

Alaska Energy Authority
BOARD MEETING MINUTES
Thursday, April 17, 2025
Anchorage, Alaska

1. CALL TO ORDER

Chair Koplin called the meeting of the Alaska Energy Authority to order on April 17, 2025, at 9:02 am.

2. ROLL CALL BOARD MEMBERS

Members present: Clay Koplin (Public Member); Duff Mitchell (Public Member); Tony Izzo (Public Member); Robert Siedman (Public Member); Jenn Miller (Public Member); Ingemar Mathiasson (Public Member); Adam Crum (Commissioner DOR); Julie Sande (Commissioner DCCED).

A quorum was established.

3. AGENDA APPROVAL

MOTION: A motion was made by Vice Chair Mitchell to approve the agenda. Motion seconded by Ms. Miller.

The agenda was approved without objection.

4. PRIOR MINUTES – January 30, 2025

MOTION: A motion was made by Ms. Miller to approve the Minutes of January 30, 2025. Motion seconded by Mr. Izzo.

The Minutes of January 30, 2025 were approved without objection.

5. PUBLIC COMMENTS (2 minutes per person)

There were no members of the public online or in-person who requested to comment at this time.

6. COMMITTEE REPORTS - None

7. OLD BUSINESS

Curtis Thayer, Executive Director, noted there are a couple of legal opinions to review. He requested to enter into executive session to discuss legal matters.

MOTION: A motion was made by Ms. Miller to enter into executive session to discuss confidential financial matters and confidential attorney/client communications related to Bradley Lake Renewable Energy Credits. This is supported by the Open Meetings Act, AS44.62.310, which allows a Board to consider confidential matters in executive session. In this case, the Board believes that these are subjects which would have an adverse effect upon the finances of AEA, and are protected by law due to rules governing personal privacy and certain business information. Motion seconded by Vice Chair Mitchell.

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

A. Bradley Lake Renewable Energy Certificates

i. EXECUTIVE SESSION: 9:05 a.m.

The Board reconvened its regular meeting at 9:54 am. Chair Koplin advised that the Board did not take any formal action on the matters discussed while in Executive Session. He noted that AEA staff has a draft motion for this item. Chair Koplin requested a motion to consider.

MOTION: A motion was made by Ms. Miller that the Alaska Energy Authority, through its Executive Director, register Renewable Energy Certificates (RECs) associated with the Bradley Lake Project. This motion covers Bradley RECs for vintage years up to, but not including the time when Alaska entities may use the RECs to meet the State of Alaska's renewable portfolio standard requirements, should such requirements ever be implemented. The Bradley Lake Hydro Project is owned by the Alaska Energy Authority and therefore, the RECs are owned by AEA. REC proceeds are to be used exclusively to reduce the cost of energy for the 550,000 Alaskans living on the Railbelt by putting the money toward the Bradley Lake Hydro Project and capital expenses for the Dixon Diversion Project. This may include, if necessary, advocating for a BPMC budget amendment that adds an expense for Dixon Project development equal to, but not exceeding the value of the REC proceeds. Additionally, I applaud the utilities and AEA for collaborating to raise over \$20 million over the next 20 years without any negative impact for rate payers for the Dixon Diversion Project. Motion seconded by Vice Chair Mitchell.

Mr. Izzo believes his comments will lead to a friendly amendment. He read the second sentence of the motion: "This motion covers Bradley RECs for vintage years up to, but not including the time when Alaska entities may use the RECs to meet the State of Alaska's renewable portfolio standard requirements, should such requirements ever be implemented." Mr. Izzo noted he understands and agrees with the intent of the sentence. His concern regards the current legislation that will increase rates across the Railbelt by over \$52 million. Additionally, the testimony in the legislation has not included any utility expert and there has been a tremendous amount of misinformation or lies by omission regarding the testimony that has been presented so far. Mr. Izzo proposes that the second sentence read: "This motion covers Bradley RECs for vintage years up to, but not including the time when the State of Alaska law changes causing the sale of the RECs to increase rates for Bradley Lake consumers." Mr. Izzo believes this language reflects a broader effort that is not as specific to a renewable portfolio standard. There is one pending

before the Legislature now. It has not acknowledged nor looked at President Trump's executive order from a couple of weeks ago that, from the legal review of Matanuska Electric Association (MEA), is likely to cause lawsuits in opposition to the law, if passed in its current form, because it would violate that executive order, and significantly increase rates for the 550,000 Railbelt consumers.

Chair Koplin asked Mr. Izzo if he is proposing an amendment. Mr. Izzo agreed.

Chair Koplin requested Mark Billingsley, AEA General Counsel, to restate the friendly amendment. Mr. Billingsley restated the portion of the proposed amended motion: "I move that the Alaska Energy Authority, through its Executive Director, register Renewable Energy Certificates associated with the Bradley Project. This motion covers Bradley RECs for vintage years up to, but not including the time when State of Alaska law changes, causing the sale of the RECs to increase rates for Bradley consumers. The Bradley Lake Hydro Project is owned by AEA, and therefore, the RECs are owned by AEA. REC proceeds are to be used exclusively to reduce the cost of energy for the 550,000 Alaskans living on the Railbelt by putting the money towards the Bradley Lake Hydro Project and capital expenses for the Dixon Diversion Project."

Chair Koplin noted that he wanted to capture the wording of the amendment.

MOTION: A motion was made by Mr. Izzo to replace the language in the second sentence to, "This motion covers Bradley RECs for vintage years up to, but not including the time when State of Alaska law changes, causing the sale of the RECs to increase rates for Bradley consumers." Motion seconded by Ms. Miller.

Mr. Mitchell requested an explanation of the words "significantly increase," and if that is editorializing or if that is a fact. He agrees with the motion and the premise. He wondered if such bold statements is editorializing. His second question regards how this amendment affects the legal writing of the main effort on the resolution as drafted.

Chair Koplin noted that he will comment because he shares the same concern. Chair Koplin expressed concern with the way the amendment is written that presupposes that the costs will increase. Chair Koplin noted that he has seen many RPS' that are written to exclude preexisting and only include new generation. He commented that he does not want to send the signal to the State saying that the State will increase the costs when that may not be case in the way that they are structured. Chair Koplin commented that he is inclined to vote against the amendment as stated because of those reasons.

