

**BRADLEY LAKE PROJECT
MANAGEMENT COMMITTEE MEETING
AGENDA**

September 25, 2026, 10:00 AM

To participate dial 1-907-621-6701 and use code 116 427 412#

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 – [September 11, 2026](#)
7. OLD BUSINESS
 - A. [Bradley Lake Expansion Update](#)
 - i. [Resolution 26-01 – Approval of initial Round of Financing for Bradley Lake Expansion Project](#)
 - B. [CIPLink Update](#)
 - i. [Resolution 26-03 – In Support of CIPLink](#)
 - C. [SSQ Line Update](#)
 - i. [BABA Cost Analysis](#)
8. NEW BUSINESS -NONE
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 confidential financial matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Authority or the Project.
12. MEMBER COMMENTS
13. NEXT MEETING DATE – December 4, 2026
14. ADJOURNMENT

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE (BPMC)
SPECIAL MEETING MINUTES
September 11, 2026

1. CALL TO ORDER

Chair Miller called the meeting of the Bradley Lake Hydroelectric Project Management Committee to order at 10:00 a.m. A quorum was established.

2. ROLL CALL (for Committee members)

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

3. PUBLIC ROLL CALL (for all others present)

Jennifer Bertolini, Mark Billingsley, Patrick Domitrovich, Pamela Ellis, Ryan McLaughlin, Jim Mendenhall, Robert Varga, Mark Ziesmer (AEA); Sherri Highers, Andrew Laughlin, Mike Miller, Paul Millwood (CEA); Andrew Jensen (Governor's Office); Dan Bishop, Laura Barson (GVEA); Larry Jorgensen, Sarah Lambe,9Martin Law, Andrew Patrick, Jessica Spuhler (HEA); Josh Crowell, Kim Henkel, David Pease, Matt Reisterer, Tony Izzo (MEA); Bernie Smith (Public); Julian Jensen (public); and Jonathan Simon (Van Ness Feldman).

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

Bernie Smith noted that he liked the improvements to the meeting room. He expressed appreciation for the transcript of the Minutes which were very well done. Mr. Smith requested that the Board move the agenda item Member Comments to above executive session when there is no other business after the executive session that can be discussed. This would allow the members of the public to hear the members' comments without having to wait until after executive session or wait until the transcript of the Minutes is released. He thanked the Board for the opportunity to testify. He commented that the Board did a very good job at the last meeting. There were no other members of the public online or in-person who wished to make a public comment.

6. APPROVAL OF MEETING MINUTES – July 24, 2026

MOTION: A motion was made by Mr. Million to approve the Minutes of July 24, 2026.

Motion seconded by Mr. Zellers.

A roll call was taken, and the motion to approve the Minutes of July 24, 2026, passed unanimously.

7. OLD BUSINESS

A. Bradley Lake Expansion Project

i. Project update

• GANTT Chart

Chair Miller requested that Mark Billingsley and Ryan McLaughlin, AEA review the GANTT Chart and provide the Bradley Lake Expansion Project (BLXP) update. Mr. Billingsley commented that the project update is within the overall presentation and includes financing. A simplified version of the GANTT chart is shown in the presentation. The complete GANTT Chart is also included in the packet. Mr. Billingsley noted that Mr. McLaughlin will provide a general engineering update on BLXP. Mr. McLaughlin explained that the drill crews have been at Bradley Lake since mid-May. The 2026 geotechnical campaign is nearing its end. The biggest efforts were the two deep boreholes along the tunnel alignment for instrumentation and testing. One of the two boreholes has been completed. Work continues on the second borehole. It is currently 834 feet below ground surface, which is approximately 100 feet from the targeted depth.

Mr. McLaughlin discussed that the weather at Bradley Lake is beginning to show signs of winter, which means that crews will begin demobilization soon. Work continues by the testing crew to conduct stress testing at the current depths of the second borehole. The challenges with drilling the second hole include hitting a faulted zone at about 250 feet below ground surface. This resulted in constant water flows of approximately 25 gallons per minute flowing up the well. The crew is doing a good job managing the drilling challenges and the weather challenges. Mr. McLaughlin explained there have been 27 days this summer that the helicopter has not been able to get out to the site due to weather. Overall, the season has been successful in drilling the holes and collecting the valuable data that will be processed this fall.

Mr. McLaughlin noted that an industry day will be hosted during the week of October 5, 2026. Staff have a list of contractors that have reached out for information. The hope is to send out an invitation next week to interested contractors. Mr. McLaughlin encouraged members to send out the invitation to their network and distribution list so that as many interested people can learn about the project as possible. Additionally, the Board of Consultants recently submitted their report and comments on the materials presented during the June Board of Consultants meeting and site visit. Staff are working on drafting responses to the comments and incorporating their thoughts into the current design.

Mr. McLaughlin discussed that the annual Bradley Lake dam inspection occurred last week.

Overall, Bradley Lake is maintained and operated at an extremely high level. The comments to the operators were all positive. There are no dam safety concerns at Bradley Lake dam. Mr. McLaughlin explained that the engineering team attended the site visit and conducted an electrical and mechanical systems deep dive with the operators. Valuable feedback from the operators was received regarding the existing systems and the proposed design. This feedback is a benefit to the design of the project overall. Mr. McLaughlin expressed appreciation to operator Nate Zigmont, HEA, for dedicating two entire days to working with the engineering team. During the same recent trip, the annual dam safety training was conducted with both operating crews. There were no comments or questions for Mr. McLaughlin.

ii. Financing Update

Mr. Billingsley discussed that the construction schedule included in the presentation is an overview of the project activities. Completion is expected in 2030, with commission in 2031. Mr. Billingsley noted that the most recent cost estimate remains at a total of \$436 million. Of that amount, \$402 million is construction, \$32 million has been secured to-date, and approximately \$12 million of those funds remain. The categories are delineated as project development costs through FY26, owner's costs, and construction estimates.

Mr. Billingsley explained that approximately \$55 million in costs at Bradley Lake is estimated to be incurred as part of the mandatory Part 12D and the Federal Energy Regulatory Commission (FERC) relicensing requirements. This work would have to be completed even if the BLXP was not in progress. Those costs, however, are embedded in the current BLXP budget.

Mr. Billingsley noted that AEA continues to pursue the IRC 48E Clean Energy Investment Tax Credits for the project. He explained that there is still uncertainty regarding eligibility. Staff are instituting controls to maximize the tax credit amount. The tax credit base cannot yet be calculated but is likely to be a high percentage of the total project cost. Staff will provide that information to the Board as soon as possible. The tax credit amounts would range from 6% to 50%.

Mr. Billingsley reviewed the need for interim financing and access to funding. He discussed the procurement schedule through October 2027. Staff expect to close the interim financing by the end of the year. AEA's procurement process and RFP development will begin in January 2027. In February, the engineering team anticipates issuing an NTP for the three-phase power installation, which is estimated to cost \$16.77 million. The funds need to be in the bank in order for AEA to issue the NTP. The RFP is expected to be issued by March 2027 through June 2027. The bid review is July 2027 through mid-September 2027. The scheduled time for protest and negotiation is mid-September 2027 through mid-October 2027. The contract award is expected around October 16, 2027. He explained that the project will have a series of NTPs that will be structured and negotiated with the final contractor. The utilities will also be involved in that process. The second draw or partial draw is anticipated in October or November of 2027.

Mr. Billingsley explained that the BPMC will have ongoing review of the project and the ability to

withdraw its approval of the financing or subsequent draws of the financing at any time. Specific stage gates for the BPMC and the utilities are in October/November 2026 for the 60% design and Class 3 cost estimate; March 2027 for the 95% design and Class 2 cost estimate; summer 2027 for the FERC license amendment decision; fall 2027 for the construction RFP results and financials, and through 2028 for the IRC and 48E tax credit updates.

Chair Miller requested Mr. Billingsley to note the plus/minus range for the 65% design and Class 3 cost estimate, and the 95% design and the Class 2 cost estimate. Mr. Billingsley believes the range for Class 3 is approximately minus 10% to plus 15% or 20%, and the range for the Class 2 is approximately minus 5% to plus 10% to 15%. Chair Miller asked if the power upgrade is necessary, independent of the BLXP. Mr. Billingsley explained that the single-phase line currently from the powerhouse to the dam is old and will need to be replaced. The three-phase power will be a valuable asset to the project.

Chair Miller requested additional information regarding AEA's RFP process. He compared the process that HEA uses, in which they go out for an RFP prior to having the formal Board approval of a project. After the bids are returned, HEA then gets approval of the dollar amounts. Chair Miller asked if that same approach could be considered for the BLXP. Mr. Thayer explained that State procurement wants to have the money accounted for to confirm the project is viable and to avoid an additional risk factor within the bid submissions. The commercial paper does not have to be drawn on if no bids are acceptable. The rate of .34% totals approximately \$45,000 a month. The Series 11 bond interest can be used to cover that amount so that there is no out-of-pocket expense to the utilities. Mr. Thayer noted that if the decision is made at any of the stage gates for the project not to move forward, the line of credit could be stopped before the draw is expected in October. He commented on the possibility of using another mechanism besides the line of credit for the first draw of \$16.77 million.

Mr. Billingsley noted that the Owned Assets Team received feedback from contractors discussing that it is a contractor's market during the RFP process for these types of projects. It is not an owner's market. The contractor needs to be very confident that the project owner has the project on track to move forward. The contractor has a choice of projects from which to choose. Having \$150 million, which is approximately half the project funding, in commercial paper and line of credit is adequate to alleviate contractor concerns regarding funding.

Chair Miller asked for the anticipated spending amount between the Class 3 estimate and the Class 2 estimate. He explained that he is comparing this process with how CEA proceeds with large project approvals by the Board of Directors, which provides Class 2 or better cost estimates. Chair Miller noted that when he is in front of his Board of Directors with his recommendation, he wants to be covered and to feel comfortable with a well-structured resolution explaining the additional risk that is outside the normal course of business. Chair Miller indicated that additional discussion could occur as to how to address this within the resolution. Mr. Billingsley explained that the costs that will be incurred between Class 3 and Class 2 are the 3-phase power upgrades and development costs that are already committed. He noted that there is not much risk with the

ability to withdraw approval of subsequent draws on the commercial paper program. The financial risks are the cost of the program.

Mr. Thayer expressed his understanding that the cost of the program will be covered by the interest on the Series 11 bonds. He noted that further discussion could occur in executive session regarding the interest component and the current spend level.

Chair Miller noted that explanation is helpful. He commented that there is an opportunity cost, but it is good to know that it will not be an incremental cost to the utilities. Mr. Billingsley explained that without line of sight on the funds, there is a cost risk of delay to the project, and the added cost that the contractors will build in their price for the additional risk of not having line of sight of the funds.

Mr. Billingsley continued the presentation showing the Stage Gate decision points imposed on the procurement schedule. Chair Miller asked if each Stage Gate requires BPMC approval. Mr. Billingsley explained that the Stage Gates represent an affirmative obligation by AEA to provide the BPMC with information. The BPMC has the opportunity to withdraw its consent at any time after the resolution passes approving the financing. The Stage Gates indicate the times when AEA is required to provide information. These seem like the obvious times when the BPMC might withdraw approval. He reiterated that the BPMC could withdraw its approval at any meeting or call a special meeting to withdraw its approval for any reason.

Chair Miller asked what AEA will provide to the BPMC at each Stage Gate. Mr. Billingsley reviewed the Stage Gates in order: first, the 60% design drawings and the Class 3 cost estimate will be provided; second, the 95% design drawings and the Class 2 cost estimate; third, the FERC License Amendment decision; fourth, bid reviews; and finally, the IRC 48E tax-credit updates. Mr. Thayer commented that he anticipates that the utilities will assist in developing the bid package and will be involved in the scoring process before the offers are brought to the BPMC. Mr. Thayer explained that the Stage Gates clearly identify points in time to come before the BPMC to receive feedback to continue moving forward based on the most current information.

Mr. Million noted that normally, the utilities go to their boards on a big project once there is a Class 2 cost estimate. He commented that the first draw of \$16.77 million for the 3-phase upgrades is scheduled before the Class 2 cost estimate. Mr. Million requested confirmation that the 3-phase upgrades are still needed even if the larger project was halted at the Class 2 Stage Gate. Mr. Billingsley agreed that the 3-phase upgrades are needed for the overall Bradley Lake Project. Mr. McLaughlin indicated that the 3-phase upgrades are fully designed and could go out on the street if the funding was available. The transformer has been purchased by the BPMC. The contracting for street clearing will hopefully occur this fall along the alignment. Additionally, there is another package out for some of the long-lead materials, including cable.

Mr. Billingsley continued the presentation providing details of the proposed interim financing. The amount is \$150.77 million, which would cover funds that need to be at least secured, if not spent, in FY27 and FY28. The interim financing preserves the ability to apply tax credits, if received,

without the worry of a make-whole provision or penalties, allows the federal agencies time to process long-term loan applications, and limits exposure to adverse interest rates. The proposed finance vehicle is a commercial paper program maturing on June 30, 2028. The fees associated are relatively modest. The interest only accrues on the draws of the \$16.77 million and additional draws in early 2028 calendar year. The interest rate is set at the time of the draw. The tax status of the draws are selected at the time of the draw and can be either taxable or tax-exempt.

Vice-Chair Janorschke asked if he heard correctly that the only interest expense is on the draw-down amount and that there is no cost to the available credit that is guaranteed. Mr. Billingsley explained that the program has a fee, which is separate from the interest that would only accrue on the amount that has been drawn. The program fees will include closing costs and an annual fee of \$45,000 per month. Mr. Billingsley noted that the financial advisor PFM could provide additional details on those fees and costs. He believes that there is a \$250,000 set up fee and then \$45,000 monthly fee. Mr. Thayer reiterated that those costs could be covered with the interest of the Series 11 bonds. There will be no financial ask of the utilities for those fees.

Vice Chair Janorschke noted that the tax credits are a big component of this project. He asked if the status of eligibility for the tax credits will be known before or after the project is built. Mr. Thayer explained that according to the law, the application is submitted after the project is built. He noted that there is an alternative measurement standard and staff are working to get that identified in advance. The law has an exemption provision that has never been utilized or requested before. Staff are requesting that provision and are working with Senator Sullivan's Office on the request. Additionally, conversations have occurred directly with the Assistant Secretary of Treasury, as well as with Department of Energy (DOE).

Mr. Thayer explained that the project has to stand without tax credits. If it does not stand without tax credits, then the project should not go forward. If tax credits materialize, that will be an added bonus. Staff are working every angle available to get the assurances as soon as possible prior to completion of the project. If the Department of Treasury provides indication of tax credits, then staff would go to the IRS and obtain a private letter ruling. Mr. Thayer explained that a private letter ruling could take approximately eight to 12 months to obtain and could cost approximately \$100,000.

Mr. Thayer reiterated that the tax credit eligibility is unknown and will likely be unknown until after the completion of the project. Staff are forging new ground in asking to get answers prior to the completion of the project.

Mr. Billingsley explained there will not be 100% certainty on tax credits until they are paid. However, there will be very good certainty regarding tax credits after a private letter ruling has been received. The project is not in a position yet to even apply for a private letter ruling. As soon as the project is ready to apply, the application will be submitted. Mr. Billingsley's best information is that a private letter ruling should cost between \$50,000 and \$100,000 and should take six months for the ruling.

Mr. Billingsley noted that the next part of the presentation relates to the DOE offer of conditional commitment. Mr. Thayer requested to discuss the DOE portion of the presentation in executive session based on the conversation with the Director yesterday. There was no objection. Mr. Billingsley advised that the slides are included in the public portion of the presentation.

