

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE (BPMC)
REGULAR MEETING AGENDA
January 16, 2026

1. CALL TO ORDER

Chair Tony Izzo called the meeting of the Bradley Lake Hydroelectric Project Management Committee to order at 10:01 a.m. A quorum was established.

2. ROLL CALL (for Committee members)

Tony Izzo (Matanuska Electric Association [MEA]); Andrew Laughlin (Chugach Electric Association [CEA]); Travis Million (Golden Valley Electric Association [GVEA]); Larry Jorgenson (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); Joel Paisner (Ascent Law Partners); Chris Koehler, Mike Miller, Paul Millwood (CEA); Sarah Villalon (GVEA); Sarah Lambe, Martin Law, Jessica Spuhler (HEA); Analswad Elm (Koniag Energy & Water); Josh Crowell, Kim Henkel, David Pease, and Tony Zellers (MEA).

4. AGENDA APPROVAL

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

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

5. PUBLIC COMMENTS - None.

6. APPROVAL OF MEETING MINUTES – December 5, 2025

MOTION: A motion was made by Mr. Thayer to approve the Minutes of December 5, 2025. Motion seconded by Mr. Hickey.

A roll call was taken, and the motion to approve the Minutes of December 5, 2025, passed unanimously.

7. NEW BUSINESS - None.

8. OLD BUSINESS

A. 2026 BPMC Meeting Schedule

Mr. Thayer explained that members were provided the proposed 2026 BPMC meeting schedule at the previous meeting. There were no comments or questions.

MOTION: A motion was made by Mr. Thayer to approve the 2026 proposed BPMC meeting dates, as presented in the Board packet under 8A. Motion seconded by Mr. Hickey.

Chair Izzo commented that the Committee has been flexible in the past if issues arise. The proposed schedule allows firm meeting dates to be set, and the Committee is willing to address changes throughout the year, if necessary. There were no other questions or comments.

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

B. 2021 REF Funding for Bradley Expansion

Chair Izzo requested Mr. Thayer to give the presentation. Mr. Thayer explained that in 2021, the BPMC, through CEA, applied to the Renewable Energy Fund for a \$1 million matching grant for the Dixon Diversion project. The grant was awarded, and the work has begun. Formal action has not been taken to collect the funds from the utilities. Chair Izzo explained that this item is a formal request that the BPMC pay the matching \$1 million. He noted that the agreed upon percentage of payment is the same as the percentage of project capacity.

MOTION: A motion was made by Vice Chair Laughlin that the utility purchasers under the Bradley Lake Hydroelectric Project provide matching funds in accordance with the Renewable Energy Grant Fund Award Number 7014022 in the total amount of \$1 million, allocated based on each utilities' percentage share of project capacity; Chugach Electric Association at 56.3%, Homer Electric Association at 12%, Matanuska Electric Association at 13.8%, Golden Valley Electric Association at 16.9%, and Seward Electric System at 1%. Motion seconded by Mr. Thayer.

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

C. CIPLink (Grip 3, Phase 1) Update

Jim Mendenhall, AEA, reported on the Cook Inlet Power Link (CIPLink) update. Mr. Mendenhall noted that the process review occurred in May. The approval was conducted in September, which was closely followed by the government shutdown through November 12, 2025. Mr. Mendenhall was happy to report that full engagement has resumed with the Department of Energy (DOE). He discussed that AEA is working closely with Stantec and HDR on the environmental review and the marine survey work that will occur in 2026. In subsequent years,

additional geotechnical work will be conducted. The National Environmental Policy Act (NEPA) permit has been obtained.

Mr. Mendenhall discussed that Stantec is working on the major equipment procurement, including the HVDC converters and cables. They are expected to provide preliminary procurement documents before the phased procurement approach. A seminar will be given at the end of February for the technical working group and the BPMC. Mr. Mendenhall informed that notice should be given next week.

Mr. Mendenhall reviewed that the configuration supports an initial 100 MW installation, while preserving the ability to expand to 200 MW. He noted that Stantec and EPS have focused on the existing AC system, and discussions are ongoing regarding the options for the actual termination point. Mr. Mendenhall reported that AEA has done much work on the financing, and Mark Billingsley, AEA, will provide additional information under Agenda Item 8F. The budget period has been finalized for a two-year period, beginning January 1, 2025. Invoices have been submitted and paid through June 30, 2025. Mr. Mendenhall noted that AEA is in a good position with the DOE to move into the next phase of the project. There were no comments or questions.

