

Alaska Energy Security Task Force  
MEETING MINUTES  
Tuesday, August 8, 2023  
Anchorage, Alaska

**1. Welcome and Introductions**

Chair Lieutenant Governor Nancy Dahlstrom called the meeting of the Alaska Energy Security Task Force (AESTF) to order on August 8, 2023, at 9:06 am.

**2. Roll Call**

Members present: Chair Lieutenant Governor Nancy Dahlstrom; Vice-Chair Curtis Thayer; Clay Koplín; Emma Pokon (Acting Commissioner); Nils Andreassen; Andrew Guy; Karl Hanneman; Tony Izzo; Jenn Miller; Duff Mitchell; John Sims; Isaac Vanderburg; Robert Venables (arrived late); Daniel White; Anne Ritgers on behalf of Senator Click Bishop; Keith Kurber (Commissioner, Ex Officio); and Erin Whitney (Ex Officio).

Chair Lieutenant Governor Dahlstrom officially recognized and welcomed Acting Commissioner Pokon who replaced Jason Brune at Department of Environmental Conservation (DEC).

**3. Prior Meeting Minutes – July 18, 2023**

**MOTION: Vice-Chair Thayer made a motion to approve the Minutes of July 18, 2023, as presented. Motion seconded by Mr. Izzo.**

**A roll call vote was taken, and the motion to approve the Minutes of July 18, 2023, passed without objection.**

**4. Energy Data Presentation**

Chair Lieutenant Governor Nancy Dahlstrom requested Vice-Chair Thayer move forward with the agenda. Vice-Chair Thayer introduced Gwen Holdmann, Alaska Center for Energy and Power (ACEP), to review the Energy Data Presentation. Ms. Holdmann introduced Sara Fisher-Goad of University of Alaska Fairbanks, and Neil McMahon of DOWL. Ms. Holdmann highlighted that both Ms. Fisher Goad and Mr. McMahon worked on the statistics in the data presentation and are both alumni of the Alaska Energy Authority (AEA).

Ms. Holdmann discussed the purpose of the Alaska Energy Statistics Report is to provide factual information that has been compiled by ACEP over the last year. The report includes raw data statistics and data charts that allow for better visualization. The report does not offer analysis. The raw data information is used by ACEP and others to provide

analysis. Ms. Holdmann noted the previous statistical data is contained in the historical list of 28 volumes of reports and Excel workbooks. The first publication by the Alaska Power Administration was in 1971. Since then, data has been published by entities, including the Alaska Power Authority, AEA, and Institute of Social and Economic Research (ISER). The workbooks compiled since 2013, however, have not been published. This is the longest gap in publication and she noted the challenges in recreating data sets from 10 years ago. ACEP followed the workbook template created by ISER, and the information can be organized and structured for use in various analyses. Ms. Holdmann made the recommendation to the Committee to publish the workbooks annually.

Ms. Holdmann reviewed the duties and responsibilities of the Task Force. The preparation of the statistics is intended to meet the first responsibility of establishing a baseline energy portfolio for the State of Alaska. Additionally, to help meet the fifth responsibility, there will be recommendations for the Data Subcommittee regarding strategies for sharing energy data on a current and regular basis.

Ms. Holdmann acknowledged the list of contributors shown in the presentation, including representatives from ACEP, ISER, DOWL, and others. She recognized the funding partners of Denali Commissioner, Office of Naval Research, ACEP, and UAF. Ms. Holdmann gave a brief overview of the primary data sources used throughout the workbooks. The data sources are cited for each item. The workbooks include regional summaries, as well as summary tables, detailed tables, and historical tables. Ms. Holdmann reviewed two example summary tables shown in the presentation.

Ms. Holdmann discussed the contents of the Alaska Energy Statistics. Only electricity is included. The North Slope and TAPS oil and gas operations are excluded. She noted the difficulties and future aspirations to include statewide heating statistics along with power statistics. The current statistics include Deadhorse. The current statistics exclude some stand-alone industrial and remote generation, such as Red Dog Mine, behind-the-meter (BTM) solar, and utilities that do not report to the PCE Program and are not large enough to report to the Energy Information Agency (EIA). Examples of these utilities include Copper Valley Electric Association, Ketchikan, Barrow Utilities and Electric Cooperative, Inc. (BUECI), and Wrangell. The information from these utilities has to be collected and input individually.

