

Alaska Energy Security Task Force
DRAFT MEETING MINUTES
Tuesday, May 09, 2023
Anchorage, Alaska

1. Welcome and Introductions

Chair Lieutenant Governor Nancy Dahlstrom called the meeting of the Alaska Energy Security Task Force to order on May 09, 2023, at 3:01 pm.

2. Roll Call

Members present: Chair Lieutenant Governor Nancy Dahlstrom; Vice-Chair Curtis Thayer; Vice-Chair Gwen Holdmann; Clay Koplin; Nils Andreassen; John Simms; Karl Hanneman; Robert Venables; Andrew Guy; Jen Miller; Duff Mitchell; Isaac Vanderburg; Keith Kurber (Commissioner); Garrett Boyle (Commissioner); Erin Whitney; and Representative George Rauscher.

3. Prior Meeting Minutes – April 25, 2023

Chair Lieutenant Governor Dahlstrom informed that the next meeting date is scheduled for June 27, 2023. She requested Vice-Chair Thayer proceed with the next items on the agenda. Vice-Chair Thayer requested members to review the prior meeting minutes.

MOTION: A motion was made to approve the Minutes of April 25, 2023, as presented. Motion seconded.

A roll call vote was taken, and the motion to approve the Minutes of April 25, 2023 passed without objection.

Vice-Chair Thayer noted for the record that Tony Izzo, Matanuska Electric Association (MEA), is out of the country, and Julie Estey, MEA, is attending in the audience in his stead.

4. Presentations

a. Alaska Energy Authority (AEA)

Vice-Chair Thayer reviewed the AEA Overview Presentation. AEA was created in 1976 by the Alaska State Legislature as a public corporation with a mission to “reduce the cost of energy in Alaska.” The mission has grown into increasing resiliency, reliability, and redundancy of power across the state. Through its Railbelt Energy, AEA owns the largest hydroelectric facility in the state, Bradley Lake Project, as well as transmission lines on the

Kenai Peninsula and from Willow to Healy. AEA operates the Power Cost Equalization (PCE) Program that helps reduce the cost of electricity in rural Alaska.

Vice-Chair Thayer discussed that the State has a moral obligation through AEA's Rural Energy to work and develop new powerhouses, bulk fuel, and ways to integrate to renewable energy. AEA's Renewable Energy and Energy Efficiency program provides funding, technical assistance, and analysis on alternative energy technologies that benefit Alaskans, including biomass, hydro, solar, wind, and the National Electric Vehicle Infrastructure (NEVI) program. Additionally, AEA provides grants and loans. The grants are primarily funded through the Renewable Energy Fund (REF). The loans are facilitated through the Power Project Fund (PPF). AEA's Energy Planning is in collaboration with local and regional partners and provides economic and engineering analysis for energy infrastructure.

Vice-Chair Thayer reviewed the slide showing the location of AEA's active projects and services. He discussed that the Bradley Lake Project is the cheapest power on the Railbelt at 4 cents per kWh. It provides 10% of the Railbelt electricity and electrifies over 54,000 homes. Bradley Lake project saves over \$20 million per year in cost compared to natural gas. The Railbelt utilities and AEA have partnered to study the Dixon Diversion Project, which could increase the energy production of Bradley Lake by 50%. Bradley Lake is managed by the Bradley Lake Project Management Committee (BPMC), which is comprised of the five participating Railbelt utilities.

Vice-Chair Thayer discussed that the bonds for Bradley Lake were paid off two years ago. The obligation remained for the utilities to continue paying for funding that the State had provided. Additionally, a provision within the Power Sales Agreement (PSA) allows funding for required project work. AEA and the Railbelt utilities bonded \$166 million that comes at no additional cost to ratepayers or to the State. The funds will begin the necessary transmission line upgrade from 115 kV to 230 kV and will provide battery energy storage system for grid stabilization. The utilities have committed to working together for the necessary line upgrades.