Mr. Siedman expressed that he likes the motion. He requested to make the motion language a higher level that would leave it to, "Until such time that Alaska law changes," and not include language about Alaska renewable portfolio standards. He noted that nobody knows if that is going to be the name of the law.

Mr. Izzo expressed appreciation for Mr. Siedman's comments. Mr. Izzo stated that he has no pride in authorship and his amendment was a quick stab at trying to provide clarity, but may add as

much, if not more, confusion. Mr. Izzo believes Mr. Siedman did a better job of articulating the intent to stick to Alaska law. Mr. Izzo noted he would rescind support for his friendly amendment in exchange for Mr. Siedman's language.

Mr. Billingsley commented that if the words "Alaska law" are inserted, he recommended inserting "Alaska law regarding RECs, RPS, or similar matters," because the law is definitely changing quickly.

Mr. Siedman agreed with Mr. Billingsley.

Mr. Izzo agreed.

Chair Koplin agreed, and noted he will entertain withdrawing the motion and restating the motion to amend.

The motion for the friendly amendment was withdrawn by the Maker and the Second.

MOTION: A motion was made by Mr. Izzo to replace the language in the second sentence to, "This motion covers Bradley RECs for vintage years up to, but not including the time when State of Alaska law changes regarding RECs, RPS, or similar matters." Motion seconded by Ms. Miller.

Mr. Mitchell noted for the record that Mr. Siedman assisted with the agreement of the final wording of the amendment.

A roll call was taken, and the motion to approve the amendment to replace the language in the second sentence to, "This motion covers Bradley RECs for vintage years up to, but not including the time when State of Alaska law changes regarding RECs, RPS, or similar matters", passed unanimously.

Chair Koplin noted that the written motion included a typographical error that was corrected in the verbally stated motion. He opened the floor to discussion regarding the main motion, as amended.

Mr. Izzo commented that he believes there is a clarification that needs to be confirmed to ensure the motion was read into the record correctly. He noted the seventh line of the motion includes the word "owed" and should be "owned."

Chair Koplin confirmed that the motion was verbally stated correctly as "owned."

Vice Chair Mitchell expressed his support for moving forward on the motion. He noted that money and the time value of interest is being lost on the matter. Vice Chair Mitchell believes that the review of the legal records show that there is not a state law on RECs, and that it goes back to contractual law. He discussed that the contractual law needs to specifically say that not only is energy being sold, but also that RECs are being sold. Vice Chair Mitchell feels that AEA is in a strong position of contractual law. He wants to ensure that going forward, this motion alleviates

some of the future concerns. Things will evolve and AEA can always readdress this issue. He expressed support for the motion.

A roll call was taken, and the motion as amended that the Alaska Energy Authority, through its Executive Director, register Renewable Energy Certificates (RECs) associated with the Bradley Lake Project. This motion covers Bradley RECs for vintage years up to, but not including the time when State of Alaska law changes regarding RECs, RPS, or similar matters. The Bradley Lake Hydro Project is owned by the Alaska Energy Authority and therefore, the RECs are owned by AEA. REC proceeds are to be used exclusively to reduce the cost of energy for the 550,000 Alaskans living on the Railbelt by putting the money toward the Bradley Lake Hydro Project and capital expenses for the Dixon Diversion Project. This may include, if necessary, advocating for a BPMC budget amendment that adds an expense for Dixon Project development equal to, but not exceeding the value of the REC proceeds. Additionally, I applaud the utilities and AEA for collaborating to raise over \$20 million over the next 20 years without any negative impact for rate payers for the Dixon Diversion Project, passed with Commissioner Crum absent.

8. NEW BUSINESS

A. Financing Options

- i. Dixon Diversion**
- ii. HVDC Line**

Chair Koplin believes it is appropriate for the AEA Board to consider the financing options included in the Board packet. He requested that an ad hoc committee of three members volunteer to review the financing options in a timely manner. Chair Koplin highlighted that it might pose a conflict for the State Commissioners during their extremely busy work schedule with the Legislature in session. Chair Koplin suggested that the other Board members consider volunteering.

Vice Chair Mitchell volunteered.

Chair Koplin noted that there is a standing Personnel Committee. Chair Koplin noted that he will give the opportunity for others to serve on the ad hoc financing option committee, and is also willing to serve on the ad hoc committee.

An Mr. Seidman volunteered for the ad hoc committee.

No other members volunteered.

Chair Koplin indicated that he would volunteer for the ad hoc committee. He noted for the record that the ad hoc committee was formed to consider financing options. Chair Koplin stated that AEA has a long history of collaborating with the Bradley Lake Project Management Committee (BPMC) and Railbelt owners as they advise policy. He believes it is appropriate through AEA's fiduciary responsibility to review the finance options and form a Board recommendation.

Mr. Thayer thanked Chair Koplin for establishing the ad hoc committee. He noted that the AEA team, especially Mr. Billingsley, has been working on these efforts. There are many different options for the two distinct projects of the Dixon Diversion Project and the Grid Resilience and Innovation Partnership (GRIP) project. The Dixon Diversion Project does not include federal dollars, and the GRIP project does include federal dollars. Mr. Thayer announced that the State Senate included \$6 million towards the Dixon Diversion Project in their capital budget. AEA asked for \$6.5 million and is agreeable to \$6 million, considering the total State budget.

Mr. Thayer explained that the Dixon Diversion finance options include utilizing revenue bonds, similar to the revenue bonds that funded the Bradley Lake Project. Conversations need to occur with the Railbelt utilities to confirm that they are interested in buying in at the same level of water they receive today. Other funding discussions have occurred regarding utilizing a State General Obligation (GO) bond, State appropriations, public-private partnerships, Department of Energy (DOE) low interest loans, and other options. Mr. Thayer emphasized the importance of Board member participation in vetting these options.

Mr. Thayer discussed that the GRIP Kenai-Beluga High Voltage Direct Current (HVDC) line project has the same financing options as Dixon Diversion. However, the need is \$143 million. Mr. Thayer highlighted the importance of Board member participation in vetting the options that are brought before Board. He noted that the two projects are very distinct, but may have similarities that could be combined at a later date. The current review will evaluate the 12 different options for the two projects.