Ms. Holdmann gave an overview of the gradient map of Alaska based on the delivered price of energy per kilowatt hour. She noted that the map is provided as an illustration for the Task Force, but is not part of the statistical data. She noted that AEA follows the 11 energy regions established by Alaska Native Claims Settlement Act (ANCSA). The data is further delineated into three geographic energy regions for the state: Rural Remote, Coastal, and Railbelt. The Rural Remote region was previously titled PCE Eligible. The Coastal region includes Kodiak, Copper River/Chugach, and Southeast. Ms. Holdmann requested the Task Force provide feedback on the three regions and their names to ensure they are relevant and consistent with the Task Force efforts.

Ms. Holdmann discussed the trends over the last 10 years regarding the Railbelt installed capacity. The data shows an increase in capacity through new generation and does not show the retirement of sources. The categories are defined by the EIA language. She gave the example that Matanuska Electric Association (MEA) is considered under Recip Engines and Golden Valley Electric Association (GVEA) is considered under Fossil Turbine. Ms. Holdmann discussed the slides showing the trends over the last 10 years regarding the installed capacity for the Remote Rural and Coastal regions. She explained that the installed capacity also includes the back-up generation for the region.

Ms. Holdmann reviewed the slides showing the renewable installed capacity for each of the regions. The wind sources and landfill gas source came online in 2012 and the BTM solar sources came online in 2018. Additionally, battery storage capacity statistics are shown beginning in 2012.

Mr. Izzo asked if there is a way to delineate the installed capacity, which includes sources that have not been retired because of their remote nature, from online capacity. He noted that there is generation in Alaska that would not be found in a robust grid in the Lower 48. Mr. Izzo commented that the capacity factor shown on the charts would be much lower if it only included online sources. He asked if that data is available. Mr. McMahon commented that the level of delineation is based on how well the information has been reported. There are various codes provided to EIA that differentiate between power data, such as stand-by power and power that has been offline for a year, but is expected to be available. He noted that there are ways to tease out specific information.

Mr. Izzo commented that if a reader is not familiar with this subject, they could make assumptions that the generation is overbuilt, and then the capacity would have to be separated on a monthly basis due to the seasonality of some of the renewables. He commented on the storage capacity shown on the graph. He asked for additional information and requested that a recommendation is provided regarding the amount of storage that is needed compared to the current status.

Discussion occurred that the information within the workbooks includes storage. There is the ability to isolate the storage information per power plant. The workbook can be used to make individual charts based on parameters selected.

A reminder was given to anyone who speaks to please state their name for accurate reflection in the minutes.

Mr. White complimented the meticulous and detailed quality of the previous minutes. He requested additional information regarding the role of storage as reflected in the chart. He noted that the chart shows generated capacity, and the batteries store the power that is generated by the hydro, wind, landfill gas, or solar. Ms. Holdmann agreed. She recognized that storage is an important part of the grid infrastructure and it was a

struggle to determine where the information would be reflected. The decision was made to include the information as a dotted line on the bar chart. Ms. Holdmann indicated that the contributors are open to suggestions as to how to incorporate the data in the statistics. The storage information was not included in the last version of the statistics.

Mr. White commented that he assumes that the battery storage is a short-term supply and could provide 30 minutes of power. He asked if that aspect will be acknowledged on the slide or within the report. Ms. Holdmann indicated the possibility of providing a list of the storage that is included in the report. The storage shown is in terms of megawatts (MW) and does not reflect the amount of energy that is available. The amount of power varies from 30 minutes to longer duration storage.

Mr. McMahon commented that the underlying data for storage includes both the energy in megawatt hours (MWh), as well as power in MW. He will need to confirm the extent of the data used as shown in the chart. Ms. Holdmann reiterated the hope that others will use the data that is available and create new graphs or look at different ways to interpret the information.