Vice-Chair Thayer reviewed that AEA owns the Alaska Intertie, which is 170 miles between Willow and Healy. This is the only link for transferring power between the southern utilities and Golden Valley Electric Association (GVEA), and provides GVEA's customers approximately \$37 million annually in cost savings. Vice-Chair Thayer noted that he will discuss the PCE in more detail during its separate presentation.

Vice-Chair Thayer discussed that 197 communities are eligible for Rural Power System Upgrades (RPSU). The deferred maintenance for the 197 communities is \$300 million. Only four to six community projects are completed per year. Vice-Chair Thayer highlighted the importance that the Task Force consider RPSU in their efforts. The goal is to improve the power system efficiency, safety, and reliability. There are currently seven full projects and 16 maintenance and improvement projects. The lifespan of the

generators is about 20 years. Vice-Chair Thayer noted that an RPSU list is maintained by statute, which the Legislature funds. Additionally, matching funds have been received from the Denali Commission.

Vice-Chair Thayer discussed the Bulk Fuel Upgrades occurring in rural Alaska. The rural bulk fuel facilities are owned by the communities. The goal is to have code compliant fuel storage facilities and to prevent spills and contamination. There are currently eight full projects and 18 maintenance and improvement projects. The deferred maintenance is \$800 million. In rural Alaska, between power systems and bulk fuel systems, the deferred maintenance is \$1.1 billion. Vice-Chair Thayer reported that the Coast Guard is reviewing the regulatory efforts to assess and prioritize projects that need immediate attention. AEA has conducted 3-D modeling of all the powerhouses, and it could work remotely and in real-time with some of the facilities. A similar effort is ongoing to gather inventory and data for bulk fuel systems in rural Alaska.

Vice-Chair Thayer reviewed AEA's financing tools. The PPF Loan Program has \$27 million in outstanding loans with approximately \$6.4 million available to lend. AEA provides low-cost financing and patient capital. The current PPF interest rate is 5.03%. Vice-Chair Thayer gave examples of power projects, including hydro, wind, and solar. He noted a small dam in Eagle River Valley that is supplying 800 homes with power. Vice-Chair Thayer commented on the possibility of a Committee field trip to that small power plant.

Vice-Chair Thayer discussed that the REF has provided nearly \$300 million of investments since inception with over 100 operational projects and 44 projects in development. It has displaced over 30 million gallons of diesel fuel. The last three years have received funding from the Legislature. Vice-Chair Thayer reviewed the renewable energy project technologies. Over 80% of the projects are in rural Alaska. The cost of power is a qualifying identifier within the evaluation.

Vice-Chair Thayer explained that the Infrastructure Investment and Jobs Act (IIJA) will provide \$60 million in federal funding over the next five years through the Statewide Grid Resilience and Reliability IIJA Formula Grant Program. There is a required State match. The funding will relocate power lines, improve the grid resistance to extreme weather, increase fire resistant components, and integrate distributed energy resources. Funds are expected this month and will be dispersed to begin the upgrades. Vice-Chair Thayer noted that rural Alaska received \$17 million in a similar program.

Vice-Chair Thayer reported that the State of Alaska Electric Vehicle (EV) Infrastructure Implementation Plan is expected to receive \$52 million over the next five years. He explained that AEA began with the Volkswagen settlement funds of \$8.7 and replaced 44 school buses with lower emissions. Approximately \$1 million was set aside for Phase 1 of EV infrastructure. Nine charging stations were installed between Anchorage and Healy. AEA is partnering with the Department of Transportation (DOT) to administer the funding for Phases 2 through 4.

Vice-Chair Thayer noted the NEVI requirements for the funding. He showed the map illustrating the first build-out of the alternative fuel corridor between Anchorage and Fairbanks established by DOT. AEA issued a Request for Applications for site hosts for the charging stations. Vice-Chair Thayer reviewed some of the requirements for site hosts, including a 20% match. He advised that rural Alaska does not qualify for federal funding because they are not a recognized highway corridor. Vice-Chair Thayer indicated that the issue of not including 80% of Alaska has been raised at the federal level, and competitive applications for funding have been submitted. The hub communities in rural Alaska are considering electric usage for ATVs, outboard motors, and other uses in addition to cars.