D. Bradley Lake Expansion Project Update

Ryan McLaughlin, AEA, provide the Bradley Lake Expansion Update. Mr. McLaughlin discussed that staff is vigorously working towards submitting the Federal Energy Regulatory Commission (FERC) draft license amendment application. It is on track to be submitted in the first or second week of February. The amendment will include a 16-foot pool raise. Next week, AEA is hosting a workshop with the utilities to compare different raise configurations and operational changes. The invitations have been sent to the Operations and Dispatch(O&D) Committee members. Mr. McLaughlin stated to please contact him if anyone else wants to participate. Additionally, a construction sequencing and scheduling workshop will be held with the engineering team on January 27, 2026. During the meeting, the overall project schedule will be reviewed and refreshed.

Mr. McLaughlin noted that AEA is analyzing different procurement strategies, including a Construction Manager / General Contractor (CM/GC) model. Evaluation of the costs and benefits of this strategy is ongoing. The second Board of Consultants (BOC) meeting occurred in October. The report included approximately 61 comments from the BOC. Responses will be submitted to FERC. Most of the comments related to the Probable Maximum Flood (PMF) study and the Seismic Hazard Analysis. Mr. McLaughlin noted that the PMF study is ongoing, and that that the drainage area in Bradley Lake is much larger than the initial 1982 calculations. The current configured spill area would not pass the new PMF. It is likely that in the absence of the Bradley Lake Expansion Project, modifications to the dam and the spillway would be necessary during relicensing in 2035.

Mr. McLaughlin explained that AEA's procurement team is working to purchase a 3-phase transformer. The design for the remaining power upgrades from the powerhouse to the dam is

90% complete. Funding options are being reviewed, and the procurement target date is July. Mr. McLaughlin discussed that the 2026 subsurface investigation plan is ongoing, with the drilling of two deep boreholes along the tunnel alignment to occur in late June or early July. The estimated cost is between \$2 million and \$3 million. The third BOC meeting will be scheduled onsite to overlap with the drilling. AEA is working with the engineers to update the construction cost estimate. It is expected within the next month. The design has progressed significantly since the previous cost estimate and includes the tunnel lining and the 16-foot raise.

Mr. McLaughlin commented that staff is reviewing seven environmental reports from 2025. The hope is to publish those reports within a couple of weeks. The picture included in the presentation shows the Battle Glacier, which is upstream of the diversion. There were no comments or questions.

E. SQ Upgrade Update

Jim Mendenhall, AEA, noted that he will provide a brief introduction, and then Chris Kohler, CEA, will give project specifics. There was no objection. Mr. Mendenhall discussed that the memorandum included in the packet reviews Phase 1 of the SQ, and outlines Phase 2 and Phase 3. The preliminary costs are listed in the memorandum. Additionally, information is included regarding the Soldotna to Sterling Substation Line (SS Line). The SS Line is owned by HEA. The project was planned to be constructed but was postponed due to a substantially higher steel bid cost, and longer than anticipated delivery time. The updated cost is \$36 million. The project work is tentatively scheduled for the winter of 2028/2029. This timeline needs to be confirmed with HEA.

Mr. Mendenhall reviewed page three of the report and noted the work with EPS on the upgrades for the Soldotna, Sterling, and Quartz Creek substations. Those upgrades total approximately \$49 million. This work needs to be finished prior to the completion of the entire upgrade. There were no comments or questions.

Mr. Kohler gave the update on the Sterling to Quartz Creek project. In December, the U.S. Fish and Wildlife Service published the final environmental assessment. The final finding issued by both the U.S. Fish and Wildlife Service and the Forest Service was the finding of no significant impact. Additionally, the Record of Decision (ROD) approving the project was issued. This was the culmination of a couple of years of work-in-progress. Work continues with the U.S. Fish and Wildlife Service to obtain the formal permit for construction.

Mr. Kohler discussed that the contract was issued for the steel poles for Project 2. The first round of vendor drawings is scheduled to be reviewed and approved on January 26, 2026. The engineering team has submitted all the permit applications to the different agencies for construction approval, with a target start date this fall. Engineering has finalized the bill of materials for Project 2, and it is under review by CEA. Procurement is expected to begin in February.