Chair Miller agreed with the project approach that does not assume that the tax credits are available. Eligibility for tax credits would be an added bonus at the end of the project. There were no other comments or questions.

iii. Resolution 26-01 – Approval of Initial Round of Financing for Bradley Lake Expansion Project

• Utility Board Resolution (DRAFT)

Mr. Thayer informed that AEA and the utilities received comments from MEA last night that redlined the financing package. From AEA's perspective, it is a very workable document. One change is that after the Class 3 cost estimate is approved by the BPMC, the Class 3 cost estimate would then go before the utilities' Boards for approval within 45 days. Mr. Thayer indicated that this gives time to begin work on the commercial paper, even though it delays AEA's overall timing. Mr. Thayer believes this would be a workable compromise and solution. He requested MEA to provide more information on their comments.

Mr. Zellers commented that MEA really wants to support the project and keep the project moving forward. The redlines came out of the Finance Committee meetings. He invited Kim Henkel, CFO MEA, to provide information on the redlines. Ms. Henkel explained that the redlines are an effort to try and obtain a compromise between what AEA is asking for and the utilities' more conservative approach with bringing a Class 2 or a Class 4 cost estimate to the utilities' Board to approve financing. The approach suggested by AEA is not typical to the utilities' approach, as previous comments from the utilities today have indicated. Typically, a Class 2 or Class 3 cost estimate for a project this size is something that the utilities' boards need to review.

Ms. Henkel noted that having firmer language requiring BPMC acceptance of a Class 3 cost estimate, then providing a timeline for the utilities Boards' approval is a very fair compromise. Additionally, the utilities' boards suggest including firmer language within the resolution limiting the interim financing to up to the \$150 million.

Chair Miller commented that he has not had a chance to review the changes. He asked Ms. Henkel if the BPMC Finance Subcommittee reviewed the proposed changes. Ms. Henkel noted that she sent the proposed changes to the team yesterday, and the team has not had a chance to conduct a thorough review. The suggestions are reflective of MEA's edits and not a compromise that the utilities' CFOs have agreed to unanimously.

Chair Miller noted that Sarah Lambe, HEA, Chair of Finance Subcommittee, previously provided comments regarding the interim financing for the project. He asked if she has any further statements or recommendations from the Finance Subcommittee resulting from their work,

especially in the context of Ms. Henkel's proposed changes. Ms. Lambe indicated that the Finance Subcommittee requests additional time before the BPMC is asked to approve or commit to a commercial paper program based on the revised procurement schedules provided by AEA on September 3, 2026, and as discussed at this meeting, the commercial paper program appears to be needed to support the issuance of the RFPs in March 2027. Additionally, the Finance Subcommittee understands that the closing of the commercial paper program is expected to take approximately three months. On that timeline, a commitment would not need to occur before December, which would give the BPMC time to review the Class 3 estimate and make a more informed decision regarding project costs, cashflow needs, and the appropriate size and structure of that commercial paper program.

Ms. Lambe expressed that the Finance Subcommittee continues to support the project and the work necessary to keep the project moving forward and believes it is financially prudent to not pay for financing capacity before it is required. Extending the commercial paper approval timeline until after the Class 3 estimate is available would preserve the project momentum, would avoid unnecessary costs, and would allow the BPMC to better align the financing commitment with the actual project needs.

Ms. Lambe explained that the Finance Subcommittee made a prior recommendation to shore up the actual cashflow needs through FY27 by increasing the funding available to the RNC Fund, and if directed, the Finance Subcommittee could work with BPMC's counsel on a resolution to memorialize that commitment. Ms. Lambe noted her understanding that BPMC's counsel reviewed MEA's edits to the resolution and there appears to be outstanding questions that need to be resolved before taking action on MEA's redlines.

Chair Miller asked if his understanding is correct that the BPMC Finance Subcommittee previously recommended additional interim financing from the RNC Fund of approximately \$10 million. Ms. Lambe agreed. She explained that the amount was \$10 million, with the understanding that approximately \$6 million to \$7 million would be dedicated to the Dixon Diversion Project and the remaining would be available capacity in the RNC.

Chair Miller commented that CEA supports the project and wants the project to move forward as quickly as possible, while ensuring that the due diligence is conducted throughout the process. Chair Miller referenced Mr. Million's previous confirmed comments that the approximately \$17 million for the 3-phase upgrades are necessary even if the larger projected was halted. Chair Miller asked how the overall timeline on the project would be affected if limited approval for that \$17 million was given at this time. He asked if the issuance of the other RFPs would be delayed. Mr. Billingsley explained that there needs to be funding in place in order to issue the RFPs.

Chair Miller asked if the 3-phase upgrades are a State preference or a State requirement. Mr. Thayer noted that it is a State preference, and it will affect the quality of the bids and the number of the bids received. Mr. Billingsley commented that Owned Assets has discussed the project with a few contractors and the feedback was that the project is not a \$17 million electrical line installation, but rather, it is a \$400 million project with very few bidders around the country.

Mr. Thayer reiterated that the commercial paper will not be spent at this time. It is in place to support the RFPs and to support the procurement schedule points through the stage gates. The cost of carrying the commercial paper will be covered by the Series 11 interest, and not by the individual utilities. The commercial paper allows the project to advance. Mr. Thayer explained that the FERC approval timeline is expected next summer. He does not want to lose a construction season, because a construction season is 1.5 BCF of gas. Mr. Thayer commented that he likes that MEA's proposal gives the authority to move forward with the commercial paper after the Class 3 estimates, after the BPMC approves, and after the individual utilities' Boards approve.

Chair Miller commented that MEA's redlines were distributed last night and this morning. He discussed that another way to proceed would be to give a little more time and hold a special BPMC meeting in a week or 10 days. Mr. Thayer noted there is a BPMC meeting scheduled on September 25, 2026, and asked if that would be enough time for review. Additionally, Mr. Thayer acknowledged that AEA was requested to provide a Draft Utility Board Resolution which is included in the packet, and that draft would have to be rewritten to align with MEA's redlines. The draft resolution does not need to be approved. It is a sample for the utilities to consider for their Boards.

Chair Miller asked Mr. Thayer if that timeline would work. Mr. Thayer agreed. He explained that if AEA has guidance at the September 25, 2026, meeting that all they are waiting for is the Class 3 cost estimate, then AEA can begin the conversation with bond counsel regarding preliminary preparations for closing. Mr. Thayer commented on a staffing issue that AEA does not have a big staff. Staff are running the project and running the financing. Mr. Thayer noted that further discussion can occur within executive session. He stated there will be a change in Administration, and it is necessary to keep the positive momentum for the project.

Mr. Billingsley indicated that he read through MEA's proposed modification to the schedule and they confirmed his understanding that the Class 3 cost estimate would come to the BPMC for approval, and then the utilities would have 45 days to approve the Class 3 cost estimate. Mr. Billingsley agreed that AEA has a small team and the financing will take time. He also agreed that it would be helpful if the BPMC gave direction to AEA at the September 25, 2026, meeting to move forward in this direction, even prior to receiving the Class 3 cost estimate.

Chair Miller asked if there were other comments. Tony Izzo, MEA, noted that Mr. Zellers is attending the meeting as the alternate and will vote for MEA. Mr. Izzo believes the compromise of giving a commitment on September 25, 2026, is workable for MEA, and he hopes that all the utilities will agree. Mr. Izzo feels that the BPMC needs to define the lane for AEA so that they can appropriately schedule the critical activities to keep the project on track.

Chair Miller believes that all the utilities want the project to go forward, as the necessary approvals are sought. He agreed that providing direction at the September 25, 2026, meeting is achievable.

Chair Miller delayed consideration of Resolution 26-01 until the next BPMC meeting on September 25, 2025. There were no objections.

B. Resolution 26-03 – In Support of CIPLink

Chair Miller requested Mr. Thayer to provide a high-level summary of the resolution. He noted the possibility of postponing this resolution until the next meeting, if necessary. Mr. Thayer explained that it is vital that the Cook Inlet Powerlink (CIPLink) project moves forward. The current federal grant funding is \$206 million. The bond funding plus the State funding totals approximately \$60 million. An additional \$142 million is necessary to complete the project. The purpose of the resolution is to express BPMC support for State participation in the CIPLink. The BPMC would ask that it be a priority for the Legislature to close the remaining funding gap of \$142 million from State funds.

Mr. Thayer noted his discussions with legislators that the power needs to be connected in the state. The fact that there are seven military bases involved is also important. Mr. Thayer reviewed discussions with Department of War regarding the need for the CIPLink. There is no opposition. It is important to make CIPLink a priority. The AEA Board has expressed support through a request to the Governor's Office to include CIPLink in the budget. The current Governor has a role to provide a budget on December 15, 2026, and the new Governor has until February 15, 2027, to change that budget. AEA wants to ensure CIPLink is included in the budget.

Mr. Thayer discussed that there are legislators who are asking to make this a priority. The goal is for the BPMC to pass Resolution 26-03 today, making CIPLink a priority, and to build the momentum to fund the \$142 million.

Chair Miller commented on the importance of an integration study regarding the BLXP. He noted that the CIPLink must be in place to get the maximum value from the BLXP. He asked the O&D Committee if there have been any discussions regarding the need for an integration study. Josh Crowell, MEA and Chair of O&D Committee, advised there have been two additional meetings outside of the scheduled meetings to discuss the BLXP and power flow. The utilities are scheduled to bring additional data to the regularly scheduled O&D Committee meeting next week.

Chair Miller asked Mr. Crowell if there was any discussion to conduct a formal integration study. Chair Miller commented that the way the BLXP is constructed now, he believes that there will be times when utilities north of Anchorage would not be able to get all the power out of Bradley Lake without the CIPLink component. This is due to limitations on the tie line. Chair Miller wants to ensure that aspect is factored into the decision-making on the CIPLink. He believes that factor helps support the need for the CIPLink project in the context of the BLXP. The two projects are highly integrated. Mr. Crowell commented that the O&D Committee has not specifically decided to come before the BPMC to request approval for an integration study. Mr. Crowell believes that decision is forthcoming. The goal was to identify the projections from each utility and to continue the discussion with that information.

Chair Miller commented that in consideration of the resolution, it would be helpful to quantify the criticality of the CIPLink with respect to the BLXP, and why the CIPLink is absolutely needed. He believes this would help the Legislature understand the importance of the CIPLink.

Vice-Chair Janorschke asked if the \$413 million is still an accurate estimate for the CIPLink cost. Additionally, he asked if there has been any work done to ensure that accommodations will be made if there is a fault with the existing overhead line or the CIPLink, and what can be done to ensure that will not happen. He gave the example scenario of the loss of either tie, the energy would then flow to the other tie, possibly overloading that other tie, leaving both ties tripped off. He does not believe that HEA could consistently survive that scenario. One trip is manageable, but two trips would blackout the entire peninsula. Vice-Chair Janorschke requested that the O&D Committee study that scenario.

Mr. Crowell indicated that he would bring Vice-Chair Janorschke's request to the next meeting. He noted that the O&D Committee has not discussed the CIPLink with that specific question.

Chair Miller recommended delaying consideration of Resolution 26-03 and making it coterminous with financing at the next BPMC meeting.

Mr. Thayer agreed that member questions should be addressed. He reiterated that the target audience for the resolution is the Legislature, and the request to obtain the \$142 million to finish the CIPLink.

Chair Miller agreed. He discussed that the CIPLink project is needed, regardless of whether or not the BLXP goes forward. He suggested including that factor as a Whereas in the resolution. He believes this would garner additional support for the project funding of \$142 million. Chair Miller requested that further modifications to the resolution are made and then brought forward at the next BPMC meeting. There was no objection.

C. SSQ Line
i. Winter Construction Plan

Mike Miller, CEA, provided the update on the SSQ Line Project. Mr. Mike Miller discussed that construction bids have been received, and an award was granted in the amount of approximately \$15 million with two outage windows proposed. The five-day outage is from October 19 – 23, 2026, and the other is 55-day outage from February 4 – April 21, 2027. The bidder indicated that there is some flexibility to those dates, if necessary. Mr. Mike Miller noted that Enstar has been kept apprised of the plan. Project 2 construction is anticipated to be completed by the end of July 2027.

Mr. Thayer asked if there is something in writing with Enstar regarding the acknowledgement of the proposed outage plan. Secondly, he asked if there are contingencies to bring the line back on quickly during the 55-day outage, if needed. Mr. Mike Miller commented that he would have to research to see if there is documentation in writing such as an email or a meeting transcript. Representatives from Enstar attend maintenance scheduling meetings every two weeks. The two outage windows were incorporated and discussed at the last meeting.

Mr. Mike Miller noted that the contingencies and emergency restoration are items being discussed with the contractors, similar to what occurred with Project 1. There is an opportunity to restore

the line in an emergency situation. That restoration would incur separate costs.

Mr. Thayer requested that Mr. Mike Miller review the contingency details at a future meeting. Mr. Mike Miller agreed.

Mr. Hickey asked if it is possible or practical to slide the 55-day outage out four to six weeks to mid-March to move out of the winter peak timeframe. Mr. Mike Miller noted that he can give the request to the contractor for discussion. He understands that the outage window can be moved, but he does not know how far forward or backwards it can move.

Mr. Thayer asked if there is a restriction due to the fact that the location is in the Refuge. Mr. Mike Miller indicated that there is a driver for the Refuge regarding winter construction. He does not have the details with him today and can follow up at the next meeting. Mr. Hickey expressed appreciation. There were no other comments or questions regarding Project 2.

Mr. Mike Miller discussed that Project 3 is looking to establish a contract for the steel structures. Bids have been received. The lowest non-BABA compliant bid was approximately \$6 million. The lowest BABA compliant bid was about 40% more at approximately \$8.5 million. Much conversation has occurred with AEA staff regarding how to move forward either with BABA or with non-BABA. There are many grant funding opportunities tied to the decision and discussions are ongoing with the contractors. Mr. Mike Miller believes that CEA and AEA would benefit from receiving guidance from the BPMC with regard to how aggressively the pursuit of BABA compliant materials should be, with the understanding that there is a cost associated with the Project 3 steel, specifically. Mr. Mike Miller noted that a site walk occurred for Project 3 earlier in the week.

Mr. Million indicated the increased cost of \$2.5 million for the BABA compliant bid. Of the grants and the tax credits that accompany the project, he asked for the savings and cost benefit if the project is BABA compliant compared with non-BABA. Mr. Mike Miller indicated that there is not currently a clear line of sight on the cost benefits. That is work that staff at AEA has been trying to establish.

Chair Miller asked when a recommendation is needed from the BPMC. Mr. Mike Miller commented that a vendor has agreed to confirm their bid for an additional 30 days. However, he does not know when that 30-day period ends. He noted the preference is for the BPMC to provide additional direction at the next meeting in a couple of weeks. There were no other comments or questions.

8. NEW BUSINESS

A. Resolution 26-04 – Renewable Energy Fund Application – Bradley Lake Expansion Project

Chair Miller noted Resolution 26-04 is for a \$1 million grant application for the Renewable Energy Fund, Bradley Lake Expansion Project. The application is due today by 4:00 p.m. The draft

resolution gives authorization for CEA to submit an application for the REF on behalf of the BPMC. The application has a matching contribution requirement. The resolution, if approved, will be included in the application and will give CEA the authority to file the application.

MOTION: A motion was made by Vice-Chair Janorschke to approve Resolution 26-04. Motion seconded by Mr. Million.

Mr. Thayer indicated that he would need to abstain from the vote because the REF Program is handled through AEA. There was no objection.

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

MOTION: A motion was made by Mr. Million to enter into executive session to discuss confidential financial matters, the immediate knowledge of which may have an adverse effect on the Authority or the Project. Motion seconded by Vice-Chair Janorschke.

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

9. EXECUTIVE SESSION: 11:36 a.m. – (Bylaws Section 5.11.4) – To discuss (1) confidential financial matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Authority or the Project; and (2) legal matters 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 11:56 a.m. Chair Miller advised that no formal action was taken on the matters discussed while in executive session.

Chair Miller noted that he has one item regarding the financing for the BLXP for review.

Mr. Thayer provided context on the issue for the public. AEA, in connection with the BPMC, filed an application with the DOE Loan Dominance in May for possible financing of Bradley Lake and other projects. DOE asked AEA to move the project forward for their due consideration.