Ms. Miller suggested that an interesting view would be to pull in the capacity factor and the storage duration of the batteries.

Ms. Holdmann continued the presentation and reviewed that Alaska is exceeding state trends for BTM installed solar capacity. She noted the growth trend this year is expected to rise from 13 MW to 16 MW. This data is compiled by ACEP from individual utility Regulatory Commission of Alaska (RCA) reporting. Ms. Holdmann reviewed the slide showing the installed capacity of renewable energy for the PCE-Eligible Region, also called Rural Remote. The MW scale is much smaller on the chart. She explained that the decrease in wind capacity from 2018 to 2021 is due to the decommissioning of early generation turbines. Ms. Holdmann discussed the slide showing the installed capacity of renewable energy in the Coastal Region, which is almost entirely hydro, as expected.

Ms. Holdmann showed an example of the raw data information spreadsheet that is used to generate the summary tables and the charts. She discussed the statewide net generation by fuel type from 1971 through 2021. Ms. Holdmann indicated that some of the dips shown in the graphic may be related to reporting nuances.

Ms. Whitney asked if the data contains a level of uncertainty, and if so, are the dips within that level of uncertainty. Mr. McMahon explained that there is no accommodation for a level of uncertainty because the information shown is based on the reported amounts. He noted that he would have to go back and review the data from 2011, 2012, and 2013 to ascertain if any of the entities did not report during that time or were not included for some reason. Ms. Holdmann explained that the Alaska Energy Statistics is comprised of reported data only. Blank data is not filled in with estimated data.

Ms. Holdmann discussed the graphic showing the comparative net generation by region. The PCE-Eligible title is the Rural Remote region. Additionally, she reviewed the individual regions' net generation and total sales data. Ms. Holdmann explained that the data does not track perfectly. She gave the example that it is unlikely that the Railbelt net generation in 2013 was lower than the total sales, as shown in the graph. Similarly, the Rural Remote region's sales were 13% less than its reported generation, as shown in the graph. Ms. Holdmann requested member insight into the reasons for these results. She highlighted a consideration of Deadhorse, for example, is the possibility that generation data is being captured, but sales data is not being captured. Ms. Holdmann noted that contributors are reviewing data to ensure the understanding of the data that is being processed and that the trends are accurately reflected. A technical advisory committee is also utilized to assist in the efforts to accurately report the trends.

Mr. Mitchell commented that he has seen Federal Energy Regulatory Commission (FERC) reports filed with the RCA that include a component that the utility may generate power that they use themselves. He noted this could contribute to the discrepancy in the data. Ms. Holdmann believes that station power is considered in the data. She explained another contributing factor is that reported line loss in the Power Cost Equalization (PCE) program is kilowatt hours (kWh) that are produced, but are not sold. This is separate from station power. However, this amount does not explain the entire 13% discrepancy.

Mr. McMahon stated that reporting to EIA is net generation and reporting to PCE is gross generation. This could contribute to some of the statistical differences.

Mr. Izzo remarked that the utility information includes station service, line loss of hopefully 5% or less, and the 30% spinning reserve requirement. He is unsure if the spinning reserve is reported as sales, even though the cost is recovered. Ms. Holdmann indicated that spinning reserve is not reported as generation.

Ms. Holdmann expressed that this level of feedback is helpful in understanding the information. She observed that the Coastal net generation and total sales chart shows the sales tracking more closely with the generation. Looking at the data, one could then begin to ask questions regarding the reasons for the dip in generation in 2019. Mr. Mitchell asked if the drought could have contributed to the dip in generation. Ms. Holdmann stated that it does not appear that fossil fuel generation increased in 2019. Mr. Mitchell commented that interruptible customers may not be captured in utility statistics. Ms. Holdmann acknowledged the excellent point and thanked him for his feedback.

