Alaska Intertie Management Committee (IMC)
REGULAR MEETING MINUTES
Alaska Energy Authority Board Room
Friday, May 1, 2026

1. CALL TO ORDER

Chair Jon Sinclair called the meeting of the Alaska Intertie Management Committee to order on May 1, 2026, at 8:59 a.m.

2. ROLL CALL FOR COMMITTEE MEMBERS

Members present: Jon Sinclair (Matanuska Electric Association (MEA)); Dan Bishop (Golden Valley Electric Association (GVEA)); Mike Miller (Chugach Electric Association (CEA)); and Bill Price (Alaska Energy Authority (AEA)). A quorum was established.

3. PUBLIC ROLL CALL

Public present: Jennifer Bertolini (AEA); Mark Billingsley (AEA); Pam Ellis (AEA); Jim Mendenhall (AEA); Robert Varga (AEA); Mark Ziesmer (AEA); Jonathon Green (Guess & Rudd); Nathan Minnema (GVEA); Kim Henkel (MEA); and David Pease (MEA).

4. AGENDA APPROVAL

MOTION: A motion was made by Mr. Price to approve the agenda. Motion seconded by Mr. Miller.

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

5. PUBLIC COMMENTS

There were no public comments.

6. APPROVAL OF PRIOR MINUTES – March 20, 2026

MOTION: A motion was made by Mr. Price to approve the Minutes of March 20, 2026. Motion seconded by Mr. Miller.

Mr. Bishop indicated that a correction needs to be made on page 4. The sentence "Mr. Bishop believes that some of the Healy 2 trips are related to difficulties with pole quality" should read "Mr. Bishop believes that some of the Healy 2 trips are related to difficulties with coal quality". Jennifer Bertolini, AEA, commented that the error will be corrected.

A roll call vote was taken, and the corrected Minutes of March 20, 2026, were approved unanimously.

7. OLD BUSINESS

There was no old business.

8. NEW BUSINESS

8A. FY2027 Budget

MOTION: A motion was made by Mr. Price to approve the fiscal year 2027 Preliminary Operating Budget to be posted for 30 days for public comment, as presented. Comments are due to the IMC and AEA by 5:00 p.m. on June 1, 2026. Motion seconded by Mr. Miller.

Mr. Bishop commented that this is a substantial budget resulting in a high wheeling charge. He requested to review and discuss some of the larger items within the budget.

Chair Sinclair asked Mr. Bishop if he has specific items to discuss. Mr. Bishop gave the examples of the GE contract and clearing.

Chair Sinclair requested Mr. Price provide a high-level review of the budget and then answer individual questions. There was no objection.

Mr. Price noted that the proposed revenues are in line with past revenues. There were no comments or questions regarding the revenue side of the budget. Mr. Price discussed that the O&M proposed expenses of $2.7 million are in line with traditional spending.

Mr. Bishop asked Mr. Price if the budgeted amount is consistent with the previous years' actual cost of O&M expenses. Mr. Price agreed.

Mr. Miller noted that he followed up internally with CEA regarding the $350,000 amount for the breaker 538 replacement. He believes it is acceptable to reduce that number to $250,000. There was no objection. Mr. Miller commented on the $30,000 amount for the remote sensing for GVEA northern right-of-way clearing. He believes that item was discussed at the IOC and included as a placeholder for potentially establishing a pilot program of drone patrol for clearing purposes. Mr. Miller requested that rather than budgeting the $30,000 as a placeholder, that the item could be removed from the budget and introduced as an amendment if the pilot program advances. Mr. Miller suggested that some of the budget line items could be reduced or removed and reintroduced as needed throughout the budget year.

Mr. Bishop commented that he agrees and supports the change. Mr. Bishop asked if a similar consideration applies to the $60,000 for MEA's remote sensing and analysis.

Chair Sinclair commented that he supports the general concept to reduce or remove items that are only estimates, and once the costs are known, then reintroduce the items as amendments. He shares the concern about the historically higher budget. He supports removal of the $30,000 item, which could be reintroduced as an amendment. Chair Sinclair noted that MEA is well progressed on its vegetation management. MEA's drone team conducts work measuring vegetation growth to build a dataset for the appropriate clearing duration. The budgeted $60,000 is expected to be exhausted. Chair Sinclair recommended keeping MEA's line item but commented that he understands that the budget is high.

Mr. Bishop asked if Chair Sinclair knows how much the cost is per mile. Chair Sinclair indicated there is a cost per mile, and he believes the amount is for the entire length of MEA's section of the line. Mr. Bishop expressed support for keeping MEA's Remote Sensing and Analysis line item.