Vice-Chair Thayer reviewed the IIJA energy programs that are awaiting federal receipt authority. He highlighted that AEA will partner with Alaska Housing Finance for the Alaska High Efficiency Home Rebate Program and Inflation Reduction Act Alaska Hope for Homes program to disperse funding of \$74 million. Vice-Chair Thayer explained the benefits of AEA partnering with other entities to receive funding. He gave the example of the Defense Community Infrastructure Pilot Program: Black Rapids Training Site grant for \$12.8 million identified by GVEA to extend their powerlines and replace diesel fuel. Vice-Chair Thayer encouraged interested parties to collaborate with AEA, when possible.

Vice-Chair Thayer discussed each of the IIJA competitive grant applications within the Grid Resilience and Innovation Partnerships (GRIP); Railbelt Backbone Reconstruction Project, Battery Energy Storage/HVDC Coordinated Control, Railbelt Innovation Resiliency Project, and Rural Alaska Microgrid Transformation. All four GRIP programs are in the application phase. Vice-Chair Thayer closed the presentation and reiterated that AEA provides energy solutions to meet the unique needs of Alaska's rural and urban communities.

Mr. Venables commented that the Seward Electric System (SEW) receives 1% of Bradley Lake power. He asked for a brief explanation of the delineation process. Vice-Chair Thayer explained that the participation of the Railbelt utilities is based on the size of the utility. SEW serves approximately 3,000 people. The percentage of the water rights tracks equally with the percentage of the operations and maintenance (O&M) expenses. He noted that shares were also combined when Chugach Electric Association (CEA) bought Anchorage Municipal Light and Power (ML&P).

Mr. Guy inquired as to the process used to calculate the accuracy of the deferred maintenance costs shown in the presentation. Vice-Chair Thayer explained that the age of the equipment is considered, including the previous replacement date. Per statute, AEA maintains a needs assessment list showing the top 25 priority communities. Vice-Chair Thayer discussed that approximately \$3 million to \$4 million is necessary for a powerhouse build. The engineer's cost estimations for bulk fuel projects were provided approximately two years ago and have been adjusted for inflation. However, the cost

projections are still likely low estimates.

Mr. Guy asked if information is compared between the cost of electricity in urban and rural communities within the PCE program and if the communities have maintained equality. Vice-Chair Thayer informed that comparison is conducted annually by the Regulatory Commission of Alaska (RCA) and a base rate is established each year. AEA's program pays the difference of the costs up to \$1.00. Vice-Chair Thayer discussed the formula contained within the PCE statute and the effects of the costs of electricity increasing and decreasing in rural and urban Alaska. He reiterated that AEA and RCA administers the PCE program, but the Legislature has full authority.

Mr. Hanneman expressed appreciation for the summary presentation on AEA and the listing of the active and proposed projects. He indicated that there was discussion at the previous meeting that the utilities were involved in approximately \$2.9 billion worth of applications. He understands that some of the information presented by AEA integrates this amount. Mr. Hanneman suggested that it would be useful for the Task Force to have a goal to compile a spreadsheet that shows the different organizations, their project types, identified project needs, locations, and dollar amounts. Vice-Chair Thayer indicated that AEA can begin to compile that range of information and work with other groups to get the information. There were no other questions.

b. Alaska Center for Energy and Power (ACEP)

Vice-Chair Thayer introduced Jeremy Kasper, ACEP, and requested he review the presentation. Mr. Kasper discussed ACEP is located at the University of Alaska Fairbanks and has offices and collaborators in Juneau, Anchorage, Bristol Bay, and works closely with many other communities and partners within the state. Mr. Kasper specifically highlighted ACEP's collaboration with AEA and Denali Commission when the Emerging Energy Technology Fund (EETF) program was created. ACEP is an applied energy research program with the goal of fostering the development of practical, innovative and cost-effective energy solutions for Alaska and beyond.