Chair Koplin asked Mr. Thayer if his understanding is correct that AEA staff would provide a presentation to the ad hoc committee and explain the trade-offs for the different options. Mr. Thayer agreed, and explained that he anticipates that AEA staff would give a presentation or multiple presentations outlining the efforts and highlighting the current favorite choices. He explained that if the Federal Energy Regulatory Commission (FERC) filing for Dixon Diversion is in January, and the hope is to have answers in 12 months, that leaves 18 months for a go or no-go decision. Mr. Thayer commented that it would be nice to have the financing lined up to hit the construction window.

Mr. Siedman requested that before presentations are made, he would like staff to consider the different levels of the Investment Tax Credit (ITC), which are based on domestic content and other items. Mr. Siedman noted that he understands there is a penalty for tax-exempt bonds. He requested that staff consider those penalties in their presentations, and ensure that AEA does not penalize itself by way of tax-exempt funding.

Chair Koplin expressed appreciation for Mr. Siedman's suggestion, and noted that Mr. Thayer nodded in the affirmative. There were no other comments or questions.

B. Resolution 2025-04 – Requesting Congress to Support and Maintain Energy Investment Tax Credits

Chair Koplin read the entire Resolution 2025-04 into the record.

MOTION: A motion was made by Mr. Siedman to approve Resolution 2025-04, Requesting Congress to Support and Maintain Energy Investment Tax Credits as presented. Motion seconded by Vice Chair Mitchell.

Vice Chair Mitchell made a housekeeping statement that Alaska hydropower is basically in Alaska's energy DNA. This legislation supports directly and indirectly any Board member and/or AEA, in general, that has any hydropower assets. Vice Chair Mitchell does not believe this is a conflict, but wanted to include the statement for the public. He noted that whether it is Eklutna, Bradley Lake, or other projects, there are direct and indirect benefits that would come from this legislation. He believes AEA's support is generically good.

Mr. Izzo asked Mr. Thayer what the impetus was for this resolution and who drafted the resolution. Mr. Thayer explained that the drafting of the resolution was a collective effort among staff and with some of the Board members' input. This is critical because the delegation is introducing this legislation and AEA wants to ensure that the tax credits are maintained. Mr. Thayer discussed that there are a couple of the tax credits where AEA is on the edge of the bubble in the sense that AEA is increasing Dixon Diversion water storage, but is not changing namesake capacity. Staff has been discussing this with the delegation and wants to show support for the legislation that has been introduced while providing benefits to the Dixon Diversion. Mr. Thayer noted that there is also interpretation by the Secretary of Energy that could include the Dixon Diversion Project.

Mr. Izzo expressed appreciation for Mr. Thayer's comments. Mr. Izzo believes this is a good action for the Board to take. He put it into perspective, since Eklutna was mentioned, that the Municipality of Anchorage and the Native Village of Eklutna are trying to shut down that hydro, which represents firm power and 44% of MEA's renewables. Mr. Izzo commented that when he views pending legislation for an RPS representing over \$50 million a year in penalties or remittance, which increases the fuel cost by 20%, he supports this resolution. He believes there are other equally urgent and maybe even significantly more impactful issues before AEA and the State of Alaska.

Mr. Siedman expressed support for the resolution. It is expanding the existing tax credits to more than just an increase in energy, but to all of the attributes that are required in a hydroelectric facility that contribute to that energy, including the significant benefit to all Alaskans of the Bradley Lake diversion.

Ms. Miller expressed support for the resolution. She believes that certainty and known defined law is critical for investment. No matter how the projects are financed, knowing the tax credits and the tax policy today is critical for investments. She supports maintaining the current tax policy with some enhancements to correct minor errors that would allow Dixon Diversion to receive tax credits. Ms. Miller emphasized the importance to weigh in and provide the delegation with AEA's opinion and support of the legislation.

Vice Chair Mitchell expressed support for the previous comments of the Board members. He

added that the resolutions is federally supported at the presidential and administrative level. There are bills in Congress that support the resolution with all of the congressional delegation. He noted that this was one of the last bills written by former Congressman Don Young, and has Alaska legacy based on that. There were no other comments or questions.

A roll call was taken, and the motion to approve Resolution 2025-04 passed unanimously.

9. DIRECTOR COMMENTS

A. Annual Report

Mr. Thayer discussed that the Board packet includes required statutory reports owed to the Legislature. The Annual Report was submitted to the Legislature, and can also be found online. There were no comments or questions.

B. Power Cost Equalization Report (PCE)

Mr. Thayer explained that the Power Cost Equalization (PCE) report by community and by utility was completed on time and distributed to the Legislature. This can also be found on the website. The document captures all of the PCE from 2024. There were no comments or questions.

C. IIJA / IRA Update – Tracker

Mr. Thayer noted there have been many discussions regarding pauses to federal funding or lifted pauses to federal funding. The included tracker is updated to provide a current status to funding levels. Mr. Thayer stated that the only project that has been suspended is the National Electric Vehicle Infrastructure (NEVI) program. This was a \$5 billion project, and Alaska's share was \$52 million. Mr. Thayer indicated that the NEVI program was paused because with the \$5 billion, they managed to approve 52 charging stations in the country, and the NEVI program did not have a robust outcome. The NEVI program has been suspended until further guidance, and therefore, AEA's work has been suspended. Mr. Thayer commented that there is State money, and AEA is working with Department of Transportation (DOT) to continue some of that work.

Mr. Thayer discussed that the projects highlighted in blue are moving forward. Originally, AEA had over \$500 million in federal funding. The total amount of federal funding is now \$460 million, which is still quite a bit to work with.

Mr. Thayer announced that AEA was awarded a High Energy Cost Grant through United States Department of Agriculture (USDA) for \$2 million for rural Alaska. AEA continues its work on other conditional awards. The Solar for All grants are proceeding for Alaska. He cautioned that it is questionable whether or not it will proceed on a national level. The deadlines are strict and no amendments to the original award are allowed. AEA is partnered with Alaska Housing, and are meeting those guidelines.

