Alaska Intertie Management Committee (IMC)
REGULAR MEETING MINUTES
Alaska Energy Authority Board Room
Friday, June 26, 2026

1. CALL TO ORDER

Chair Tony Zellers called the meeting of the Alaska Intertie Management Committee to order on June 26, 2026, at 9:00 a.m.

2. ROLL CALL FOR COMMITTEE MEMBERS

Members present: Tony Zellers (Matanuska Electric Association (MEA)); Dan Bishop (Golden Valley Electric Association (GVEA)); Andrew Laughlin (Chugach Electric Association (CEA)); and Bill Price (Alaska Energy Authority (AEA)). A quorum was established.

3. PUBLIC ROLL CALL

Jennifer Bertolini (AEA); Patrick Domitrovich; Pam Ellis (AEA); Jim Mendenhall (AEA); Vienna Vaden (AEA); Robert Varga (AEA); Mark Ziesmer (AEA); Mike Miller (CEA); Ashley Brown (Guess & Rudd); Jonathon Green (Guess & Rudd); Keith Palchikoff (GVEA); David Pease (MEA); and Jon Sinclair (MEA).

4. AGENDA APPROVAL

MOTION: A motion was made by Mr. Laughlin to approve the agenda. Motion seconded by Mr. Bishop.

MOTION: A motion was made by Mr. Price to amend the agenda adding Item 8C. Natural Disaster Notification Process. Motion seconded by Mr. Bishop.

A roll call vote was taken, and the motion to amend the agenda adding Item 8C. Natural Disaster Notification Process passed unanimously.

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

5. PUBLIC COMMENTS

There were no public comments.

6. APPROVAL OF PRIOR MINUTES – May 1, 2026

MOTION: A motion was made by Mr. Laughlin to approve the Minutes of May 1, 2026. Motion seconded by Mr. Price.

A roll call vote was taken, and the Minutes of May 1, 2026 were approved unanimously.

7. OLD BUSINESS

7A. FY2027 Budget

MOTION: A motion was made by Mr. Price to approve the Fiscal Year 2027 Budget as presented for submittal to the Alaska Energy Authority. Motion seconded by Mr. Bishop.

Mr. Laughlin noted the SVC Support Services Contract line item under the Intertie Administrative Costs. He requested a discussion as to why this maintenance contract is considered an administrative cost rather than being allocated by usage cost.

Mr. Price explained that it was included as a placeholder for the services contract. He noted that AEA has no preference if it is placed under Administrative or Operations and Maintenance (O&M) within the Budget.

Mr. Laughlin said that CEA's preference is to move the item to an O&M category, as it is based off usage.

Mr. Bishop commented that he would like to explore whether the usage is proportional and if the usage affects the entire Railbelt and Intertie participants relatively equally or if it is tied to the usage.

Mr. Laughlin provided CEA's perspective and noted that they do not serve any load north right now. This item looks like a maintenance agreement that would be based off of usage and appropriate for the participants that are using the Intertie. He noted that the item currently is under an administrative function that is not generally reserved for maintenance activities. Mr. Laughlin discussed whether the item is truly a placeholder, then perhaps it could be presented before the IMC when the contract is available to review and considered for approval. He discussed that as a generic line item and maintenance item under an administrative section look like an added cost for CEA. He does not understand why CEA is being asked to bear that cost.

Mr. Price explained the contract. The three SVCs are Teeland, Gold Hills, and Douglas. Unless negotiations occur for something different, this contract line item is currently structured as a fixed cost. The contract includes warranty support, technical support, spares, and maintenance. It is not tied to usage.

Mr. Bishop discussed that he is interested in learning more about the function of the contract. He asked the System Studies Subcommittee if it provides voltage regulation value to the Southcentral utilities in general, as opposed to only being necessary for transfers up the Intertie.

Mr. Price expressed his understanding is that the contract is a stability issue for the Intertie itself.

Mr. Bishop commented that he believes CEA's request is reasonable. Mr. Bishop requested analysis to support the information.

Chair Zellers asked Mr. Price if the different pieces that he discussed are disseminated by cost and if they could be spread throughout the budget. Mr. Price noted it is not impossible. As it is currently structured, the contract is a fixed fee. However, the contract needs to be renewed. The current cost is $550,000 per year. The expected cost for renewal with no changes is $750,000 per year. The users and the engineers, who must manage and work with GVEA on this contract, are not happy with the overall service. There is an ongoing discussion regarding the type of contract that will continue forward. The cost is therefore to be negotiated. The contract expires at the end of the year. Mr. Price explained that the placeholder amount is $100,000 because the price negotiations have not been finalized. He noted that it is conceivable that the contract could be separated by different aspects. The Intertie Operating Committee (IOC) will create a committee of engineers to negotiate the new contract and to discuss items such as what the contract should do and how the contract will be used.

Mr. Bishop expressed appreciation to the IOC for working on a more acceptable path.

Chair Zellers noted that it is good to know the contract expires at the end of the year. He is open to the will of the Body. He reminded members that there is a motion on the table to approve the budget as presented.