MOTION: A motion was made by Mr. Thayer that the BPMC authorize AEA to spend up to \$1.5 million from Series 11 interest on advisory fees necessary to achieve a conditional commitment from the Department of Energy under the Title 17 Energy Financing Program for the Bradley Lake Expansion Project, with the understanding that this authorization does not constitute final approval for DOE financing. Motion seconded by Mr. Hickey.

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

10. MEMBER COMMENTS

Mr. Hickey thanked Mr. McLaughlin for his excellent report and expressed appreciation for all of

the work from the Finance team. He believes good progress was made today.

Vice-Chair Janorschke stated this was a good special meeting, and he looks forward to reading the redlined resolution from MEA. He thanked MEA for their efforts.

Mr. Zellers reiterated the appreciation to the Finance Committee for their work to keep the projects moving forward. He commented again that MEA supports the expansion.

Mr. Million echoed the previous comments. He appreciates MEA for taking the lead on the relines and looks forward to reviewing those. He believes they address many of the concerns.

Mr. Thayer thanked everyone for attending the special meeting. He believes that getting positive direction at the meeting on September 25th will be helpful. He expressed appreciation for the support of AEA's Finance Team, who are engineers doubling as the Finance Team. Mr. Thayer thanked BPMC's Finance Team for their efforts. He believes the path to Bradley Lake financing is in its homestretch. Mr. Thayer reminded members that September 15, 2026, is the National Governor's Association follow-up to their meeting they had with the Railbelt leaders and CEOs in May. There are proposals for the next Legislature to review. That meeting time is 2:00 p.m. to 4:30 p.m. Several emails have been sent, and more information is available, if needed.

Chair Miller echoed the previous comments, with special thanks to AEA for their great job of keeping everything moving forward. He thanked the BPMC Finance Subcommittee for their work efforts. He looks forward to hearing back from the O&D Committee regarding the integration study work. Chair Miller thanked MEA again for the updated version of the resolution.

11. NEXT MEETING DATE – September 25, 2026

Chair Miller advised that the next meeting date is September 25, 2026.

12. ADJOURNMENT

There being no further business for the committee, the meeting adjourned at 12:03 p.m.

Arthur Miller, Chair

Curtis Thayer, Secretary

MEMORANDUM

TO: BPMC
Through: Curtis Thayer, Executive Director
FROM: Ryan McLaughlin, PE, Bradley Lake Manager & Chief Dam Safety Engineer
DATE: September 22, 2026
RE: Bradley Lake Expansion Project Update

2026 Drilling Campaign

- AEA is nearing the end of the 2026 subsurface investigation campaign, crews have been onsite since mid-May. Most of the effort has been focused on drilling two deep holes along the future Dixon-Bradley tunnel alignment. TB-02 was successfully drilled to depth, downhole stress testing and packer testing completed, Vibrating Wire Piezometer installed, and hole grouted.
- TB-01 has been much more challenging, with artesian conditions encountered around 2-300' and still persisting at a steady 25-20 gpm. TB-01 is currently at 892' BGS, and efforts are being made to complete in-situ stress testing in competent rock. Significant weather delays have postponed our anticipated demobe date for the program. This summer there were ~30 weather days that prohibited access to the drill site.



TB-01 Drill Site

Industry Day

- An industry has been scheduled for October 21st from 8-12 AK time. This will be a virtual Teams meeting for interested contractors to hear about the Bradley Lake

Expansion Project, and opportunity to ask questions. Please distribute information on this meeting to any interested contractors in your network, and direct questions to Ryan McLaughlin.

Board of Consultants

- AEA has received a third BOC report and associated comments from the material presented during the June BOC meeting and site visit. AEA is working on drafting responses to all of BOC comments and incorporating their thoughts into the current design. A fourth BOC meeting will be scheduled December 18-19. Design team is working and targeting November delivery of a 60% package and cost estimate.

Bradley Inspection

- The Annual Dam inspection was held last week, and went very well. Overall the Bradley project is operated at an extremely high level. Monitoring data is closely tracked and recorded, and currently there are no dam safety concerns at the Bradley Dam. Martin Law and team are doing an excellent job maintaining the Bradley Project to modern standards.
- During this site visit AEA brought members of the engineering team to the site to do an electrical and mechanical systems deep dive with the operators. AEA received valuable feedback on the existing systems and proposed design from the lens of operators who will have to maintain the equipment and fix things in the future when they break. Nate Zigmont dedicated two days to this effort, and was of great benefit to the design and project.



Bradley Lake Dam -September 1, 2026



Dixon Glacier – Sep 1, 2026

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
RESOLUTION NO. 26-XX

APPROVAL OF INITIAL ROUND OF FINANCING FOR
THE BRADLEY LAKE EXPANSION PROJECT

PURPOSE OF RESOLUTION

This Resolution provides the formal preliminary support of the Bradley Lake Project Management Committee ("BPMC") for an Interim Financing, described in the attached term sheet, for the purpose of advancing the financing proposals related to the Bradley Lake Expansion Project ("BLXP"), but does not constitute a determination by the BPMC, the Purchasers or their respective governing boards that the BLXP constitutes Required Project Work or an approval of the incurrence of debt by the Alaska Energy Authority (the "Authority") to finance the BLXP.

Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Bradley Lake Hydroelectric Project Agreement for the Sale and Purchase of Electric Power ("Power Sales Agreement").

BACKGROUND

The BLXP consists of two integrated improvements to the existing Bradley Lake Hydroelectric Project ("Project"): (1) construction of the new Dixon Diversion dam, headworks, and conveyance system to capture flow from the Dixon Glacier area and divert that water into Bradley Lake; and (2) raising Bradley Lake's normal maximum operating elevation through modifications to the existing spillway and dam embankment. Together, these improvements are intended to increase the amount of renewable, dispatchable energy produced by the Project by approximately 40 percent, from about 436,000 megawatt-hours to about 601,000 megawatt-hours annually, while making use of the existing Project's infrastructure and continuing to serve the Railbelt electric system.

The BLXP is currently advancing through licensing, engineering, procurement planning, and financing development. The current Class 4 estimate includes approximately \$401.6 million in direct construction costs. Including development and owner costs, but excluding capitalized interest, the current total project budget is approximately \$435.9 million. The Authority has secured approximately \$32.7 million for development and early construction activities, including \$12 million from the Authority's Bond Series 11 interest earnings allocated to FY27 engineering, three-phase power upgrades, and related owner costs. Based on the current budget, approximately \$403.2 million in additional financing will be required to complete the BLXP.

Accounting for projected expenditures for FY27 and FY28 and after applying currently secured funding, approximately \$150.77 million in additional financing would be required to support work through FY28. The Authority expects to complete 60 percent design and obtain an updated Class 3 estimate in fall 2026, followed by 95 percent design and a Class 2 estimate in spring 2027. Construction procurement may begin as early as summer 2027, with first water currently targeted for 2031. Because financing will be required before the BLXP proceeds beyond the currently funded work, the Authority anticipates issuing debt under the Master Resolution, for which BPMC concurrence is required.

Given uncertainty regarding tax credits and total construction cost, and based on current interest rates, the selected finance mechanism consists of interim financing in the form of a commercial paper program that would provide access to funds to advance the BLXP through FY27 and FY28. Subject to approval from each Purchaser's governing board and the BPMC, the Authority expects to begin working in the spring of 2028 to secure additional funding for project expenses anticipated in FY29 and beyond.

RESOLUTION NO. 26-XX

WHEREAS, the BPMC receives its authority under the Bradley Lake Hydroelectric Project Agreement for the Sale and Purchase of Electric Power ("Power Sales Agreement") by and between Chugach Electric Association, Inc. ("CEA"), Homer Electric Association, Inc. ("HEA"), Golden Valley Electric Association, Inc. ("GVEA"), Matanuska Electric Association, Inc. ("MEA"), City of Seward d/b/a Seward Electric System ("SES"), Alaska Electric and Energy Cooperative, Inc. ("AEEC"), and Alaska Energy Authority (the "Authority");

WHEREAS, the BPMC is responsible for the management, operation, maintenance, and improvement of the Project, subject to the non-delegable duties of the Authority;

WHEREAS, the Authority, with the support of the BPMC, has been pursuing advancement of the BLXP through licensing, engineering, procurement planning, and financing development;

WHEREAS, the BPMC has previously taken various actions supporting advancement of the BLXP;

WHEREAS, on May 20, 2022, the BPMC adopted Resolution No. 22-04, which included Dixon Diversion on its list of required projects;

WHEREAS, in March 2023, with BPMC support, Chugach Electric Association, Inc. accepted a Renewable Energy Fund grant for the BLXP from the State of Alaska;

WHEREAS, on February 14, 2025, the BPMC approved Resolution No. 25-01, acknowledging the use of interest earnings on the proceeds of the Authority's Series 11 Bonds to support the BLXP;

WHEREAS, on September 19, 2025, the BPMC approved Resolution No. 25-03 supporting the Authority as it develops a financing plan to complete a FERC license amendment and construction of the BLXP, and agreeing to accept and pay for the increase in energy output from the BLXP consistent with the each Participant's Percentage Share as defined in the Power Sales Agreement, subject to three preconditions: (1) that the BLXP is deemed Required Project Work under the Power Sales Agreement; (2) that the Required Project Work determination is supported by any necessary industry and economic opinions; and (3) that each project participant's governing board authorizes the financing;

WHEREAS, at the request of the Authority, the Department of Law reviewed the BLXP and, on October 27, 2025, determined that the BLXP (referred to therein as the "Dixon Diversion Project") should be considered Required Project Work under the Power Sales Agreement, subject to the approval of all of the Purchasers and the delivery of independent expert opinions that the BLXP is necessary to keep the Project in good and efficient operating condition, consistent with (1) sound economics for the Project and the Purchasers, and (2) national standards for the industry;

WHEREAS, the Authority retained GDS Associates to perform an independent economic and engineering analysis of the BLXP, and, on March 26, 2026, GDS issued its opinion determining that BLXP constitutes Required Project Work pursuant to the Power Sales Agreement and that the project is "necessary, economically justified, technically sound, and appropriate to support the long term, efficient, and reliable operation of the Bradley Lake Hydroelectric Project";

WHEREAS, on June 25, 2026, the Authority submitted its Final Amendment Application for an amendment to the Project License to the Federal Energy Regulatory Commission ("FERC") for the BLXP, in anticipation of obtaining issuance of a FERC license amendment approximately 12 months following the filing;

WHEREAS, the BPMC desires the BLXP to be operational as soon as reasonably possible;

WHEREAS, the Authority requires financing to fund continued development, procurement, and construction of the BLXP;

WHEREAS, in May 2026, the Authority's internal finance working group and the BPMC Finance Subcommittee began working together to identify the best finance option for the BLXP, with assistance from PFM Financial Advisors, LLC, the Authority's municipal advisor, and the Authority's bond counsel, Orrick, Herrington & Sutcliffe LLP;

WHEREAS, the Authority has proposed an interim financing program to fund BLXP activities through FY27 and FY28 pending development of a long-term financing plan;

WHEREAS, the closing costs and annual letter of credit fees for the interim financing may be paid using interest earned on proceeds from the Authority's Series 11 Bonds;

WHEREAS, any IRC § 48E tax credits received by the Authority in association with the BLXP should be used to pay down construction costs for the BLXP;

WHEREAS, the BPMC supports the establishment of an interim financing program (the "Interim Financing Program") to fund BLXP activities through FY27 and FY28 and provides its preliminary approval of such Interim Financing Program for the purpose of permitting the Authority to advance the financing proposals related to such Interim Financing Program, provided that the principal amount outstanding under the program does not exceed \$150,770,000 and that the final financing terms remain substantially consistent with the proposed Term Sheet attached as Exhibit 1, and further provided that any material modification to the financing structure, security, purchaser obligations, maturity, repayment terms, or aggregate financing costs shall require further BPMC approval;

WHEREAS, consistent with Resolution No. 25-03 of the BPMC, the Interim Financing Program shall not be established until the governing board of each Purchaser has approved (i) such Purchaser's determination that the BLXP constitutes Required Project Work and (ii) the Interim Financing Program, in each case subject to the conditions set forth herein;

WHEREAS, after such authorization of the governing board of each Purchaser, if given, the BPMC shall consider whether to deem the BLXP Required Project Work and approve of the Interim Financing Program, subject to the conditions set forth herein; and

WHEREAS, the BPMC wishes to preserve its authority to review additional information that becomes available regarding project costs, engineering design, regulatory approvals, tax credit eligibility, financing costs, procurement results, and other material matters affecting the BLXP, and the BPMC will provide its approval of the Interim Financing Program, if given, pursuant to a subsequent resolution of the BPMC;

NOW, THEREFORE, BE IT RESOLVED THAT the BPMC incorporates the above recitals into this resolution as if fully set forth herein.

BE IT ALSO RESOLVED THAT, the BPMC provides its preliminary approval of the Interim Financing Program for the purpose of permitting the Authority to advance the financing proposals related to such Interim Financing Program described in the proposed Term Sheet included in Exhibit 1, subject to the limitations set forth in this Resolution. Such approval shall be limited to an aggregate principal amount not to exceed \$150,770,000 and shall not constitute approval of any material change to the financing structure, security provisions, purchaser obligations, maturity, repayment terms, or aggregate financing costs without subsequent BPMC concurrence. Such preliminary approval does not constitute a determination by the BPMC, the

Purchasers or their respective governing boards that the BLXP constitutes Required Project Work or an approval of the incurrence of debt by the Authority to finance the BLXP.

BE IT ALSO RESOLVED THAT, (a) within forty-five (45) days of the Purchasers' receipt of the Class 3 cost estimate, each Purchaser shall hold a meeting of their governing board to vote on the approval of the participation of such Purchaser in the financing of BLXP through the Interim Financing Program and a determination of whether the BLXP constitutes Required Project Work; (b) upon BPMC receipt of all such required governing board approvals from the Purchasers, the BPMC shall consider a final resolution with a final term sheet to deem the BLXP Required Project Work and to approve the establishment of the Interim Financing Program and an initial draw thereunder; and (c) upon BPMC approval of such final resolution and final term sheet the Authority shall be authorized by the BPMC to proceed with the establishment and closing of the Interim Financing Program on terms consistent with the BPMC's final resolution and term sheet and to make an initial draw under the Interim Financing Program of approximately \$20,000,000 in principal amount.

BE IT ALSO RESOLVED THAT, in order to provide the Purchasers with an opportunity to evaluate the merits of the BLXP based on a more refined cost estimate, any further draws for new project costs of the BLXP under the Interim Financing Program (other than periodic refinancing of the initial draw under the Interim Financing Program) shall be subject to the unanimous approval by the members of the BPMC after review of the Class 2 cost estimate, which estimate the Authority will timely provide to the members of the BPMC upon its completion.

BE IT ALSO RESOLVED THAT, (a) within forty-five (45) days of the BPMC's receipt of the Class 2 cost estimate, the BPMC shall consider and vote on whether to approve the issuance by the Authority of additional draws in an amount not to exceed the maximum principal amount of the approved Interim Financing Program; and (b) upon unanimous approval by the members of the BPMC of such final resolution and final term sheet, the Authority shall be authorized by the BPMC to proceed with such issuance of debt from time to time for the approved purposes of the Interim Financing Program.

BE IT ALSO RESOLVED THAT, any IRC § 48E tax credits received by the Authority in association with the BLXP shall be used to pay down construction and finance costs for the BLXP.

BE IT ALSO RESOLVED THAT, nothing in this Resolution shall be construed as limiting the BPMC's authority to review the BLXP and associated financing as additional project information becomes available. The Authority shall provide the following BLXP and financial updates to the BPMC for review in a timely manner:

- Results of the License Amendment Application currently under review by FERC - anticipated in Summer 2027
- Summary of the financial structure and total costs of the final proposals received in response to the RFP for construction of the BLXP - anticipated in Fall 2027
- Updates regarding eligibility for IRC § 48E tax credits

The BPMC acknowledges that the purpose of these submissions is to evaluate material developments affecting the BLXP, including scope, schedule, cost, financing, regulatory approvals, and tax credit assumptions. Nothing in this Resolution shall be construed as limiting the BPMC's authority under the Power Sales Agreement to take such future actions as it deems appropriate in response to information contained in these submissions.