Mr. Thayer discussed that AEA is also working with Alaska Housing to meet the requirements for the Home Efficiency Rebate funding and Home Electrification and Appliance Rebates funding. AEA and Alaska Housing are working under Memorandums of Understanding (MOU) and Reimbursable Service Agreements (RSA). The federal funding has been restarted, with the exception of the NEVI program. There were no questions.

i. OCED – ERA Concept Papers - Memo

Mr. Thayer advised that AEA applied for the Office of Clean Energy Demonstration (OCED) funding awards. The concept papers were due February 27, 2025. The full applications are due on August 28, 2025. AEA is promoting four different projects; Tok School CHP Re-design and Build Project, Nome Joint Utility Systems, Rural Alaska Power Systems: Critical Tool Supply and Inventory, and Bethel to Oscarville Tie-line Upgrade. Mr. Thayer discussed that AEA recently discovered that it is still the owner of the Oscarville tie-line. AEA thought it was transferred to the community 30 years ago; however, it was not. The intent is to complete the tie-line upgrade and then hopefully give the tie-line back to the community, as AEA thought it had done 30 years ago. There were no questions.

D. Railbelt Transmission Organization (RTO) Update

Mr. Thayer discussed that Karen Bell, AEA, is currently at the all-day RTO meeting. The RTO is progressing on schedule with the goal of meeting the July 1, 2025 deadline. Mr. Thayer noted that he serves on the RTO Governance Committee, along with the Railbelt Chief Executive Officers (CEO). There are still some large issues that the Governance Committee has to decide upon. Mr. Thayer reported that the budget includes Ms. Bell's position as the full-time person for last year, this year, and next year. Additionally, the budget includes the position of a financial analyst that has not yet been filled. Outside counsel is also working on the RTO. The contractual appropriation is \$500,000, and Mr. Thayer believes that current costs are tracking on budget, and will be approximately \$150,000 for attorney fees and the financial consultant, plus additional fees. There were no questions.

E. Owned Assets Update

Mr. Thayer invited Bryan Carey, Director Owned Assets, and Jim Mendenhall, AEA, to review the AEA owned assets update. Mr. Thayer announced that Mr. Carey is retiring, effective May 1, 2025, and this is his last Board meeting. Mr. Thayer hopes that Mr. Carey enjoys his summer, and expressed the possibility of seeing Mr. Carey in the future in some capacity related to the Dixon Diversion project.

i. GRIP Dixon

Mr. Carey indicated he will give the update on the owned assets, and Mr. Mendenhall will discuss the HVDC update. Mr. Carey reviewed the slide showing the Railbelt projects. The projects highlighted in green are in progress, either design, construction, or otherwise. The projects in

progress are not necessarily fully funded. The other projects are not yet funded. These projects are intended to make the Railbelt resilient.

Mr. Mendenhall discussed the pause of some of the programs as of March 3, 2025. The DOE was able to discuss all programs and there may be limited restrictions. Generally, though, the projects are back in progress and AEA is working closely with DOE. AEA has been submitting invoices and DOE has been paying the invoices. Mr. Mendenhall noted that AEA has spent about \$830,000 through April 9, 2025 on the HVDC Line project. The kickoff meeting with the DOE occurred on March 19, 2025. DOE was happy with the presentation. Per the project management plan that was submitted last year, the Go / No-Go decision is expected at the end of April. The decision will mostly be based on the Stantec report, which includes a preliminary work plan and a preliminary schedule. AEA is receiving Requests for Information (RFI) for cables and converters. Additional review is ongoing to determine options to build in to scale the project up.

Mr. Mendenhall reviewed that the first budget period ends on June 30, 2025. Negotiations are beginning for the second budget period of two years. The expectation is to spend \$80 million to \$90 million through that period. The State has obligated \$62.7 million to-date. Combined with the federal match, the total is approximately \$125 million. Mr. Mendenhall discussed that the line capacity will be about 200 megawatts (MW) using a bipole conversion. Further studies are needed on the Soldotna and Bernice Lake link. An initial environmental review has been performed, and alternate routes will be submitted during the National Environmental Policy Act (NEPA) process. The preliminary design on the subsea cables has been conducted.

Mr. Mendenhall noted that Josie Hartley has been with AEA about five years, and he is happy to announce that she is transitioning to the GRIP project.

Mr. Siedman commented regarding the federal funding tracker. He noted that the programs highlighted in light blue reflect the programs that have funds released or have been unfrozen. He discussed that the federal buyouts are impacting the DOE and other agencies. Particularly for AEA, Section 247 is not moving forward. Mr. Siedman asked Mr. Thayer if AEA is seeing any impact from the federal buyouts and the labor shortages for the GRIP program under DOE, and for the Solar for All program under EPA. Mr. Siedman asked if AEA could request specific help from the delegation on these issues.

Mr. Thayer discussed that all of the project managers that AEA started with for GRIP and Solar for All are still there. AEA is not seeing the turnover, necessarily. Mr. Thayer noted that he is not making political comments, and during the last four years, DOE has staffed over 20,000 people. He does not know the percentage of attrition through the buyouts. AEA is not seeing a change in their contacts within the agencies. Mr. Thayer stated the GRIP contains more high-profile projects because of the support of the delegation and the need, and President Trump's affinity with Alaska.

Mr. Thayer commented there is one grant for \$497,000 that AEA has not heard from the project officer. AEA does not know why no communication has been received. Mr. Thayer believes that grant level is small, and that they have more grants to service before they eventually contact AEA.

Vice Chair Mitchell noted there have been a lot of projected changes and projected differences in how DOE will function going forward, including executive orders. He asked if there is any prognosis specifically on OCED that staff can provide. Mr. Thayer believes that is yet to be determined. The interesting issue is the pause on all federal funding, yet part of the federal government was still taking applications for additional grant funding. AEA chose to provide submissions, and those results have not yet been determined. There is no clear guidance at this point. AEA will continue to apply for grants when grant opportunities are released. There were no other comments or questions.

ii. Dixon Diversion

Mr. Carey discussed that the Dixon Diversion is on a coastal glacier that receives heavy snowfall. He noted that the precipitation for this year is approximately 30% above normal, and above 2,000 feet, the precipitation is snowfall. Mr. Carey believes the upper parts of Dixon Diversion have received approximately 750 inches of snow for the year. This amount of snow will make a big difference to the Bradley Lake water supply during the summer. The Dixon Diversion Project has been moving forward with various environmental and engineering type efforts. The Dixon Diversion area is about 19 square miles. The Bradley Lake area is about 80 square miles. The Dixon Diversion Project will tunnel to Bradley Lake, and the pool at Bradley Lake will be raised. The amount that it will be raised has not yet been determined.

