Generation Infrastructure and Production

In the following tables, only fill in areas below applicable to your project. You can remove extra tables. If you have the data below in other formats, you can attach them to the application (see Section 11).

5.4.2.1 Existing Power Generation Units **Include for each unit include: resource/fuel, make/model, design capacity (kW), minimum operational load (kW), RPM, electronic/mechanical fuel injection, make/model of genset controllers, hours on genset**
Unit 1: This project will displace energy from fossil fuel units in the Railbelt.
Unit 2: AEA's Evaluation Model contains the information needed for the Railbelt system.
Unit 3:
Unit 4:
Unit 5:
Unit 6:

Is there operational heat recovery? (Y/N) If yes estimated annual displaced heating fuel (gallons)	Yes, the primary natural gas generators on the Railbelt operate in combined cycle with a steam generator.

5.4.2.2 Existing Distribution System
Describe the basic elements of the distribution system. Include the capacity of the step-up transformer at the powerhouse, the distribution voltage(s) across the community, any transmission voltages, and other elements that will be affected by the proposed project.

This project serves the Railbelt grid from Homer to Fairbanks and power from the project is delivered at transmission voltages. If specific details are needed for application review, please contact Chugach Electric.

5.4.2.3 Existing Thermal Generation Units *(if applicable to your project)*

Generation unit	Resource/ Fuel type	Design capacity (MMBtu/hr)	Make	Model	Average annual efficiency	Year Installed	Hours
Not applicable							

5.4.2.4 O&M and replacement costs for existing units	Power Generation	Thermal Generation
i. Annual O&M cost for labor		
ii. Annual O&M cost for non-labor		
iii. Replacement schedule and cost for existing units		

5.4.2.5 Annual Electricity Production and Fuel Consumption (Existing System)
Use most recent year. Replace the section (Type 1), (Type 2), and (Type 3) with generation sources

Month	Generation (Type 1) (kWh)	Generation (Type 2) (kWh)	Generation (Type 3) (kWh)	Fuel Consumption (Diesel-Gallons)	Fuel Consumption [Other]	Peak Load	Minimum Load
January							
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
Total							

Covered by AEA's REF Evaluation Model for the Railbelt. Contact Chugach if additional information would be helpful.

5.4.3 Future Trends

Describe the anticipated energy demand in the community, or whatever will be affected by the project, over the life of the project. Explain how the forecast was developed and provide year by year forecasts. As appropriate, include expected changes to energy demand, peak load, seasonal variations, etc. that will affect the project.

The electric demand in the Railbelt is expected to remain fairly steady over the 50-year life of the hydro project, barring any significant changes to economic conditions or population. Most of the Railbelt utilities have been experiencing overall reductions of load over the past decade resulting mostly from end-use energy efficiency improvements and slow or declining economic conditions. It is expected that these efficiency changes will continue, but at a slower rate in the coming decades and will be matched with increased loads and beneficial electrification such as the electrification of transportation. The US Energy Information Administration in their Annual Energy Outlook, which projects energy use to 2050, projects less than 1 percent growth per year through 2050. This projection is a combination of energy efficiency measures that reduce load and economic development that increases load at a greater pace. Due to current economic conditions in Alaska, it is likely that demand will continue to decrease slightly each year before economic growth and the addition of electric vehicles to the load surpass the efficiency decline. On the relatively large (by Alaska standards) Railbelt grid, these changes are expected to be slow, incremental changes to an otherwise stable load.

5.4.4 Proposed System Design

Provide the following information for the proposed renewable energy system:

- A description of renewable energy technology specific to project location
- The total proposed capacity and a description of how the capacity was determined
- Integration plan, including upgrades needed to existing system(s) to integrate renewable energy system: Include a description of the controls, storage, secondary loads, distribution upgrades that will be included in the project
- Civil infrastructure that will be completed as part of the project—buildings, roads, etc.
- Include what backup and/or supplemental system will be in place

See the "Proposed System Design" section of the appropriate Best Practice Checklist for additional guidance.

The most likely of the two project options is the diversion of water to Bradley Lake, which requires a tunnel to be constructed from Bradley Lake to the proposed intake location. The intake structure would be small and similar to the recently constructed Battle Creek intake. An access road to the intake site may need to be constructed from an existing stream bridge. Under a separate project, the Bradley Lake spillway and/or dam may be raised to store more water. Under this project option no new power plant would be needed as the diverted water would ultimately flow to Bradley Lake. The existing power plant is already integrated into the transmission system.

Under the run-of-river project alternative, a new power plant would be added that would interconnect with existing transmission infrastructure. The size of the plant would be determined after additional feasibility work is completed.

5.4.4.1 Proposed Power Generation Units

Unit #	Resource/ Fuel type	Design capacity (kW)	Make	Model	Expected capacity factor	Expected life (years)	Expected Availability

No new generators, uses existing Bradley Lake Hydroelectric generators

5.4.4.2 Proposed Thermal Generation Units *(if applicable)*

Generation unit	Resource/ Fuel type	Design capacity (MMBtu/hr)	Make	Model	Expected Average annual efficiency	Expected life

Not Applicable

5.4.5 Basic Operation of Proposed Energy System

- To the best extent possible, describe how the proposed energy system will operate: When will the system operate, how will the system integrate with the existing system, how will the control systems be used, etc.
- When and how will the backup system(s) be expected to be used

See the "Proposed System Design" section of the appropriate Best Practice Checklist for additional guidance.

The diverted water from Dixon Diversion will increase the water flow through the existing Bradley Lake power plant. The Bradley Lake power plant is already integrated into the Railbelt grid and the power is provided to all Railbelt electric utilities according to existing agreements. The addition of diverted water from Dixon Diversion will provide more water and therefore more energy through the existing dam. Utilities currently use Bradley Lake power to supplement and refine their dispatch of other fossil fuel based generation and variable renewable energy generation to maximize the efficiency of their systems. The additional energy through the Bradley Lake Power Project will allow for greater efficiency by all participating utilities and will 1) directly displace natural gas and other fossil fuel generation; 2) allow operators to more efficiently use their existing generation; 3) provide more energy to back up variable renewable generation, such as Fire Island Wind, which is backed up primarily by Bradley Lake and other storage hydro facilities.

The water flows from Dixon Diversion will be greatest in warmer months and will be less in colder months. The additional volume of water added to Bradley Lake will allow each utility to take more energy from Bradley Lake throughout the year with less concern about winter lake levels.

Future separate projects to increase the height of the spillway or the height of the dam and spillway would result in more water storage and allow for additional seasonal flexibility of dispatch. The Bradley Lake Power Project was built with the ability to additional another generation in the future.

5.4.3.1 Expected Capacity Factor	**52%** **Bradley Lake's current capacity factor is approximately 36%. With the addition of water diverted from Dixon Diversion, the capacity factor would increase to about 52%**

5.4.5.2 Annual Electricity Production and Fuel Consumption (Proposed System)

Month	Generation (Proposed System) (kWh)	Generation (Type 2) (kWh)	Generation (Type 3) (kWh)	Fuel Consumption (Diesel-Gallons)	Fuel Consumption [Other]	Secondary load (kWh)	Storage (kWh)
January	12,600,000						
February	12,600,000						
March	14,000,000						
April	14,000,000						
May	14,000,000						
June	15,400,000						
July	15,400,000						
August	15,400,000						
September	15,400,000						
October	14,000,000						
November	12,600,000						
December	12,600,000						
Total	168,000,000						

5.4.5.3 Annual Heating Fuel Consumption (Proposed System)						
Month	Diesel (Gallons)	Electricity	Propane (Gallons)	Coal (Tons)	Wood (Cords, green tons, dry tons)	Other
January						
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						
Total						

Not Applicable

5.4.6 Proposed System Operating and Maintenance (O&M) Costs

O&M costs can be estimated in two ways for the standard application. Most proposed renewable energy projects will fall under Option 1 because the new resource will not allow for diesel generation to be turned off. Some projects may allow for diesel generation to be turned off for periods of time; these projects should choose Option 2 for estimating O&M.

Option 1: **Diesel generation ON**	
For projects that do not result in shutting down diesel generation there is assumed to be no impact on the base case O&M. Please indicate the estimated annual O&M cost associated with the proposed renewable project.	$ 250,000
Option 2: Diesel generation OFF	
For projects that will result in shutting down diesel generation please estimate: 1. *Annual non-fuel savings of shutting off diesel generation* 2. *Estimated hours that diesel generation will be off per year.* 3. *Annual O&M costs associated with the proposed renewable project.*	1. $ 2. Hours diesel OFF/year: 3. $

5.4.7 Fuel Costs

Estimate annual cost for all applicable fuel(s) needed to run the proposed system (Year 1 of operation)

	Diesel (Gallons)	**Electricity**	**Propane (Gallons)**	**Coal (Tons)**	**Wood**	**Other**

Unit cost ($)						
Annual Units						
Total Annual cost ($)						

Electric costs to run communications and valves would be *de minimis.*

5.5 Performance and O&M Reporting
For construction projects only

5.5.1 Metering Equipment
Please provide a short narrative, and cost estimate, identifying the metering equipment that will be used to comply with the operations reporting requirement identified in Section 3.15 of the Request for Applications.

Water flow meters would be installed to measure the amount of water diverted to Bradley Lake. The cost would be small, have not been estimated and are included in the construction cost.

5.5.2 O&M reporting
Please provide a short narrative about the methods that will be used to gather and store reliable operations and maintenance data, including costs, to comply with the operations reporting requirement identified in Section 3.15 of the Request for Applications

The BPMC is an established, well-functioning organization that tracks all Bradley Lake Project expenses, including operations and maintenance expense. BPMC financial records are audited on an annual basis. Performance in terms of energy generation, water measurement and other similar performance metrics are already in place and any additional measures will be incorporated into BPMC's procedures. The metrics will be reported according to the grant agreement requirements.

SECTION 6 – ECONOMIC FEASIBILITY AND BENEFITS

6.1 Economic Feasibility

6.1.1 Economic Benefit

	Annual	Lifetime (50 years)
Anticipated Diesel Fuel Displaced for Power Generation (gallons)	10,400,000 gallons of diesel equivalent	520,000,000 gallons
Anticipated Fuel Displaced for Heat (gallons)	0	0
Total Fuel displaced (gallons)	10,400,000	520,000,000
Anticipated Diesel Fuel Displaced for Power Generation ($)	**$9,240,000** (year 1 **natural gas** savings) 168,000 MWh generated times avoided cost of fuel displaced and O&M of $55/MWh	**$235,000,000** (NPV over 50 years; assumes 2% annual increase to avoided cost, 5% discount rate).
Anticipated Fuel Displaced for Heat ($)	0	
Anticipated Power Generation O&M Cost Savings	Embedded in fuel estimate.	
Anticipated Thermal Generation O&M Cost Savings		
Total Other costs savings (taxes, insurance, etc.)	0	0
Total Fuel, O&M, and Other Cost Savings	$9,240,000	$235,000,000 Calculated as the NPV cost savings (utility fuel costs avoided minus cost to purchase the energy from this project) using 5% discount rate. AEA may calculate this differently from a grant project perspective.

6.1.2 Economic Benefit

Explain the economic benefits of your project. Include direct cost savings and other economic benefits, and how the people of Alaska will benefit from the project. Note that additional revenue sources (such as tax credits or green tags) to pay for operations and/or financing, will not be included as economic benefits of the project.

Where appropriate, describe the anticipated energy cost in the community, or whatever will be affected by the project, over the life of the project. Explain how the forecast was developed and provide year-by-year forecasts

The economic model used by AEA is available at https://www.akenergyauthority.org/What-We-Do/Grants-Loans/Renewable-Energy-Fund/2021-REF-Application*. This economic model may be used by applicants but is not required. The final benefit/cost ratio used will be derived from the AEA model to ensure a level playing field for all applicants. If used, please submit the model with the application.*

The project will reduce direct energy cost to approximately three quarters of Alaskans who live in communities served by the Railbelt utilities. The lower cost of energy in the Railbelt reduces costs to rural communities who purchase goods and services from the Railbelt region. The lower cost also helps rural residents and government/tribal organizations due to the Power Cost Equalization (PCE) formula. The PCE formula is based on equalizing certain rural electric costs to match the average electric cost in Anchorage, Fairbanks and Juneau, cities that are past beneficiaries of State grants to develop low-cost hydro projects. The Dixon Diversion project will help lower the cost of electricity in both Anchorage and Fairbanks and therefore it will lower electric costs in PCE communities.

Based on 75% flow of estimated Dixon, the estimated annual generation from the project is 168,000 MWh per year. Based on preliminary cost estimates, the benefit of the project to the participating utilities could exceed $170 million (NPV) over the 50-year life of the project, when accounting for the cost-based purchase price of the additional energy generated as a result of this diversion project.

6.1.3 Economic Risks

Discuss potential issues that could make the project uneconomic to operate and how the project team will address the issues. Factors may include:

- Low prices for diesel and/or heating oil
- Other projects developed in community
- Reductions in expected energy demand: Is there a risk of an insufficient market for energy produced over the life of the project.
- Deferred and/or inadequate facility maintenance
- Other factors

Hydroelectric projects have a high initial cost. This diversion project also has a high cost, but it uses existing generation and transmission sources, thereby significantly reducing the cost as compared to a new hydroelectric project. Once constructed, hydroelectric projects commonly operate for more than 100 years, though this project was calculated using the economic life of 50 years. Since the precipitation will continue at the Dixon basin, this project's energy generation appears to be economic over its 50-year life. As natural gas prices rise the hydroelectric energy becomes relatively lower cost. As long as there is a Railbelt needing energy there will be a market for Dixon energy.