Mr. Kasper discussed that ACEP engages in technology testing and optimization, provides energy systems modeling and analysis, applies knowledge and network creation through education with the universities, and commercializes energy innovation technologies. Mr. Kasper noted that ACEP was established about 15 years ago and the revenues have expanded greatly within the last four years. Much of the support has been from the State, as well as the Office of Naval Research. ACEP's growth has tracked the installed renewable energy capacity by technology within the state as shown in the presentation.

Mr. Kasper reviewed the three primary research programs with concentrated expertise and significant amounts of funding: Marine Energy, Power Systems Integration, and Solar Technologies. Other areas of focus include, but are not limited to, energy transition,

beneficial electrification, energy policy and economics, geothermal, advance nuclear, energy storage, and Railbelt decarbonization. Mr. Kasper provided additional information regarding the Railbelt decarbonization pathways study, which is a follow-on to the National Renewable Energy Lab (NREL) study to reach 80% renewables by 2050. Mr. Kasper discussed the study components, different scenarios, and outcome goals to be completed prior to the beginning of the next legislative session.

Mr. Kasper gave an overview of the challenges of the high electrification scenario. The information regarding the residential heating loads and statewide heating requirements is incomplete and a more thorough estimate compilation is ongoing. A new system for quantifying home heating oil usage was developed to help in this process. Additional information is gathered through household surveys, and research on heat pumps and thermal electric storage stoves. ACEP has partnered with AEA on work with electrification of transportation and electric vehicles. Mr. Kasper noted the QR Codes that are linked to reports in the presentation.

Mr. Kasper reviewed the drafts of load forecasting for base loads, electric vehicles, residential solar, and heat pumps. He discussed ACEP's report regarding advanced nuclear options for Alaska, including the emerging technology and how it might be applicable in Alaska. Mr. Kasper informed that Ms. Holdmann can answer specific questions and is the coordinator for the Alaska Nuclear Energy Working Group. Mr. Kasper gave an overview of the online and in-person workshops provided by ACEP. He noted that ACEP is working closely with AEA and the Governor's Office on the Alaska Sustainable Energy Conference.

Mr. Kasper described ACEP and the University of Fairbanks as Alaska's Skunk Works in partnering with industry on innovation, research, and envisioning a future for Alaska. Additionally, ACEP and the University of Fairbanks can be described as Alaska's Think Tank to engage in strategic planning, convening, and providing public education. Lastly, ACEP and the University of Fairbanks invests in Alaska's human capital through working with students and training the next generation of the workforce.

Mr. Simms expressed appreciation for the presentation. He commented that Enstar is available to provide ACEP with residential heating load information, if needed.

Commissioner Boyle requested Mr. Kasper to briefly highlight a few successes regarding the commercialization of energy and innovation. Mr. Kasper discussed the current work on a fuel inventory monitoring system in partnership with AVEC and Alaska Microgrid Group. The system would be utilized to monitor levels in bulk fuel tanks. Mr. Kasper indicated that ACEP has engaged in testing new products before they are released into the field. He gave the recent example of a flywheel system that is now operational in Raglan Mine in northern Canada. There were no other questions.

c. Railbelt Utilities current rates

Vice-Chair Thayer introduced Conner Erickson, AEA Director of Planning, to provide the information regarding the current rates of the Railbelt utilities. Mr. Erickson informed that the retail rates and data within the presentation was sourced from publicly available information, which is cited on the slides. The Railbelt utilities include CEA, Homer Electric Association (HEA), MEA, and GVEA. Mr. Erickson reviewed the customer count by type and percentage for each utility. Approximately 85% to 90% of the customer base is residential. The remaining are classified as commercial, apart from CEA, which classifies approximately 2% of their customers as industrial users.

Mr. Erickson discussed Alaska's customer base has a larger component of commercial users as compared to the nation's customer base, as shown on the graph within the presentation. He noted the states with higher industrial user concentrations. Mr. Erickson showed a comparison of Alaska's customer base to four other states with less than 500,000 customers. Alaska is trending on par and is not an outlier.