DATED at Anchorage, Alaska, this ____ day of September, 2026.

**BRADLEY LAKE PROJECT
MANAGEMENT COMMITTEE**

Chair, Arthur Miller

Attest: _____
Secretary, Curtis Thayer

EXHIBIT 1

PROPOSED TERM SHEET

Alaska Energy Authority
Up to \$150,770,000 in Interim Financing Program

SUMMARY OF TERMS AND CONDITIONS

Issuer	Alaska Energy Authority ("AEA")
Bradley Lake Project Power Purchasers	Chugach Electric Association, Inc. Golden Valley Electric Association, Inc. Matanuska Electric Association, Inc. Alaska Electric and Energy Cooperative, Inc., (acting on behalf of Homer Electric Association, Inc.) City of Seward
Purpose	Note proceeds shall be used to finance the Bradley Lake Expansion Project. The Bradley Lake Expansion Project will be competitively bid.
Finance Mechanism	Commercial paper program (the "Interim Financing Program") structured to permit draws to be issued on either a taxable or tax-exempt basis, as determined at the time of each draw
Interim Financing Program Amount	Not to exceed \$150,770,000.00 ¹
Bank Bond Amount	Not to exceed \$170,000,000 ²
Closing	Following satisfaction of the conditions precedent established in Resolution 26-XX, including BPMC acceptance of the Class 3 estimate and receipt of required governing board approvals from the Purchasers.
Term	Term of the Interim Financing Program: June 30, 2032
Security	Secured under AEA's Power and Revenue Bond Resolution adopted September 7, 1989 (as supplemented, the "Bond Resolution") on a

¹ Funding for FY27 and FY28 BLXP costs.

² Such amount is authorized to provide security to the letter of credit bank of the repayment of any extension of credit by the letter of credit bank to repay the commercial paper notes and is calculated based on the not to exceed amount of the Interim Financing Program, plus 270 days of interest at the maximum rate. Such amount is not duplicative of the authorized principal amount of the Interim Financing Program.

	parity with all other outstanding bonds related to the Bradley Lake Hydroelectric Project by a pledge of (i) the revenues from the Bradley Lake Hydroelectric Project, including all payments made under the Agreement for the Sale and Purchase of Electric Power, dated as of December 8, 1987, by and among AEA, Chugach Electric Association, Inc., Golden Valley Electric Association, Inc., Matanuska Electric Association, Inc., Alaska Electric and Energy Cooperative, Inc., (acting on behalf of Homer Electric Association, Inc.), and the City of Seward; (ii) the assignment of the Power Contract to the trustee; and (iii) the Capital Reserve Fund (a debt service reserve fund, which the State Legislature is authorized to replenish in the event of draw on the Capital Reserve Fund to pay debt service). AEA will obtain a direct-pay letter of credit to provide credit and liquidity support to the Commercial Paper program.
Interest Rate and Payment Dates	Each draw will bear interest at a fixed rate based on market rates at the time. Interest shall be capitalized.
Refinancing	AEA shall refinance all funds drawn under the Interim Financing Program before the maturity date of said funds and under terms approved by the BPMC.
Closing Costs	Closing costs and annual letter of credit fees to be paid using interest earned on proceeds from AEA's sale of series 11 bonds.

MEMORANDUM

TO: BPMC

THROUGH: Curtis Thayer, Executive Director

FROM: Jim Mendenhall, P.E., Director of Owned Assets

DATE: September 21, 2026

SUBJECT: Cook Inlet PowerLink (CIPLINK) Update

1. Environmental Permitting and 2026 Marine Survey Planning

AEA has completed the competitive selection of Woolpert to conduct the fall 2026 CIPLink marine survey program. Woolpert is retained through Stantec, AEA's Owner's Engineer, which manages the survey subcontract and reviews the data deliverables. HDR is supporting environmental permitting, agency coordination with the U.S. Army Corps of Engineers (USACE), National Marine Fisheries Service (NMFS), and Alaska State Historic Preservation Office (SHPO), and compliance with applicable permit requirements. AEA executed the marine survey contract amendment on September 3, 2026. The authorized program budget is approximately \$2.275 million, inclusive of Woolpert's fieldwork, Stantec's management services, and protected species observers.

- **Purpose:** Collect the route and site-characterization data needed to identify existing subsea utilities and hazards, refine the proposed cable alignment and landfalls. The data will be used to inform design, pricing, risk allocation, and installation planning for the subsequent submarine cable manufacturer and installer RFP.
- **Survey Area and Methods:** Approximately 35 miles of marine corridor, generally 1,000 meters wide, with a nearshore alternative west of Tyonek near the existing Beluga gas line. Planned investigations include multibeam and nearshore bathymetry, side-scan sonar, shallow sub-bottom profiling, magnetometer surveys, current measurements using acoustic Doppler current profilers (ADCPs), targeted seabed grab-sampling, and terrestrial/nearshore LiDAR at two landfall areas.
- **Field configuration:** Woolpert's planned three-vessel approach uses local vessels: S/V Inverness for multibeam, sub-bottom, and current-profiling work; R/V Rough Rider for concurrent side-scan sonar and magnetometer operations; and M/V Transporter to support an approximately 30-day unattended ADCP monitoring deployment.
- **Schedule:**
 - Overall program: September 21, 2026 – February 1, 2027.
 - Fall fieldwork is currently scheduled for September 21–October 24, with 32 planned data-collection days and a 14-day standby allowance for weather or operational restrictions.
 - Processing, mapping, and final deliverables continue into early 2027. Field timing is weather- and permit-condition dependent.

- **Limits and Use of Results:** Geotechnical drilling is not part of this campaign and will be developed and permitted separately. The October 2026 cable information and prequalification solicitation will precede final survey reporting; the resulting data will inform the subsequent cable design, supply, and installation RFP.

AEA issued a press release on September 15 announcing selection of Woolpert and receipt of the required marine survey permits. The project team is coordinating vessel activity, marine mammal monitoring, and compliance with applicable permit conditions.

2. HVDC Equipment Procurement Documents

AEA and Stantec are advancing procurement of the project's long-lead submarine cable and converter equipment. AEA has engaged the major HVDC original equipment manufacturers (OEMs), including meetings to introduce the CIPLink project and the upcoming converter design procurement.

- **Submarine Cable Prequalification (PQ) and Request for Information (RFI):** AEA plans to post the cable PQ/RFI at the beginning of October 2026. The process will solicit qualifications, relevant manufacturing and installation experience, capacity and lead times, technical approaches, preliminary pricing, domestic-content considerations, and installation methods. AEA and Stantec will evaluate responses to prequalify OEMs for participation in the subsequent competitive RFP for submarine cable design, supply, and installation. The technical and budgetary information received will also inform development of the RFP and future project cost estimates.
- **Converter Preferred Supplier Request for Proposals (RFP):** AEA and Stantec are preparing a two-stage procurement to select an HVDC converter manufacturer for a front-end engineering and design (FEED) phase. The FEED work would advance design definition, schedule, delivery strategy, and cost; any subsequent final design and construction agreement would be subject to the outcome of that phase and required approvals.

3. Preliminary Design Report

The Final Preliminary Design Report and addendum reflect the current configuration, including the Soldotna converter location, initial 100 MW transfer capability, and provisions to accommodate a future 200 MW expansion. AEA distributed these materials to the Technical Working Group (TWG) on September 21, 2026, for review in advance of the September 29 meeting.

AEA has scheduled a TWG meeting for September 29, 2026, with all Railbelt utilities, Electric Power Systems (EPS), and Stantec, with both in-person and virtual participation. The agenda includes a review of the design basis and changes since the earlier design; Soldotna interconnection and substation modifications; alignment with the EPS system study and Railbelt transmission planning; the marine survey; project funding; OEM engagement and upcoming procurements; environmental permitting; and the integrated project schedule. AEA will seek utility feedback on operational considerations and remaining design decisions before the next phase of engineering.

4. Environmental Review and FAST-41 Coordination

With permits secured for the 2026 survey campaign, AEA and HDR are focused on compliance during field activities and on advancing the broader project permitting roadmap. AEA is beginning coordination with the Federal Permitting Improvement Steering Council to explore listing CIPLink on the FAST-41 Permitting Dashboard. The objective is to establish greater visibility, coordination, and schedule accountability for future federal permitting. Dashboard listing and any applicable FAST-41 status have not yet been confirmed.

5. DOE Award Administration

DOE's June 2026 continuation amendment extended the current period of performance through June 30, 2027, and authorized expenditures of up to \$65,339,639 for approved activities, including marine survey work and initial procurement activities.

AEA is preparing the supporting documentation and invoice packages needed to bring project reimbursement requests current. This effort will be a primary focus for the project team over the next several weeks.

- Project expenditures through September 30, 2025, totaled \$1,399,570, all of which have been reimbursed by DOE.
- Total project expenditures through September 14, 2026, were \$2,453,987. An additional \$2,910,509 has been encumbered to support contractual expenses.

6. Project Funding and Capital Stack Development

AEA continues to develop the non-federal cost share and financing strategy for CIPLink. The June 22 update reported \$64.2 million in combined State appropriations and Bradley Lake bond proceeds secured, with an additional \$142.3 million needed to meet the project's cost-share requirement. AEA is advancing a \$142.3 million FY2028 capital request and plans to coordinate with utility representatives on the financing approach. A proposed BPMC resolution in support of CIPLink is expected to be considered ahead of the upcoming legislative session.

7. Staffing Update

AEA recently welcomed Quinn Johnson to the team as Assistant Project Manager supporting CIPLink. A lifelong Alaskan with a background in aviation management, Quinn brings enthusiasm and a fresh perspective to the project. He is currently being brought up to speed on CIPLink and will provide additional project management and coordination support as the project advances.

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE

Resolution 26-03

A RESOLUTION SUPPORTING STATE PARTICIPATION IN THE COOK INLET POWERLINK PROJECT

WHEREAS, the Bradley Lake Project Management Committee ("BPMC") consists of the Alaska Energy Authority ("AEA") and representatives from the Railbelt electric utilities - Chugach Electric Association, Golden Valley Electric Association, Homer Electric Association, Matanuska Electric Association, and the City of Seward - each of which purchases power from the Bradley Lake Hydroelectric Project pursuant to the Bradley Lake Power Sales Agreement;

WHEREAS, the Bradley Lake Hydroelectric Project is a cornerstone of Alaska's Railbelt energy system, providing reliable, low-cost renewable power to communities from the Kenai Peninsula through the Anchorage and Mat-Su areas and north to Fairbanks and the Delta Junction area;

WHEREAS, the Bradley Lake Expansion Project would capture additional water from the Dixon Glacier and increase the annual energy production of the Bradley Lake Project by approximately 165,000 megawatt-hours—an increase of roughly 40 percent—providing enough additional renewable energy to serve approximately 30,000 homes and displacing approximately 1.5 billion cubic feet of natural gas annually;

WHEREAS, the Bradley Lake Expansion Project is now substantially advanced and continuing to progress toward construction, with AEA having filed its Final License Amendment Application with the Federal Energy Regulatory Commission on June 30, 2026;

WHEREAS, AEA is advancing the Bradley Lake Expansion Project in partnership with the Railbelt utilities;

WHEREAS, reliable delivery of the additional energy produced by the Bradley Lake Expansion Project depends upon continued modernization of the Railbelt transmission system and successful completion of the Cook Inlet PowerLink ("CIPLink") project;

WHEREAS, CIPLink is a planned high-voltage direct-current transmission system connecting the Southern and Central Railbelt through a 38-mile subsea cable and associated overland facilities and converter stations;

WHEREAS, CIPLink initially will provide 100 MW, and ultimately up to 200 MW, of bidirectional power-transfer capability between the Southern and Central Railbelt, creating a redundant transmission connection between these regions, eliminating a critical single point of failure, improving system reliability and resilience, and allowing power to be transferred more efficiently to where it is needed;

WHEREAS, CIPLink will also provide the transmission capacity necessary to make full use of existing and future generation, including the additional energy produced by the Bradley Lake

Expansion Project, while reducing transmission losses and enabling the Railbelt to make greater use of its most economical available generation resources;

WHEREAS, CIPLink is estimated to cost \$413 million;

WHEREAS, AEA has received a federal grant through the U.S. Department of Energy's Grid Resilience and Innovation Partnerships program to fund approximately half of the project cost and secured an additional \$64.2 million in matching funds, leaving approximately \$142.3 million in remaining funding requirements;

WHEREAS, closing this funding gap is necessary to preserve previously awarded federal funds, maintain project momentum, and allow completion of a project that is foundational to long-term reliability and economic development throughout the Railbelt;

WHEREAS, the combination of CIPLink and the Bradley Lake Expansion Project represents a significant investment in Alaska-owned energy infrastructure that will strengthen Railbelt energy security and reliability, reduce reliance on natural gas, support greater use of low-cost and renewable generation, lower long-term energy costs, and generate substantial economic activity and long-term benefits for Alaska over an expected useful life of approximately 50 years;

WHEREAS, the Bradley Lake Project Management Committee recognizes that completion of CIPLink is critical to realizing the full value of the Bradley Lake Expansion Project and to maintaining the reliability and economic benefits of the broader Railbelt electric system; and,

WHEREAS, the Bradley Lake Project Management Committee considers completion of CIPLink and securing the remaining funding necessary for the project to be its top legislative request;

NOW, THEREFORE, BE IT RESOLVED, that the Bradley Lake Project Management Committee recognizes that completing CIPLink will help ensure that the additional energy made possible by the Bradley Lake Expansion Project can be delivered to Railbelt utilities in the most efficient and reliable manner possible, thereby strengthening the value of the substantial investment being undertaken by the Railbelt utilities in the Bradley Lake Expansion Project; and

BE IT FURTHER RESOLVED, that the Bradley Lake Project Management Committee expresses its strong support for state participation in the CIPLink project in the amount of \$142.3 million to close the remaining funding gap, enable the project to proceed on schedule, and advance a critical transmission project that will improve reliability and resilience for all Railbelt electric utilities and the communities they serve.

DATED at Anchorage, Alaska, this ____day of _____, 2026.

Arthur Miller, Chair

Curtis Thayer, Secretary

SSQ Line Update
PENDING



August 17, 2026

John Sims, President
ENSTAR Natural Gas Company
5151 Fairbanks Street
Anchorage, AK 99503

Subject: Coordinated Action to Ensure Reliable Energy Service

Dear John,

Thank you for reaching out to discuss what Chugach Electric Association, Inc. (Chugach) can do to help ENSTAR Natural Gas Company (ENSTAR) meet its natural gas requirements for the upcoming 2026/2027 winter season without jeopardizing Chugach's ability to reliably deliver electric power to its members. Chugach recognizes the seriousness of the supply challenges currently facing ENSTAR, which directly impacts Chugach and other electric utilities throughout Southcentral Alaska as they modify operations to assist ENSTAR in meeting its gas requirements. We stand ready to work collaboratively with ENSTAR toward solutions that ensure reliable service for all customers throughout the region.

As you know, Chugach offered several potential measures to ENSTAR over the past year that could have helped mitigate the risk of a gas supply shortfall including, but not limited to, Chugach purchasing power from Golden Valley Electric Association, Inc. and operating diesel-fired generation from Chugach Plant 1, either of which would displace natural gas that could then be made available to ENSTAR, as well as gas exchange and other gas supply structural arrangements. We look forward to a substantive discussion about which measures represent the most viable approach given ENSTAR's supply position and operational needs. Importantly, the sooner ENSTAR actively pursues these options, the more meaningful an impact Chugach can have in assisting ENSTAR.