6.1.4 Public Benefit for Projects with Direct Private Sector Sales

For projects that include direct sales of power to private sector businesses (sawmills, cruise ships, mines, etc.), please provide a brief description of the direct and indirect public benefits derived from the project as well as the private sector benefits and complete the table below. See Section 1.6 in the Request for Applications for more information.

Not Applicable

Renewable energy resource availability (kWh per month)	
Estimated direct sales to private sector businesses (kWh)	
Revenue for displacing diesel generation for use at private sector businesses ($)	
Estimated sales for use by the Alaskan public (kWh)	
Revenue for displacing diesel generation for use by the Alaskan public ($)	

6.2 Other Public Benefit

Describe the non-economic public benefits to Alaskans over the lifetime of the project. For the purpose of evaluating this criterion, public benefits are those benefits that would be considered unique to a given project and not generic to any renewable resource. For example, decreased greenhouse gas emission, stable pricing of fuel source, won't be considered under this category. Some examples of other public benefits include:

- *The project will result in developing infrastructure (roads, trails, pipes, power lines, etc.) that can be used for other purposes*
- *The project will result in a direct long-term increase in jobs (operating, supplying fuel, etc.)*
- *The project will solve other problems for the community (waste disposal, food security, etc.)*
- *The project will generate useful information that could be used by the public in other parts of the state*
- *The project will promote or sustain long-term commercial economic development for the community*

1. The project will develop additional infrastructure including roads.
2. Roads will increase access for other projects such as wind energy development and public access for hiking and hunting.
3. The project will reduce Alaska's estimated greenhouse gas emissions by up to 195,000 tons/year.
4. The project will help Railbelt utilities move toward their renewable energy and carbon reduction goals without raising costs to ratepayers.

SECTION 7 – SUSTAINABILITY

Describe your plan for operating the completed project so that it will be sustainable throughout its economic life.

At a minimum for construction projects, a business and operations plan should be attached and the applicant should describe how it will be implemented. See Section 11.

7.1.1 Operation and Maintenance

Demonstrate the capacity to provide for the long-term operation and maintenance of the proposed project for its expected life

- Provide examples of success with similar or related long-term operations
- Describe the key personnel that will be available for operating and maintaining the infrastructure.
- Describe the training plan for existing and future employees to become proficient at operating and maintaining the proposed system.
- Describe the systems that will be used to track necessary supplies
- Describe the system will be used to ensure that scheduled maintenance is performed

The project will be managed by the BPMC. The BPMC has managed the Bradley Lake Hydroelectric project, including operations and maintenance, for 30 years. Insurance and special inspections by FERC finds Bradley Lake has been maintained in good condition.

Employees start out as trainees with a training plan. Many operating workers at Bradley Lake stay long term which ensures knowledge about maintaining project is not lost. A computerized maintenance management system ensures O&M is performed at the scheduled times and that necessary supplies are ready.

7.1.2 Financial Sustainability

- Describe the process used (or propose to use) to account for operational and capital costs.
- Describe how rates are determined (or will be determined). What process is required to set rates?
- Describe how you ensure that revenue is collected.
- If you will not be selling energy, explain how you will ensure that the completed project will be financially sustainable for its useful life.

This project is well-positioned to be financially sustainable and secure because it is an addition to an existing successful hydro project with established governance and financial structures that are managed by AEA and the participating five electric utilities. Governing documents, power sales agreements, O&M agreements and other materials are publicly available at: https://www.akenergyauthority.org/What-We-Do/Railbelt-Energy/Bradley-Lake-Hydroelectric-Project/Bradley-Lake-Governing-Documents

AEA provides the accounting support for BPMC's capital and operating expenses. Bradley Lake expenses are submitted by the utilities to AEA for review, approval, coding, and processing. The financials for Bradley Lake are reviewed by the BPMC and audited annually.

Project costs would be paid by each of the participating utility members of the BPMC. In general, utility costs are recovered on a dollar-for-dollar basis through existing and well-established cost of

power adjustment processes. In general, cost of power adjustment factors are included in all retail (residential and commercial) classes of service.

Power purchase contracts already exist for Bradley Lake power so revenue for the project through the sale of the additional energy is assured. Additionally, the increased energy output from this project will likely be below the utilities' avoided costs, so it will reduce the cost of energy to ratepayers, thereby strengthening the assurance that the energy will be purchased.

7.1.2.1 Revenue Sources

Briefly explain what if any effect your project will have on electrical rates in the proposed benefit area over the life of the project. If there is expected to be multiple rates for electricity, such as a separate rate for intermittent heat, explain what the rates will be and how they will be determined

Collect sufficient revenue to cover operational and capital costs

- What is the expected cost-based rate (as consistent with RFA requirements)
- If you expect to have multiple rate classes, such as excess electricity for heat, explain what those rates are expected to be and how those rates account for the costs of delivering the energy (see AEA's white paper on excess electricity for heat)..
- Annual customer revenue sufficient to cover costs
- Additional incentives (i.e. tax credits)
- Additional revenue streams (i.e. green tag sales or other renewable energy subsidies or programs that might be available)

It is expected that this project would lower the electric rates of all five Railbelt utilities. The project cost is expected to result in a cost of energy that is below the utilities' current avoided costs.

At this preliminary stage, the cost-based rate for energy from the proposed project is expected to be approximately $0.022 per kWh.

A more reliable project cost, calculated benefit of the project, and the attendant impact on electric rates will be determined after the necessary studies have been made, including the economic viability of the project.

Revenue sources will be the five Railbelt electric utilities who will ultimately recover the costs through electric rates charged to their customers.

7.1.2.2 Power Purchase/Sale

The power purchase/sale information should include the following:

- Identification of potential power buyer(s)/customer(s)
- Potential power purchase/sales price - at a minimum indicate a price range (consistent with the Section 3.16 of the RFA)

Identify the potential power buyer(s)/customer(s) and anticipated power purchase/sales price range. Indicate the proposed rate of return from the grant-funded project. Include letters of support or power purchase agreement from identified customers.

The additional energy from this project is expected to be purchased by the existing purchasers of Bradley Lake power: Chugach Electric, GVEA, HEA, MEA, and the City of Seward. The cost of the energy is not yet known at this pre-feasibility stage but is estimated to cost approximately 2.2 cents per kWh using current estimates. The price range is conservatively estimated to be 2 to 4 cents per kWh. The utilities' current avoided cost for fuel and avoided O&M is about 5.5 cents per kWh or higher, resulting in cost savings to utility rate payers.

SECTION 8 – PROJECT READINESS

8.1 Project Preparation

Describe what you have done to prepare for this award and how quickly you intend to proceed with work once your grant is approved.

Specifically address your progress towards or readiness to begin, at a minimum, the following:

- The phase(s) that must be completed prior to beginning the phase(s) proposed in this application
- The phase(s) proposed in this application
- Obtaining all necessary permits
- Securing land access and use for the project
- Procuring all necessary equipment and materials

Refer to the RFA and/or the pre-requisite checklists for the required activities and deliverables for each project phase. Please describe below and attach any required documentation.

The BPMC is performing reconnaissance and pre-feasibility studies on the Dixon Project with its own funding. An engineering alternatives report will be completed in 2022 identifying the best option for the project (diversion to Bradley Lake or run-of-river hydroelectric facility). If grant funds are acquired, then such funds will be committed to feasibility engineering and environmental studies within months. Contractors will acquire permits and land access as needed prior to study field work.

8.2 Demand- or Supply-Side Efficiency Upgrades

If you have invested in energy efficiency projects that will have a positive impact on the proposed project, and have chosen to not include them in the economic analysis, applicants should provide as much documentation as possible including:

1. Explain how it will improve the success of the RE project
2. Energy efficiency pre and post audit reports, or other appropriate analysis,
3. Invoices for work completed,
4. Photos of the work performed, and/or
5. Any other available verification such as scopes of work, technical drawings, and payroll for work completed internally.

Not applicable

SECTION 9 – LOCAL SUPPORT AND OPPOSITION
Describe local support **and opposition**, known or anticipated, for the project. **Include letters, resolutions, or other documentation** of local support from the community that would benefit from this project. Provide letters of support, memorandum of understandings, cooperative agreements between the applicant, the utility, local government and project partners. The documentation of support must be dated within one year of the RFA date of November 16, 2021. Please note that letters of support from legislators will not count toward this criterion.

Please see attached Resolution from the BPMC, which represents support from all Railbelt electric utilities.

SECTION 10 – COMPLIANCE WITH OTHER AWARDS
Identify other grants that may have been previously awarded to the Applicant by AEA for this or any other project. Describe the degree you have been able to meet the requirements of previous grants including project deadlines, reporting, and information requests.

Chugach received an EETF grant from AEA for the battery and flywheel demonstration project which has helped inform Chugach's decisions regarding the addition of a larger grid battery. Chugach has been responsive to requests by AEA and shares performance information with Alaska Center for Energy and Power as needed per agreement between AEA and Chugach.

Chugach works closely with AEA on many projects, including supporting electric vehicle charging developments.

SECTION 11 – LIST OF SUPPORTING DOCUMENTATION FOR PRIOR PHASES
In the space below, please provide a list of additional documents attached to support completion of prior phases.

No prior phases have been completed.

SECTION 12 – LIST OF ADDITIONAL DOCUMENTATION SUBMITTED FOR CONSIDERATION
In the space below, please provide a list of additional information submitted for consideration.

Attached is the current draft schedule for the project from the feasibility phase through licensing, conceptual design and final design.

SECTION 13 – AUTHORIZED SIGNERS FORM

Community/Grantee Name: Chugach Electric Association, Inc.	
Regular Election is held: Annually in May	**Date: January 18, 2022**

Authorized Grant Signer(s):

Printed Name	Title	Term	Signature
Arthur Miller	Exec. VP, Regulatory and External Affairs	N/A	
Lee Thibert	CEO	N/A	

I authorize the above person(s) to sign Grant Documents:
(Must be authorized by the highest ranking organization/community/municipal official)

Printed Name	Title	Term	Signature
Lee Thibert	CEO	N/A	

Grantee Contact Information:

Mailing Address:	PO Box 196300, Anchorage, AK 99519-6300
Phone Number:	(907) 762-4747
Fax Number:	(907) 562-0027
Email Address:	Lee.thibert@chugachelectric.com
Federal Tax ID #:	92-0014224

Please submit an updated form whenever there is a change to the above information.

SECTION 14 – ADDITIONAL DOCUMENTATION AND CERTIFICATION

SUBMIT THE FOLLOWING DOCUMENTS WITH YOUR APPLICATION:

A. Contact information and resumes of Applicant's Project Manager, Project Accountant(s), key staff, partners, consultants, and suppliers per application form Section 3.1, 3.4 and 3.6.
Applicants are asked to provide resumes submitted with applications in separate electronic documents if the individuals do not want their resumes posted to the project web site.

B. Letters or resolutions demonstrating local support per application form Section 9.

C. For projects involving heat: Most recent invoice demonstrating the cost of heating fuel for the building(s) impacted by the project.

D. Governing Body Resolution or other formal action taken by the applicant's governing body or management per RFA Section 1.4 that:

- **Commits the organization to provide the matching resources for project at the match amounts indicated in the application.**
- **Authorizes the individual who signs the application has the authority to commit the organization to the obligations under the grant.**
- **Provides as point of contact to represent the applicant for purposes of this application.**
- **Certifies the applicant is in compliance with applicable federal, state, and local, laws including existing credit and federal tax obligations.**

E. An electronic version of the entire application on CD or other electronic media, per RFA Section 1.7.

F. CERTIFICATION

The undersigned certifies that this application for a renewable energy grant is truthful and correct, and that the applicant is in compliance with, and will continue to comply with, all federal and state laws including existing credit and federal tax obligations and that they can indeed commit the entity to these obligations.

Print Name	**Lee D. Thibert**
Signature	
Title	**Chief Executive Officer**
Date	**1/18/2022**

Memorandum of Agreement

Between Alaska Energy Authority & Chugach Electric Association. Inc.

Regarding the Management of a Dixon Diversion Feasibility Project Award

1. **Parties.** This Memorandum of Agreement ("MOA") is made and entered into between the Alaska Energy Authority ("AEA"), a corporation of the State of Alaska, and Chugach Electric Association, Inc. ("Chugach"), an Alaska not-for-profit cooperative electric utility, relating to the proposed conveyance of state awarded funding from AEA via the renewable energy fund to Chugach, on behalf of the Bradley Lake Management Committee (BPMC), for the Dixon Diversion Feasibility Project ("Project") as authorized by BPMC Resolution 21-03, provided as Exhibit A.

2. **Terms and Conditions.**

   a. **AEA's Role and Responsibilities.** AEA will manage the renewable energy funds awarded to Chugach for the same purpose described in the Dixon Diversion Feasibility Project funding application as submitted by Chugach to AEA on January 18, 2022 (see Exhibit B), with tasks re-focused on determining initial feasibility of the Project. The Project tasks, as determined by the members of the BPMC, shall focus primarily on refining engineered cost estimates and designs, and determining the gross water flows. The cost estimate and estimate of water flow values will refine the economic value of the Project prior to decisions to advance to further required studies, permitting, and construction which will be determined at the discretion of the members of the BPMC. The funds will be used to reimburse AEA competitively procured contractors for engineering and environmental studies. The funds will offset expenses agreed to by the BPMC and that otherwise would have been paid by the utilities participating in the BPMC. AEA will provide progress reports, project accounting statements and technical reports at least quarterly to the BPMC. AEA will be responsible for any reporting obligations related to the project and use of funds.

   b. **Chugach's Role and Responsibilities**. Chugach will provide AEA via this MOA permission to use the awarded renewable energy funds for the Dixon Diversion Feasibility Project engineering and environmental studies. Chugach will review AEA's

progress reports, accounting statements, and technical reports provided through the BPMC meetings. Based on the feasibility project findings reported to the BPMC, Chugach, in conjunction with the other members of the BPMC, will discuss whether potential future advancement of the Project, if any, should be pursued.