Mr. Price commented that in the spirit of this conversation, AEA will cut back FERC 566 snow load monitoring SLMS support from $175,000 to $150,000. He is confident that number can be supported. The scope of the work has been reduced. Replacement of batteries does not occur. Mr. Price noted that if things go as planned, this item will not be included in the FY2028 budget. There were no other comments or questions regarding operating costs.

Mr. Price reviewed that FERC 920 AEA Administrative Costs recalculated the costs to reflect actual expenditures. This line item has historically been under budget. The actual number for IMC Administrative Costs for IMC legal expenses is listed as $213,425, but an invoice that was received after the report was produced pushed the actual costs closer to $300,000. The placeholder amount for anticipated legal work associated with the Railbelt Transmission Organization (RTO) docket is currently $200,000. Mr. Price noted that the IMC could either leave the $200,000 or change it to the standard placeholder amount of $20,000.

Mr. Price noted that the budget is over budget by $200,000. He commented that because of the status of the current budget cycle, he does not recommend conducting a budget amendment to cover the overage.

Mr. Miller understands the increased legal fees in the past fiscal year related to RTO. He supports having more than the standard $20,000 placeholder for legal fees. He suggested reducing the placeholder amount to $100,000 since there are many unknowns related to the RTO.

Mr. Price indicated that AEA does not object.

Mr. Bishop agreed with Mr. Miller's suggestion.

Chair Sinclair agreed with decreasing the line item to $200,000 to $100,000. If more funds are necessary, a budget amendment can be brought before the IMC.

Chair Sinclair commented on FERC 920 AEA Administrative Costs proposed at $375,000. He asked if that amount is firmly settled. Mr. Price explained that the indirect costs were adjusted in 2025 and totaled $367,000. The $375,000 amount is based off AEA's escalation cost analysis. Mr. Price noted that Mark Ziesmer, AEA, is available to answer specific questions.

Chair Sinclair requested that AEA provide additional information and more detail in a written response. Mr. Price agreed.

Mr. Price reviewed the FERC 566 line items that encompass two studies. He noted the possibility that Homer Electric Association (HEA) may contribute payment to those studies.

Mr. Miller noted there was significant conversation at the IOC regarding the EMT model, as well as internal follow-up at CEA. Mr. Miller proposed removing the $250,000 for the EMT model from the budget. He suggested that the System Studies Subcommittee (SSS) and GVEA release a request for proposal (RFP) to obtain a tangible cost amount. That number could then be brought back to the IMC for consideration. Mr. Miller believes there are mixed opinions regarding the urgency and the value of developing the EMT model at this time.

Mr. Bishop agreed with Mr. Miller's proposal.

Chair Sinclair asked for clarification that proposal would reduce the $400,000 total to $150,000.

Mr. Miller agreed that his suggestion is to reduce the Studies budget from $400,000 to $150,000.

There was no objection. Chair Sinclair commented that an amendment could be brought before the Committee if additional funds were needed later.

Mr. Price discussed the Private Line Telephone Service line item. He noted that it has been moved from the O&M section of the budget to the Administrative section of the budget. Mr. Price stated that it is up to the will of the IMC if the line location change remains. Mr. Price requested Mr. Bishop provide additional information. Mr. Bishop expressed support for the change. He is pleased that the Intertie participants have worked together to reduce the amount from $85,000 to $30,000. There were no further comments.

Mr. Price explained that the SVC GE Support Service Contract was initiated when a State appropriation funded the rebuild, remodel, and upgrade of the SVCs at Teeland, Gold Hills, and Healy. Out of that appropriation, the IMC entered into a warranty services contract with GE. Mr. Price advised that appropriation has been expended, and AEA does not have the ability to fund the contract any longer. It has been passed to the IMC to fund. The IMC is now able to review the number contained in the budget. There are mixed reviews as to how well the contract has served the IMC. The contract completes at the end of the calendar year, which allows time to decide.

Mr. Bishop suggested that the scope of the services could be limited to specific hours, rather than 24/7. He does not know if that reduction would provide a cost reduction. Mr. Price stated that the cost to renew the current contract is $550,000. However, the contract is open to be renegotiated, making renegotiation an option. Mr. Price indicated that AEA's only request is to agree on a plan for supporting the devices.

Mr. Miller noted the considerable amount of conversation regarding the line item in the IOC. There was general support for revaluating the terms and renegotiating the support to align with the maintenance personnel for the respective utilities feel is necessary. Mr. Miller expressed his surprise at seeing such a large dollar amount for support for the SVCs. He suggested that AEA and the appropriate utility maintenance leadership work together to renegotiate a new support contract to bring before the IMC for approval, rather than including the $550,000 that is currently in the budget. Mr. Miller disclosed the feedback that the level of service provided was not commensurate with the cost.