Mr. Kohler noted that Project 3, the remaining field work for geotechnical investigation, was completed in December. A preliminary report is expected to be released in February, which will conclude the geotechnical work for the project. There were no comments or questions.

F. Bradley Lake Expansion and CIPLINK Financing Update

Mark Billingsley, AEA, provided the Bradley Lake Expansion and CIPLINK Financing Update. Mr. Billingsley discussed that he has been involved in a coordinated team to determine the most cost-effective way to finance the two large capital projects. He showed the current cost estimates for both projects. Approximately \$20 million has been raised for the Bradley Lake Expansion project, which leaves a gap of approximately \$342 million. Approximately \$270 million has been raised for the CIPLINK project, which leaves a gap of approximately \$142 million. Mr. Billingsley noted that the third quarter of this year is the target date to secure funding for both projects. He reviewed the construction cost timeline outlined in the presentation.

Mr. Billingsley discussed the potential financial partners, and noted that staff is applying through two of the USDA RUS programs to determine the level of eligibility and funding amount. Similarly, efforts are being made with two DOE EDF programs to determine the level of eligibility and funding amount. Mr. Billingsley advised that the Bradley Lake Expansion project is eligible to issue tax-exempt bonds. The allocation of the State of Alaska's volume cap was received in November of 2025, and was set at \$342 million. Mr. Billingsley noted that this option has to be acted upon by the end of 2028. The CIPLINK project is not eligible to issue tax exempt bonds. Mr. Billingsley reviewed the final options of the public market through NRUCFC and taxable bonds.

Mr. Billingsley discussed the efforts relating to tax credits, including eligibility and maximization under the investment tax credits. The matrix to determine the optimal solution for the financing is complicated.

Mr. Hickey asked if there was a particular reason that CoBank was not listed. Mr. Billingsley commented that he welcomes recommendations of other potential lenders, and he requested that Mr. Hickey email the information. Mr. Hickey agreed. Mr. Hickey asked if the taxable bonds include both the public and private markets. Mr. Billingsley agreed. He noted that the other options are likely cheaper.

Mr. Thayer commented that the focus has been on the listed six potential financial partners in the presentation because they all provide below market rates. Any additional potential financial partners would provide at-market rates. Mr. Thayer believes there will need to be some sort of stacking for the financing.

Mr. Billingsley noted that the next Bradley Lake Expansion project update will be given to the AEA Board in April. Mr. Billingsley asked Mr. Thayer to walk through the Bradley Lake Expansion project timeline. Mr. Thayer discussed that the BPMC, the utilities, and the AEA Board will

approve the draft term sheets. After that process, then an approving resolution will be passed by the AEA Board, and the closing will be finalized. He noted that this is an aggressive timeline and it is the best estimate at this point.

Mr. Thayer explained that staff will be working simultaneously on the CIPLINK project. He noted that since the CIPLINK project already has a large commitment from the federal government, there are fewer doors to open for that financing.

Chair Izzo expressed appreciation for the progress of these two projects. There were no other comments or questions.

9. OPERATORS REPORT

Martin Law, HEA, advised that the Operator's Report is included in the Committee packet. However, there is an additional item to discuss that is not included in the report because it occurred after the report was submitted. Mr. Law noted that during the week of January 5, 2026, the subzero temperatures reached -16 degrees. On January 9, 2026, the temperature began to rise above freezing. On January 10, 2026, at 2:30 a.m., the water flow fire alarm system was activated for Apartment D. The employee occupying the apartment woke up to the alarm and to water coming down from the living room ceiling. One of the sprinklers in the attic had frozen and failed. It began releasing water when it thawed out. Mr. Law reported that approximately 700 gallons of water was released into the attic before the water was secured. There is damage to the sheetrock, and insulation on both levels, and also damage to flooring on the upper level. The estimated cost of the repairs is \$45,000. Mr. Law expects to be able to absorb most of that cost into the existing budget.

Chair Izzo asked Mr. Law when the repairs are anticipated to begin, and if the situation presents any challenges in having enough room for employees and visitors. Mr. Law noted that there is some mold in the area, due to a previous incident. That remediation is scheduled to be performed on Monday. A contractor is on standby to come on January 28, 2026, to begin the repairs. The employee that is assigned to that housing is currently on leave for three weeks. When he returns, he will occupy one of the bedrooms in the crews' quarters. The repairs will not inhibit or prevent any other visitors or contractors from coming onsite.