3. General Provisions.

a. **Termination.** This MOA may be terminated by providing 30-days prior written notice to any Party at any time without liability to the other Parties. If terminated, any remaining awarded funds would be available to Chugach in the usual manner that Renewable Energy Fund awards are provided to recipients.

b. **Amendments**. This MOA may be amended by written mutual agreement of the Parties.

c. **Governing Law/Jurisdiction/Venue.** This MOA, for all purposes, shall be construed in accordance with the laws of Alaska without regard to conflicts of law principles. Any action or proceeding by any of the Parties arising under or relating to this MOA shall be brought only in a state or federal court located in Anchorage, Alaska. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

d. **Reasonable Best Efforts.** The Parties will use their reasonable best efforts to effectuate the intent and purpose of this MOA.

e. **No Third-Party Beneficiaries.** Nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or assigns, any rights or remedies under or by reason of this MOA.

f. **No Assignment.** Neither this MOA, nor any rights or obligations hereunder may be assigned, delegated or conveyed by any Party without the prior written consent of the other Parties.

g. **Indemnification.** AEA shall indemnify, hold harmless, and defend Chugach against any and all losses, damages, liabilities, claims, actions, judgments, settlements, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees, that are incurred by Chugach arising out of or related to any negligent or more culpable act or omission of AEA or its personnel in connection with the performance of its obligations under this Agreement.

h. **Costs and Expenses**. Except as otherwise agreed herein, each Party shall be responsible for its own costs and expenses associated with pursuing the proposed transactions described in this MOA, including without limitation (i) the performance of its obligations

under this MOA, (ii) pursuing any approvals necessary to effectuate this MOA, and/or (iii) resolving any disputes between the Parties that arise out of this MOA.

i. **Term of Agreement**. This MOA will be deemed to be successfully ended upon the expenditure of all, or a portion thereof, the $2 million in funds assigned, at the discretion of the AEA project manager in consultation with Chugach and other members of the BPMC; or the decision of AEA, Chugach, and/or the BPMC to cease continued work on the Project as effectuated by the termination of this MOA via written notice as stated in Section 3(a) of this MOA.

4. **Contact Information**

Curtis Thayer
813 W Northern Lights Blvd.
Anchorage, AK 99503
Tel: (907) 771-3000
cthayer@akenergyauthority.org

Arthur Miller
Chugach Electric Association, Inc.
5601 Electron Drive
Anchorage, AK 99518
Tel: (907) 762-4758
arthur_miller@chugachelectric.com

5. **Counterparts.** This MOA may be executed manually or by electronic signature in counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same agreement. A signed copy of this MOA delivered by fax, email or other means of electronic transmission, shall be deemed to have the same effect as delivery of an original signed copy of this MOA.

IN WITNESS WHEREOF, the Parties hereto have executed this MOA as of the last date set forth below.

Alaska Energy Authority

By: DocuSigned by: EA4D9244D2DD446... Date: 3/7/2023

Name: Curtis Thayer

Title: Executive Director

Chugach Electric Association, Inc.

By: Date: 03/07/23

Name: Arthur Miller

Title: Chief Executive Officer

Attachments:

- Exhibit A: BPMC Resolution 21-03
- Exhibit B: Renewable Energy Fund Application – Dixon Diversion Feasibility Project

Exhibit A – BPMC Resolution 21-03

Exhibit B: Renewable Energy Fund Application – Dixon Diversion Feasibility Project

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
RESOLUTION NO. 21-03

Dixon Diversion REF Application

INTRODUCTION

The Dixon Diversion project concept has the potential to significantly increase the renewable energy output of Bradley Lake Hydro in a cost-effective manner. To develop the project, a full feasibility study must be undertaken including hydrology, geotechnical investigations, soils analysis, preliminary engineering, engineering estimates and other feasibility and permitting studies.

The Alaska Renewable Energy Fund (REF) is seeking applications for Round 14 projects in Alaska to be funded or partially funded by the Alaska Legislature. The REF provides funding for all project development phases from reconnaissance and feasibility to final design and construction. The announcement of Round 14, states, "To maximize efficient use of funds the program will focus on earlier stages of viable projects." Because Dixon Diversion is in early-stage development and because it is likely to be a viable project that would produce large amounts of renewable energy to serve approximately three quarters of the state's population, the Dixon Diversion project is well-suited to apply for a REF grant. The grant applications are due on January 18, 2022.

PURPOSE OF RESOLUTION

The purpose of this resolution is to demonstrate the Bradley Lake Project Management Committee's (BPMC) support for Chugach Electric Association, Inc. (Chugach) to submit a REF grant application on behalf of all utility purchasers of Bradley Lake hydropower to partially fund the feasibility work needed to develop the project. This resolution will become part of the REF application package.

BPMC RESOLUTION NO. 21-03

WHEREAS, the Dixon Diversion concept has the potential to add 40 to 65 percent more energy per year to the Bradley Lake Hydro Project;

WHEREAS, initial cost estimates and energy output estimates indicate that the cost of produced energy from the project will reduce energy costs for the estimated three quarters of Alaskans who live in the Railbelt and are served by Chugach, Golden Valley Electric Association, Inc., Homer Electric Association, Inc., Matanuska Electric Association, Inc. or Seward Electric System;

WHEREAS, Dixon Diversion project would increase the amount of renewable energy and decrease carbon emissions for each of the electric utilities served, most of which have renewable energy or carbon reduction goals;

WHEREAS, feasibility studies needed to advance the Dixon Diversion project are expected to cost more than $2 million dollars;

THEREFORE, BE IT RESOLVED THAT, the BPMC supports submitting a $1 million grant application to the Renewable Energy Fund to be matched with $1 million from BPMC to pay for feasibility studies needed to advance the Dixon Diversion project.

Dated at Anchorage Alaska, this 10th day of December 2021.

Chair, Anthony M. Izzo

Attest: _____

Secretary, Curtis Thayer

MEMORANDUM

TO: BPMC
THROUGH: Curtis Thayer, Executive Director
FROM: Jim Mendenhall, P.E., Director of Owned Assets
DATE: January 12, 2026
SUBJECT: Cook Inlet Power Link (CIPLINK) Update

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1) Environmental Review and 2026 Marine Survey Planning

AEA issued a Task Order to HDR to advance environmental permitting and marine survey planning to support the summer 2026 field season. HDR and Stantec are coordinating to ensure that the marine survey data collected in summer 2026 will be sufficient to:

- Define the HVDC cable route and landfall locations
- Reduce technical uncertainty for cable suppliers
- Enable accurate OEM pricing and risk allocation during procurement

The 2026 marine survey scope of work emphasizes early geophysical characterization and will include:

- High resolution bathymetry and geophysical surveys
- Limited grab sampling to characterize seafloor conditions
- Survey corridors wider than the final cable route to account for cable spacing, water depth, cable recovery, and installation tolerances
- Daily survey data delivery to allow adaptive field adjustments

At cable landfalls, the team is evaluating HDD versus open cut trenching based on thermal performance, constructability, and soil conditions. Lidar and desktop studies are being considered to support design and permitting.

AEA is pursuing an ASCE Nationwide Permit approach for survey activities. Informal ESA consultation is underway with beluga whale consideration addressed through low impact survey methods. The expected agency review period is 8-12 weeks with permits targeted to be in hand by April 2026. Geotechnical drilling is not planned for the 2026 marine season. One onshore borehole per landfall location is anticipated later in the year.

2) Major Equipment Procurement Strategy (HVDC Converters and Cable)

Stantec is supporting AEA to develop the procurement strategy and solicitation documents for long lead HVDC equipment. These components are expected to have multiyear lead times and represent a critical path for the project. Future contract packages will include HVDC converters (near-term), HVDC submarine cable (near-term), overhead AC transmission, substations and terminations (later).

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AEA intends to issue RFIs and prequalification packages to cable and converter suppliers in early 2026 to gauge market interest and capability, understand delivery schedule, and inform the supplier arrangement type. Recent market information indicates that the cable market is more open than converters, though still constrained. Converter OEMs require a preferred supplier or negotiated arrangement before committing engineering resources. Firm pricing is typically available only after 30% design is complete.

Stantec's current task order includes preparation of procurement documents for OEM delivery, under which the OEM would design, manufacture, and install the equipment. Stantec's procurement planning will include the development of budgetary pricing, delivery schedules, technical assumptions, and a 10-year O&M cost projection for major equipment.

3) System Configuration

AEA has convened meetings with Stantec and EPS to focus on AC system constraints, reliability standards, and implications for overall project cost and configuration. Items discussed include:

- Existing 115 kV lines between Soldotna and Bernice Lake including their capacity and thermal limits Note: Summer operating conditions constrain available line capacity.
- VSC-based HVDC systems perform better than LCC-based systems in weak AC networks; however, they still require sufficient system strength and OEM-specific control tuning to manage oscillations and ensure stable operation. CIPLink is designed as a VSC system.

Based on the discussions, AEA is considering the option of terminating the HVDC system at Soldotna instead of Nikiski. This configuration supports an initial 100 MW installation while preserving the ability to expand system capacity in the future.

4) Financial Status and DOE Coordination

AEA has secured $64.2 million in combined state appropriations and Bradley Lake bond proceeds and continues to pursue additional funding to close project funding requirements of $142.3 million.

Project expenditures through June 30, 2025, totaling $1,150,569.80 have been reimbursed by DOE. An additional $271,692 has been incurred thorough September 30, 2025. Following execution of Budget Period 2 (BP2) negotiations, AEA will submit an invoice for work completed from July 1, 2025, to date.

AEA is actively collaborating with DOE to finalize the BP2 scope and budget. As part of these discussions, DOE has requested that BP2 reflects credits associated with work eliminated following the cancellation of Community Benefit Plan (CBP) requirements. AEA is developing a revised BP2 budget that reallocates previously dedicated CBP funds to other eligible project activities, subject to DOE review and approval.

MEMORANDUM

TO: Bradley Project Management Committee
Through: Curtis Thayer, Executive Director
FROM: Ryan McLaughlin, PE, Senior Infrastructure Engineer
DATE: January 16, 2026
RE: Bradley Lake Expansion Project Update

Design and licensing efforts are ongoing, with submittal of the FERC Draft License Amendment Application (DLAA) anticipated in early February 2026.

The DLAA will include a 16' pool raise. AEA will be hosting a workshop with the utilities on January 22nd to compare different raise configurations, and operational changes that will have to occur for those scenarios to avoid spilling water in average, low, and high water years. Invitations have been sent to O&D committee members and can be forwarded to interested parties at the utilities.

AEA will also be holding a construction sequencing & scheduling workshop on January 27th to review and refresh the overall project schedule. Interested O&D members or utilities can reach out for an invitation.

AEA is considering pursuing a Construction Manager / General Contractor (CM/GC) project delivery strategy for the Bradley Lake Expansion Project. This would involve bringing on a construction contractor early in the design phase to provide preconstruction services including constructability reviews, scheduling, logistics planning, and risk identification and mitigation. The Bradley Lake Expansion Project is a remote and complex project that would benefit from early contractor involvement. CMGC would increase upfront project cost but improve cost certainty.

AEA responded and submitted to FERC, 61 comments from the Board of Consultants (BOC) following BOC meeting 2 discussing Probable Maximum Flood (PMF) and Seismic Hazard studies at Bradley. During the PMF study, it was discovered that the drainage area into Bradley Lake is much larger than calculated during the 1982 study resulting in a 44% larger PMF. Although the spillway was constructed with excess capacity, the new PMF would put the flood peak 2.5' over the dam crest, into the parapet wall. In the absence of a pool raise, it is very likely FERC would require modifications to the dam or spillway during relicensing.

Purchase of the 3-phase transformer is working through AEA procurement. This item has a 2-year lead time and is expected to cost around $500,000. The design for remaining power upgrades is 90% complete and that procurement is targeted for July 1, 2026.

2026 subsurface investigation plan is coming together, which will target 2 deep boreholes along the tunnel alignment. This drilling will take place in late June / early July. An onsite BOC meeting will be scheduled to overlap the drilling investigations.

An updated construction cost estimate is expected by the end of January 2026. Design progressed significantly in 2025, and the updated estimate will reflect the design submitted in the DLAA and current and anticipated market conditions.

AEA is reviewing and will be soon publishing the following study reports: Wildlife Habitat Evaluation, Vegetation Mapping, Bradley Wetlands Report, and Bradley Lake Shoreline Erosion.

Battle Glacier 10/02/2025

TO: BPMC
THROUGH: Curtis Thayer, Executive Director
FROM: Jim Mendenhall, P.E., Director of Owned Assets
DATE: January 12, 2026
SUBJECT: Transmission Upgrades – Sterling to Quartz Creek & Soldotna to Sterling

The Sterling Substation to Quartz Creek Transmission Line (SQ Line)

- Overall length of the SQ Line is 39 miles. The project is broken into three phases, each of the projects needs to have approximately a 40-day outage of the transmission line.
    - Phase 1 -The section is the 8 miles between Sterling and Johns Road was completed during the winter of 2024/2025. Field conditions for Phase 1 were difficult due to the warm weather and required ground matting to support the equipment. The section was as completed and energized to 115kV on February 28, 2025
    - Phase 2 – Upgrade 17 miles through the Kenai National Wildlife Refuge. This section will be constructed in the winter 2026/2027.
    - Phase 3 (previously 3 & 4) – Upgrade 14 miles from The Russian River to the Quartz Creek Substation (CEA). This section will be constructed during the winter 2028/2029
- $88,085,000 - Total estimate cost for SQ line upgrades
- $14,200,000 – Phase 1 cost
- $73,885,000 – Remaining work to be completed

The Soldotna to Sterling Substation Transmission Line (SS Line)

- This section is owned by HEA.
- This project was planned to be constructed in the 2025/2026 winter. However, the project was put on hold due to the extremely high steel quotes for the structures and piling. In addition, the delivery window of the steel components did not fit with the anticipated construction window.
- The original planned cost of the SS Line upgrades was $24.4M, the revised cost estimate with contingency is $36.1M.
- With the SS line being postponed, the construction schedule has no work is planned for this winter.
- The SS line upgrades are tentatively scheduled for winter of 2028/2029
- $36,135,000 -Total cost for SS upgrades

$124,220,000 – Total estimated cost of transmission upgrades. Note: Does not include substation upgrades.