Chair Sinclair echoed his concern regarding the IOC report on what is provided for the $550,000 contract. He does not believe there is enough value for the money spent. Chair Sinclair agreed with Mr. Miller to assign the IOC to delegate to the appropriate subcommittee to review the contract and renegotiate the pricing to align with the service received. He suggested a placeholder line item in the budget of $50,000, with the understanding that it could be amended before the end of the calendar year.

Mr. Price noted for the record that the contract is not exclusively technical support. There are a certain number of spare parts and maintenance services that are also included. He discussed that the contract has been less than stellar.

Mr. Bishop suggested that the amount for the placeholder is changed to $100,000. There were no objections.

Mr. Price reviewed the SVC PSS/E & EMT Model Development line-item placeholder amount. The PSS/E model for the SVCs is inadequate and almost useless. An RFP is being developed that would produce a PSS/E and an EMT model. At that time, the IMC can decide whether to complete both or to only complete the one most needed.

Mr. Bishop expressed support for the budgeted amount.

Mr. Miller expressed support for making the PSS/E model more accurate. He has no objections. Mr. Miller requested that when the bids are returned, they are to be separated between the PSS/E and the EMT items which can then be evaluated separately.

Mr. Price discussed the PSSE Maintenance line item. He explained that the contract began in 1990. It was a perpetual license agreement to use the product in exchange for 18 seats and multiple users. Mr. Price noted that the budgetary amount for a single seat is approximately $50,000. The current contract includes 18 seats for the price of approximately half of one seat.

This has been a good deal for the Railbelt. Mr. Price discussed that going forward, Siemens has indicated they want to change the deal. It is unknown whether they will dramatically increase the cost of the existing contract or if they will no longer renew the existing contract. The current offer presented is $85,000 for a five-year contract that would increase by 5% every year. The fifth year would equal approximately $105,000. This would provide 10 network seats, which is an improvement to the current contract, and would be shared by six Railbelt entities. The distribution is yet to be determined. Mr. Price explained that no one would maintain any sort of server. Mr. Price explained that there are at least 30 days to make a decision on a budgetary number, and the contract expires in September 2026.

Mr. Miller commented that CEA investigated the cost to obtain an individual license for a single utility, and the difference in cost is substantial.

Mr. Bishop expressed support for the proposed budget amount.

Chair Sinclair expressed support for the proposed budget amount. He agreed with Mr. Miller's comments regarding the increased expense in obtaining an individual license. There were no other comments.

Mr. Price noted that the last budget item of the EPRI service has been approved in previous years.

Mr. Bishop requested a discussion of what is provided for the EPRI service and if members want to continue the service.

Mr. Price discussed that the EPRI service contains a license agreement to use their software, which is a research tool. The access was gained in January and is being used now. Mr. Price deferred to the utilities to comment on whether the tool is worth the money.

Mr. Miller explained his understanding that there is opportunity to utilize the software for technical research. He believes the participants' technical staff have expressed interest in the software. However, they have only recently gained access, which makes it difficult to determine value at this point in time. Mr. Miller expressed support for maintaining the $40,000 in the budget and suggested that staff and the IMC discuss the value added in January before the renewal occurs. If it is deemed at that time that it is not valuable, then the IMC can act appropriately.

Chair Sinclair agreed with Mr. Miller and would like the opportunity for his team to utilize the resource and to provide an educated response either in January or during the next budget cycle.

Mr. Bishop thanked members for their comments and agreed with their responses. There were no additional questions or comments.

Mr. Price reviewed that page 6 shows the grants. These do not flow through the IMC budget.

The information is provided for public disclosure. There were no comments or questions.

Mr. Price reviewed that page 7 is the energy projection sheet, and page 8 is the minimum Intertie transfer capability rights (MITCR) calculation. There were no comments or questions.

MOTION: A motion was made by Mr. Price to amend the Budget with the following changes: under FERC 566, reduce the $175,000 to $150,000; under FERC 570, reduce the Breaker 538 replacement from $350,000 to $250,000; under FERC 571, zero out the Northern ROW Clearing and Remote Sensing Analysis, pending a budget amendment later in the year; under Administrative Costs, IMC administrative costs for meetings and legal, reduce the $200,000 to $100,000; under FERC 566 Studies, reduce the $450,000 to $150,000; under SVC Support Services Contract, reduce the $550,000 to $100,000, pending a contract negotiation later in the year. Motion seconded by Mr. Miller.

A roll call vote was taken, and the motion to approve the amendments to the FY2027 Budget passed unanimously.

A roll call vote was taken, and the motion to approve the amended FY2027 Budget for a 30-day posting passed unanimously.