I have recently spoken with several Commissioners of the Regulatory Commission of Alaska regarding Chugach's prior offers to ENSTAR and our continued interest in assisting ENSTAR if needed. I shared with them that Chugach views this matter as one of utmost concern - a concern that is shared by, and has also been raised with, Chugach's Board of Directors. We have also communicated that Chugach remains committed to working proactively with ENSTAR toward solutions that protect reliable service for customers throughout the region.

Importantly, as we discussed, two critical transmission-line projects are scheduled over the next year that will directly impact the delivery of power from the Bradley Lake Hydroelectric Project to all Railbelt utilities other than Homer Electric Association, Inc. Specifically, a portion of the Quartz Creek to Sterling transmission line segment is scheduled to be replaced beginning January

Chugach Electric Association, Inc.

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27, 2027, and continue for approximately 80 days,¹ and the Dave's Creek to Summit Lake line segment is scheduled to be replaced beginning July 26, 2027, and continue for approximately 40 days. During the majority of these periods, Bradley Lake power will not be available to Chugach or the other affected Railbelt utilities, which may reduce Chugach's ability to assist ENSTAR during those windows. Given this, it will be important that our discussions account for these outage periods so that any measures we agree upon reflect Chugach's actual operational capacity at the relevant times. Given the seriousness of ENSTAR's supply situation, additional safeguards will be explored to have the ability to restore these transmission segments to service on relatively short notice, though doing so will involve additional costs for which Chugach would expect cost reimbursement from ENSTAR. Chugach is willing to explore modifying its Bradley schedule, where doing so could help make additional temporary gas available to assist ENSTAR.

Chugach has made clear, through both its earlier correspondence and its recent conversations with ENSTAR, that it is prepared to help ENSTAR navigate the serious supply challenges it faces this winter. We appreciate ENSTAR's recent outreach to discuss these options directly, and we are encouraged by the opportunity to move from identifying potential measures to jointly determining which to implement in time to make a meaningful difference. Based on our meeting last week, Chugach will provide additional detail and formality regarding the potential arrangements we discussed so that ENSTAR can identify the measures it would like Chugach to pursue and the parties can establish the operational, commercial, and regulatory steps necessary to implement them. That said, knowing that ENSTAR is short on gas today, we must be clear that Chugach cannot allow a situation to arise that requires curtailing power deliveries to its members. Immediate action is needed to ensure that outcome is avoided.

Sincerely,



Arthur W. Miller
Chief Executive Officer
Chugach Electric Association, Inc

cc: Chugach Electric Association, Inc. Board of Directors
John Espindola, Chair, Regulatory Commission of Alaska
Brad Janorschke, Chief Executive Officer, Homer Electric Association, Inc.
Travis Million, Chief Executive Officer, Golden Valley Electric Association, Inc.
Tony Izzo, Chief Executive Officer, Matanuska Electric Association, Inc.
Brian Hickey, General Manager, Seward Electric System

¹ The timing of this work is not discretionary. A significant portion of this segment runs through the Kenai National Wildlife Refuge and crosses areas accessible only when frozen, so the work must occur, as required by permit, during a specific winter window and cannot be scheduled otherwise.



August 25, 2026

Mr. John Sims
President
ENSTAR Natural Gas Company
5151 Fairbanks Street
Anchorage, Alaska 99503

Subject: Options to Make Natural Gas Available to ENSTAR Natural Gas Company

Dear John,

Consistent with our prior discussions concerning Chugach Electric Association, Inc.'s (Chugach) ability to assist ENSTAR Natural Gas Company (ENSTAR), Chugach is writing regarding ENSTAR's projected natural gas supply needs for the upcoming winter and subsequent periods leading up to the availability of imported liquefied natural gas (LNG).

You have publicly stated that ENSTAR faces a 3.0 Bcf gas supply shortfall for the 2026/2027 winter period alone, of which approximately 1.2 Bcf has been secured from Matanuska Electric Association, Inc. We understand that ENSTAR continues to work to address the remaining requirement, as well as its gas supply needs beyond this winter. As we have communicated over the past year, Chugach is willing to assist ENSTAR in addressing these supply needs and to work collaboratively to identify practical solutions.

ENSTAR's gas supply position is important to Chugach and the broader Railbelt. Curtailment of natural gas service presents significant operational challenges and can require substantially more time to restore than temporary electric service interruptions. As a result, a significant gas supply shortfall could also place increased demands on the Railbelt electric system as utilities work together to preserve natural gas service during periods of peak demand.

Chugach therefore believes that advance planning and coordination are essential. To assist in that effort, we request that ENSTAR provide its current projection of gas supply requirements and potential shortfalls through 2029, including anticipated shortfalls by month. This information will allow Chugach to better evaluate the timing and magnitude of ENSTAR's needs and determine which option, or combination of options, can best assist ENSTAR in addressing its projected gas supply requirements over the next several years.

Based on our discussions, Chugach has identified three potential options that could assist ENSTAR in addressing its projected gas supply shortfalls: 1) Gas displacement through Chugach energy purchases from Golden Valley Electric Association, Inc. (GVEA); 2) Gas displacement through operation of Chugach's diesel generation unit; and 3) A gas exchange and/or direct sale of up to 3.0 Bcf of gas by Chugach. The options differ substantially in volume, price, lead time, and the degree of third-party coordination required, and they are not mutually exclusive. A practical solution may ultimately involve a combination of these approaches. Timely coordination will provide the greatest flexibility and increase the likelihood that the most cost-effective options remain available.

Chugach Electric Association, Inc.

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Option 1: Gas Displacement Through Chugach Energy Purchases from Golden Valley Electric Association, Inc.

Under Option 1, Chugach would purchase energy from GVEA using diesel or naphtha and delivered to Chugach over the Alaska Intertie. Chugach would reduce its own gas-fired generation by the energy received, thereby preserving a corresponding quantity of natural gas that could be made available to ENSTAR. Chugach could also make gas available to ENSTAR in advance of the corresponding displacement and subsequently restore its gas position through GVEA energy purchases over an agreed-upon period.

Chugach's discussions with GVEA remain preliminary, and this option would require further coordination with GVEA regarding unit and fuel availability, pricing, transmission capability, and dispatch commitments before the parties could proceed.

At 60 MW of GVEA availability, approximately 1.8 Bcf of gas could be displaced over a five-month period, with approximately 324,000 to 367,000 Mcf displaced per month. A 30 MW case would yield approximately half those volumes. Chugach would seek to minimize the overall cost of this option, including by purchasing GVEA power during periods when its cost is lowest.

Based on preliminary power pricing and transmission cost estimates provided by GVEA, Chugach estimates an effective gas price of approximately \$29 to \$42 per Mcf when the North Pole units are operated in recuperated configuration and approximately \$41 to \$59 per Mcf in simple-cycle configuration. Actual costs would depend primarily on liquid fuel prices, unit configuration, and the heat rates of the Chugach generating units displaced.

The principal constraint associated with Option 1 is the ability to procure, store, and deliver a substantial and sustained supply of liquid fuel. This would require a term supply arrangement, adequate storage, and a reliable delivery schedule. Accordingly, discussions with GVEA would need to proceed concurrently with ENSTAR's evaluation of this option. Chugach is prepared to begin those discussions promptly if ENSTAR indicates an interest in pursuing it.

Option 2: Chugach Generation on Diesel

Under Option 2, Chugach could operate Unit 4 at its Nikkels Plant on diesel rather than natural gas, reducing gas-fired generation elsewhere on its system and making the displaced gas available to ENSTAR on substantially the same basis as Option 1.

The primary limitation is diesel resupply rather than generating-unit capability. The Nikkels Plant holds approximately 160,000 gallons, sufficient for approximately 48 hours of continuous operation. Based on current logistics, resupply is approximately 30,000 gallons per day, or three 10,000-gallon tanker loads. Sustained operation would therefore generally involve approximately 10 hours of operation per day with corresponding fuel replenishment. Seven-day operation may be possible during an emergency but would require additional coordination with fuel suppliers and would result in additional costs.

At approximately \$3.00 to \$5.00 per gallon for diesel, the effective gas price is estimated at approximately \$35 to \$66 per Mcf before non-fuel incremental costs. Additional costs could include turbine maintenance associated with diesel firing and additional costs associated with extended hours of operations and fuel delivery labor costs.

Offsetting 1 Bcf would require approximately 44 to 68 weeks of operation at the five-day cadence and approximately 7.3 to 11.2 million gallons of diesel. Across the remainder of this calendar year, the unit could displace approximately 0.3 to 0.5 Bcf. While the rate of diesel generation limits how quickly Chugach can restore its gas position, Chugach's ability to make gas available in advance provides flexibility to better align deliveries with periods when ENSTAR's gas requirements are greatest. Accordingly, this option could provide a meaningful component of a broader solution to ENSTAR's projected gas supply needs.

Gas Exchange Options: Under Options 1 and 2 above, Chugach may be able to make gas available to ENSTAR in advance of the corresponding gas displacement. Chugach would provide gas from its available supply or storage, and its gas position would subsequently be restored through purchases of energy from GVEA and/or through operation of Chugach generation on diesel.

This structure could provide ENSTAR with gas when it is most needed while allowing the corresponding displacement to occur over a longer period and when operational and economic conditions are most favorable. The timing and quantity of any advance gas deliveries would be subject to Chugach's available gas supply and storage, native-load requirements, reliability considerations, and agreement on a schedule for restoring Chugach's gas position.

Although some alternatives may appear costly on a per-Mcf basis, their overall impact should be weighed against the need to maintain reliable natural gas and electric service. Chugach estimates that providing 1.8 Bcf of gas at an effective cost of approximately \$41 per Mcf would increase ENSTAR's overall system rates by about 10%. Actual impacts would vary based on the alternative selected, volume used, timing, and other factors, but this estimate illustrates the potential customer cost of securing additional gas compared with the reliability risks of an unresolved supply shortfall.

Option 3: Gas Exchange With Return in Kind and/or Direct Sale of Gas

Chugach has potentially up to 3.0 Bcf of gas that could be made available to ENSTAR through a gas exchange, direct sale, or combination of the two. The amount and timing of any gas made available would need to be evaluated in the context of ENSTAR's projected gas supply requirements over the next several years, as well as Chugach's own gas supply requirements and reliability needs.

Under a gas exchange structure, Chugach would make gas available to ENSTAR from Chugach's available contract supply and storage, with ENSTAR returning the gas in kind over a mutually agreed-upon timeframe, either before or after imported LNG becomes available. The commercial terms would reflect Chugach's costs, the timing and quantity of gas delivered and returned, and the supply and replacement risks associated with the arrangement.

As an additional alternative, Chugach would consider a direct sale of some or all of the gas available under this option. Because a direct sale would permanently reduce Chugach's gas position rather than restore it through a subsequent return of gas, the commercial terms would need to appropriately reflect the additional supply and replacement risks incurred by Chugach.

Transmission Rebuild Outage

As previously identified, scheduled 2027 transmission projects will limit the availability of Bradley Lake power during certain periods, increasing reliance on natural gas generation. If ENSTAR desires additional safeguards during these periods, Chugach is willing to evaluate contingency measures, including the ability to restore affected transmission facilities to service on relatively short notice and modifications to Bradley Lake scheduling that could make additional gas available to ENSTAR. Any incremental costs associated with these measures would be addressed as part of the applicable commercial arrangements.

Summary

Given the lead time associated with several of these alternatives, we would appreciate hearing from ENSTAR by September 7, 2026, if it is interested in pursuing any of them. We would welcome the opportunity to meet shortly thereafter to review ENSTAR's projected gas supply needs and determine which alternatives warrant further evaluation.

Chugach recognizes the importance of reliable natural gas and electric service to our respective customers and the broader Southcentral Alaska community. We are prepared to work closely with ENSTAR, and with other Railbelt utilities as appropriate, to identify workable solutions and move promptly to implement those alternatives that best address ENSTAR's needs while maintaining reliable electric service to Chugach's members.

Sincerely,



Arthur W. Miller
Chief Executive Officer
Chugach Electric Association, Inc.

cc: Chugach Electric Association, Inc. Board of Directors
John Espindola, Chair, Regulatory Commission of Alaska
Brad Janorschke, Chief Executive Officer, Homer Electric Association, Inc.
Curtis Thayer, Chief Executive Officer and Executive Director, Alaska Energy Authority
Tony Izzo, Chief Executive Officer, Matanuska Electric Association, Inc.
Travis Million, Chief Executive Officer, Golden Valley Electric Association, Inc.
Brian Hickey, General Manager, Seward Electric System

MEMORANDUM

TO: BPMC

FROM: Mark Billingsley, General Counsel;
Josi Hartley, Director of Federal Programs

CC: Patrick Domitrovich, Infrastructure Engineer

SUBJECT: SSQ Project—BABA Compliance Considerations

DATE: September 23, 2026

Purpose

This memorandum supports evaluation of financing alternatives for the remaining SSQ project phases of work. The memo begins with background regarding the Build America, Buy American Act (BABA). Then the memo describes the impacts of BABA compliance including schedule delays and cost premiums, compares the costs of BABA compliance against alternatives, and analyzes other material considerations. Ultimately, the memo recommends applying BABA requirements to the remaining SSQ work.

Background

BABA, enacted under the Infrastructure Investment and Jobs Act, governs domestic-preference requirements for DOE funding. In contrast, the USDA Rural Utilities Service (RUS) follows an older Buy American requirement established by the Rural Electrification Act of 1936 and 7 CFR Part 1787. RUS requirements are more lenient than those of most other federal agencies.

Both BABA and RUS Buy American requirements direct federal funds toward U.S.-manufactured products and require documentation of component costs and countries of origin. They differ in that RUS permits certain components and materials to be procured from a list of non-US approved countries, whereas BABA allows only US sources to be considered domestic. Both the DOE and the USDA RUS allow funding recipients to apply for waivers based on unreasonable cost, non-availability, or public interest, but there is a much higher cost impact threshold associated with BABA, a 25% increase to total project cost vs RUS at only 6%.

BABA has different domestic content requirements based on the type of material being procured, whereas RUS does not distinguish between types of materials and simply requires domestic sources to account for at least 50% of total material costs. To comply with BABA, materials permanently incorporated into the project are classified as one of the following: (1) iron or steel, (2) manufactured products, or (3) construction materials. Each classification is subject to its own domestic-preference requirement.

For items classified as iron or steel, 100% of the production processes, from initial melting through final manufacturing, must occur in the United States. Transmission poles, H-frame

structures, and steel piles fall into this category. Although these items are manufactured, BABA classifies them as iron or steel rather than as manufactured products, so the stricter requirement applies unless a waiver is obtained from the funding agency.

For items classified as manufactured products, BABA requires 55% of total manufactured products cost to be domestically sourced with the same waiver threshold 25% increase to total project cost. Construction materials (other than aggregates and cementous products) must be 100% domestically sourced.

Cost and Schedule Considerations

AEA has discussed the impacts of BABA compliance with CEA and EPS. BABA compliance will impact both cost and schedule.

- Transmission: Steel structures appear to represent the primary BABA-related cost exposure. EPS does not currently anticipate a material BABA premium for other transmission components, including insulators.
- Substations: Major equipment is available from domestic sources, and no material BABA premium is currently anticipated for transformers, breakers, bus work, or structural steel.
- Lead Times: Transformer procurement remains a schedule consideration, with current lead times of approximately two to three years. Domestic supply is available, and breaker lead times are not currently considered significant.

SSQ Cost Basis

The current SSQ project estimate totals approximately \$178.5 million and provides the basis for evaluating where BABA-related premiums may apply.

SQLine Upgrade to 230kV by Projects								
	SQP1	SQP2	SQP3 & P4	SS	Soldotna Sub	Sterling Sub	Quartz Sub	Totals
	<i>Completed</i>							
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	\$ -	\$ -	\$ 29,600,000	\$ 14,000,000	\$ 26,245,648	\$ 10,545,500		\$ 80,391,148
FY 2029	\$ -	\$ -	\$ -	\$ 22,050,000			\$ 17,503,807	\$ 39,553,807
Totals	\$ 14,200,000	\$ 37,250,000	\$ 36,635,000	\$ 36,135,000	\$ 26,245,648	\$ 10,545,500	\$ 17,503,807	\$ 178,514,955

Observed Cost Impact

Actual steel pricing provides the best current basis for estimating a BABA premium.