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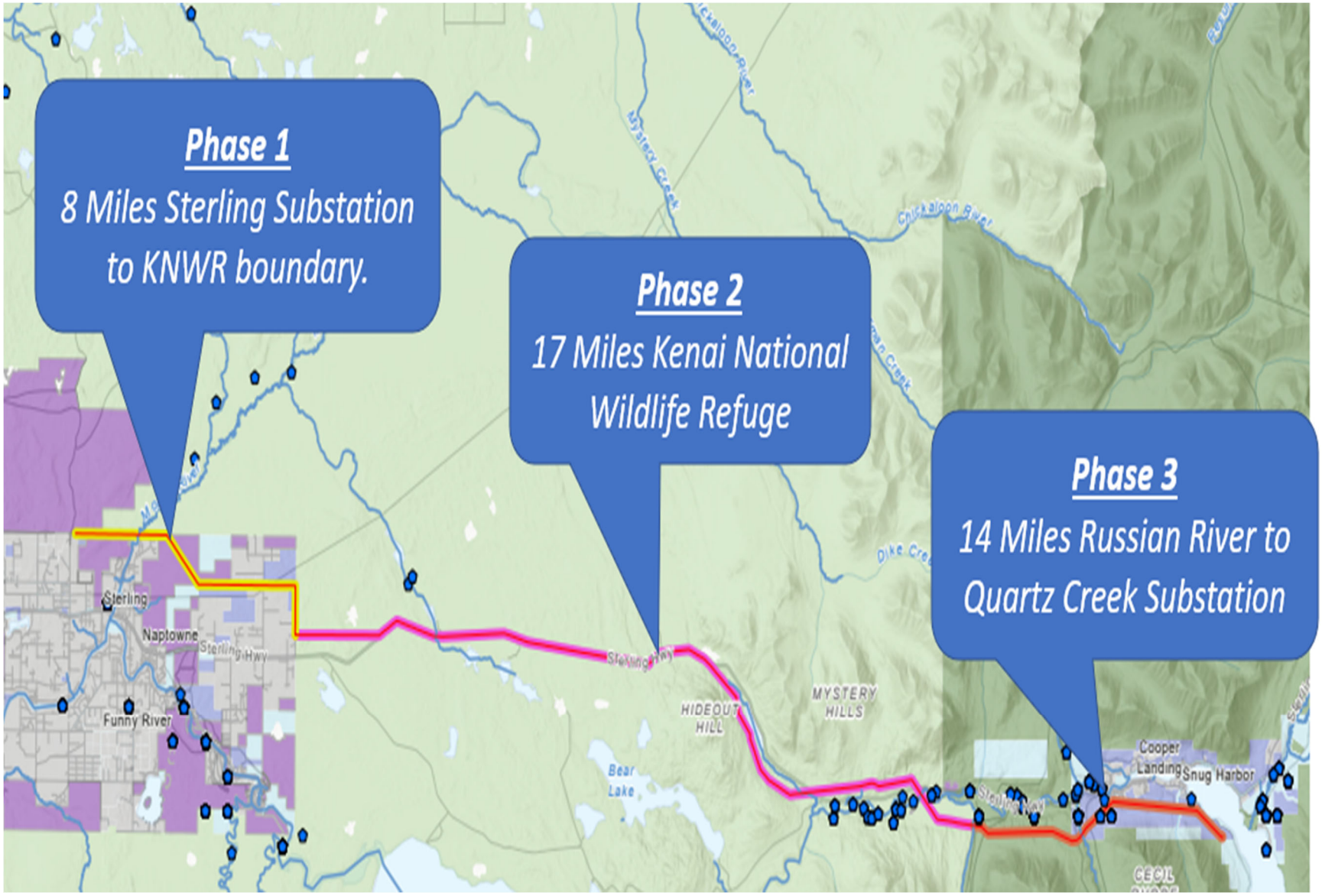
Project Map


Phase 1
8 Miles Sterling Substation to KNWR boundary.
Phase 2
17 Miles Kenai National Wildlife Refuge
Phase 3
14 Miles Russian River to Quartz Creek Substation
Sterling
Naptowne
Sterling Hwy
Funny River
HIDEOUT HILL
MYSTERY HILLS
Bear Lake
Cooper Landing
Snug Harbor
CECIL

SQ Line Upgrade to 230kV by Projects	SQ P1	SQ P2	SQ P3 & P4	SS		Totals
	Completed					
FY 2024	$ 5,550,000	$ 200,000	$ 400,000	$ -		$ 6,150,000
FY 2025	$ 8,650,000	$ 900,000	$ 50,000	$ 55,000		$ 9,655,000
FY 2026	$ -	$ 17,650,000	$ 525,000	$ 15,000		$ 18,190,000
FY 2027	$ -	$ 18,500,000	$ 6,060,000	$ 15,000		$ 24,575,000
FY 2028 - Preliminary Schedule	$ -	$ -	$ 29,600,000	$ 14,000,000		$ 43,600,000
FY 2029 - Preliminary Schedule	$ -	$ -	$ -	$ 22,050,000		$ 22,050,000
Line Upgrades for Upgrade Soldotna to Quartz Creek	$ 14,200,000	$ 37,250,000	$ 36,635,000			
Subtotal for SQ Upgrades			$ 88,085,000			
Subtotal for SS Upgrades				$ 36,135,000		
Total estimate for transmission upgrades						$124,220,000
Substation Upgrades						
Soldotna					$ 23,905,648	
Sterling					$ 9,395,500	
Quartz Creek					$ 16,403,807	
Substation Upgrade Totals					$ 49,704,955	$ 49,704,955
					Total	$173,924,955
					Completed to Date	$ (14,200,000)
					To be completed	$159,724,955

ALASKA ENERGY AUTHORITY

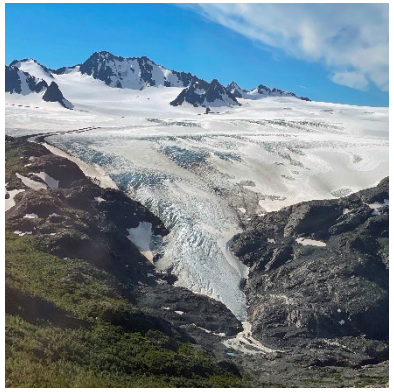
Financing AEA's Large Capital Projects

Curtis W. Thayer
Executive Director

BPMC Meeting
January 16, 2026

ALASKA ENERGY AUTHORITY

Large Capital Projects



Dixon Diversion

- **Expand the Bradley Lake Hydroelectric facility** by diverting water from the Dixon Glacier into Bradley Lake, increasing energy output by approximately 180,000 MWh/year and displacing 1.5 billion cubic feet of natural gas annually. Project components include a diversion dam, a 4.7-mile tunnel, reservoir modifications, and access road construction.
- **Project status as of January 2026:** Fiscal Year 2026 funding secured, environmental studies in progress; FERC feedback under review; Board of Consultants meeting October 2025; design work and permitting activities ongoing.

Cook Inlet PowerLink

- **±100 kV High Voltage Direct Current transmission system** connecting the Bernice Lake and Beluga substations across Cook Inlet, designed for transfer bidirectionally of up to 200 megawatts to improve grid stability, redundancy, and renewable integration.
- **Project status as of January 2026:** Cook Inlet PowerLink has completed its Preliminary Engineering Design Basis Report and environmental routing studies. The project now advancing into detailed design, permitting, and procurement, with early vendor engagement confirming feasibility and alignment with DOE GRIP program timelines

Funding Status Overview

AEA has secured initial funding for both projects, which are actively progressing through early development. However, substantial capital investment is still required to fully execute each initiative.

Dixon Diversion

- **Total cost:** $361.7MM
- **Funds raised to date:** $19.7MM
- **Funds still needed:** $342MM

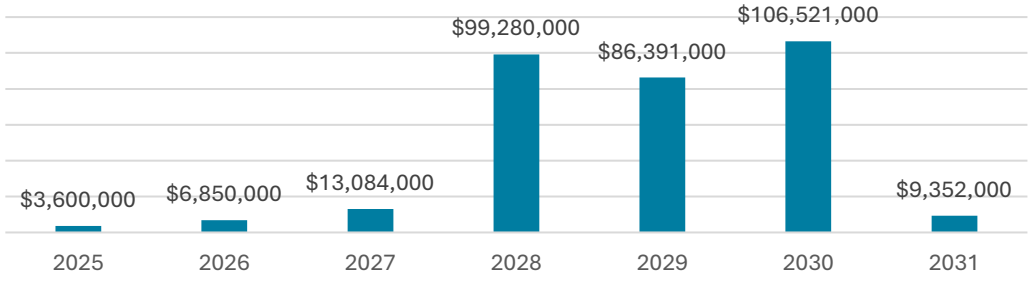
Cook Inlet PowerLink

- **Total cost:** $413MM
- **Funds raised to date:** $270.7MM
- **Funds still needed:** $142.3MM

Construction Cost Timeline

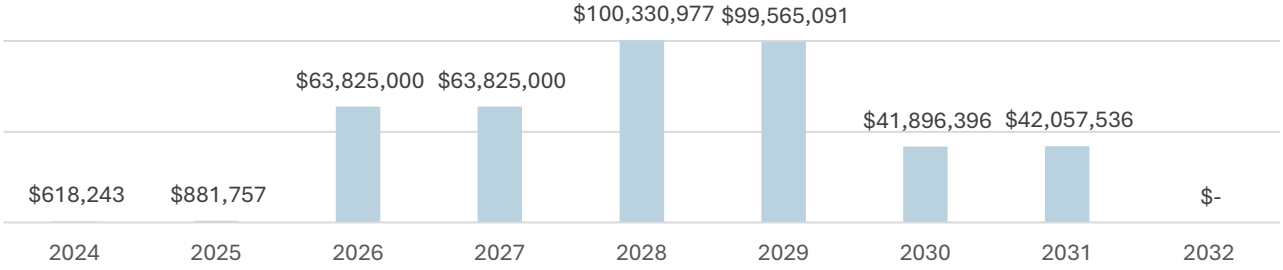
Dixon Diversion ($342,000,000)

- **Start of Construction**: May 2027
- **Commissioning**: December 2030
- **Target Date to Secure Funding**: Q3 2026



Cook Inlet PowerLink ($413,000,000)

- **Start of Construction**: January 2029
- **Commissioning**: April 2032
- **Target Date to Secure Funding**: Q3 2026



Potential Financial Partners

1. USDA RUS – System Borrower program
2. USDA RUS – Project Specific loans
3. Tax exempt bonds (Bradley Lake Expansion Project only)
4. DOE EDF Tribal Program
5. DOE EDF Title 17
6. NRUCFC, taxable bonds

Next Steps

Current Funding Expires: July 2027

Finance Completion: Fall 2026

Bradley Lake Expansion Project Timeline

JAN 30
Update
AEA Board Meeting

APR 16
Update
AEA Board Meeting

JULY 30
Approve Term Sheet
AEA Board Meeting

AUG/SEPT
Approve Term Sheet
BPMC & Utilities Board Meetings

~SEPT 30
Resolution Approving Financing Option
AEA Special Board Meeting

Bradley Lake Operator Report
BPMC
January 16, 2026

Unit Statistics:

Generation	Unit 1 (MWhrs)	Unit 2 (MWhrs)	Total (MWhrs)
Nov. 2025	24,556	25,442	49,999
Dec. 2025	24,957	25,832	50,789
Jan. *2026	4,616	7,282	11,898

Hydraulics	Avg. Lake Level (ft.)	Bradley Fishwater (ac ft.)	Battle Creek MIF (ac ft.)
Nov. 2025	1,162	1,062	0
Dec. 2025	1,149	2,000	0
Jan. *2026	1,138	650	0

Battle Creek	Inflows to Bradley (ac ft.)
Nov. 2025	0
Dec. 2025	0
Jan. *2026	0

*Lake Level – 1,156.7' As of Jan. 8, 2026

Activities

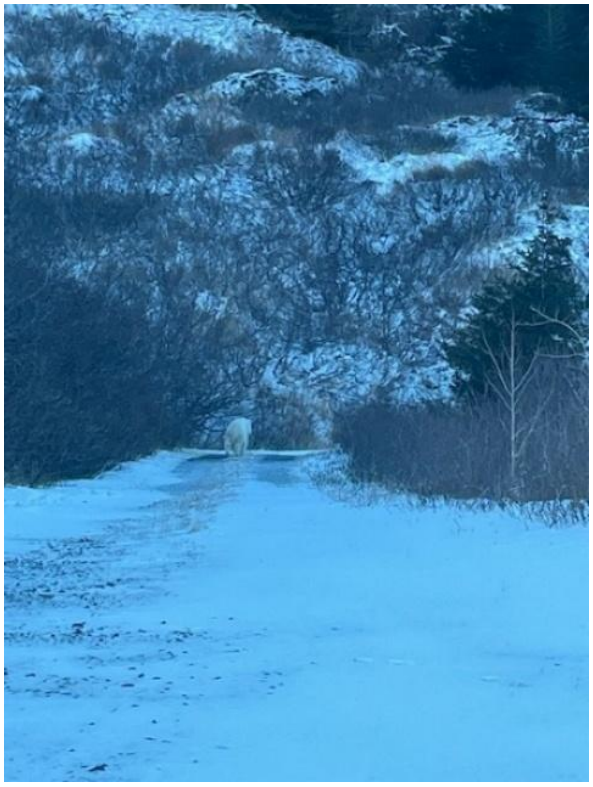
- Forced Outages – None to report.
- Dam/Spillway – Completed the monthly safety inspection.
- Battle Creek Diversion- Secured for winter.
- Safety – There have been no lost time or reportable accidents for the months of November, December and as of to date. Conducted a safety meeting on Dec 10, 2025. Next safety meeting is January 14, 2026.
- Fire System- Yukon Fire personnel are working toward completion of the Control Room/ Generator Halon Fire System upgrade to a KIDDE SUPPRESION AGENT. Estimate completion by January 30, 2026
- John Heberling formally of D Hittle Engineering (retired) has agreed to update the Estimated Long-term Repair and Replacement Cost Report. He will start his review early in 2026.