Ms. Holdmann reviewed the statewide average revenue data in nominal dollars and in inflation-adjusted dollars. She discussed the charts showing the PCE trends from 2013 through 2022, including PCE effective rate, funds appropriated, price of fuel oil, and consumption. The information is provided in a visual way so that discussions can occur regarding policy and future programs. Ms. Holdmann highlighted that the CO2

emissions numbers in the bar chart are calculated based on the source of generation. She gave the example of the significant contribution that coal makes in the Railbelt, despite its small part of Railbelt generation. Ms. Holdmann reviewed the slide showing the Railbelt utilities self-reported CO<sub>2</sub> intensity information. This data may or may not be included with the final statistics. She identified the increase in GVEA's intensity in 2019. These types of indicators open the conversation to ensure the data is accurate, rather than inaccurate from reporting errors. Discussions can then occur with the utility to determine possible reasons for the changes.

Mr. Izzo discussed that the Swan Lake Fire occurred in 2019. The fire disabled the intertie for three months at Bradley Lake and cost an additional \$12 million in natural gas fired generation and other fossil fuel generation substituting the lost hydro. Ms. Holdmann believes there are additional factors, other than the intertie, because no other utility shows an increase in intensity during that same period. Mr. McMahon identified that HEA's self-reported CO<sub>2</sub> intensity decreased during 2019, which would be consistent with using more hydro available.

Ms. Holdmann discussed that there is a high degree of CO<sub>2</sub> intensity on the North Slope. The information shown in the graph is not comprehensive. She reviewed the 2001 Alaska Sankey Diagram and would like to develop a new version, working with Department of Energy (DOE), Arctic Energy Office. The diagram shows the categories of primary energy and the significant amount of crude oil exports. Ms. Holdmann reviewed a slide showing an example of the way Iceland presents their primary energy consumption data. She hopes at some point that Alaska can view not only electric power, but also primary energy consumption data.

Ms. Whitney informed that the Arctic Energy Office is working on a 2021 version of the Alaska Sanke Diagram. She asked when and how the data will be shared and what conditions there are for using the data. Mr. McMahon responded that the workbook is near completion.

Mr. Hanneman expressed appreciation for the excellent presentation. He recommended that the AESTF also consider space heating energy security for Alaska. He asked if AEA is drafting an energy security report. Mr. Thayer discussed that the Alaska Energy Security Profile through DOE is for emergency purposes and lists the types of fuel sources. It is in the final stages of drafting and has to be approved by the Governor. The profile is a requirement for the Infrastructure Investment and Jobs Act (IIJA) funding.

A member asked the question if there is information regarding the anticipation of increased load to the grid if 10-cent power was available. It was noted that the load is anticipated to significantly increase at 10-cent power, but there is no specific data forecasting the amount of that increase. ACEP recently published a load forecast for the grid that does not include impacts of cheaper power. The example was given that if 10-cent power were available in Fairbanks today, people would switch to electric heating

because it would be less expensive than oil-fired heating. It was mentioned that data can be retrieved from regulated utilities like Enstar, but data cannot be retrieved from unregulated entities. A comment was made that other states collect heating data by having a requirement for reporting, such as charging and then waiving a sales tax that is reported.

Mr. Mitchell expressed that it would be helpful to have a projection analysis for a scenario that if 10% of the Railbelt switched its fuel source to electrification, what impact that would have to the potential load, and thus what impact it would have to possible projects financing. Ms. Holdmann explained that the data provided is historical. She explained that the critical forward trending information Mr. Mitchell is discussing is a separate type of effort being conducted by ACEP. She informed there is a presentation today at lunch from ACEP to the Fairbanks Economic Development Corporation on Railbelt decarbonization modeling, projecting future scenarios of different growth projections, including the uptake of electric vehicles (EV), BTM solar, and heat pumps. She discussed that those forecasts are important, however, she differentiated that the statistical information presented today is historical, and it can be used to help understand future trends.

Ms. Miller expressed appreciation for the great presentation. She asked if it is possible to expand the data collection to include tracking the cost base per generation type and debt servicing information. Ms. Holdmann indicated that some of that information is available. The current challenge is in determining what data is included in the statistics report and how soon the statistics report is released. The purpose of the data is to be able to conduct additional analysis that may be presented as companion information.