Steel Structure Bidder for SSQ P3/P4 (September, 2026)	Non-BABA	BABA	Premium
Valmont	\$6.753M	\$7.634M	\$0.881M / 13%

The Valmont BABA premium equates to approximately 2.4% of the overall SQ Phase 3 / 4 cost. Nucor did not show a comparable differential, indicating that impacts may vary by supplier.

Recommended Planning Assumption

AEA should carry a 2.5% BABA premium on future SSQ reconductoring work. This assumption is reasonable because it is based on actual SSQ pricing, closely reflects the observed 2.41% project level impact, and captures the principal identified exposure without applying an unsupported premium to the full project. A blanket premium on substation costs is not supported by current information; the greater substation risk appears to be schedule rather than cost.

Future Reconductoring Scope	Current Estimate	2.5% Allowance
SQ Phase 3 & 4	\$36.635M	\$0.916M
Soldotna–Sterling	\$36.135M	\$0.903M
Total	\$72.770M	\$1.819M

Financial Comparison and Other Considerations

Financing alternatives: The principal financing options for the remaining SSQ costs are DOE financing, USDA RUS financing, and taxable bonds. DOE financing requires compliance with BABA, while RUS financing is subject to the less restrictive RUS Buy American requirements. Bond financing is not subject to federal domestic-sourcing requirements. Accordingly, the direct financial comparison should evaluate the cost of DOE financing, including the estimated BABA premium, against the cost of the available alternatives. RUS financing may offer terms at least as favorable as DOE financing without a comparable domestic-sourcing premium, but its availability and timing remain uncertain (see discussion below). At current interest rates, financing the remaining SSQ costs with taxable bonds is estimated to cost more than DOE financing. On a strictly quantitative basis, DOE financing—including the estimated BABA premium—is therefore less costly than taxable bond financing.

Other Material Considerations: The financing decision should not be based on cost alone.

1. First, at DOE's request, AEA's loan application combines BLXP and SSQ because DOE prefers larger loan packages. Excluding SSQ because it is not BABA-compliant could weaken the overall DOE financing proposal.
2. Second, including SSQ may help satisfy DOE's requirement that project owners contribute at least 20% of total project value as equity. AEA has contributed approximately \$32 million toward the projected \$432 million BLXP cost—far less than 20%—but AEA has contributed approximately \$90 million toward the roughly \$180 million SSQ cost. BABA-compliant SSQ costs would therefore help with AEA's equity contribution for the combined BLXP–SSQ financing package. (Note: Phases 1 and 2 of SSQ used non-BABA-compliant steel; AEA has raised this issue with DOE, which is

determining whether those costs may qualify as eligible project costs / equity contributions.)

3. Third, although USDA RUS financing is a strong alternative, its availability and timing are uncertain. AEA and RUS already have spent months attempting to develop an acceptable collateral package, and financing may not be available when SSQ requires funding.
4. Finally, future competitive grant programs, such as SPARK and Section 40101(d), require BABA compliance. Procuring BABA-compliant materials for the remaining SSQ work would preserve eligibility for those potential funding sources.

Recommendation

Funding Flexibility and Compliance: Applicable BABA requirements should be observed for the remainder of the SSQ project because the estimated premium is limited while compliance strengthens the combined SSQ-BLXP DOE financing proposal, would help meet AEA's required equity contribution, preserves eligibility for future federal funding, and avoids reliance on RUS financing whose availability and timing remain uncertain.

Bradley Lake Operator Report

BPMC

September 25, 2026

Unit Statistics:

Generation	Unit 1 (MWhrs)	Unit 2 (MWhrs)	Total (MWhrs)
July 2026	13,704	11,843	25,547
Aug. 2026	18,797	16,911	35,708
Sept. *2026	8,111	7,488	15,599

Hydraulics	Avg. Lake Level (ft.)	Bradley Fishwater (ac ft.)	Battle Creek MIF (ac ft.)
July 2026	1,152	2,584	1,050
Aug. 2026	1,101	5,156	1,045
Sept. *2026	1,119	1,977	686

Battle Creek	Inflows to Bradley (ac ft.)
July 2026	10,753
Aug. 2026	10,957
Sept. *2026	6,229.5

*Lake Level – 1,163.1' As of Sept. 19, 2026

Activities

- Forced Outages- None to report.
- Dam/Spillway – Completed the monthly dam safety inspection and spillway readings.
- Battle Creek Diversion- Operating with no issues. Homer Invasive Weed Control personnel completed the spraying of the Battle Creek Diversion Pipe for vegetation control.
- Safety There have been no lost time or reportable accidents for the month of August and as of today in September. Conducted a safety meeting on Aug.19 and Sept. 16, 2026. Bay Safety Completed the annual fire extinguisher inspections and conducted live fire extinguisher training.
- Fire System- We are continuing to seek bids for the fire alarm panel system upgrade.
- Domestic Water- We completed installing the new domestic water line from the well to the filter. A new well house is in progress of being constructed.
- Needle Valves- The two needle bodies ordered as critical spares are being prepped for shipment. ETA is Nov. 2026. We continue to check needles on a weekly schedule. We have found no indication of oil leakage.
- Projects: EPS completed the repairs to the buss work in US1 station service transformer. Completed the cleanup of the upper and lower campgrounds on the dam road. The replacement for the main powerhouse roll-up door has been ordered. We will be conducting a physical inspection of the needle valves bodies to determine if there has been any other pin movement. Cleaned up brush around the cold storage building, leach field, and lay down yard.

- DOWL/Schnabel/ Discovery Drilling- All personnel have left the site but are being staged out of Homer to finish this season drilling efforts.

Contractors/ Visitors

- HEA – Larry Jorgensen, Safety Meeting.
- Schnabel- BJ Siljenberg, Tony Branz, Jaden Carter, Roberto Piemontese, Sam Ash, Will Gardner, Paul Pribyl, Thomas Pallua, Joseph Ward- Dam raise/ Dixon project.
- DOWL- Russ Reed, Andrew Johnson, Willie Stoll, - Dam raise/ Dixon project.
- Geophysics- Ester, Garrett, Amara, Elliot- Dam raise/ Dixon project.
- AEA- Ryan McLaughlin, Dam raise/ Dixon project.
- Homer Soil and Weed - Abby D, Trina, Brandon, vegetation control.
- Frontier Land Services - Greg Swanson, Brian Swanson, three phase power.
- HEA IT- Jess Russell - Repair operator workstation.
- Emmerson - Adrian Franco, Repair the Waterfall program server.
- Alaska Eco Forestry - Jason Koontz, Greg Koontz.
- Alaska Land Clearing -
- Frontier Land Services - Greg Swanson, Brian Swanson.

Bradley Lake, Sept. 10, 2026. Lake Elevation 1 162.4'

Sept. 10, 2026



West Battle Creek Diversion



Battle Creek Diversion Inlet Pipe



Battle Creek Outlet Pipe



New Well House Under Construction



Hunters Boats At The Barge Dock Public Boat Ramp



Lynx



Bear on Project



Alaska Energy Authority
Bradley Lake
Budget to Actual Expenses
07/01/2025 to 06/30/2026

DRAFT

**ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
BRADLEY LAKE NON-R&C CAPITAL PURCHASES
SCHEDULE A
FOR THE PERIOD 07/01/2025 TO 06/30/2026**

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	134,589
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	32,919
Limitorque Actuators on fish water valve (Replace)	-	-	-	-	35,000	-
Domestic water tank, controls, and filtration system (Replace)	-	-	-	-	35,000	15,174
Replace Equipment Soldotna SVC Substation	-	-	-	-	-	68,973

Total Non R&C Capital Purchases	948,000	289,857	150,000	381,209	521,000	251,655
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**ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
BRADLEY LAKE OPERATIONS & MAINTENANCE
BUDGET TO ACTUAL EXPENSES
SCHEDULE B
FOR THE PERIOD 07/01/2025 TO 06/30/2026**

	FY26 Approved Budget	FY 26						FY 25	
		BUDGET % 07/01/2025 - 06/30/2026	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	360,000	-	-	470,148	470,148	(110,148)	312,585	501,917
Labor & Benefits	1,497,414	1,497,414	1,118,032	29,590	119,952	1,267,574	229,839	2,054,317	1,435,363
Travel	40,300	40,300	1,300	-	13,260	14,560	25,740	51,500	57,509
Training	55,000	55,000	14,724	-	1,214	15,938	39,062	55,000	7,211
Contractual	1,392,497	1,392,497	885,120	-	282,413	1,167,533	224,964	1,243,010	1,118,636
Consulting-Administrative	155,000	155,000	-	-	51,029	51,029	103,971	315,000	46,433
Supplies & Materials	342,000	342,000	204,207	926	-	205,133	136,867	378,500	296,310
Other Costs	77,518	77,518	40,667	28,966	288	69,921	7,597	112,718	95,087
Equipment, Furniture & Machinery	20,000	20,000	22,380	-	583	22,963	(2,963)	35,000	19,940
Administrative Costs	2,549,839	2,549,839	70,188	-	2,175,241	2,245,429	304,410	1,978,224	2,088,063
Indirect Costs	1,543,116	1,543,116	1,348,172	-	-	1,348,172	194,944	1,480,105	1,340,986
O&M 4% Allocation to Battle Creek	(321,307)	(321,307)	-	-	-	-	(321,307)	(320,638)	-
Total Bradley Lake Budget	7,711,376	7,711,376	3,704,790	59,483	3,114,128	6,878,401	832,975	7,695,321	7,007,455
FERC 535 - Operation Supervision & Engineering									
Operations Sup/Eng									
Bradley Lake Operating									
Labor & Benefits	109,196	109,196	103,540	-	-	103,540	5,656	105,451	99,743
Travel	5,000	5,000	354	-	-	354	4,646	5,000	668
Training	5,000	5,000	-	-	-	-	5,000	5,000	-
Contractual	3,000	3,000	-	-	-	-	3,000	3,000	407
Supplies & Materials	25,000	25,000	1,191	-	-	1,191	23,809	4,000	-
Indirect Costs	157,071	157,071	143,417	-	-	143,417	13,654	155,698	139,723
Bradley Lake Operating Total	304,267	304,267	248,501	-	-	248,501	55,766	278,149	240,542
FERC 535 - Operation Supervision & Engineering Total	304,267	304,267	248,501	-	-	248,501	55,766	278,149	240,542
FERC 537 - Hydraulic Expenses									
Hydraulic Expenses									
Bradley Lake Operating									
Labor & Benefits	81,895	81,895	85,552	-	-	85,552	(3,658)	95,262	79,042
Contractual	15,000	15,000	-	-	-	-	15,000	-	-
Supplies & Materials	10,000	10,000	1,844	-	-	1,844	8,156	4,000	1,729
Indirect Costs	113,127	113,127	112,276	-	-	112,276	852	109,250	108,693
Bradley Lake Operating Total	220,022	220,022	199,672	-	-	199,672	20,350	208,512	189,464
FERC 537 - Hydraulic Expenses Total	220,022	220,022	199,672	-	-	199,672	20,350	208,512	189,464
FERC 538 - Electric Expenses									
Electric Expenses									
Bradley Lake Operating									
Labor & Benefits	235,187	235,187	238,100	-	-	238,100	(2,913)	218,044	227,478
Travel	7,000	7,000	803	-	-	803	6,197	7,000	293
Training	30,000	30,000	14,724	-	-	14,724	15,276	30,000	3,990
Contractual	18,000	18,000	14,932	-	-	14,932	3,068	10,000	5,255
Supplies & Materials	23,500	23,500	4,029	-	-	4,029	19,471	18,500	5,970
Indirect Costs	280,431	280,431	280,349	-	-	280,349	82	262,004	268,318
Bradley Lake Operating Total	594,118	594,118	552,937	-	-	552,937	41,181	545,548	511,305
FERC 538 - Electric Expenses Total	594,118	594,118	552,937	-	-	552,937	41,181	545,548	511,305
FERC 539 - Misc. Hydraulic Power Generation Expenses									
Misc Hydro Power Exp									
Bradley Lake Operating									
Labor & Benefits	130,567	130,567	76,410	-	-	76,410	54,156	107,742	78,868
Training	20,000	20,000	-	-	-	-	20,000	20,000	-
Contractual	606,317	606,317	520,099	-	-	520,099	86,218	385,067	410,619
Supplies & Materials	30,000	30,000	41,637	-	-	41,637	(11,637)	25,000	45,819
Indirect Costs	122,323	122,323	105,884	-	-	105,884	16,439	114,320	111,127
Bradley Lake Operating Total	909,207	909,207	744,030	-	-	744,030	165,177	652,129	648,997
BRADLEY CIRCUITS/RADIO TO BERNICE LK									
Other Costs	35,695	35,695	34,268	-	-	34,268	1,427	35,695	34,268
BRADLEY CIRCUITS/RADIO TO BERNICE LK Total	35,695	35,695	34,268	-	-	34,268	1,427	35,695	34,268
BRADLEY CIRCUITS BERNICE LK TO ANCH									
Other Costs	29,773	29,773	-	28,966	-	28,966	807	29,773	28,985
BRADLEY CIRCUITS BERNICE LK TO ANCH Total	29,773	29,773	-	28,966	-	28,966	807	29,773	28,985
LOWER BRADLEY CIRCUITS/RADIO TO BARGE DOCK									
Other Costs	10,000	10,000	6,399	-	-	6,399	3,601	45,000	24,085
LOWER BRADLEY CIRCUITS/RADIO TO BARGE DOCK Total	10,000	10,000	6,399	-	-	6,399	3,601	45,000	24,085
FERC 539 - Misc. Hydraulic Power Generation Expenses Total	984,675	984,675	784,697	28,966	-	813,663	171,012	762,597	736,335
FERC 541 - Maintenance Supervision & Engineering									
Maint Supervision/Eng									
Bradley Lake Operating									
Labor & Benefits	117,056	117,056	110,260	-	-	110,260	6,796	110,451	104,197
Indirect Costs	157,071	157,071	143,417	-	-	143,417	13,654	155,698	139,723
Bradley Lake Operating Total	274,127	274,127	253,677	-	-	253,677	20,450	266,149	243,920
FERC 541 - Maintenance Supervision & Engineering Total	274,127	274,127	253,677	-	-	253,677	20,450	266,149	243,920
FERC 542 - Maintenance of Structures									
Maintenance of Structures									
Bradley Lake Operating									
Labor & Benefits	84,789	84,789	67,111	-	-	67,111	17,677	89,710	67,928
Contractual	35,000	35,000	38,783	-	-	38,783	(3,783)	126,000	103,435
Supplies & Materials	44,000	44,000	28,303	-	-	28,303	15,697	70,000	40,551
Equipment, Furniture & Machinery	20,000	20,000	22,380	-	-	22,380	(2,380)	20,000	14,623

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
BRADLEY LAKE OPERATIONS & MAINTENANCE
BUDGET TO ACTUAL EXPENSES
SCHEDULE B
FOR THE PERIOD 07/01/2025 TO 06/30/2026