Contractors/ Visitors

- HEA – Larry Jorgensen Safety Meeting.
- Yucon Fire – Fire System replacement.

Bradley Lake, Dec. 28, 2025. Lake Elevation 1142.7

Goat on the Power Tunnel Road

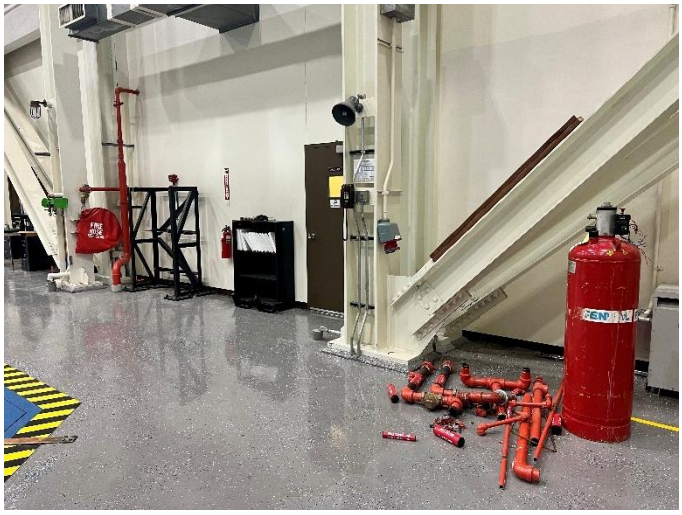


Tail Race of the Powerhouse

Ice Tunnel at the Fish Water Valves

Fire System Demolition

Removing the Halon Bottles



Stripping the Alarm Pannels

New Fire System Control Pannels Rewired

New Kidde Fire Bottles for Control Room

Alaska Energy Authority
Bradley Lake
Budget to Actual Expenses
07/01/2025 to 10/31/2025

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
BRADLEY LAKE NON-R&C CAPITAL PURCHASES
SCHEDULE A
FOR THE PERIOD 07/01/2025 TO 10/31/2025

BRADLEY LAKE CAPITAL PURCHASES NOT FUNDED BY R&C FUND	FY24 BUDGET	FY24 ACTUALS	FY25 BUDGET	FY25 ACTUALS	FY26 BUDGET	FY26 ACTUALS
Install New Bradley Microwave System	518,000	45,215	-	-	-	-
Brush Hog for Front End Loader	150,000	-	-	111,087	-	-
JLG All Terrain Fork Lift- New Purchase	190,000	213,942	-	-	-	-
Replace BL#5 2009 F150 Crew Cab Pickup	45,000	-	-	48,995	-	-
Warehouse Heaters x2 (Replace)	5,000	-	-	-	-	-
ISO Shipping Containers x2 (Replace)	40,000	30,700	-	-	-	-
Polaris Side by Side (Replace)	-	-	65,000	62,645	-	-
Crew Quarters Remodel	-	-	85,000	84,873	-	-
New Circuit Breaker - Generator #2	-	-	-	60,988	-	-
Contex HD Ultra X 3690 Color Scanner	-	-	-	12,620	-	-
Replace DC Station Service Batteries	-	-	-	-	130,000	-
Replace Needle Valve Position Arm Bushings	-	-	-	-	95,000	-
Replace ION Meters	-	-	-	-	120,000	-
AC unit in powerhouse server room	-	-	-	-	38,000	-
Powerhouse Control Rm and Office Flooring	-	-	-	-	28,000	-
Approach Path Indicator Lights (Replace)	-	-	-	-	40,000	-
Limitorque Actuators on fish water valve (Replace)	-	-	-	-	35,000	-
Domestic water tank, controls, and filtration system (Replace)	-	-	-	-	35,000	-
Total Non R&C Capital Purchases	948,000	289,857	150,000	381,209	521,000	-

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
BRADLEY LAKE OPERATIONS & MAINTENANCE
BUDGET TO ACTUAL EXPENSES
SCHEDULE B
FOR THE PERIOD 07/01/2025 TO 10/31/2025

		FY 26						FY 25	
	FY26 Approved Budget	BUDGET % 07/01/2025 - 10/31/2025	HEA Actual	CEA Actual	AEA Actual	Total Actual	(Over) Under Budget to Date	FY25 Approved Budget	FY25 Actual
Summary by expense type									
Staff Professional Services (Direct)	360,000	120,000	-	-	126,229	126,229	(6,229)	312,585	501,917
Labor & Benefits	1,497,414	499,138	338,310	10,586	84,711	433,607	65,531	2,054,317	1,435,363
Travel	40,300	13,433	119	115	2,445	2,679	10,754	51,500	57,509
Training	55,000	18,333	250	-	-	250	18,083	55,000	7,211
Contractual	1,392,497	464,166	366,507	-	74,102	440,609	23,557	1,243,010	1,118,636
Consulting-Administrative	155,000	51,667	-	-	19,262	19,262	32,404	315,000	46,433
Supplies & Materials	342,000	114,000	34,373	677	-	35,050	78,950	378,500	296,310
Other Costs	77,518	25,839	13,062	9,655	-	22,717	3,122	112,718	95,087
Equipment, Furniture & Machinery	20,000	6,667	7,645	-	-	7,645	(979)	35,000	19,940
Administrative Costs	2,549,839	849,946	23,304	-	527,507	550,810	299,136	1,978,224	2,088,063
Indirect Costs	1,543,116	514,372	423,333	-	-	423,333	91,039	1,480,105	1,340,986
O&M 4% Allocation to Battle Creek	(321,307)	(107,102)	-	-	-	-	(107,102)	(320,638)	-
Total Bradley Lake Budget	**7,711,376**	**2,570,459**	**1,206,904**	**21,033**	**834,256**	**2,062,193**	**508,266**	**7,695,321**	**7,007,455**
FERC 535 - Operation Supervision & Engineering									
Operations Sup/Eng									
Bradley Lake Operating									
Labor & Benefits	109,196	36,399	37,131	-	-	37,131	(732)	105,451	99,743
Travel	5,000	1,667	-	-	-	-	1,667	5,000	668
Training	5,000	1,667	-	-	-	-	1,667	5,000	-
Contractual	3,000	1,000	-	-	-	-	1,000	3,000	407
Supplies & Materials	25,000	8,333	939	-	-	939	7,394	4,000	-
Indirect Costs	157,071	52,357	51,531	-	-	51,531	826	155,698	139,723
Bradley Lake Operating Total	304,267	101,422	89,600	-	-	89,600	11,822	278,149	240,542
FERC 535 - Operation Supervision & Engineering Total	**304,267**	**101,422**	**89,600**	**-**	**-**	**89,600**	**11,822**	**278,149**	**240,542**
FERC 537 - Hydraulic Expenses									
Hydraulic Expenses									
Bradley Lake Operating									
Labor & Benefits	81,895	27,298	27,957	-	-	27,957	(658)	95,262	79,042
Contractual	15,000	5,000	-	-	-	-	5,000	-	-
Supplies & Materials	10,000	3,333	1,310	-	-	1,310	2,023	4,000	1,729
Indirect Costs	113,127	37,709	35,906	-	-	35,906	1,803	109,250	108,693
Bradley Lake Operating Total	220,022	73,341	65,173	-	-	65,173	8,168	208,512	189,464
FERC 537 - Hydraulic Expenses Total	**220,022**	**73,341**	**65,173**	**-**	**-**	**65,173**	**8,168**	**208,512**	**189,464**
FERC 538 - Electric Expenses									
Electric Expenses									
Bradley Lake Operating									
Labor & Benefits	235,187	78,396	73,075	-	-	73,075	5,321	218,044	227,478
Travel	7,000	2,333	12	-	-	12	2,322	7,000	293
Training	30,000	10,000	250	-	-	250	9,750	30,000	3,990
Contractual	18,000	6,000	12,133	-	-	12,133	(6,133)	10,000	5,255
Supplies & Materials	23,500	7,833	1,244	-	-	1,244	6,589	18,500	5,970
Indirect Costs	280,431	93,477	85,068	-	-	85,068	8,409	262,004	268,318
Bradley Lake Operating Total	594,118	198,039	171,782	-	-	171,782	26,258	545,548	511,305
FERC 538 - Electric Expenses Total	**594,118**	**198,039**	**171,782**	**-**	**-**	**171,782**	**26,258**	**545,548**	**511,305**
FERC 539 - Misc. Hydraulic Power Generation Expenses									
Misc Hydro Power Exp									
Bradley Lake Operating									
Labor & Benefits	130,567	43,522	21,923	-	-	21,923	21,600	107,742	78,868
Training	20,000	6,667	-	-	-	-	6,667	20,000	-
Contractual	606,317	202,106	246,624	-	-	246,624	(44,519)	385,067	410,619
Supplies & Materials	30,000	10,000	6,810	-	-	6,810	3,190	25,000	45,819
Equipment, Furniture & Machinery	-	-	-	-	-	-	-	-	2,563
Indirect Costs	122,323	40,774	31,158	-	-	31,158	9,616	114,320	111,127
Bradley Lake Operating Total	909,207	303,069	306,516	-	-	306,516	(3,447)	652,129	648,997
BRADLEY CIRCUITS/RADIO TO BERNICE LK									
Other Costs	35,695	11,898	11,423	-	-	11,423	476	35,695	34,268
BRADLEY CIRCUITS/RADIO TO BERNICE LK Total	35,695	11,898	11,423	-	-	11,423	476	35,695	34,268
BRADLEY CIRCUITS BERNICE LK TO ANCH									
Other Costs	29,773	9,924	-	9,655	-	9,655	269	29,773	28,985
BRADLEY CIRCUITS BERNICE LK TO ANCH Total	29,773	9,924	-	9,655	-	9,655	269	29,773	28,985
LOWER BRADLEY CIRCUITS/RADIO TO BARGE DOCK									
Other Costs	10,000	3,333	1,639	-	-	1,639	1,694	45,000	24,085
LOWER BRADLEY CIRCUITS/RADIO TO BARGE DOCK Total	10,000	3,333	1,639	-	-	1,639	1,694	45,000	24,085
FERC 539 - Misc. Hydraulic Power Generation Expenses Total	**984,675**	**328,225**	**319,577**	**9,655**	**-**	**329,233**	**(1,008)**	**762,597**	**736,335**
FERC 541 - Maintenance Supervision & Engineering									
Maint Supervision/Eng									
Bradley Lake Operating									
Labor & Benefits	117,056	39,019	39,051	-	-	39,051	(32)	110,451	104,197
Indirect Costs	157,071	52,357	51,531	-	-	51,531	826	155,698	139,723
Bradley Lake Operating Total	274,127	91,376	90,582	-	-	90,582	794	266,149	243,920
FERC 541 - Maintenance Supervision & Engineering Total	**274,127**	**91,376**	**90,582**	**-**	**-**	**90,582**	**794**	**266,149**	**243,920**
FERC 542 - Maintenance of Structures									
Maintenance of Structures									
Bradley Lake Operating									
Labor & Benefits	84,789	28,263	19,763	-	-	19,763	8,500	89,710	67,928
Contractual	35,000	11,667	2,249	-	-	2,249	9,417	126,000	103,435
Supplies & Materials	44,000	14,667	6,675	-	-	6,675	7,992	70,000	40,551
Equipment, Furniture & Machinery	20,000	6,667	7,645	-	-	7,645	(979)	20,000	14,623
Indirect Costs	115,838	38,613	27,946	-	-	27,946	10,666	102,350	94,601
Bradley Lake Operating Total	299,627	99,876	64,278	-	-	64,278	35,598	408,060	321,138
FERC 542 - Maintenance of Structures Total	**299,627**	**99,876**	**64,278**	**-**	**-**	**64,278**	**35,598**	**408,060**	**321,138**
FERC 543 - Maintenance of Reservoirs, Dams & Waterways									
Maint Res, Dams, WWays									
Bradley Lake Operating									
Labor & Benefits	17,992	5,997	1,056	-	-	1,056	4,942	51,783	13,050

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
BRADLEY LAKE OPERATIONS & MAINTENANCE
BUDGET TO ACTUAL EXPENSES
SCHEDULE B
FOR THE PERIOD 07/01/2025 TO 10/31/2025