Mr. Mitchell reiterated the request for the cost base per generation type. He asked if this information is available in the current data. Mr. McMahon noted that type of analysis is not within the information reported to EIA. He stated that some information could be pulled from certain utilities who report to RCA, but that the process would be time intensive and would not be comprehensive. Mr. Mitchell believes that it would be useful to the Task Force to have that data specifically from Southeast Alaska Power Agency (SEAPA), Snettisham, and Bradley Lake. He stated that the information may be in FERC One reports, other publicly available reports, or available upon request. Mr. Mitchell requested information on the modeling and cost specifically for Hyder's Tongass Power and Light Company that purchases its power for BC Hydro. Mr. Mitchell has been told it is one of the lowest costs of power in the state due to its postage stamp rate. He noted this could be an anomaly, and he would like the information of the modeling and cost from British Columbia on a comparison basis.

Ms. Holdmann commented that she is very interested in the Canadian models for postage stamp rates versus the PCE program. She noted the possibility of rethinking the cost of power throughout the state in a more egalitarian way. She discussed that there are pros and cons that have to be considered.

Mr. Izzo provided insight into utility thinking and the challenges and opportunities going forward for beneficial electrification. The other side of the issue being analyzed is the scenario in which there is 15% proliferation of electric vehicles, which then exceeds the capacity of distribution lines, residential transformers, and substations transformers. Utilities do not build out in 10-times capacity. Today's rate payer cannot necessarily pay the capital costs to construct infrastructure for the next generation. It is most likely that the distribution upgrades will be targeted in locations of population growth. He noted that there will be costs associated with the upgrades. There were no other comments or questions.

## **5. Energy Scenario Planning Process Overview**

Vice-Chair Thayer indicated that the next presentation will be provided by the contractor Black & Veatch (B&V). The B&V representative introduced herself. Vice-Chair Thayer noted that the B&V representative is able to review the PowerPoint presentation by sharing her screen. Vice-Chair Thayer advised that the B&V presentation will be made available through Sharepoint. The B&V representative discussed that B&V will focus on the data to help develop and propose a strategy to reach the Task Force's objective of reducing the energy cost in Alaska. The scope of work includes providing support for the regional subcommittees and reviewing different available and appropriate technologies within the scenario planning process. Cost/benefit analysis of the different technologies and scenarios will also be provided within each subcommittee based on their objectives and energy market characteristics.

The B&V representative discussed the regional assumptions and trends that likely will be used in the proposed scenarios and analysis. The information included residential, commercial, and industrial electricity sales in Alaska. She reviewed the summary data from 2021, for example. She discussed that the primary supply of natural gas from Cook Inlet is declining, and plausible scenarios need to be developed to compensate for this disappearance of gas production in Cook Inlet.

Vice-Chair Thayer noted that the graphs shown in the presentation do not accurately reflect the composition of the utilities referenced. He noted that the information may have been pulled from different reports and additional discussion with the utilities should occur to ensure accurate information.

Ms. Whitney inquired if the numbers are averaged over different customer classes. The B&V representative agreed that the information is averaged over different customer classes. Ms. Whitney asked Task Force members if the aspirational goal is to achieve 10-cent power for residential customers or for all customers.

Mr. Mitchell commented that he believes the goal of 10-cent power is for all customers, which will contribute to the prosperity and economic development of Alaska. He believes

it is important to view the classes on a granular level, rather than on an averaged basis.

Vice-Chair Thayer requested Mr. Izzo, President of MEA, comment on the graph regarding the information presented for MEA. Mr. Izzo noted that the map on the left side has discrepancies. He discussed that the actual energy basis breakdown is 84% natural gas and 16% other, with the vast majority of that in hydro from Bradley Lake and Eklutna hydro. The B&V representative indicated that they may be interpreting the data differently. The information was meant to illustrate that the data will be used to understand historical trends in order to inform the assumptions moving forward. B&V will rely on the Task Force's recently compiled installed capacity data and generation data as a starting point.