Mr. Carey reviewed that the licensing process is connected to the amount of water that is received from the Dixon Diversion. Staff has recently held meetings with the agencies to discuss any new environmental studies that need to occur this summer. The changes to the scheduled studies are minimal. Crews will be out next week installing water gauge stations. In May, the environmental crews will begin counting fish. The Draft Amendment Application is expected to be filed in January 2026. The resulting draft terms and conditions expected around April 2026 will delineate the instream minimum flow through the existing stream going down to Martin River. The Final Amendment Application is expected to be filed in the spring of 2026.

Mr. Carey discussed that the current environmental modeling and hydraulic modeling shows that the proposed flows will allow the fish to continue to be able to access their habitat. He noted that the geological rock is very similar to the Bradley Lake power tunnel that was encountered originally. Some changes and updates to the hydrology model have been made since last year. Also this spring, an engineering firm completed a Class 4 independent project cost estimate totaling \$356 million. This is similar to the engineers' estimate of \$342 million. As the project moves forward and gets to a more detailed design, the contingency band will be narrowed, and the plus or minus amount will be narrowed.

Mr. Carey reported that the FERC required Board of Consultants reviewed the geotechnical drilling plan, the seismic hazard analysis, and the probable maximum precipitation analysis. The seismic hazard analysis and the probable maximum precipitation analysis are undergoing an update

because of forecasted changes. Additional design studies are being conducted regarding seismic on Bradley Lake, the layout of the tunnel inlet/outlet, and the diversion dam.

Mr. Carey reviewed the upcoming activities for 2025. These include the environmental studies for the FERC Environmental Analysis (EA), collection of data around the dam through drilling, completion of the seismic analysis and the hydrology analysis, refinement of the energy estimates, and advancement of the engineering design. In 2026, there will be one or two deep bore holes drilled in the middle of the tunnel to gather information regarding the area's lineaments or faults.

Mr. Carey broadly discussed the licensing and construction schedule. The draft and final amendment application is scheduled for 2026. FERC could possibly provide approval by the end of 2026. After which, either an EA or Environmental Impact Statement (EIS) would begin in 2027. Once the final terms and conditions are received, the various plans will be submitted, including a safety plan and a bear plan. It is anticipated that these plans will be similar in scope to the Battle Creek plans. Also in 2027, the project would go out to bid. In 2028, the mile long access road off of Battle Creek Road to the outlet will be built, and three-phase power would be installed from the existing Bradley Lake powerhouse up to the dam and then up to Battle Creek. Mr. Carey explained that the tunnel boring machine requires several megawatts of power and will continue operation through the winter.

Mr. Carey indicated that previous improvements of the dam supply power has been low voltage. The plan is to install the maximum amount of electrical equipment to improve the Bradley dam and to have a better power supply. The tunnel and first water from the diversion is expected to be completed in 2030, and the completion of the project is expected in 2031.

Mr. Izzo asked if Mr. Carey could project the best case commissioned in-service date for Dixon Diversion. Mr. Carey discussed that if the work schedule and agency work permits continue to advance, then water is anticipated at the end of 2030. The big impact of that water would occur in 2031.

Vice Chair Mitchell asked Mr. Carey what actions can be taken to speed up the process. Vice Chair Mitchell gave the example of the mines in Southeast Alaska that they add contingency and do not complete the extra top-down drilling. The mines drill the tunnels and if they find a weaker spot, then they add into it. This shortens the timeline by months and a whole drill season. Vice Chair Mitchell emphasized that he is not making a suggestion, but rather illustrating one example of value engineering. He asked Mr. Carey if value engineering has been reviewed and if any potentials have been found. Mr. Carey explained that the drilling is occurring in parallel with the licensing type of work. A larger drilling contingency does not necessarily save time. The Board of Consultants suggested drilling a couple of extra holes to gather more information and to maintain a higher level of certainty. The drilling is not slowing the process. It will be used for the detailed design and will reduce the contingency and risk for the tunnel boring contractor. Vice Chair Mitchell believes the biggest scheduling risk is that once the detailed design goes to FERC, it may take six months to conduct their portion of the process. It will be important that AEA maintain steady communication with FERC and other agencies to ensure the process is moving forward.

Vice Chair Mitchell agreed that the FERC permitting issue is a nationwide concern, as publicly stated by Senator Dan Sullivan recently. Vice Chair Mitchell noted that he discussed with Senator Sullivan the possibility of FERC permitting legislation to speed up the licensing time. Vice Chair Mitchell stated that there is presidential and congressional intent to speed up that process. The industry must then be ready to accept that shortened timeframe and move forward with the project. Vice Chair Mitchell reiterated his question regarding the potential for value engineering to bring the project online sooner without radically increasing the cost.

Mr. Carey explained that input from the utilities is also requested and received regarding moving the process forward. At this point, as long as the legislators and the Governor pass the additional funds for Dixon, then the design work can move forward.

Vice Chair Mitchell commented that in his review of the ITC, sometimes it is helpful to have an increase in nameplate capacity. He understands that the tunnel does not have much scope. Vice Chair Mitchell stated that if there is any, even minimal, increase in nameplate capacity, it may allow ITC to be more fully funded. He asked if there is a possibility of increasing any nameplate capacity. Mr. Carey explained that the area is flat enough that any more losses would likely back up the water. He noted there is the possibility of a certain amount of bedload in the tunnel at turbine points, which is not a good scenario. It is unlikely that the project would want to spend \$50 million or \$100 million to install production generation for that amount of energy. The tunnel is not going to have any generation or nameplate capacity. Additionally, the nameplate with Bradley will remain the same.

Mr. Izzo expressed his strong support for any acceleration of a project like this. He noted for the record, that as a monopoly and a certificated utility required to provide an essential service, 2031 is better than later dates. He would like the date to be sooner, but strategy cannot be put into hope and the risk of not having the power cannot be taken. Mr. Izzo commented that he will leave this meeting with the understanding that great progress is being made and everyone is doing a great job, but he still has to provide firm power in 2031. He is going to be making decisions years in advance of 2031 to ensure he has the firm power. As a prudent operator, he will ensure to impart as much flexibility into the portfolio to obtain the lowest cost firm power. Mr. Izzo recounted an example that it took Grant Lake 10 years to get a FERC permit for 5 MW. He reiterated that hope for expedited permitting is not a strategy. Mr. Izzo expressed support of the project and is interested in reviewing any and all options to accelerate the completion.