9. COMMITTEE REPORTS

9A. Budget vs. Actuals

Mr. Ziesmer presented the Budget to Actuals Report as of February 28, 2026. The total revenues were under budget by approximately $24,000. The utility revenue is under budget by approximately $71,000, due to lower-than-expected energy usage. The year-to-date usage is shown on page 4. The actual usage is about 60,500 MWH compared to the budgeted 62,800 MWH. Mr. Ziesmer noted that approximately $44,700 of interest income has been recognized so far this year.

Mr. Ziesmer explained that the operating expenses were below budget by approximately $1.3 million year-do-date. This is mostly due to timing, as several expense categories have seen little or no activity to date. Mr. Ziesmer highlighted that the Maintenance of Station Equipment Douglas Substation category 57000 is over budget by approximately $61,000. A budget amendment was approved to cover this overage, and future reports will reflect the updated budget amount. The same budget amendment will also cover the overage for the foundation improvements.

Mr. Ziesmer discussed that the Miscellaneous Administration and IMC Administrative Costs category 58306 is over budget by approximately $200,000. This is primarily due to the legal costs related to the RTO efforts in response to Regulatory Commission of Alaska (RCA) orders. An additional $75,000 in legal expenses will be charged in future periods for this line item. AEA's Administrative Support Expenses are over budget by approximately $17,000. This is mainly due to higher internal labor and indirect costs partly associated with RCA support work. Overall, the combined impact of revenues and expenses result in a current estimated surplus of approximately $1.7 million.

Mr. Price acknowledged the overage for the record. He noted that the standard practice for budget overages is to amend the budget. However, since it is late in the budget year, AEA requests to defer any budget amendments, unless the members object. There were no objections from members. There were no other comments or questions.

9B. IOC Report

Mr. Miller presented the IOC Report. The last IOC meeting was primarily focused on the budget. Other items discussed included the Railbelt EMT Model and its RFP, and the PSS/E Model. Of note, several of the participants and AEA have been approached by third parties requesting that the Railbelt model is shared for undefined analysis that may be related to IPP developments. The IOC debated whether it is appropriate to share the model, and if so, how that should be handled from a data protection standpoint. Mr. Miller communicated that the IOC, the participants, and AEA would like guidance and understanding concerning model sharing and how to direct the third parties regarding their requests.

Chair Sinclair recommended placing the PSS/E Model discussion on the agenda for the next IMC meeting and further discussion in executive session.

Jonathon Green, Guess & Rudd, asked who pays for the PSS/E Model and who has data in the model.

Mr. Miller explained that the Railbelt model includes data and contributions from each of the utilities that are members of the IMC, as well as HEA. He commented that the cost is tied to the licenses and the labor is provided by the participants to maintain the model.

Mr. Bishop added that much of the model maintenance has been completed by consultants who are paid by the IMC. He expressed support for including the PSS/E Model on the agenda for a future IMC meeting yet noted his willingness to conduct a special meeting if that becomes necessary.

Mr. Miller commented that he does not believe there is any urgency beyond providing response to the third-party that has requested the information. He believes it is fair for those who have received the requests to respond that the request is being considered and it will take a month or two to provide an additional update. Mr. Miller committed to following up with the IMC members to ensure that this is a topic that can be included in the agenda for the next meeting. There were no other comments or questions.

9C. Operator Report

Mr. Miller presented the Operator Report dated May 1, 2026. The Intertie usage is down. He does not believe this is surprising to anyone. There were no trips for the Intertie for March and April. There were three reliability events that were not captured in the report and will be included in the next report. There were no comments or questions.

10. MEMBER COMMENTS

Mr. Price expressed appreciation for members' patience working through the budget, and for their efforts to keep the system working.

Mr. Miller expressed appreciation for the opportunity to participate in a different way in this meeting. He thanked the members for the healthy conversation, and for their commitment to propose a budget that is responsible and considers some of the utilities' concerns regarding cost.

Mr. Bishop expressed appreciation for the in-depth analysis and discussion from the IOC and from the subcommittees related to the budget and the recommended resource allocation choices. He thanked Mr. Miller and Chair Sinclair for standing in during this meeting, and for sharing their perspectives regarding budget items. Additionally, he expressed appreciation for the efforts of AEA and their staff, including the accounting staff who assist in tracking and understanding how the funds are used.

Chair Sinclair shared members' comments of appreciation, especially for the efforts concerning the budget.

11. NEXT MEETING DATE – June 26, 2026

Chair Sinclair indicated that the next meeting date is June 26, 2026.

12. ADJOURNMENT

There being no further business of the IMC, the meeting adjourned at 10:05 a.m.

Jon Sinclair

Digitally signed by: Jon Sinclair
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Jon Sinclair, Chair

Bill Price, AEA Secretary