	FY26 Approved Budget	FY 26						FY 25	
		BUDGET % 07/01/2025 - 06/30/2026	HEA Actual	CEA Actual	AEA Actual	Total Actual	(Over) Under Budget to Date	FY25 Approved Budget	FY25 Actual
Indirect Costs	115,838	115,838	92,903	-	-	92,903	22,935	102,350	94,601
Bradley Lake Operating Total	299,627	299,627	249,481	-	-	249,481	50,146	408,060	321,138
FERC 542 - Maintenance of Structures Total	299,627	299,627	249,481	-	-	249,481	50,146	408,060	321,138
FERC 543 - Maintenance of Reservoirs, Dams & Waterways									
Maint Res, Dams, WWays									
Bradley Lake Operating									
Labor & Benefits	17,992	17,992	2,843	-	-	2,843	15,150	51,783	13,050
Contractual	6,500	6,500	23,503	-	-	23,503	(17,003)	39,500	41,306
Supplies & Materials	20,000	20,000	-	-	-	-	20,000	85,000	63,338
Indirect Costs	22,556	22,556	4,406	-	-	4,406	18,150	58,650	16,000
Bradley Lake Operating Total	67,048	67,048	30,752	-	-	30,752	36,297	249,933	133,694
BRADLEY POWER TUNNEL MAINT (Dam)									
Contractual	15,000	15,000	6,337	-	-	6,337	8,663	15,000	-
BRADLEY POWER TUNNEL MAINT (Dam) Total	15,000	15,000	6,337	-	-	6,337	8,663	15,000	-
FERC 543 - Maintenance of Reservoirs, Dams & Waterways Total	82,048	82,048	37,089	-	-	37,089	44,960	264,933	133,694
FERC 544 - Maintenance of Electric Plant									
Maintenance of Elec Plant									
Bradley Lake Operating									
Labor & Benefits	336,995	336,995	267,796	-	-	267,796	69,199	309,110	261,477
Travel	4,500	4,500	143	-	-	143	4,357	4,500	530
Contractual	24,000	24,000	38,328	-	-	38,328	(14,328)	75,000	60,276
Supplies & Materials	40,000	40,000	21,168	-	-	21,168	18,832	40,000	35,276
Indirect Costs	461,361	461,361	370,815	-	-	370,815	90,546	423,178	367,649
Bradley Lake Operating Total	866,856	866,856	698,250	-	-	698,250	168,606	851,788	725,208
FERC 544 - Maintenance of Electric Plant Total	866,856	866,856	698,250	-	-	698,250	168,606	851,788	725,208
FERC 545 - Maintenance of Misc. Hydraulic Plant									
Maint of Misc Hydr Plant									
Bradley Lake Operating									
Labor & Benefits	82,339	82,339	68,438	-	-	68,438	13,901	69,297	68,096
Contractual	45,000	45,000	46,260	-	-	46,260	(1,260)	45,000	38,420
Supplies & Materials	68,000	68,000	75,339	-	-	75,339	(7,339)	68,000	56,391
Indirect Costs	113,337	113,337	94,707	-	-	94,707	18,630	98,957	95,152
Bradley Lake Operating Total	308,677	308,677	284,744	-	-	284,744	23,933	281,254	258,059
FERC 545 - Maintenance of Misc. Hydraulic Plant Total	308,677	308,677	284,744	-	-	284,744	23,933	281,254	258,059
FERC 556 - System Control & Load Dispatching									
System Cntl & Load Disp									
Bradley Lake Operating									
Labor & Benefits	20,174	20,174	42,007	-	-	42,007	(21,833)	20,174	25,978
Contractual	143,500	143,500	122,911	-	-	122,911	20,589	103,500	49,188
Supplies & Materials	12,000	12,000	14,160	-	-	14,160	(2,160)	12,000	854
Bradley Lake Operating Total	175,674	175,674	179,078	-	-	179,078	(3,404)	135,674	76,020
Snow Measurement									
Bradley Lake Operating									
Contractual	10,000	10,000	-	-	-	-	10,000	10,000	9,600
Bradley Lake Operating Total	10,000	10,000	-	-	-	-	10,000	10,000	9,600
Seismic Service									
Bradley Lake Operating									
Contractual	66,498	66,498	-	-	63,838	63,838	2,660	64,868	62,273
Bradley Lake Operating Total	66,498	66,498	-	-	63,838	63,838	2,660	64,868	62,273
Streamgauging Serv									
Bradley Lake Operating									
Contractual	221,682	221,682	-	-	218,575	218,575	3,107	216,275	269,784
Bradley Lake Operating Total	221,682	221,682	-	-	218,575	218,575	3,107	216,275	269,784
Permits									
Bradley Lake Operating									
Other Costs	350	350	-	-	288	288	62	350	240
Bradley Lake Operating Total	350	350	-	-	288	288	62	350	240
FERC 556 - System Control & Load Dispatching Total	474,204	474,204	179,078	-	282,701	461,779	12,426	427,167	417,917
FERC 562 - Station Expenses									
Station Expenses									
Bradley Lake Operating									
Labor & Benefits	99,812	99,812	55,972	29,590	-	85,562	14,250	96,612	135,584
Travel	1,800	1,800	-	-	-	-	1,800	2,500	773
Contractual	103,000	103,000	73,967	-	-	73,967	29,033	79,800	32,843
Supplies & Materials	45,000	45,000	16,536	926	-	17,463	27,537	23,000	25,534
Other Costs	1,700	1,700	-	-	-	-	1,700	1,900	1,536
Bradley Lake Operating Total	251,312	251,312	146,475	30,517	-	176,992	74,320	203,812	196,269
FERC 562 - Station Expenses Total	251,312	251,312	146,475	30,517	-	176,992	74,320	203,812	196,269
FERC 571 - Maintenance of Overhead Lines									
Maint of OH Lines									
Bradley Lake Operating									
Labor & Benefits	32,574	32,574	-	-	-	-	32,574	36,500	23,486
Contractual	80,000	80,000	-	-	-	-	80,000	70,000	35,229
Supplies & Materials	20,000	20,000	-	-	-	-	20,000	20,000	11,965
Bradley Lake Operating Total	132,574	132,574	-	-	-	-	132,574	126,500	70,681
FERC 571 - Maintenance of Overhead Lines Total	132,574	132,574	-	-	-	-	132,574	126,500	70,681
FERC 920 & 930 - Administrative Expense									
AEA Bradley Fixed Admin Fees									

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
BRADLEY LAKE OPERATIONS & MAINTENANCE
BUDGET TO ACTUAL EXPENSES
SCHEDULE B
FOR THE PERIOD 07/01/2025 TO 06/30/2026

	FY26 Approved Budget	FY 26						FY 25	
		BUDGET % 07/01/2025 - 06/30/2026	HEA Actual	CEA Actual	AEA Actual	Total Actual	(Over) Under Budget to Date	FY25 Approved Budget	FY25 Actual
Bradley Lake Operating									
Staff Professional Services (Direct)	360,000	360,000	-	-	470,148	470,148	(110,148)	312,585	501,917
Travel	-	-	-	-	13,260	13,260	(13,260)	-	53,177
Training	-	-	-	-	1,214	1,214	(1,214)	-	3,221
Consulting-Administrative	-	-	-	-	3,029	3,029	(3,029)	-	2,153
Equipment, Furniture & Machinery	-	-	-	-	583	583	(583)	-	2,754
Administrative Costs	240,000	240,000	-	-	254,391	254,391	(14,391)	172,500	455,441
Bradley Lake Operating Total	600,000	600,000	-	-	742,625	742,625	(142,625)	485,085	1,033,515
Operating Committee Exp-Audit									
Bradley Lake Operating									
Administrative Costs	45,000	45,000	-	-	42,392	42,392	2,608	41,000	38,534
Bradley Lake Operating Total	45,000	45,000	-	-	42,392	42,392	2,608	41,000	38,534
Operating Committee Exp-Legal									
Bradley Lake Operating									
Administrative Costs	80,000	80,000	-	-	139,468	139,468	(59,468)	80,000	125,918
Bradley Lake Operating Total	80,000	80,000	-	-	139,468	139,468	(59,468)	80,000	125,918
Misc Admin									
Bradley Lake Operating									
Administrative Costs	13,000	13,000	-	-	16,618	16,618	(3,618)	13,000	14,634
Bradley Lake Operating Total	13,000	13,000	-	-	16,618	16,618	(3,618)	13,000	14,634
Professional Consultants									
Bradley Lake Operating									
Labor & Benefits	148,836	148,836	-	-	119,952	119,952	28,884	744,181	250,437
Travel	22,000	22,000	-	-	-	-	22,000	32,500	2,068
Supplies & Materials	4,500	4,500	-	-	-	-	4,500	9,000	-
Bradley Lake Operating Total	175,336	175,336	-	-	119,952	119,952	55,384	785,681	252,505
FERC 920 & 930 - Administrative Expense Total	913,336	913,336	-	-	1,061,055	1,061,055	(147,719)	1,404,766	1,465,107
FERC 924 & 925 - Insurance Premiums									
Insurance Premiums									
Bradley Lake Operating									
Administrative Costs	1,581,839	1,581,839	70,188	-	1,405,654	1,475,842	105,997	1,371,724	1,164,007
Bradley Lake Operating Total	1,581,839	1,581,839	70,188	-	1,405,654	1,475,842	105,997	1,371,724	1,164,007
FERC 924 & 925 - Insurance Premiums Total	1,581,839	1,581,839	70,188	-	1,405,654	1,475,842	105,997	1,371,724	1,164,007
FERC 923 - Outside Services Employed									
Outside Services Employed									
Bradley Lake Operating									
Consulting-Administrative	155,000	155,000	-	-	48,000	48,000	107,000	315,000	44,280
Bradley Lake Operating Total	155,000	155,000	-	-	48,000	48,000	107,000	315,000	44,280
FERC 923 - Outside Services Employed Total	155,000	155,000	-	-	48,000	48,000	107,000	315,000	44,280
FERC 928 - Regulatory Commission Expenses									
FERC Admin Fees									
Bradley Lake Operating									
Administrative Costs	170,000	170,000	-	-	260,438	260,438	(90,438)	180,000	213,420
Bradley Lake Operating Total	170,000	170,000	-	-	260,438	260,438	(90,438)	180,000	213,420
FERC Related Prof Services									
BRADLEY FERC PART 12 INSPECTION									
Administrative Costs	300,000	300,000	-	-	11,238	11,238	288,762	-	-
BRADLEY FERC PART 12 INSPECTION Total	300,000	300,000	-	-	11,238	11,238	288,762	-	-
BRADLEY CONTRACTUAL ENGINEER-FERC LICENSE ISSUES									
Administrative Costs	120,000	120,000	-	-	45,042	45,042	74,958	120,000	76,109
BRADLEY CONTRACTUAL ENGINEER-FERC LICENSE ISSUES Total	120,000	120,000	-	-	45,042	45,042	74,958	120,000	76,109
FERC 928 - Regulatory Commission Expenses Total	590,000	590,000	-	-	316,719	316,719	273,281	300,000	289,529
O&M 4% Allocation to Battle Creek	(321,307)	(321,307)	-	-	-	-	(321,307)	(320,638)	-
Total Bradley Lake Budget	7,711,376	7,711,376	3,704,790	59,483	3,114,128	6,878,401	832,975	7,695,321	7,007,455

FOR THE PERIOD 07/01/2025 TO 06/30/2026

Bradley Lake Expansion Project					
	Budget	Committed	Encumbered	Actuals	Variance
Bradley Lake R&C Fund	2,300,000	-	57,384	2,242,616	-
REF Grant (CEA)	1,000,000	-	210,261	789,739	-
REF Grant Match	1,000,000	-	-	1,000,000	-
State Hydro Development	5,000,000	-	48,722	4,951,278	-
State Railbelt	1,379,700	-	248,856	1,128,356	2,489
Bond Series 11 Interest	6,000,000	538,500	3,124,360	2,007,499	329,641
Bradley Lake Dixon Diversion	4,000,000	-	756,062	3,210,115	33,823
Total Project Cost at 06/30/26	20,679,700	538,500	4,445,644	15,329,603	365,953

ALASKA ENERGY AUTHORITY
 BRADLEY LAKE HYDROELECTRIC PROJECT
 BATTLE CREEK NON-R&C CAPITAL PURCHASES
 SCHEDULE E
 FOR THE PERIOD 07/01/2025 TO 06/30/2026

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 06/30/2026

	FY26 Approved Budget	FY 26						FY 25	
		BUDGET % 07/01/2025 - 06/30/2026	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	50,000	-	-	42,660	42,660	7,340	50,000	46,192
Labor & Benefits	10,000	10,000	46,585	1,233	4,998	52,816	(42,816)	10,000	59,807
Travel	-	-	54	-	553	607	(607)	-	3,322
Training	-	-	613	-	51	664	(664)	-	300
Contractual	333,477	333,477	36,880	-	355,157	392,037	(58,560)	201,300	243,987
Consulting-Administrative	-	-	-	-	2,126	2,126	(2,126)	-	1,935
Supplies & Materials	5,000	5,000	8,509	39	-	8,547	(3,547)	5,000	12,346
Other Costs	-	-	1,694	1,207	12	2,913	(2,913)	-	3,962
Equipment, Furniture & Machinery	-	-	933	-	24	957	(957)	-	831
Administrative Costs	14,000	14,000	2,925	-	96,725	99,650	(85,650)	14,000	93,093
Indirect Costs	-	-	56,174	-	-	56,174	(56,174)	-	55,874
O&M 4% Allocation to Battle Creek	321,307	321,307	-	-	-	-	321,307	320,638	-
Total Battle Creek Budget	733,784	733,784	154,366	2,478	502,306	659,150	74,634	600,938	521,650
FERC 535 - Operation Supervision & Engineering									
Operations Sup/Eng									
Battle Creek Operating									
Labor & Benefits	1,500	1,500	4,314	-	-	4,314	(2,814)	1,500	4,156
Travel	-	-	15	-	-	15	(15)	-	28
Supplies & Materials	1,000	1,000	50	-	-	50	950	1,000	-
Indirect Costs	-	-	5,976	-	-	5,976	(5,976)	-	5,822
Battle Creek Operating Total	2,500	2,500	10,354	-	-	10,354	(7,854)	2,500	10,023
FERC 535 - Operation Supervision & Engineering Total	2,500	2,500	10,354	-	-	10,354	(7,854)	2,500	10,023
FERC 537 - Hydraulic Expenses									
Hydraulic Expenses									
Battle Creek Operating									
Labor & Benefits	1,500	1,500	3,565	-	-	3,565	(2,065)	1,500	3,293
Contractual	277,177	277,177	-	-	284,390	284,390	(7,213)	145,000	141,077
Supplies & Materials	1,000	1,000	77	-	-	77	923	1,000	72
Indirect Costs	-	-	4,678	-	-	4,678	(4,678)	-	4,529
Battle Creek Operating Total	279,677	279,677	8,320	-	284,390	292,709	(13,032)	147,500	148,972
FERC 537 - Hydraulic Expenses Total	279,677	279,677	8,320	-	284,390	292,709	(13,032)	147,500	148,972
FERC 538 - Electric Expenses									
Electric Expenses									
Battle Creek Operating									
Labor & Benefits	1,500	1,500	9,921	-	-	9,921	(8,421)	1,500	9,478
Travel	-	-	33	-	-	33	(33)	-	12
Training	-	-	613	-	-	613	(613)	-	166
Contractual	-	-	622	-	-	622	(622)	-	219
Supplies & Materials	1,000	1,000	168	-	-	168	832	1,000	249
Indirect Costs	-	-	11,681	-	-	11,681	(11,681)	-	11,180
Battle Creek Operating Total	2,500	2,500	23,039	-	-	23,039	(20,539)	2,500	21,304
FERC 538 - Electric Expenses Total	2,500	2,500	23,039	-	-	23,039	(20,539)	2,500	21,304
FERC 539 - Misc. Hydraulic Power Generation Expenses									
Misc Hydro Power Exp									
Battle Creek Operating									
Labor & Benefits	1,500	1,500	3,184	-	-	3,184	(1,684)	1,500	3,286
Contractual	-	-	21,671	-	-	21,671	(21,671)	-	17,109
Supplies & Materials	1,000	1,000	1,735	-	-	1,735	(735)	1,000	1,909
Other Costs	-	-	1,694	1,207	-	2,901	(2,901)	-	3,639
Indirect Costs	-	-	4,412	-	-	4,412	(4,412)	-	4,630
Battle Creek Operating Total	2,500	2,500	32,696	1,207	-	33,903	(31,403)	2,500	30,681
FERC 539 - Misc. Hydraulic Power Generation Expenses Total	2,500	2,500	32,696	1,207	-	33,903	(31,403)	2,500	30,681
FERC 541 - Maintenance Supervision & Engineering									
Maint Supervision/Eng									
Battle Creek Operating									
Labor & Benefits	2,500	2,500	4,594	-	-	4,594	(2,094)	2,500	4,342
Indirect Costs	-	-	5,976	-	-	5,976	(5,976)	-	5,822
Battle Creek Operating Total	2,500	2,500	10,570	-	-	10,570	(8,070)	2,500	10,163
FERC 541 - Maintenance Supervision & Engineering Total	2,500	2,500	10,570	-	-	10,570	(8,070)	2,500	10,163
FERC 542 - Maintenance of Structures									
Maintenance of Structures									
Battle Creek Operating									
Labor & Benefits	1,500	1,500	2,796	-	-	2,796	(1,296)	1,500	2,830
Contractual	-	-	1,616	-	-	1,616	(1,616)	-	4,310
Supplies & Materials	1,000	1,000	1,179	-	-	1,179	(179)	1,000	1,690
Equipment, Furniture & Machinery	-	-	933	-	-	933	(933)	-	609
Indirect Costs	-	-	3,871	-	-	3,871	(3,871)	-	3,942
Battle Creek Operating Total	2,500	2,500	10,395	-	-	10,395	(7,895)	2,500	13,381
FERC 542 - Maintenance of Structures Total	2,500	2,500	10,395	-	-	10,395	(7,895)	2,500	13,381
FERC 543 - Maintenance of Reservoirs, Dams & Waterways									
Maint Res, Dams, W Ways									
Battle Creek Operating									
Labor & Benefits	-	-	118	-	-	118	(118)	-	544
Contractual	-	-	1,243	-	-	1,243	(1,243)	-	1,721
Indirect Costs	-	-	184	-	-	184	(184)	-	667
Battle Creek Operating Total	-	-	1,545	-	-	1,545	(1,545)	-	5,571
FERC 543 - Maintenance of Reservoirs, Dams & Waterways Total	-	-	1,545	-	-	1,545	(1,545)	-	5,571