Chair Koplin commented that he received feedback in Cordova a month ago from heli-skiers that the snow is 130% up high, but none on the slopes. He noted the X factor of hydro in terms of construction schedule. His rule of thumb is to expect flooding during construction and a drought after completion.

Mr. Carey gave the example that the Battle Creek FERC permitting process took about two to three years once it was submitted. He noted that staff will work on other construction sequencing to find potential ways to shorten the construction time.

iii. SSQ Line

Mr. Carey reviewed the work that is currently occurring in the field. The contractor has been out in the field installing foundations since October 2024. And outage on the Sterling to Quartz line began in early January. This was a wet year, and matting had to be placed on the ground to drive over. This was a substantial cost. The SQ project has an estimated Phase III finish date of 2028. The Forest Service and the Fish and Wildlife Service are working on the EA, which should be completed by October 2025. The equipment is expected to be on order by October in anticipation for HEA to begin the Sterling to Soldotna section.

Mr. Carey continued the presentation, and indicated that the line section replaced in January and February can handle 230V, even though the pass is currently 115V, and will still be five or 10 years before the line operates at 230V. The larger line at this time allows less line losses to occur. As soon as all the lines are changed out, then the transformers will be changed out to operate at 230V.

Mr. Carey discussed the problem of wet weather without snow or ice is that the 90-ton crane drives the piles. The additional cost increased by approximately 15%. The winter phase of work was completed on February 28, 2025. A small amount of work is anticipated this spring that may require a day outage. Mr. Carey explained that the towers are held up and balanced with the weight of the line on both sides. There have been places where one tower goes down and then many towers go down because the load is no longer balanced. The corners have many guy lines so that the towers can stand on their own.

Mr. Mitchell asked Mr. Carey who his retirement replacement is and how he is going to ensure that all of these great projects get completed. Mr. Thayer noted that Ms. Hartley has been moved to the GRIP team, and he honestly does not expect Mr. Mendenhall to stay in his position until 2032. However, Mr. Thayer requested that Mr. Mendenhall be responsible for the GRIP project and serve as Acting Director of Owned Assets until a candidate can be identified. Mr. Thayer commented that Mr. Carey's engineering team is competent, and Mr. Carey's depth of knowledge will be missed. Mr. Thayer commented on the possibility that Mr. Carey could potentially assist with Dixon Diversion in the fall.

Mr. Mitchell thanked Mr. Carey for his dedication and hard work for AEA over the years.

Mr. Carey expressed appreciation for the compliment. He noted that Ryan McLaughlin, AEA, has been focused on Dixon Diversion over the last year and has very good knowledge of the engineering and environmental processes at this point.

Mr. Thayer commented that Patrick Domitrovich, AEA, has been working on the SQ Line, and Bill Price has been working on transmission with the Technical Group of the Railbelt Transmission Organization (RTO) with Ms. Bell.

Mr. Thayer discussed that staff has upgraded the GRIP HVDC summary video, and it is available

to be viewed now or the Board can choose to view it at their leisure from the website. The decision was made to view the video at the Board's leisure.

Mr. Thayer discussed that staff also has upgraded the Dixon Diversion project video, which can be viewed at the Board's leisure.

iv. Alaska Intertie – Avalanche Damage Memo

Mr. Thayer indicated that Mr. Price has been working on the avalanche damage update regarding the Structure 616 damage from the January 24, 2025 avalanche. The location is approximately eight miles north of Cantwell. The preliminary cost estimates is about \$500,000, and will probably extend into the Intertie Management Committee (IMC) budget. Mr. Thayer discussed that the Governor issued the January 2025 Interior Winter Storm Disaster Declaration on February 7, 2025. AEA is working with Golden Valley Electric Association (GVEA) to submit a request for a new declaration through the State Emergency Office to help cover expenses for the avalanche on the Intertie.

Mr. Thayer discussed the pictures of the damage included in the report. He emphasized the size of the pole structure and the size of the boulder that hit the structure compared to the size of the people in the picture on the boulder, and compared to the backhoe next to the pole. This event is a clear example of needed redundancy.

Mr. Izzo expressed appreciation for the pictures. He noted for the record, when there was gas available, that line provided gas fired generation north to Fairbanks or GVEA. It saved them approximately \$40 million a year in fuel. Unfortunately, that ceased on January 23, 2025. However, the other large wind projects being proposed by Matt Perkins and that team have serious issues. To get to the economy of scale, the project needs to be 120 MW. That line, plus the need for a 38-mile 138kV line is what is requested to reach 60 MW. The second line would be required to reach 120 MW. The Renewable Portfolio Standard (RPS) has to contend with the realities based on the laws of physics, logistics, economics, and system constraints that make some of the policy absurd. Mr. Izzo is looking forward to solving those problems, and has been working with AEA's team for years to solve those problems. He appreciates the work that has been done.

Mr. Thayer reminded members that the power going up the lines in the pictures right now is from Bradley. There were no other comments or questions.

F. Net Metering Pilot Program Update

Mr. Thayer indicated that the Governor's Office requested AEA to create, implement, and administer a Net Metering Incentive Program. He noted that Conner Erickson, AEA, is working on the effort and made the proposal to the Governor's Office. The Governor was receptive to the Program. The Memorandum of Understanding (MOU) has been sent to the Governor's Office and is pending. An RSA has not yet been signed. The program will last as long as the funding lasts. There were no comments or questions.

G. Power Project Fund (PPF) Loan - Update

Mr. Thayer discussed that there is a balance of \$31 million outstanding in 15 different PPF loans. The interest received during this period was over \$300,000. The program continues to provide benefits. There are no delinquencies. Approximately \$9.7 million is available for lending. Mr. Thayer explained that loans up to \$2 million can be approved internally by staff. Loans above \$2 million and up to \$5 million need to be approved by the AEA Board. Any loans above \$5 million need the Legislature's approval. Mr. Thayer noted there are a few upcoming loan applications.

Chair Koplin asked if those funds are secure. Mr. Thayer agreed, and noted there is much support in the Legislature for this recapitalization and patient capital. The current rates are lower than the market rates. There were no other comments or questions.