		FY 26						FY 25	
	FY26 Approved Budget	BUDGET % 07/01/2025 - 10/31/2025	HEA Actual	CEA Actual	AEA Actual	Total Actual	(Over) Under Budget to Date	FY25 Approved Budget	FY25 Actual
Contractual	6,500	2,167	10,430	-	-	10,430	(8,263)	39,500	41,306
Supplies & Materials	20,000	6,667	283	-	-	283	6,384	85,000	63,338
Equipment, Furniture & Machinery	-	-	-	-	-	-	-	15,000	-
Indirect Costs	22,556	7,519	1,637	-	-	1,637	5,882	58,650	16,000
Bradley Lake Operating Total	67,048	22,349	13,405	-	-	13,405	8,944	249,933	133,694
BRADLEY POWER TUNNEL MAINT (Dam)									
Contractual	15,000	5,000	-	-	-	-	5,000	15,000	-
BRADLEY POWER TUNNEL MAINT (Dam) Total	15,000	5,000	-	-	-	-	5,000	15,000	-
FERC 543 - Maintenance of Reservoirs, Dams & Waterways Total	**82,048**	**27,349**	**13,405**	**-**	**-**	**13,405**	**13,944**	**264,933**	**133,694**
FERC 544 - Maintenance of Electric Plant									
Maintenance of Elec Plant									
Bradley Lake Operating									
Labor & Benefits	336,995	112,332	77,372	-	-	77,372	34,960	309,110	261,477
Travel	4,500	1,500	108	-	-	108	1,392	4,500	530
Contractual	24,000	8,000	28,507	-	-	28,507	(20,507)	75,000	60,276
Supplies & Materials	40,000	13,333	4,075	-	-	4,075	9,258	40,000	35,276
Indirect Costs	461,361	153,787	110,149	-	-	110,149	43,638	423,178	367,649
Bradley Lake Operating Total	866,856	288,952	220,211	-	-	220,211	68,741	851,788	725,208
FERC 544 - Maintenance of Electric Plant Total	**866,856**	**288,952**	**220,211**	**-**	**-**	**220,211**	**68,741**	**851,788**	**725,208**
FERC 545 - Maintenance of Misc. Hydraulic Plant									
Maint of Misc Hydr Plant									
Bradley Lake Operating									
Labor & Benefits	82,339	27,446	20,304	-	-	20,304	7,142	69,297	68,096
Contractual	45,000	15,000	36,250	-	-	36,250	(21,250)	45,000	38,420
Supplies & Materials	68,000	22,667	12,914	-	-	12,914	9,753	68,000	56,391
Indirect Costs	113,337	37,779	28,408	-	-	28,408	9,371	98,957	95,152
Bradley Lake Operating Total	308,677	102,892	97,876	-	-	97,876	5,016	281,254	258,059
FERC 545 - Maintenance of Misc. Hydraulic Plant Total	**308,677**	**102,892**	**97,876**	**-**	**-**	**97,876**	**5,016**	**281,254**	**258,059**
FERC 556 - System Control & Load Dispatching									
System Cntl & Load Disp									
Bradley Lake Operating									
Labor & Benefits	20,174	6,725	16,863	-	-	16,863	(10,139)	20,174	25,978
Contractual	143,500	47,833	16,978	-	-	16,978	30,855	103,500	49,188
Supplies & Materials	12,000	4,000	-	-	-	-	4,000	12,000	854
Bradley Lake Operating Total	175,674	58,558	33,842	-	-	33,842	24,716	135,674	76,020
Snow Measurement									
Bradley Lake Operating									
Contractual	10,000	3,333	-	-	-	-	3,333	10,000	9,600
Bradley Lake Operating Total	10,000	3,333	-	-	-	-	3,333	10,000	9,600
Seismic Service									
Bradley Lake Operating									
Contractual	66,498	22,166	-	-	19,458	19,458	2,708	64,868	62,273
Bradley Lake Operating Total	66,498	22,166	-	-	19,458	19,458	2,708	64,868	62,273
Streamguaging Serv									
Bradley Lake Operating									
Contractual	221,682	73,894	-	-	54,644	54,644	19,250	216,275	269,784
Bradley Lake Operating Total	221,682	73,894	-	-	54,644	54,644	19,250	216,275	269,784
Permits									
Bradley Lake Operating									
Other Costs	350	117	-	-	-	-	117	350	240
Bradley Lake Operating Total	350	117	-	-	-	-	117	350	240
FERC 556 - System Control & Load Dispatching Total	**474,204**	**158,068**	**33,842**	**-**	**74,102**	**107,943**	**50,125**	**427,167**	**417,917**
FERC 562 - Station Expenses									
Station Expenses									
Bradley Lake Operating									
Labor & Benefits	99,812	33,271	3,817	10,586	-	14,402	18,868	96,612	135,584
Travel	1,800	600	-	115	-	115	485	2,500	773
Contractual	103,000	34,333	13,335	-	-	13,335	20,998	79,800	32,843
Supplies & Materials	45,000	15,000	123	677	-	799	14,201	23,000	25,534
Other Costs	1,700	567	-	-	-	-	567	1,900	1,536
Bradley Lake Operating Total	251,312	83,771	17,274	11,378	-	28,652	55,119	203,812	196,269
FERC 562 - Station Expenses Total	**251,312**	**83,771**	**17,274**	**11,378**	**-**	**28,652**	**55,119**	**203,812**	**196,269**
FERC 570 - Maintenance of Station Equipment									
Maintenance of Station Equip									
Bradley Lake Operating									
Bradley Lake Operating Total	-	-	-	-	-	-	-	-	-
FERC 570 - Maintenance of Station Equipment Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
FERC 571 - Maintenance of Overhead Lines									
Maint of OH Lines									
Bradley Lake Operating									
Labor & Benefits	32,574	10,858	-	-	-	-	10,858	36,500	23,486
Contractual	80,000	26,667	-	-	-	-	26,667	70,000	35,229
Supplies & Materials	20,000	6,667	-	-	-	-	6,667	20,000	11,965
Bradley Lake Operating Total	132,574	44,191	-	-	-	-	44,191	126,500	70,681
FERC 571 - Maintenance of Overhead Lines Total	**132,574**	**44,191**	**-**	**-**	**-**	**-**	**44,191**	**126,500**	**70,681**
FERC 920 & 930 - Administrative Expense									
AEA Bradley Fixed Admin Fees									
Bradley Lake Operating									
Staff Professional Services (Direct)	360,000	120,000	-	-	126,229	126,229	(6,229)	312,585	501,917
Travel	-	-	-	-	2,445	2,445	(2,445)	-	53,177
Training	-	-	-	-	-	-	-	-	3,221
Consulting-Administrative	-	-	-	-	629	629	(629)	-	2,153
Supplies & Materials	-	-	-	-	-	-	-	-	8,882
Other Costs	-	-	-	-	-	-	-	-	5,972
Equipment, Furniture & Machinery	-	-	-	-	-	-	-	-	2,754
Administrative Costs	240,000	80,000	-	-	-	-	80,000	172,500	455,441

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
BRADLEY LAKE OPERATIONS & MAINTENANCE
BUDGET TO ACTUAL EXPENSES
SCHEDULE B
FOR THE PERIOD 07/01/2025 TO 10/31/2025

		FY 26						FY 25	
	FY26 Approved Budget	BUDGET % 07/01/2025 - 10/31/2025	HEA Actual	CEA Actual	AEA Actual	Total Actual	(Over) Under Budget to Date	FY25 Approved Budget	FY25 Actual
Bradley Lake Operating Total	600,000	200,000	-	-	129,303	129,303	70,697	485,085	1,033,515
Operating Committee Exp-Audit									
Bradley Lake Operating									
Administrative Costs	45,000	15,000	-	-	-	-	15,000	41,000	38,534
Bradley Lake Operating Total	45,000	15,000	-	-	-	-	15,000	41,000	38,534
Operating Committee Exp-Legal									
Bradley Lake Operating									
Administrative Costs	80,000	26,667	-	-	39,443	39,443	(12,776)	80,000	125,918
Bradley Lake Operating Total	80,000	26,667	-	-	39,443	39,443	(12,776)	80,000	125,918
Misc Admin									
Bradley Lake Operating									
Administrative Costs	13,000	4,333	-	-	248	248	4,085	13,000	14,634
Bradley Lake Operating Total	13,000	4,333	-	-	248	248	4,085	13,000	14,634
Professional Consultants									
Bradley Lake Operating									
Labor & Benefits	148,836	49,612	-	-	84,711	84,711	(35,099)	744,181	250,437
Travel	22,000	7,333	-	-	-	-	7,333	32,500	2,068
Supplies & Materials	4,500	1,500	-	-	-	-	1,500	9,000	-
Bradley Lake Operating Total	175,336	58,445	-	-	84,711	84,711	(26,266)	785,681	252,505
FERC 920 & 930 - Administrative Expense Total	**913,336**	**304,445**	**-**	**-**	**253,705**	**253,705**	**50,740**	**1,404,766**	**1,465,107**
FERC 924 & 925 - Insurance Premiums									
Insurance Premiums									
Bradley Lake Operating									
Administrative Costs	1,581,839	527,280	23,304	-	487,816	511,119	16,160	1,371,724	1,164,007
Bradley Lake Operating Total	1,581,839	527,280	23,304	-	487,816	511,119	16,160	1,371,724	1,164,007
FERC 924 & 925 - Insurance Premiums Total	**1,581,839**	**527,280**	**23,304**	**-**	**487,816**	**511,119**	**16,160**	**1,371,724**	**1,164,007**
FERC 923 - Outside Services Employed									
Outside Services Employed									
Bradley Lake Operating									
Consulting-Administrative	155,000	51,667	-	-	18,634	18,634	33,033	315,000	44,280
Bradley Lake Operating Total	155,000	51,667	-	-	18,634	18,634	33,033	315,000	44,280
FERC 923 - Outside Services Employed Total	**155,000**	**51,667**	**-**	**-**	**18,634**	**18,634**	**33,033**	**315,000**	**44,280**
FERC 928 - Regulatory Commission Expenses									
FERC Admin Fees									
Bradley Lake Operating									
Administrative Costs	170,000	56,667	-	-	-	-	56,667	180,000	213,420
Bradley Lake Operating Total	170,000	56,667	-	-	-	-	56,667	180,000	213,420
FERC Related Prof Services									
BRADLEY FERC PART 12 INSPECTION									
Administrative Costs	300,000	100,000	-	-	-	-	100,000	-	-
BRADLEY FERC PART 12 INSPECTION Total	300,000	100,000	-	-	-	-	100,000	-	-
BRADLEY CONTRACTUAL ENGINEER-FERC LICENSE ISSUES									
Administrative Costs	120,000	40,000	-	-	-	-	40,000	120,000	76,109
BRADLEY CONTRACTUAL ENGINEER-FERC LICENSE ISSUES Total	120,000	40,000	-	-	-	-	40,000	120,000	76,109
FERC 928 - Regulatory Commission Expenses Total	**590,000**	**196,667**	**-**	**-**	**-**	**-**	**196,667**	**300,000**	**289,529**
O&M 4% Allocation to Battle Creek	**(321,307)**	**(107,102)**	**-**	**-**	-	**-**	**(107,102)**	**(320,638)**	**-**
Total Bradley Lake Budget	**7,711,376**	**2,570,459**	**1,206,904**	**21,033**	**834,256**	**2,062,193**	**508,266**	**7,695,321**	**7,007,455**
	-	-	-	-	-	-	-	-	-

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
R&C FUND DISBURSEMENTS AND REPAYMENTS
SCHEDULE D
FOR THE PERIOD 07/01/2025 T0 10/31/2025

Description	Actual @ 6/30/24 Expense	Projected TO REPAY @6/30/24	Budget FY24	Actual @ 6/30/25 Expense	Projected TO REPAY @6/30/25	Budget FY25	Actual @ 6/30/26 Expense	Projected TO REPAY @6/30/26	Budget FY26
R&C FUND PROJECTS									
Governor	-	4,052,070	-	-	4,052,070	-	-	4,052,070	-
Replace RFLS	-	251,093	-	-	251,093	-	-	251,093	-
Replace Runners	-	1,946,733	-	-	1,946,733	-	-	1,946,733	-
Replace cable from dam to power house	-	2,321,923	-	-	2,321,923	-	-	2,321,923	-
Replace power system stabilizer	-	619,205	-	-	619,205	-	-	619,205	-
Replace two RTUs	-	86,905	-	-	86,905	-	-	86,905	-
Culvert Repairs	-	675,967	-	-	675,967	-	-	675,967	-
Tower Repair for Jack Frost Heaves	-	887,597	-	-	887,597	-	-	887,597	-
Replace Plant and SCADA Controls	-	1,344,683	-	-	1,344,683	-	-	1,344,683	-
Vibration Monitoring System	-	490	-	-	490	-	-	490	-
Fire Alarm System Replacement	33,942	171,339	1,338,000	-	171,339	1,307,299	120,000	291,339	1,471,407
Battle Creek Diversion	-	1,170,000	-	-	1,170,000	-	-	1,170,000	-
Bradley Replace Electro-Mechanical Relays	-	1,277,197	-	-	1,277,197	-	-	1,277,197	-
Fishwater Screen Debris Removal	-	312,236	-	-	312,236	-	-	312,236	-
Turbine Nozzle Repair	-	1,428,861	-	-	1,428,861	-	-	1,428,861	-
SVC replacement Daves Creek | Soldotna	-	8,517,991	-	-	8,517,991	-	-	8,517,991	-
Equipment Storage Shed	-	510,550	-	-	510,550	-	-	510,550	-
Emerson Operating System Upgrade	-	622,665	-	-	622,665	-	-	622,665	-
Generator #2 Replacement	-	953,213	-	-	953,213	-	-	953,213	-
Road Grader	-	342,330	-	-	342,330	-	-	342,330	-
Battle Creek Construction	-	3,739,591	-	-	3,739,591	-	-	3,739,591	-
Battle Creek Cash Call-Expended	-	750,000	-	-	750,000	-	-	750,000	-
Battle Creek Cash Call-Paid by Utilities	-	(750,000)	-	-	(750,000)	-	-	(750,000)	-
Needle Repairs	-	1,482,791	-	-	1,482,791	-	-	1,482,791	-
Construct Additional Residence	805,515	1,000,284	910,000	75,156	1,075,440	-	-	1,075,440	-
Bradley Lake Expansion Project**	176,092	1,384,822	252,000	774,357	2,159,179	839,270	46,387	2,205,566	-
Needle Valve Rebuild	198,086	198,086	1,579,535	1,504,127	1,702,213	1,719,535	-	1,702,213	-
Barge Dock Rehabilitation	-	-	-	401	401	600,000	-	401	600,000
Critical Spare (2) Nozzle Assemblies	-	-	-	-	-	-	-	-	400,000
Change out turbine nozzles units #1 and #2	-	-	-	-	-	-	-	-	1,021,000
	1,213,635	35,298,622	4,079,535	2,354,041	37,652,663	4,466,103	166,387	37,819,050	3,492,407
Current Year R&C Repayment		(3,338,646)			(2,580,808)			(2,580,808)	
Adjust balance to $5 million		-			-			-	
Interest in Fund Applied to Repayment		(246,205)			(157,748)			(34,063)	
Net Transfer from Revenue Fund		(3,584,851)			(2,738,556)			(2,614,871)	
Cumulative Prior Years R&C Repayments		(31,677,137)			(33,746,653)			(35,082,970)	
Due to (from) Utilities		1,515,335			1,402,238			2,614,871	
Adjust Due to R&C Actual		-			-			-	
		(30,161,802)			(32,344,414)			(32,468,100)	
NET DUE TO R&C FUND		1,551,969			2,569,693			2,736,080	
R&C FUND CASH FLOW PROJECTION									
Beginning Investment Balance		4,370,333			6,177,000			6,186,586	
Disbursements-current year -Accrual		-			-			-	
Disbursements-prior year accrued		(789,379)			(1,213,635)			(2,354,041)	
Utilities' R&C Refund		(988,805)			(1,515,335)			(1,402,238)	
Net other cash inflow(outflow)		-			-			-	
Current year interest earnings		246,205			157,748			34,063	
Participants Contributions to R&C Fund		3,338,646			2,580,808			2,580,808	
Ending Investment Balance		6,177,000			6,186,586			5,045,178	
Accrued Due to (from) Utilities		(1,515,335)			(1,402,238)			(2,614,871)	
R&C payable back to the revenue fund		-			-			-	
Accrued R&C vendor Payable at Year End		(1,213,635)			(2,354,041)			(166,387)	
PROJECTED NET DUE + ENDING INVESTMENT BALANCE		5,000,000			5,000,000			5,000,000	