Mr. Koplin commented on the nuances within data that is analyzed more deeply at the utility level. He noted that the previous slide showed trends of bulk use over time in the community. Mr. Koplin gave the example that if the population of the community is declining and the average use per customer is increasing, the data could reflect a flat line. He indicated that the residential rate class and use per customer bottomed out in 2018, as customers were taking advantage of energy efficiency and conservation opportunities. Since then, residential use has been trending back up, whereas the commercial rate class has been flat. The industrial rate class has been inclining. Mr. Koplin discussed that planning efforts can almost be responsive and focused on how to manage the current status. He encouraged the Task Force to engage in proactive and forward-looking planning efforts to establish goals that work collaboratively to achieve greater goals.

Mr. Venables asked for the meaning and relevance of the line in the presentation that is titled "state". The B&V representative explained that information was meant to show the majority of the state's member customers and sales volume. Mr. Venables commented that it seems as if the small footprint of the majority of the population is skewing the harsh reality of the rest of the state. He noted the subcommittees reflect the three states within the state. Mr. Venables commented that the information shown is masking the struggles of communities and villages. The B&V representative discussed that the slide data is presented on a summary level. The focus is on selecting assumptions and identifying the most effective ways to reach the objective. Additional compiled data will also be used.

The B&V representative continued her presentation discussing that solutions could differ based on the population in a community. Those statistics will help inform which scenarios are possible, which technologies could be considered, how to evaluate the cost/benefits, and ultimately, help to identify the most fruitful solution for each subregion.

Ms. Whitney expressed her understanding that the role of B&V is to provide the subcommittees with high-level technology overviews and to support the subcommittees

with scenario analysis. Ms. Whitney asked why the information is being presented in the current format. She noted that clarification is needed because some of B&V's statistics are inconsistent with ACEP's energy statistics, but at the same time, she does not want to get preoccupied at this level. The B&V representative discussed that the goal is to use the data and assumptions that have been compiled to investigate the proposed scenarios and to determine which technologies are most likely to be relevant and considered in the Alaska context. The B&V representative explained that the process begins with an initial screening to review the possible technologies. A comprehensive assessment matrix will then narrow the scope of those technologies. The next step is to define the scenario and to set up the key framework and unique elements for analysis. The scenario analysis is a comprehensive model for energy markets, considering load and supply side, and will dispatch the most economic resource to meet the scenario goals and profile for each of the particular submarkets.

Vice-Chair Thayer recommended that the B&V representative continue her presentation. He suggested that additional discussion could occur at a later point. Vice-Chair Thayer highlighted that the Task Force members are responsible for requesting specific modeling. He noted the importance of ensuring that the misrepresentations within the B&V models and assumptions are aligned with the ACEP models and assumptions. The B&V representative continued the presentation and gave a high-level overview of the technology consideration process, which would occur at the direction of the subcommittee members. This includes review of commercial accelerators, potential risks, impacts, and specific cost/benefit analysis. There were no other comments or questions.

## **6. Break**

Vice-Chair Thayer gave the room locations for the four subcommittee concurrent sessions that will occur after the break. All sessions are publicly available through the Teams link. There were no comments or questions.

A break was taken.

## **7. Subcommittees Concurrent Session**

- a. Rural Generation, Distribution, and Storage**
- b. Coastal Generation, Distribution, and Storage**
- c. Railbelt Transmission, Generation, and Storage**
- d. Incentives and Subsidies**

## **8. Lunch**

## **9. Subcommittees Concurrent Session 2**

- a. State Energy Data**
- b. Statutes and Regulations Reform**

## **10. Break**

The regular meeting resumed at 3:15 pm. Chair Lieutenant Governor Dahlstrom requested Vice-Chair Thayer continue the agenda.

## **11. Subcommittees Report Outs**

### **a. Preliminary Task Force Action Review**

Vice-Chair Thayer requested each of the subcommittees provide an overview of their status and vision. He began with the Railbelt Transmission, Generation, and Storage Subcommittee, Co-Chaired by Ms. Miller and Mr. Izzo. Ms. Miller summarized the framing discussion that occurred at the first meeting. It included the scope and deliverables of the Task Force, and the generation, transmission, and storage priorities for the Railbelt. The primary focus is to review pros and cons of multiple possible scenarios for the Railbelt, including renewable and clean energy standards.