H. IT Update

Mr. Thayer indicated that Leonard Robertson, AEA Chief Information Officer, created the memorandum in the packet. He is traveling today. Current IT projects include a phone system upgrade and an email system migration. He discussed that these projects are in consultation with Alaska Industrial Development and Export Authority (AIDEA) since they both share the building. He reviewed that IT would work with members to update their email accounts during the migration process. Additionally, AEA will get its own block of phone numbers for new employees, and will no longer share a line with AIDEA. Mr. Thayer commented that if AEA were to move to a different building location, the phone lines will be separated.

Mr. Thayer reviewed another IT project to uplift Navision accounting software to a new system beginning July 2025. AEA and AIDEA software will be separated during the upgrade. The legislative funding for this effort is secure. Mr. Thayer explained that the cost of these upgrades are less expensive than the old architecture. There were no comments or questions.

I. Legislative Submittals

Mr. Thayer explained that AEA is required by statute to provide the Legislature with specific reports. These reports were submitted since the previous Board meeting. The submittals includes the Renewable Energy Fund (REF) recommendation by community. The Governor's budget includes \$6.3 million, which only funds the six projects above the orange line shown in the table. If additional funding is received, the orange line will be moved down to absorb additional projects. Conversely, if funding is reduced, the orange line will move up to eliminate projects. There were no comments or questions.

J. Legislative Update (presentations)

Mr. Thayer commented that all of the legislative update presentations are online for the members and the public to review. Presentations have been given to many legislative committees, including

the House Finance Committee, Senate Finance Committee, House Community and Regional Affairs Committee, and Energy Committee. There were no comments or questions.

K. Community Outreach

Mr. Thayer discussed the log of the community outreach over the last six months. Mr. Thayer noted that he spoke at the Resource Development Council this morning and discussed the activities of AEA. The videos were shown and well received. He welcomed feedback from members regarding their opinions on events that should be taking place or should not be taking place. There were no comments or questions.

L. Articles of Interest

Mr. Thayer highlighted that the current articles of interest relate to news items where AEA is mentioned by name.

Mr. Thayer commented on the State budget. He noted that the House Operating Budget includes all of AEA's requests through the Governor's Office. The Capital Budget has been accepted by the Senate and is now in the Senate Budget Committee. The only reduction was \$500,000 for Bradley Lake. The AEA Board gave permission in January to move the interest payments of \$6 million to offset some of the Dixon Diversion costs of \$12.5 million. The anticipation is that the State will provide \$6 million for the project. The remaining \$500,000 should not pose a problem.

M. Next Regularly Scheduled AEA Board Meeting – Thursday, July 10, 2025, 9:00 a.m.

Mr. Izzo commented on the commendable amount of outreach and the quality of the outreach by Mr. Thayer and the team.

Chair Koplin echoed and concurred with Mr. Izzo's comments of appreciation.

Mr. Thayer mentioned that the biggest advocate for Bradley Lake is visits to Bradley Lake, especially for the people in Juneau. Tours of Bradley Lake will begin again in June, and there is also an eight-seat plane scheduled the day before the next Board meeting. If there is a Board member that has not yet visited Bradley Lake, Mr. Thayer wants to ensure they take the opportunity. Legislators are also invited to visit Bradley Lake. Visitors include, for instance, the Speaker of the House, the Co-Chairs of House Finance, and approximately 60 legislators. This is effective while describing the budget and the needs since they have seen the project.

Mr. Izzo indicated that this comment is more of a proposal for the Board and for the Executive Director. He noted that the RPS has been mentioned in connection to a few items. He will add thoughts during Board Comments. Mr. Izzo reviewed that it does purport to lower costs, even though there are those, including himself, that believe it is going to greatly increase costs. He asked if future meetings could include a tracker status of that bill, along with gathering financial

data, under the Director Comments agenda item. Mr. Thayer agreed that is possible. He stated that at the July meeting, staff will provide an update on any legislation where AEA is named or a party to. AEA has a bill analysis and a fiscal note for the RPS bill. Mr. Izzo does not believe that it has been introduced yet. He believes there has been a Committee Substitute (CS) that would have AEA holding the fines at some stage. This information is new to AEA, and came with no consultation or request. Staff is tracking the bills and will share all the tracking information with members.

Vice Chair Mitchell believes AEA has a great story to tell, and AEA is doing a great job. Vice Chair Mitchell reiterated that Mr. Thayer is representing staff and the Board well in front of the Legislature. The Alaska Sustainable Energy Conference is upcoming. He encouraged the Board's attendance. He asked Mr. Thayer what involvement AEA will have during the conference. Mr. Thayer stated that AEA has a role on the Planning Committee, coordinated by Brandy Dixon, Communications Director. Mr. Thayer indicated that he would be at the podium. Mr. Thayer discussed the previous trade mission to the United Arab Emirates (UAE) he attended with the Governor. The UAE delegation he met will attend the conference and will meet with him. Mr. Thayer noted that the UAE wants to invest in projects in Alaska.

Mr. Thayer reported that the weekend after the Sustainable Energy Conference, the National Association of State Energy Officials (NASEO) will conduct their Western Region Meeting in Alaska for the first time. Approximately 50 people are expected to attend, and AEA will be the host of the meeting. This invitation was given to NASEO several years ago. Mr. Thayer indicated that staff would ensure that Board members are included. The Governor has been requested to attend. There may be opportunities for Board members to be guest speakers on particular subject matters.

Vice Chair Mitchell thanked Mr. Thayer for the information. He understands that Alaska is at a cutting-edge point of time with the unleashing of Alaska's energy resources and resource development. He expressed appreciation to Mr. Thayer for his efforts. There were no other comments or questions.

10. EXECUTIVE SESSION – (If needed)

Chair Koplin indicated there is no need for a second executive session. There was no objection.

11. BOARD COMMENTS

Mr. Siedman reiterated the awesome job of Mr. Thayer and staff. He noted that AEA is losing staff and hopes that AEA will build staff. Mr. Siedman requested Mr. Thayer's thoughts regarding the potential of moving AEA into its own building. He commented on the great meeting. He expressed his appreciation.

Chair Koplin thanked Commissioner Sande for taking the time out of her busy schedule to participate in today's meeting.