Bradley Lake Expansion Project

	Budget	Commited	Encumbered	Actuals	Variance
Bradley Lake R&C Fund	2,300,000	22,280	64,372	2,205,566	7,781
REF Grant (CEA)	1,000,000	-	315,640	684,360	-
State Hydro Development	5,000,000	20,000	251,743	4,728,108	149
State Railbelt	1,379,700	-	760,304	619,396	-
Bond Series 11 Interest	6,000,000	-	1,411,800	142,567	4,445,633
Bradley Lake Dixon Diversion	4,000,000	193,936	3,504,887	292,756	8,420
Total Project Cost at 10/31/25	19,679,700	236,216	6,308,746	8,672,754	4,461,984

4th	1,321,709						
3rd	247,054		4th	247,054			
2nd	197,345		3rd	197,345		4th	197,345
1st	303,409		2nd	303,409		3rd	303,409
			1st	588,510		2nd	588,510
						1st	41,597
	2,069,516			1,336,318			303,409

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
BATTLE CREEK NON-R&C CAPITAL PURCHASES
SCHEDULE E
FOR THE PERIOD 07/01/2025 TO 10/31/2025

BATTLE CREEK CAPITAL PURCHASES NOT FUNDED BY R&C FUND	FY24 BUDGET	FY24 ACTUALS	FY25 BUDGET	FY25 ACTUALS	FY26 BUDGET	FY26 ACTUALS
Battle Creek Associated Costs	15,000	-	-	-	-	-
Survey and Monument DNR Lease	150,000	88,651	5,000	2,621	5,000	-
Total Non R&C Capital Purchases	165,000	88,651	5,000	2,621	5,000	-

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
BATTLE CREEK OPERATIONS & MAINTENANCE
BUDGET TO ACTUAL EXPENSES
SCHEDULE F
FOR THE PERIOD 07/01/2025 TO 10/31/2025

		FY 26						FY 25	
	FY26 Approved Budget	BUDGET % 07/01/2025 - 10/31/2025	HEA Actual	CEA Actual	AEA Actual	Total Actual	(Over) Under Budget to Date	FY25 Approved Budget	FY25 Actual
Summary by expense type									
Staff Professional Services (Direct)	50,000	16,667	-	-	10,363	10,363	6,304	50,000	46,192
Labor & Benefits	10,000	3,333	14,096	441	3,530	18,067	(14,734)	10,000	59,807
Travel	-	-	5	5	102	112	(112)	-	3,322
Training	-	-	10	-	-	10	(10)	-	300
Contractual	333,477	111,159	15,271	-	92,871	108,142	3,017	201,300	243,987
Consulting-Administrative	-	-	-	-	803	803	(803)	-	1,935
Supplies & Materials	5,000	1,667	1,432	28	-	1,460	206	5,000	12,346
Other Costs	-	-	544	402	-	947	(947)	-	3,962
Equipment, Furniture & Machinery	-	-	319	-	-	319	(319)	-	831
Administrative Costs	14,000	4,667	971	-	21,979	22,950	(18,284)	14,000	93,093
Indirect Costs	-	-	17,639	-	-	17,639	(17,639)	-	55,874
O&M 4% Allocation to Battle Creek	321,307	107,102	-	-	-	-	107,102	320,638	-
Total Battle Creek Budget	**733,784**	**244,595**	**50,288**	**876**	**129,647**	**180,811**	**63,784**	**600,938**	**521,650**
FERC 535 - Operation Supervision & Engineering									
Operations Sup/Eng									
Battle Creek Operating									
Labor & Benefits	1,500	500	1,547	-	-	1,547	(1,047)	1,500	4,156
Travel	-	-	-	-	-	-	-	-	28
Contractual	-	-	-	-	-	-	-	-	17
Supplies & Materials	1,000	333	39	-	-	39	294	1,000	-
Indirect Costs	-	-	2,147	-	-	2,147	(2,147)	-	5,822
Battle Creek Operating Total	2,500	833	3,733	-	-	3,733	(2,900)	2,500	10,023
FERC 535 - Operation Supervision & Engineering Total	**2,500**	**833**	**3,733**	**-**	**-**	**3,733**	**(2,900)**	**2,500**	**10,023**
FERC 537 - Hydraulic Expenses									
Hydraulic Expenses									
Battle Creek Operating									
Labor & Benefits	1,500	500	1,165	-	-	1,165	(665)	1,500	3,293
Contractual	277,177	92,392	-	-	89,783	89,783	2,609	145,000	141,077
Supplies & Materials	1,000	333	55	-	-	55	279	1,000	72
Indirect Costs	-	-	1,496	-	-	1,496	(1,496)	-	4,529
Battle Creek Operating Total	279,677	93,226	2,716	-	89,783	92,499	727	147,500	148,972
FERC 537 - Hydraulic Expenses Total	**279,677**	**93,226**	**2,716**	**-**	**89,783**	**92,499**	**727**	**147,500**	**148,972**
FERC 538 - Electric Expenses									
Electric Expenses									
Battle Creek Operating									
Labor & Benefits	1,500	500	3,045	-	-	3,045	(2,545)	1,500	9,478
Travel	-	-	0	-	-	0	(0)	-	12
Training	-	-	10	-	-	10	(10)	-	166
Contractual	-	-	506	-	-	506	(506)	-	219
Supplies & Materials	1,000	333	52	-	-	52	281	1,000	249
Indirect Costs	-	-	3,545	-	-	3,545	(3,545)	-	11,180
Battle Creek Operating Total	2,500	833	7,158	-	-	7,158	(6,324)	2,500	21,304
FERC 538 - Electric Expenses Total	**2,500**	**833**	**7,158**	**-**	**-**	**7,158**	**(6,324)**	**2,500**	**21,304**
FERC 539 - Misc. Hydraulic Power Generation Expenses									
Misc Hydro Power Exp									
Battle Creek Operating									
Labor & Benefits	1,500	500	913	-	-	913	(413)	1,500	3,286
Contractual	-	-	10,276	-	-	10,276	(10,276)	-	17,109
Supplies & Materials	1,000	333	284	-	-	284	50	1,000	1,909
Other Costs	-	-	544	402	-	947	(947)	-	3,639
Equipment, Furniture & Machinery	-	-	-	-	-	-	-	-	107
Indirect Costs	-	-	1,298	-	-	1,298	(1,298)	-	4,630
Battle Creek Operating Total	2,500	833	13,316	402	-	13,718	(12,885)	2,500	30,681
FERC 539 - Misc. Hydraulic Power Generation Expenses Total	**2,500**	**833**	**13,316**	**402**	**-**	**13,718**	**(12,885)**	**2,500**	**30,681**
FERC 541 - Maintenance Supervision & Engineering									
Maint Supervision/Eng									
Battle Creek Operating									
Labor & Benefits	2,500	833	1,627	-	-	1,627	(794)	2,500	4,342
Indirect Costs	-	-	2,147	-	-	2,147	(2,147)	-	5,822
Battle Creek Operating Total	2,500	833	3,774	-	-	3,774	(2,941)	2,500	10,163
FERC 541 - Maintenance Supervision & Engineering Total	**2,500**	**833**	**3,774**	**-**	**-**	**3,774**	**(2,941)**	**2,500**	**10,163**
FERC 542 - Maintenance of Structures									
Maintenance of Structures									
Battle Creek Operating									
Labor & Benefits	1,500	500	823	-	-	823	(323)	1,500	2,830
Contractual	-	-	94	-	-	94	(94)	-	4,310
Supplies & Materials	1,000	333	278	-	-	278	55	1,000	1,690
Equipment, Furniture & Machinery	-	-	319	-	-	319	(319)	-	609
Indirect Costs	-	-	1,164	-	-	1,164	(1,164)	-	3,942
Battle Creek Operating Total	2,500	833	2,678	-	-	2,678	(1,845)	2,500	13,381
FERC 542 - Maintenance of Structures Total	**2,500**	**833**	**2,678**	**-**	**-**	**2,678**	**(1,845)**	**2,500**	**13,381**
FERC 543 - Maintenance of Reservoirs, Dams & Waterways									
Maint Res, Dams, WWays									
Battle Creek Operating									
Labor & Benefits	-	-	44	-	-	44	(44)	-	544
Contractual	-	-	435	-	-	435	(435)	-	1,721
Supplies & Materials	-	-	12	-	-	12	(12)	-	2,639
Indirect Costs	-	-	68	-	-	68	(68)	-	667
Battle Creek Operating Total	-	-	559	-	-	559	(559)	-	5,571
FERC 543 - Maintenance of Reservoirs, Dams & Waterways Total	**-**	**-**	**559**	**-**	**-**	**559**	**(559)**	**-**	**5,571**
FERC 544 - Maintenance of Electric Plant									
Maintenance of Elec Plant									
Battle Creek Operating									
Labor & Benefits	-	-	3,224	-	-	3,224	(3,224)	-	10,895
Travel	-	-	4	-	-	4	(4)	-	22

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
BATTLE CREEK OPERATIONS & MAINTENANCE
BUDGET TO ACTUAL EXPENSES
SCHEDULE F
FOR THE PERIOD 07/01/2025 TO 10/31/2025