Ms. Miller discussed the energizing presentation given by Ms. Holdmann on the story and timeline of the transition of the Iceland grid and the key insight of coupling the energy problem with the economy problem. Ms. Miller commented on the benefits of meeting in-person and the robust session that occurred regarding how to potentially increase the industrial load, the structure and model of Iceland's state-owned transmission system and rate structure. Ms. Miller noted that topics for future meetings were discussed and include demand forecasts, supply options, ownership structure options for transmission and storage. She and Mr. Izzo will review the topics and prepare a schedule to address the topics, as well as submit information requests to B&V for analysis. There were no other comments or questions.

Vice-Chair Thayer advised that the Co-Chairs for Rural Generation, Distribution, and Storage are Mr. Koplín and Mr. Guy. Mr. Koplín commented that the first meeting went well and was broadly attended. The group mapped out four to five actionable pieces to be brought to the full Committee. One of the actions is to inventory and understand the current status of technical assistance, training, available workforce development, and on-the-ground capacity needs, while acknowledging the new tools and technology to extend resources to rural areas. This action would be combined with asset management capabilities in rural communities.

Mr. Koplín discussed the next key item is to holistically identify economies of scope and development opportunities, such as ways to integrate a water treatment plant upgrade with an energy upgrade or another system upgrade in order to share costs and share benefits of rural investments. The discussion included broadband, fiber, and transportation. The transportation imperative was grouped in its own category that encompasses the physical ground and water parallels between transportation and energy, as well as supply chain issues and the delivery of parts, equipment and materials to Rural Alaska. Discussion in the Subcommittee also focused on innovative

opportunities to connect communities not only by energy, but also by transportation corridors.

Mr. Koplin informed that each of these items are posted on the Sharepoint site. He reviewed the next item to identify the opportunities to connect rural communities through transmission lines and other shared energy projects. The last item of discussion was the challenge of funding for rural communities. Focus will be directed at identifying financing mechanisms and to support local matches for federal grants and other funding mechanisms. He specifically highlighted the estimated billion dollars in upgrades that are currently needed on the bulk fuel tank farm. Mr. Koplin believes the meeting met its goal and was productive. There were no comments or questions.

Vice-Chair Thayer advised that the Co-Chairs for Coastal Generation, Distribution, and Storage are Mr. Mitchell and Mr. Venables. Mr. Mitchell discussed that the Coastal Region is Southeast Alaska, Cordova, and Kodiak. He emphasized that even though each of the communities has unique differences, they are collaborating to address energy issues. The Subcommittee compiled 12 policy, data, and action areas. Mr. Mitchell discussed a few of those areas; enhance affordability in energy in the region, including the integrated and inseparable areas of power, heat and transportation; establish standardized metrics related to power generation compared to future demand; integrate sea water heat pumps and ground source heat pumps; collect data to benchmark use and net metering to understand growth; integrate and understand how storage systems can help the smaller grids and interregional grids; identify federal funding and mechanisms to build transmission and distribution lines across Alaska, including authorizations that have not been fully funded; electrify the Alaska ferry fleet to lower the operating costs, including the utilization of diesel hybrid sources; partner with Alaska Tribes to assist with grid funding and other opportunities; dedicate focus on workforce training; implement and integrate shore power for stability; recommend ways to streamline renewable energy development on federal land; and review other subcommittee actions for overlap, synergy, and integration.

Mr. Mitchell noted that the Subcommittee is reviewing the baseline of current data in the region and understands that each community has a distinct profile and each community's path forward will be individualized. He discussed that B&V and Michael Baker will be utilized to fulfill the data requests regarding heat pumps and other information necessary to focus on the action areas. Mr. Venables reiterated that the Subcommittee has many data requests for B&V and Michael Baker regarding coastal utilities, rates, and supplemental information that they would like to see brought forward in order to make recommendations for action. There were no additional comments or questions.