Mr. Price discussed that if the SVC warranty contract is moved to the O&M section, then it will trickle into the usage rate. If the SVC contract remains in the Administration section, then it affects the capacity charge. Mr. Price noted that the amount is a relatively small number in the budget. The finalized actual number will require a budget amendment. He commented that the line item could be moved at the time of the budget amendment.

Mr. Laughlin discussed his understanding that the contract includes the vendor providing field support if the SVCs go down. He noted that if the contract remains in the Administrative section, then CEA is paying 1/3 of the cost. Whereas, if the contract is moved to the Maintenance section, the payment is based on usage. Mr. Laughlin believes payment based on usage is appropriate, and his preference is to move the line item to the Maintenance section.

Mr. Bishop commented that he does not object to Mr. Laughlin's preference.

Chair Zellers indicated that he does not have an opinion one way or the other. He believes that the new contract should be itemized and placed in the appropriate places in the budget. That budget amendment is likely to occur in January.

MOTION: A motion was made by Mr. Laughlin to reallocate the SVC Support Services Contract item to the FERC 570 Maintenance of Station Equipment section of the FY2027 Budget. Motion seconded by Mr. Bishop.

A roll call vote was taken, and the motion to amend the Budget passed unanimously.

A roll call vote was taken on the motion to approve the FY2027 Budget as amended and passed unanimously.

8. NEW BUSINESS

8A. PSSE Model / Contract

MOTION: A motion was made by Mr. Laughlin to enter into Executive Session to discuss confidential financial matters, the immediate knowledge of which could have an adverse effect upon the finances of AEA, the Intertie, the IMC, or any of its members. Motion seconded by Mr. Bishop.

A roll call vote was taken, and the motion to enter into Executive Session passed unanimously.

i. **EXECUTIVE SESSION: 9:21 a.m. - (Bylaws Section 5.11.3) – To discuss confidential financial matters the immediate knowledge of which could have an adverse effect upon the finances of AEA, the Intertie, of the IMC, or any of its Members.**

The Committee reconvened its regular meeting at 9:57 a.m. Chair Zellers advised that the Committee did not make any decisions on the matters discussed while in executive session.

MOTION: A motion was made by Mr. Price that the IMC complete negotiations with Siemens for a new term contract to last five years, similar to what has been proposed, and final negotiations to be approved by all IMC members, and to include the RRC as a licensed sharing member. Motion seconded by Mr. Laughlin.

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

8B. Disaster Declaration for Structure 616

Chair Zellers discussed that Item 8B. relates to the Governor's disaster declaration for the avalanche that damaged Structure 616. Chair Zellers asked Mr. Bishop if GVEA or AEA is managing the situation. Mr. Bishop noted that GVEA and AEA are collaborating and attempting to recover the costs from the State. There were no other questions.

8C. Natural Disaster Notification Process

Chair Zellers requested Mr. Price to discuss Item 8C. Mr. Price commented that he does not remember when AEA received the first notification of the occurrence of the avalanche. He noted that the O&D members received an email regarding the Grandview Fire, and the first phone call regarding the fire was between Brad Janorschke, CEO Homer Electric Association, and Curtis Thayer, CEO AEA. Mr. Price indicated that he has heard subsequent conversations that some Executive Members did not receive advance notice but rather learned about the incident through the news. Mr. Price discussed that in hindsight, the Governor did not know about the damage to Structure 616 until after he issued the disaster declaration.

Mr. Price suggested that the natural disaster policy is either revitalized or established so that a notification procedure is followed to quickly inform the Governor so that the equipment can be supported promptly.

Chair Zellers agreed with Mr. Price's comments, and he believes the members should consider the options. He suggested the issue be placed as an agenda item for the next meeting. There were no objections, and no other comments or questions.

9. COMMITTEE REPORTS

9A. Budget vs. Actuals

Mark Ziesmer, AEA, indicated that the Budget to Actuals Report as of March 31, 2026, is included in the Member packet. He is available for questions. There were no comments or questions.

9B. IOC Report

Mike Miller, CEA, indicated that the IOC Report is included in the Member packet. He is available for questions. There were no comments or questions.

9C. Operator Report

Mr. Miller stated that the Operator Report is included in the Member packet. There were a fair number of events on the system over the last couple of months. He is available for questions. There were no comments or questions.

10. MEMBERS COMMENTS

Mr. Laughlin thanked everyone for their hard work on the Committee reports, and thanked AEA for their efforts on the PSSE Model Contract negotiations.

Mr. Bishop echoed Mr. Laughlin's comments.

Mr. Price expressed appreciation to the Members.

Chair Zellers echoed Mr. Laughlin's comments.

11. NEXT MEETING DATE – July 24, 2026

Chair Zellers stated that the next meeting date is July 24, 2026.

12. ADJOURNMENT

There being no further business of the IMC, the meeting adjourned at 10:04 a.m.

Tony Zellers

Tony Zellers, Chair

Bill Price, AEA Secretary