Commissioner Sande thanked the AEA staff for the good Board meeting and abundant content. She expressed appreciation for the conversations.

Mr. Mathiasson echoed the comments of a great meeting and good conversations. He expressed appreciation for the updates and information.

Ms. Miller thanked everyone for the great meeting. She expressed appreciation to staff and Mr. Thayer for their commendable, professional, and organized work. Ms. Miller recognized Human Resources Director Karen Turner for the effort in completing the employee pulse survey. It has yet to be discussed at the Personnel Subcommittee. Ms. Miller prompted the Personnel Subcommittee to schedule their next meeting date and time to discuss the survey results. Additionally, the Personnel Subcommittee has worked on the form for the performance evaluation for the Executive Director for this evaluation cycle.

Mr. Izzo echoed previous comments. He believes it is worth noting the most significant immediate pending issue that could negatively impact rates for 2/3 of the state of Alaska's population is House Bill 153 Renewable Portfolio Standards. If passed as is, it requires 40% renewable energy by 2032, 55% by 2035. The Railbelt is currently at about 15% renewable energy. Mr. Izzo indicated that MEA would have to find a way to shift 312,500 MWh to renewable in that period of time or MEA faces \$10.2 million of the approximately \$55 million per year penalty based on a \$45 penalty per MW plus inflation. This is a significant increase. Mr. Izzo understands why there are for-profit entities that would like to shift or impose economics in their favor. Mr. Izzo believes there is a clearly concerted effort to keep the utilities or any real energy expert from testifying. The House Energy Committee has blocked this effort. He noted that testifiers are brought in without disclosing that they are for-profit entities. Mr. Izzo gave the example of an independent power producer that he respects who testified, and Mr. Izzo believes that ethically, he should have said that the bill would benefit his entity. Additionally, the House Energy Committee brought in the Chief Energy Officer from Hawaii Mark Glick who testified about their RPS to be 100% renewable by 2045. Mr. Glick did not reveal that 47.44% of Hawaiians do not have heating systems and that the average temperature throughout the year is 78 degrees to 85 degrees. Mr. Glick did not address the subarctic climate of Alaska. Mr. Glick did not testify to the fact that Hawaii's Governor Josh Green tasked him to develop a new energy strategy to address electricity costs and the increasing unreliability of Hawaii's firm power generation. Mr. Glick did not discuss that his conclusion for the near-term energy strategy is to import LNG.

Mr. Izzo communicated that he is passionate about this issue, and has more to discuss. He noted there have been many references in testimony to the National Renewable Energy Laboratory (NREL) study. The testifiers are cherry picking items from the NREL study that will advantage their special interests. There has been no mention that NREL has said that co-ops do not get fined or penalized because it raises rates for the members. The comments do not include that the NREL study did not perform the necessary stability analysis, as noted in the executive summary of the study. The testifiers do not acknowledge the transmission needs within the regions needed to facilitate the ability for action. The comments assume a unified system operator. Mr. Izzo would love to see that. He has completed this with Chugach Electric Association (CEA) for a single load balancing area, but it cannot be completed without hundreds of millions of dollars in transmission

infrastructure, which has not been acknowledged in any way.

Mr. Izzo noted that the NREL study states that its results are driven by power consumption estimates that assumes growth in demand by 2040 of 110,000 electric vehicles (EV) or 700 gigawatt hours (GWh) of additional load. Mr. Izzo believes things have changed with EVs, and this was not disclosed during testimony. Mr. Izzo noted that the NREL study assumes pricing information for wind projects that are known to be inaccurate. Wind prices from LevelTen's report on the average of the most efficient projects in the Lower 48 for 2024 are 42% higher than the NREL report. Mr. Izzo indicated that he is under a non-disclosure agreement (NDA) with a project in Alaska that he would love to see go forward, and the 42% is about the half the price he is seeing here and there is no transmission to get the power online. Mr. Izzo commented that he just cannot imagine a more ridiculous threat at the worst time when we are trying to ensure that we can keep the lights reliably on.

Vice Chair Mitchell echoed the laurels to staff and Mr. Thayer for continuing to drive this organization forward to meet the future. He believes that data centers are going to change the world. He noted that investment white papers he has read are looking beyond the 100 MW or 1 GW facilities to the edge computing and decentralized data security. This will provide opportunities for resource development in Alaska. Vice Chair Mitchell commented that there is a growing need for permit reform at the federal level, not only at the presidential level and Administration level, but also FERC is recognizing that the Federal Power Act needs revamping. Streamlining from the input of agencies in the EA program and the Environmental Impact Statement (EIS) program. He asked that staff monitor permit reform and that AEA is proactive in providing input for the reform, as Alaska has such an important resource development opportunity.

Vice Chair Mitchell noted his affiliation with the National Hydropower Association, and from what he understands, it is likely there will be additional executive orders related to energy. The kinetic flow of water is listed in President Trump's executive orders, which includes Alaska's marine energy industry, tidal hydrokinetic and hydropower. Vice Chair Mitchell thinks that the AEA staff and the Board is ready to grasp the continuous changes and move forward.

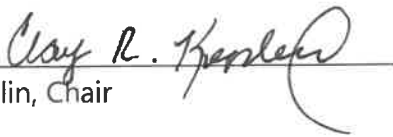
Chair Koplin extended his appreciation to the Board and to the staff. He believes that disagreements among Board members represent the diversity of the Board and is good for reaching solutions. Chair Koplin appreciates that everything the Board contemplates is focused on affecting the cost of power to Alaskans. He believes that focus is exciting. Chair Koplin stated for the record that he is appreciative of the Legislature for prioritizing energy and supporting the capital investments in this tough environment. The return on the investments is in the form of lower customer energy bills. Chair Koplin noted that the work of the Legislature and the Governor's Office is good for Alaska.

Chair Koplin reported that he attended the Resource Development Council meeting this morning. The attendees included the energy sector, private sector and Alaska industries. He believes that Mr. Thayer represented AEA very well and had the full attention of the audience. There was much agreement during the presentation and many good questions after. Chair Koplin thanked Mr.

Thayer for his great job representing AEA and the mission.

12. ADJOURNMENT

There being no further business of the Board, the AEA meeting adjourned


Clay Koplin, Chair


Curtis W. Thayer, Secretary