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
BATTLE CREEK OPERATIONS & MAINTENANCE
BUDGET TO ACTUAL EXPENSES
SCHEDULE F
FOR THE PERIOD 07/01/2025 TO 06/30/2026

	FY26 Approved Budget	FY 26						FY 25	
		BUDGET % 07/01/2025 - 06/30/2026	HEA Actual	CEA Actual	AEA Actual	Total Actual	(Over) Under Budget to Date	FY25 Approved Budget	FY25 Actual
FERC 544 - Maintenance of Electric Plant									
Maintenance of Elec Plant									
Battle Creek Operating									
Labor & Benefits	-	-	11,158	-	-	11,158	(11,158)	-	10,895
Travel	-	-	6	-	-	6	(6)	-	22
Contractual	-	-	1,597	-	-	1,597	(1,597)	-	2,511
Supplies & Materials	-	-	882	-	-	882	(882)	-	1,470
Indirect Costs	-	-	15,451	-	-	15,451	(15,451)	-	15,319
Battle Creek Operating Total	-	-	29,094	-	-	29,094	(29,094)	-	30,217
FERC 544 - Maintenance of Electric Plant Total	-	-	29,094	-	-	29,094	(29,094)	-	30,217
FERC 545 - Maintenance of Misc. Hydraulic Plant									
Maint of Misc Hydr Plant									
Battle Creek Operating									
Labor & Benefits	-	-	2,852	-	-	2,852	(2,852)	-	2,837
Contractual	-	-	1,927	-	-	1,927	(1,927)	-	1,601
Supplies & Materials	-	-	3,139	-	-	3,139	(3,139)	-	2,350
Indirect Costs	-	-	3,946	-	-	3,946	(3,946)	-	3,965
Battle Creek Operating Total	-	-	11,864	-	-	11,864	(11,864)	-	10,752
FERC 545 - Maintenance of Misc. Hydraulic Plant Total	-	-	11,864	-	-	11,864	(11,864)	-	10,752
FERC 556 - System Control & Load Dispatching									
Battle Creek Operating									
Labor & Benefits	-	-	1,750	-	-	1,750	(1,750)	-	1,082
Contractual	-	-	5,121	-	-	5,121	(5,121)	-	2,049
Supplies & Materials	-	-	590	-	-	590	(590)	-	36
Battle Creek Operating Total	-	-	7,462	-	-	7,462	(7,462)	-	3,167
Seismic Service									
Battle Creek Operating									
Contractual	-	-	-	-	2,660	2,660	(2,660)	-	2,595
Battle Creek Operating Total	-	-	-	-	2,660	2,660	(2,660)	-	2,595
Streamgauging Serv									
Battle Creek Operating									
Contractual	56,300	56,300	-	-	68,107	68,107	(11,807)	56,300	67,541
Battle Creek Operating Total	56,300	56,300	-	-	68,107	68,107	(11,807)	56,300	67,541
Permits									
Battle Creek Operating									
Other Costs	-	-	-	-	12	12	(12)	-	10
Battle Creek Operating Total	-	-	-	-	12	12	(12)	-	10
FERC 556 - System Control & Load Dispatching Total	56,300	56,300	7,462	-	70,779	78,241	(21,941)	56,300	73,713
FERC 562 - Station Expenses									
Station Expenses									
Battle Creek Operating									
Labor & Benefits	-	-	2,332	1,233	-	3,565	(3,565)	-	5,649
Contractual	-	-	3,082	-	-	3,082	(3,082)	-	1,368
Supplies & Materials	-	-	689	39	-	728	(728)	-	1,064
Battle Creek Operating Total	-	-	6,103	1,272	-	7,375	(7,375)	-	8,178
FERC 562 - Station Expenses Total	-	-	6,103	1,272	-	7,375	(7,375)	-	8,178
FERC 920 & 930 - Administrative Expense									
AEA Bradley Fixed Admin Fees									
Battle Creek Operating									
Staff Professional Services (Direct)	50,000	50,000	-	-	42,660	42,660	7,340	50,000	46,192
Travel	-	-	-	-	553	553	(553)	-	3,142
Training	-	-	-	-	51	51	(51)	-	134
Consulting-Administrative	-	-	-	-	126	126	(126)	-	90
Equipment, Furniture & Machinery	-	-	-	-	24	24	(24)	-	115
Administrative Costs	-	-	-	-	10,600	10,600	(10,600)	-	18,977
Battle Creek Operating Total	50,000	50,000	-	-	54,013	54,013	(4,013)	50,000	69,268
Operating Committee Exp-Audit									
Battle Creek Operating									
Administrative Costs	-	-	-	-	1,766	1,766	(1,766)	-	1,606
Battle Creek Operating Total	-	-	-	-	1,766	1,766	(1,766)	-	1,606
Operating Committee Exp-Legal									
Battle Creek Operating									
Administrative Costs	5,000	5,000	-	-	5,811	5,811	(811)	5,000	5,247
Battle Creek Operating Total	5,000	5,000	-	-	5,811	5,811	(811)	5,000	5,247
Operat Committee Exp-Arbitrage									
Battle Creek Operating									
Administrative Costs	2,500	2,500	-	-	1,690	1,690	810	2,500	1,690
Battle Creek Operating Total	2,500	2,500	-	-	1,690	1,690	810	2,500	1,690
Trust & Account Fees									
Battle Creek Operating									
Administrative Costs	5,500	5,500	-	-	4,400	4,400	1,100	5,500	4,400
Battle Creek Operating Total	5,500	5,500	-	-	4,400	4,400	1,100	5,500	4,400
Misc Admin									
Battle Creek Operating									
Administrative Costs	1,000	1,000	-	-	692	692	308	1,000	610
Battle Creek Operating Total	1,000	1,000	-	-	692	692	308	1,000	610
Professional Consultants									
Battle Creek Operating									
Labor & Benefits	-	-	-	-	4,998	4,998	(4,998)	-	10,435

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
BATTLE CREEK OPERATIONS & MAINTENANCE
BUDGET TO ACTUAL EXPENSES
SCHEDULE F
FOR THE PERIOD 07/01/2025 TO 06/30/2026

	FY26 Approved Budget	FY 26						FY 25	
		BUDGET % 07/01/2025 - 06/30/2026	HEA Actual	CEA Actual	AEA Actual	Total Actual	(Over) Under Budget to Date	FY25 Approved Budget	FY25 Actual
Battle Creek Operating Total	-	-	-	-	4,998	4,998	(4,998)	-	10,521
FERC 920 & 930 - Administrative Expense Total	64,000	64,000	-	-	73,371	73,371	(9,371)	64,000	93,341
FERC 924 & 925 - Insurance Premiums									
Insurance Premiums									
Battle Creek Operating									
Administrative Costs	-	-	2,925	-	58,569	61,493	(61,493)	-	48,500
Battle Creek Operating Total	-	-	2,925	-	58,569	61,493	(61,493)	-	48,500
FERC 924 & 925 - Insurance Premiums Total	-	-	2,925	-	58,569	61,493	(61,493)	-	48,500
FERC 923 - Outside Services Employed									
Outside Services Employed									
Battle Creek Operating									
Consulting-Administrative	-	-	-	-	2,000	2,000	(2,000)	-	1,845
Battle Creek Operating Total	-	-	-	-	2,000	2,000	(2,000)	-	1,845
FERC 923 - Outside Services Employed Total	-	-	-	-	2,000	2,000	(2,000)	-	1,845
FERC 928 - Regulatory Commission Expenses									
FERC Admin Fees									
Battle Creek Operating									
Administrative Costs	-	-	-	-	10,852	10,852	(10,852)	-	8,893
Battle Creek Operating Total	-	-	-	-	10,852	10,852	(10,852)	-	8,893
FERC Related Prof Services									
Battle Creek Operating									
Administrative Costs	-	-	-	-	2,345	2,345	(2,345)	-	3,171
Battle Creek Operating Total	-	-	-	-	2,345	2,345	(2,345)	-	3,171
FERC 928 - Regulatory Commission Expenses Total	-	-	-	-	13,197	13,197	(13,197)	-	12,064
O&M Allocation to Battle Creek	321,307	321,307	-	-	-	-	321,307	320,638	-
Total Battle Creek Budget	733,784	733,784	154,366	2,478	502,306	659,150	74,634	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 06/30/2026

	FY26 Approved Budget	FY 26						FY 25	
		BUDGET % 07/01/2025 - 06/30/2026	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	10,000	-	-	9,301	9,301	700	40,000	7,086
Labor & Benefits	50,000	50,000	2,861	-	-	2,861	47,139	50,000	47,722
Contractual	150,000	150,000	37,086	-	-	37,086	112,914	150,000	58,795
Permitting	36,878	36,878	-	-	4,282	4,282	32,597	36,878	72,223
Supplies & Materials	20,000	20,000	-	-	-	-	20,000	20,000	52
Equipment, Furniture & Machinery	-	-	488	-	-	488	(488)	-	-
Administrative Costs	7,000	7,000	-	-	6,510	6,510	490	47,000	5,059
Total SSQ Line Budget	273,878	273,878	40,435	-	20,092	60,527	213,352	343,878	190,998
FERC 556 - System Control & Load Dispatching									
Permits									
SSQ Line Operating									
Permitting	36,878	36,878	-	-	4,282	4,282	32,597	36,878	72,223
SSQ Line Operating Total	36,878	36,878	-	-	4,282	4,282	32,597	36,878	72,223
FERC 556 - System Control & Load Dispatching Total	36,878	36,878	-	-	4,282	4,282	32,597	36,878	72,223
FERC 571 - Maintenance of Overhead Lines									
Maint of OH Lines									
SSQ Line Operating									
Labor & Benefits	50,000	50,000	2,861	-	-	2,861	47,139	50,000	47,722
Contractual	150,000	150,000	37,086	-	-	37,086	112,914	150,000	58,795
Supplies & Materials	20,000	20,000	-	-	-	-	20,000	20,000	-
Equipment, Furniture & Machinery	-	-	488	-	-	488	(488)	-	-
SSQ Line Operating Total	220,000	220,000	40,435	-	-	40,435	179,565	220,000	106,517
FERC 571 - Maintenance of Overhead Lines Total	220,000	220,000	40,435	-	-	40,435	179,565	220,000	106,517
FERC 920 & 930 - Administrative Expense									
AEA Bradley Fixed Admin Fees									
SSQ Line Operating									
Staff Professional Services (Direct)	10,000	10,000	-	-	9,301	9,301	700	40,000	7,086
Administrative Costs	-	-	-	-	4,510	4,510	(4,510)	20,000	3,059
SSQ Line Operating Total	10,000	10,000	-	-	13,810	13,810	(3,810)	60,000	10,259
Trust & Account Fees									
SSQ Line Operating									
Administrative Costs	2,000	2,000	-	-	2,000	2,000	-	2,000	2,000
SSQ Line Operating Total	2,000	2,000	-	-	2,000	2,000	-	2,000	2,000
FERC 920 & 930 - Administrative Expense Total	12,000	12,000	-	-	15,810	15,810	(3,810)	62,000	12,259
FERC 928 - Regulatory Commission Expenses									
FERC Related Prof Services									
BRADLEY CONTRACTUAL ENGINEER-FERC LICENSE ISSUES									
Administrative Costs	5,000	5,000	-	-	-	-	5,000	25,000	-
BRADLEY CONTRACTUAL ENGINEER-FERC LICENSE ISSUES Total	5,000	5,000	-	-	-	-	5,000	25,000	-
FERC 928 - Regulatory Commission Expenses Total	5,000	5,000	-	-	-	-	5,000	25,000	-
Total SSQ Line Budget	273,878	273,878	40,435	-	20,092	60,527	213,352	343,878	190,998
	-	-	-	-	-	-	-	-	-

ALASKA ENERGY AUTHORITY
BRADLEY LAKE HYDROELECTRIC PROJECT
CAPITAL PROJECTS FUNDED BY SERIES 11 BOND PROCEEDS
APPENDIX A
06/30/26

Source	Construction Funds at 11/30/22	Investment Expenses	Calculated Capital Reserve at 11/30/22	Released from Capital Reserve	Earned Interest Income	Total Available Funding
Required Project Work Bond Series 11 Funding	166,013,134	(157,250)	(12,454,346)	1,590,422	23,095,590	178,087,550

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	23,690,538	75,000	-	22,473	958	51,569	21,024,895
Oscillation Dampening Service - CEA		16,072,398	-	-	1,834,786	14,237,612	
Oscillation Dampening Service - MEA		3,870,839	-	-	441,885	3,428,954	
Oscillation Dampening Service - AEEC		3,365,947	-	-	365,541	3,000,406	

Total BESS Capital Projects	23,690,538	23,384,183	-	22,473	2,643,171	20,718,540	21,024,895
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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	85,711,000	88,085,000	-	27,793	15,914,479	72,142,728	62,451,310
Soldotna-Sterling 230kV Construction		36,135,000	-	36,042	1,059,936	35,039,022	
Bradley Lake Expansion Project		6,000,000	538,500	3,124,360	2,007,499	329,641	
BRADLEY Required Project Work Support		-	-	-	180,750	(180,750)	
Bradley RPW - Bond Series 11		-	-	-	370,331	(370,331)	

Total Transmission Capital Projects	85,711,000	130,220,000	538,500	3,188,195	19,532,995	106,960,310	62,451,310
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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
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Unassigned Earned Interest Income	18,686,012	-	-	-	-	-	18,686,012
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Total Required Project Work	178,087,550	203,604,183	538,500	3,210,668	22,176,166	177,678,850	152,162,216
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Bradley Operation and Dispatch Committee Report

September 25, 2026

Meeting Dates:

August 21st, 2026, September 18th, 2026

Notable Discussions and Items:

- Bradley Expansion – O&D members have participated in several meetings to continue discussions on the Bradley Expansion and Southern Tie. An additional meeting is scheduled for October 2, 2026, to continue discussions and potentially define the scope of further studies.

Water Tracking & Lake Level:

- As of September 1st, 2026, Bradley Lake contained approximately 208,353 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.

Next Meeting:

October 16, 2026 @ 10am on Teams