Mr. Erickson reviewed the retail utility rate details including cost of power adjustment (COPA) and non-COPA amounts. He stated that CEA (North) listed in the graph is the legacy ML&P service area. Mr. Erickson showed that approximately five cents to seven cents of the rates are related to fuel. Fuel is the biggest expense to the cost of power. The remaining amounts consist of other expense types including O&M, transmission and distribution charges, and regulatory charges. He discussed an overview of the COPA cost per kWh for each of the utilities. Mr. Erickson reviewed the non-COPA utility costs breakdown, including interest on long-term debt, depreciation and amortization, administrative and general costs, and power production expenses. He commented that this graph is a good tool to open the discussion on strategic ways to reduce the cost of power for each utility based upon the expense categories.

Mr. Erickson noted that, in general, the cost of fuel is the largest expense, followed by the other large expenses of power production O&M, administrative and general, depreciation, and interest. These are the areas that have the biggest impact on rates. He reviewed the annual long-term debt schedule, maturing between 2045 and 2050, of the Railbelt utilities as shown in the presentation. The range of the interest rates is shown in the table and should be considered when evaluating the debt. Mr. Erickson discussed the Railbelt energy generation by source including natural gas, coal, hydro, diesel, naphtha, solar, and wind. He reviewed a national comparison of the total MWh produced and retail price rate per state sourced from the Energy Information Administration. He noted that less than 10% of the states are charging below 10 cents per kWh. Mr. Erickson reviewed the same information compared to seven states that generate similar amounts to Alaska. Hawaii is the highest at 39.59 cents per kWh. Alaska is 20.60 cents per kWh, and New Hampshire is in line at 20.75 cents per kWh.

Mr. Erickson discussed the graph showing the number of Alaska PCE communities by utility rates, with most of the utilities in the range of 40 to 70 cents per kWh. There are 13

outlier communities that are above \$1.00 per kWh. He discussed that the rates generally relate to the access to the fuel source and the amount of fuel needed. Mr. Erickson reviewed the customer base and average cost of power breakdowns for PCE utilities.

Mr. Guys asked if the schools in PCE communities are considered within the category of community facilities or within the category of other. Mr. Erickson noted that schools are not considered community facilities and many times the school's costs are paid for within education budgets.

Mr. Venables commented that many communities in rural Alaska that use their schools and gyms for after-hours non-state-funded activities. He asked what would need to occur to modify the definition of community facility to consider schools under the current structure. Vice-Chair Thayer indicated the policy and definitions are mandated by the Legislature. He noted that the Legislature pays for the generation of the schools' power that is not included in the PCE program. Mr. Venables requested to share a White Paper with AEA on the topic of community facilities funds and to receive their input.

Ms. Miller expressed appreciation for the excellent presentation and the level of data provided. She asked if staff observed any common themes of generation technology in the national comparison of the states that had lower costs of generation in the range below 13 cents per kWh. Mr. Erickson responded that the data available was aggregated and did not have that level of detail. He believes it is a good question and it is possible that information could be determined.

Mr. Guy asked if the five utilities shown in the presentation have different rates for residential users and commercial users. Mr. Erickson agreed the rates for residential users and commercial users are different. The rates shown in the presentation are residential rates. Mr. Guy asked if commercial customers could negotiate their rates. Mr. Erickson noted that negotiation of a special structure and a special contract rate is dependent on the size and class of the commercial customer and the amount of power consumed.

Mr. Hanneman requested additional information regarding GVEA's cost of purchased power from CEA as shown in the presentation at four cents. Mr. Erickson explained that the COPA filings for the cost of purchased power are on an aggregated basis. The cost is then distributed over the amount of kWh used in that period. Mr. Hanneman thanked Mr. Erickson for his explanation. He noted that GVEA reports their purchased power at about 12 cents in their COPA filings. Mr. Hanneman is particularly interested in how the costs relate to the Fire Island price of less than one cent shown on the graph. Vice-Chair Thayer explained that the cost is 9.6 cents per kWh. An additional amount is included in the CEA consumers' bill that identifies the extra amount paid for the wind power. Mr. Hanneman commented that it would be helpful to identify the rates that are being charged by the utility, by Fire Island, and by other plants. He noted that it would be useful to understand the additional costs of power and the generation opportunities and

options available beyond what is reflected in the presentation.