		FY 26						FY 25	
	FY26 Approved Budget	BUDGET % 07/01/2025 - 10/31/2025	HEA Actual	CEA Actual	AEA Actual	Total Actual	(Over) Under Budget to Date	FY25 Approved Budget	FY25 Actual
Contractual	-	-	1,188	-	-	1,188	(1,188)	-	2,511
Supplies & Materials	-	-	170	-	-	170	(170)	-	1,470
Indirect Costs	-	-	4,590	-	-	4,590	(4,590)	-	15,319
Battle Creek Operating Total	-	-	9,175	-	-	9,175	(9,175)	-	30,217
FERC 544 - Maintenance of Electric Plant Total	**-**	**-**	**9,175**	**-**	**-**	**9,175**	**(9,175)**	**-**	**30,217**
FERC 545 - Maintenance of Misc. Hydraulic Plant									
Maint of Misc Hydr Plant									
Battle Creek Operating									
Labor & Benefits	-	-	846	-	-	846	(846)	-	2,837
Contractual	-	-	1,510	-	-	1,510	(1,510)	-	1,601
Supplies & Materials	-	-	538	-	-	538	(538)	-	2,350
Indirect Costs	-	-	1,184	-	-	1,184	(1,184)	-	3,965
Battle Creek Operating Total	-	-	4,078	-	-	4,078	(4,078)	-	10,752
FERC 545 - Maintenance of Misc. Hydraulic Plant Total	**-**	**-**	**4,078**	**-**	**-**	**4,078**	**(4,078)**	**-**	**10,752**
FERC 556 - System Control & Load Dispatching									
System Cntl & Load Disp									
Bradley Lake Operating									
Bradley Lake Operating Total	-	-	-	-	-	-	-	-	-
Battle Creek Operating									
Labor & Benefits	-	-	703	-	-	703	(703)	-	1,082
Contractual	-	-	707	-	-	707	(707)	-	2,049
Supplies & Materials	-	-	-	-	-	-	-	-	36
Battle Creek Operating Total	-	-	1,410	-	-	1,410	(1,410)	-	3,167
Snow Measurement									
Battle Creek Operating									
Contractual	-	-	-	-	-	-	-	-	400
Battle Creek Operating Total	-	-	-	-	-	-	-	-	400
Seismic Service									
Battle Creek Operating									
Contractual	-	-	-	-	811	811	(811)	-	2,595
Battle Creek Operating Total	-	-	-	-	811	811	(811)	-	2,595
Streamguaging Serv									
Battle Creek Operating									
Contractual	56,300	18,767	-	-	2,277	2,277	16,490	56,300	67,541
Battle Creek Operating Total	56,300	18,767	-	-	2,277	2,277	16,490	56,300	67,541
Permits									
Battle Creek Operating									
Other Costs	-	-	-	-	-	-	-	-	10
Battle Creek Operating Total	-	-	-	-	-	-	-	-	10
FERC 556 - System Control & Load Dispatching Total	**56,300**	**18,767**	**1,410**	**-**	**3,088**	**4,498**	**14,269**	**56,300**	**73,713**
FERC 562 - Station Expenses									
Station Expenses									
Battle Creek Operating									
Labor & Benefits	-	-	159	441	-	600	(600)	-	5,649
Travel	-	-	-	5	-	5	(5)	-	32
Contractual	-	-	556	-	-	556	(556)	-	1,368
Supplies & Materials	-	-	5	28	-	33	(33)	-	1,064
Other Costs	-	-	-	-	-	-	-	-	64
Battle Creek Operating Total	-	-	720	474	-	1,194	(1,194)	-	8,178
FERC 562 - Station Expenses Total	**-**	**-**	**720**	**474**	**-**	**1,194**	**(1,194)**	**-**	**8,178**
FERC 571 - Maintenance of Overhead Lines									
Maint of OH Lines									
Battle Creek Operating									
Labor & Benefits	-	-	-	-	-	-	-	-	979
Contractual	-	-	-	-	-	-	-	-	1,468
Supplies & Materials	-	-	-	-	-	-	-	-	499
Battle Creek Operating Total	-	-	-	-	-	-	-	-	2,945
FERC 571 - Maintenance of Overhead Lines Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,945**
FERC 920 & 930 - Administrative Expense									
AEA Bradley Fixed Admin Fees									
Battle Creek Operating									
Staff Professional Services (Direct)	50,000	16,667	-	-	10,363	10,363	6,304	50,000	46,192
Travel	-	-	-	-	102	102	(102)	-	3,142
Training	-	-	-	-	-	-	-	-	134
Consulting-Administrative	-	-	-	-	26	26	(26)	-	90
Supplies & Materials	-	-	-	-	-	-	-	-	370
Other Costs	-	-	-	-	-	-	-	-	249
Equipment, Furniture & Machinery	-	-	-	-	-	-	-	-	115
Administrative Costs	-	-	-	-	-	-	-	-	18,977
Battle Creek Operating Total	50,000	16,667	-	-	10,491	10,491	6,176	50,000	69,268
Operating Committee Exp-Audit									
Battle Creek Operating									
Administrative Costs	-	-	-	-	-	-	-	-	1,606
Battle Creek Operating Total	-	-	-	-	-	-	-	-	1,606
Operating Committee Exp-Legal									
Battle Creek Operating									
Administrative Costs	5,000	1,667	-	-	1,643	1,643	23	5,000	5,247
Battle Creek Operating Total	5,000	1,667	-	-	1,643	1,643	23	5,000	5,247
Operat Committee Exp-Arbitrage									
Battle Creek Operating									
Administrative Costs	2,500	833	-	-	-	-	833	2,500	1,690
Battle Creek Operating Total	2,500	833	-	-	-	-	833	2,500	1,690
Trust & Account Fees									
Battle Creek Operating									
Administrative Costs	5,500	1,833	-	-	-	-	1,833	5,500	4,400
Battle Creek Operating Total	5,500	1,833	-	-	-	-	1,833	5,500	4,400

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
BATTLE CREEK OPERATIONS & MAINTENANCE
BUDGET TO ACTUAL EXPENSES
SCHEDULE F
FOR THE PERIOD 07/01/2025 TO 10/31/2025

	FY 26							FY 25	
	FY26 Approved Budget	BUDGET % 07/01/2025 - 10/31/2025	HEA Actual	CEA Actual	AEA Actual	Total Actual	(Over) Under Budget to Date	FY25 Approved Budget	FY25 Actual
Misc Admin									
Battle Creek Operating									
Administrative Costs	1,000	333	-	-	10	10	323	1,000	610
Battle Creek Operating Total	1,000	333	-	-	10	10	323	1,000	610
Professional Consultants									
Battle Creek Operating									
Labor & Benefits	-	-	-	-	3,530	3,530	(3,530)	-	10,435
Travel	-	-	-	-	-	-	-	-	86
Battle Creek Operating Total	-	-	-	-	3,530	3,530	(3,530)	-	10,521
FERC 920 & 930 - Administrative Expense Total	**64,000**	**21,333**	**-**	**-**	**15,674**	**15,674**	**5,659**	**64,000**	**93,341**
FERC 924 & 925 - Insurance Premiums									
Insurance Premiums									
Battle Creek Operating									
Administrative Costs	-	-	971	-	20,326	21,297	(21,297)	-	48,500
Battle Creek Operating Total	-	-	971	-	20,326	21,297	(21,297)	-	48,500
FERC 924 & 925 - Insurance Premiums Total	**-**	**-**	**971**	**-**	**20,326**	**21,297**	**(21,297)**	**-**	**48,500**
FERC 923 - Outside Services Employed									
Outside Services Employed									
Battle Creek Operating									
Consulting-Administrative	-	-	-	-	776	776	(776)	-	1,845
Battle Creek Operating Total	-	-	-	-	776	776	(776)	-	1,845
FERC 923 - Outside Services Employed Total	**-**	**-**	**-**	**-**	**776**	**776**	**(776)**	**-**	**1,845**
FERC 928 - Regulatory Commission Expenses									
FERC Admin Fees									
Battle Creek Operating									
Administrative Costs	-	-	-	-	-	-	-	-	8,893
Battle Creek Operating Total	-	-	-	-	-	-	-	-	8,893
FERC Related Prof Services									
Battle Creek Operating									
Administrative Costs	-	-	-	-	-	-	-	-	3,171
Battle Creek Operating Total	-	-	-	-	-	-	-	-	3,171
FERC 928 - Regulatory Commission Expenses Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**12,064**
O&M Allocation to Battle Creek	**321,307**	**107,102**	**-**	**-**	**-**	**-**	**107,102**	**320,638**	**-**
Total Battle Creek Budget	**733,784**	**244,595**	**50,288**	**876**	**129,647**	**180,811**	**63,784**	**600,938**	**521,650**
	-	-	-	-	-	-	-	-	-

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
SSQ LINE OPERATIONS & MAINTENANCE
BUDGET TO ACTUAL EXPENSES
SCHEDULE I
FOR THE PERIOD 07/01/2025 TO 10/31/2025

		FY 26						FY 25	
	FY26 Approved Budget	BUDGET % 07/01/2025 - 10/31/2025	HEA Actual	CEA Actual	AEA Actual	Total Actual	(Over) Under Budget to Date	FY25 Approved Budget	FY25 Actual
Summary by expense type									
Staff Professional Services (Direct)	10,000	3,333	-	-	995	995	2,338	40,000	7,086
Labor & Benefits	50,000	16,667	-	-	-	-	16,667	50,000	47,722
Travel	-	-	-	-	-	-	-	-	63
Contractual	150,000	50,000	4,269	-	-	4,269	45,731	150,000	58,795
Permitting	36,878	12,293	-	-	-	-	12,293	36,878	72,223
Supplies & Materials	20,000	6,667	-	-	-	-	6,667	20,000	52
Administrative Costs	7,000	2,333	-	-	-	-	2,333	47,000	5,059
Total SSQ Line Budget	**273,878**	**91,293**	**4,269**	**-**	**995**	**5,264**	**86,029**	**343,878**	**190,998**
FERC 556 - System Control & Load Dispatching									
Permits									
SSQ Line Operating									
Permitting	36,878	12,293	-	-	-	-	12,293	36,878	72,223
SSQ Line Operating Total	36,878	12,293	-	-	-	-	12,293	36,878	72,223
FERC 556 - System Control & Load Dispatching Total	**36,878**	**12,293**	**-**	**-**	**-**	**-**	**12,293**	**36,878**	**72,223**
FERC 570 - Maintenance of Station Equipment									
Maintenance of Station Equip									
SSQ Line Operating									
SSQ Line Operating Total	-	-	-	-	-	-	-	-	-
FERC 570 - Maintenance of Station Equipment Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
FERC 571 - Maintenance of Overhead Lines									
Maint of OH Lines									
SSQ Line Operating									
Labor & Benefits	50,000	16,667	-	-	-	-	16,667	50,000	47,722
Contractual	150,000	50,000	4,269	-	-	4,269	45,731	150,000	58,795
Supplies & Materials	20,000	6,667	-	-	-	-	6,667	20,000	-
SSQ Line Operating Total	220,000	73,333	4,269	-	-	4,269	69,065	220,000	106,517
FERC 571 - Maintenance of Overhead Lines Total	**220,000**	**73,333**	**4,269**	**-**	**-**	**4,269**	**69,065**	**220,000**	**106,517**
FERC 920 & 930 - Administrative Expense									
AEA Bradley Fixed Admin Fees									
SSQ Line Operating									
Staff Professional Services (Direct)	10,000	3,333	-	-	995	995	2,338	40,000	7,086
Travel	-	-	-	-	-	-	-	-	63
Supplies & Materials	-	-	-	-	-	-	-	-	52
Administrative Costs	-	-	-	-	-	-	-	20,000	3,059
SSQ Line Operating Total	10,000	3,333	-	-	995	995	2,338	60,000	10,259
Trust & Account Fees									
SSQ Line Operating									
Administrative Costs	2,000	667	-	-	-	-	667	2,000	2,000
SSQ Line Operating Total	2,000	667	-	-	-	-	667	2,000	2,000
FERC 920 & 930 - Administrative Expense Total	**12,000**	**4,000**	**-**	**-**	**995**	**995**	**3,005**	**62,000**	**12,259**
FERC 928 - Regulatory Commission Expenses									
FERC Related Prof Services									
BRADLEY CONTRACTUAL ENGINEER-FERC LICENSE ISSUES									
Administrative Costs	5,000	1,667	-	-	-	-	1,667	25,000	-
BRADLEY CONTRACTUAL ENGINEER-FERC LICENSE ISSUES Total	5,000	1,667	-	-	-	-	1,667	25,000	-
FERC 928 - Regulatory Commission Expenses Total	**5,000**	**1,667**	**-**	**-**	**-**	**-**	**1,667**	**25,000**	**-**
Total SSQ Line Budget	**273,878**	**91,293**	**4,269**	**-**	**995**	**5,264**	**86,029**	**343,878**	**190,998**
	-	-	-	-	-	-	-	-	-

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
CAPITAL PROJECTS FUNDED BY SERIES 11 BOND PROCEEDS
APPENDIX A
10/31/25

Source	Construction Funds at 11/30/22	Investment Expenses	Calculated Capital Reserve at 11/30/22	Released from Capital Reserve			Total Available Funding
Required Project Work Bond Series 11 Funding	166,013,134	(157,250)	(12,454,346)	1,151,865			154,553,403

BESS Required Project Work Bond Series 11 Funded Capital Projects	Total Funding	Project Budget	Committed	Encumbered	Total Actual Costs	(Over) / Under Project Budget	(Over) / Under Total Funding
BRADLEY HEA BESS Preliminary Study	24,093,691	75,000	-	22,473	958	51,569	22,679,954
Oscillation Dampening Service - CEA		16,072,398	-	-	1,120,458	14,951,940	
Oscillation Dampening Service - MEA		3,870,839	-	-	269,848	3,600,991	
Total BESS Capital Projects	24,093,691	20,018,236	-	22,473	1,391,264	18,604,499	22,679,954

Transmission Required Project Work Bond Series 11 Funded Capital Projects	Total Funding	Project Budget	Committed	Encumbered	Total Actual Costs	(Over) / Under Project Budget	(Over) / Under Total Funding
SSQ Line Sterling-Qtz Ck 230kV Construction	80,459,712	-	-	37,746	13,710,910	(13,748,656)	65,504,065
Soldotna-Sterling 230kV Construction		-	-	-	987,565	(987,565)	
BRADLEY Required Project Work Support		-	-	-	170,052	(170,052)	
Bradley RPW - Bond Series 11		-	-	-	49,375	(49,375)	
Total Transmission Capital Projects	80,459,712	-	-	37,746	14,917,901	(14,955,647)	65,504,065

GRIP 3 Round 1 Required Project Work Bond Series 11 Funded Projects - HVDC Line	Total Funding	Project Budget	Committed	Encumbered	Total Actual Costs	(Over) / Under Project Budget	(Over) / Under Total Funding
Allocate from BESS AEA Resolution 24-12	50,000,000	30,000,000	-	-	-	30,000,000	50,000,000
Allocate from Transmission AEA Resolution 24-02		20,000,000	-	-	-	20,000,000	
Total Grip 3 Round 1 Capital Projects	50,000,000	50,000,000	-	-	-	50,000,000	50,000,000
Total Required Project Work	154,553,403	70,018,236	-	60,219	16,309,165	53,648,852	138,184,018

Bradley Operation and Dispatch Committee Report

January 16th, 2026

Meeting Dates:

December 19, 2025

Notable Discussions and Items:

- Discussion on Dixon Diversion

Water Tracking & Lake Level:

- As of January 1st, 2026, Bradley Lake contained approximately 146,598 MWh of energy.

Committee Assignments:

- CEA continues work to address SCADA challenges to allow HEA wheeling capacity as defined in the existing Bradley agreement.

- BPMC approved - CEA & HEA investigating appropriate relay settings - $15k spend limit.
    - *HEA and CEA are working on the development of work scope for best practice analysis.*

Next Meeting:

January 23rd, 2025 @ 10am