Vice-Chair Thayer advised that the Co-Chairs of the Statutes and Regulations Reform Subcommittee are Mr. Venables and Mr. Hanneman. Mr. Venables believes that the Subcommittee made good progress and had great support from the Alaska Power

Association, whose information is available to the Task Force. The review included discussion regarding the legislative path through statutes and the regulatory path through administrative actions of the Regulatory Commission of Alaska (RCA). Views were considered on how to best empower the RCA to be as nimble and effective as possible. Rather than recreating the wheel, the Subcommittee requested Michael Baker to conduct a global search and provide examples of successful formats from which to pattern the path forward to lower the barriers and cost impacts to the rate payers. There were no additional comments or questions.

Vice-Chair Thayer requested the Incentives and Subsidies provide their report. An unidentified member noted that Co-Chair Andreassen had to attend a separate board meeting. The member informed that he would report for the Subcommittee. The approach is to first create a baseline of the incentives and subsidies currently established and then to identify the opportunities at the state level and at the federal level. Assessment will occur regarding best practices from other states, including tax breaks, and what is appropriate and executable for Alaska. The review will include analysis of ways to fully utilize the Emerging Energy Technology Fund and the Renewable Energy Fund (REF). The Subcommittee's interest was piqued with discussion of postage stamp rates in Alaska. Additional information will be provided by ACEP on possible implementation strategies. The Subcommittee requested AEA to provide data on the different ways the State is paying for energy and subsidizing energy.

The member informed that the Incentives and Subsidies Subcommittee would like to propose a meeting with the Statutes and Regulations Reform Subcommittee to review their shared focus items, including funding for the REF, data reporting mandates, and potential match funding opportunities. The member discussed that the Incentives and Subsidies Subcommittee will examine methods to offer low interest financing for projects and will look to ACEP to provide more information on the status of current programs. Another consideration the subcommittee discussed was the review of State tax base rates to encourage the economics on new energy projects. There were no comments or questions.

Vice-Chair Thayer expressed appreciation to State Energy Data Subcommittee Chair White and ACEP for the presentation this morning. He believes it provided clear foundational information. Mr. White thanked attendees for joining the subcommittee meeting both today and yesterday, including members of the Task Force, representatives from his office, Commissioner Boyle's office, Michael Baker, AEA, and others. The discussion at today's meeting was lively and included information from the Technical Advisory Committee that was created to get perspectives from a broad range of stakeholders, such as data providers, data modelers, people who maintain and aggregate databases, IT platform providers, and end-users. The Technical Advisory Committee is working diligently on the subcommittee's deliverables of the initial report due on August 29<sup>th</sup> and the final report due on September 10<sup>th</sup>. In order to meet that timeline, the Technical Advisory Committee will meet in-person two days this week.

Mr. White noted the subcommittee's purpose includes establishing a baseline energy portfolio derived from the information presented this morning, maintaining a public database of the Task Force information through Sharepoint, and recognizing strategies for sharing energy data and information to an energy portal. Mr. White noted the subcommittee discussed the limitations of the previous data portals. Mr. White explained that the subcommittee is focused on providing meaningful data for decision-makers, including data that will answer future questions. There were no comments or questions.

## **12. Next Meeting Date**

- a. Tuesday, August 29, 2023, 10:00 am – 2:00 pm, Matanuska Electric Association, 163 E. Industrial Way, Palmer, AK. Optional Ribbon Cutting Ceremony to follow Houston Solar Farm, Houston, AK**

Vice-Chair Thayer informed that the Energy Symposium Series is ongoing, with the upcoming event scheduled for August 17<sup>th</sup>. The next meeting dates and times for the subcommittees were listed.

Chair Lieutenant Governor Dahlstrom informed that the next AESTF meeting and working lunch is scheduled for August 29<sup>th</sup> at MEA. A ribbon cutting ceremony will occur after the meeting and attendance at that event is optional.

## **13. Adjourn**

There being no further business of the Task Force, the Alaska Energy Security Task Force meeting adjourned at 3:45 pm.