Mr. Million commented that he understands it is rare to experience those types of low temperatures in that area. He asked what types of mitigation efforts are being analyzed during the repair process to prevent the scenario from happening again. Mr. Law commented that Yukon Fire is currently on site completing the control room upgrade of the fire system, he had them inspect the configuration. Mr. Law noted that the fire code has changed since the installation of that fire system in that building. The fire code no longer allows wet systems in attics in cold areas. Mr. Law discussed that the system will be abandoned in place, and the new system will be moved to a soffit ceiling installation. Otherwise, a dry system will need to be installed.

Mr. Million asked if there is insurance coverage on the property damage. Mr. Law noted that he has not yet explored the insurance coverage. He gave the report to Mr. McLaughlin, and they will discuss the next steps of reporting the incident.

Chair Izzo thanked Mr. Law for the pictures provided in the report. There were no other comments or questions.

10. COMMITTEE REPORTS

A. Budget vs. Actuals

Mark Ziesmer, AEA, discussed the Bradley Lake Budget to Actual Expenses Report as of October 31, 2025. He explained that there was no FY26 activity recorded for Schedule A and Schedule E, which are Non-R&C Capital Projects for Bradley Lake, Battle Creek, and SSQ. The total O&M expenses were \$2,062,193, which is \$508,000 below budget. Most of the FERC categories are within or close to budget. Mr. Ziesmer noted that FERC 539 Miscellaneous Hydraulic Power Generation Expenses was over budget by \$44,519 in contractual expenses. FERC 544 Maintenance of Electric Plan contractual expenses were over budget by \$20,507, mostly due to braker and relay testing work. FERC 545 Maintenance of Miscellaneous Hydraulic Plant was over budget by \$21,250 in contractual expenses. FERC 920 & 930 Administrative Expense was over by \$35,099 in labor and benefits, due to higher than anticipated expenses. Mr. Ziesmer believes most of variances are related to timing and should normalize over the year.

Mr. Ziesmer reviewed Schedule D Renewal and Contingency (R&C) Fund Disbursements and Repayments. The R&C expenses totaled \$166,387 and covered the fire alarm system replacement and the Bradley Lake Expansion Project. The cumulative costs for the Bradley Lake Expansion Project since inception total \$8,672,754. Mr. Ziesmer reviewed Schedule F Battle Creek O&M expenses. The total amount was \$180,811, which is \$63,784 below budget. Most of the costs in this section reflect the standard 4% allocation from Bradley Lake.

Mr. Ziesmer reviewed Schedule I SSQ Line O&M expenses. The total expenses were \$5,264, which is \$86,029 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 \$16,309,165. Of this amount, approximately \$14 million was directly related to the SSQ Line upgrade work. The total costs for the Oscillation Dampening Service contracts were \$1,390,306. There were no comments or questions.

B. O&D Report

Josh Crowell, MEA, presented the O&D Committee Report. Mr. Crowell indicated that the Dixon Diversion was discussed, and that Mr. McLaughlin gave a good synopsis earlier in the meeting. There were no comments or questions.

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) confidential 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 Laughlin.

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

11. EXECUTIVE SESSION: 10:55 a.m. - (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 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 11:46 a.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 discussion. He is looking forward to moving forward in the future.

Mr. Jorgenson echoed Mr. Hickey's comments.

Mr. Million expressed appreciation for the updates on the various projects.

Vice Chair Laughlin thanked staff for the excellent reports and for the great information provided today.

Mr. Thayer agreed it was very good meeting. He praised the AEA staff, particularly regarding the financing aspects. Mr. Thayer stated there is another trip to Washington, D.C. planned in a couple of weeks. Meetings are scheduled with the U.S. Department of Treasury to discuss tax credits, and meetings are also scheduled with all of the FERC Commissioners. He thanked Mr. Ziesmer for leading that effort and for being aggressive on the timeline that has been set.

Chair Izzo echoed the previous comments of appreciation, especially to AEA and staff. He highlighted this significant point in time with the CIPLINK and Bradley Lake Expansion projects being the largest coordinated Railbelt projects in decades. There were no other comments.

13. NEXT MEETING DATE – March 20, 2026

14. ADJOURNMENT

There being no further business for the committee, the meeting adjourned at 11:50 a.m.



for

Tony Izzo, Chair



Curtis Thayer, Secretary