Vice-Chair Thayer commented that cost per source of power for Bradley Lake is four cents per kWh, natural gas is between seven cents and nine cents per kWh, and the most expensive power on the Railbelt is 9.6 cents per kWh at Fire Island. Vice-Chair Thayer believes the cost per fuel source information can be compiled for the Task Force.

Mr. Boyle asked if AEA can provide the non-COPA utility cost breakdown for the PCE utilities. Mr. Erickson noted that AEA does not report on that level of granularity. The slide showing the PCE utilities' average cost of power breakdown of fuel versus non-fuel is the best indicator available. He discussed that the question could be raised for additional review, if requested.

Mr. Venables commented that even though all the information is not available at a granular level, he asked for ways to be developed to understand the costs in the focus areas outlined by the Governor of Coastal Alaska, Railbelt, and the Interior. Mr. Venables suggested using a utility that has a similar cost aspiration as a benchmark from which to model and analyze their component data of debt, non-fuel costs, labor, et cetera in order to build consistent analysis across each region.

Mr. Hanneman asked for the total dollar value for PCE annually. Vice-Chair Thayer responded that last year, the Legislature raised the formula from payments of the first 500 kWh to payments of the first 750 kWh. PCE is approximately \$40 million for this fiscal year, including the additional allowance.

Ms. Miller inquired if the depreciation and amortization expense ends once the debt has been repaid. Mr. Erickson commented that he does not have the answer. He believes a component of depreciation would remain. Vice-Chair Thayer noted that the utilities have specific information regarding their debt structure and the conditions of the debt, including prepayment penalties. He believes that information can be provided.

Mr. Mitchell noted that the comparison data is for the Railbelt utilities. He suggested that it could be useful to compare Alaska's averages to a national dataset or a Washington dataset to better understand what areas could provide improvements, such as consolidating transmission. Mr. Erickson agreed that level of analysis could be helpful, especially comparisons as to how utilities are structured in similar areas in the Lower 48.

Mr. Simms commented on the slide showing the different rates across the United States and the differing reasons for those rates. He noted that the Northwest has long-term hydro facilities, Texas has a significantly different regulatory perspective, and Wyoming has access to cheap and plentiful natural gas. Mr. Simms believes it would be difficult to conduct a comparison without understanding the different reasons for the rates.

Mr. Kurber discussed that across the nation, most co-ops are not rate regulated. Alaska

co-ops are rate regulated. He noted that the majority of the Lower 48 utilizes investor-owned utilities, and the co-ops tend to be in the more rural areas. The comparison then becomes a formulaic comparison with an emphasis on rate regulated and non-rate regulated. Mr. Kurber commented on the regional differences in the Lower 48, resulting in the organization of their grid transmissions, not including Texas that has its own electric reliability organization. Mr. Kurber suggested that the RCA and AEA give a joint presentation to the Task Force, like the one recently presented to the Legislature. The presentation would give a general overview of RCA and how RCA factors into the energy pricing in Alaska to reach the goal of 10 cents per kWh.

d. Power Cost Equalization (PCE)

Vice-Chair Thayer noted that an overview of PCE has been discussed. He requested to postpone the PCE presentation until the questions received have been reviewed and answered. There were no objections.

e. Members

- i. Discussion – Subcommittees, Chair, Vice-Chair**
- ii. Regionally focused (Roadbelt, coastal, remote rural)**
- iii. Alaska energy data gateway**

Vice-Chair Thayer noted the next section will ensure the six subcommittees identified at the previous meeting are reflected, as well as engaging in discussion regarding the structure of the subcommittees. He opened the floor to discussion on how to invite subject matter experts who are not members of the Task Force to participate and to Chair or Vice-Chair the subcommittees.

Mr. Guy asked for Mr. Thayer's vision as to how the subcommittees will produce their product by the October deadline. Vice-Chair Thayer discussed that the subcommittees of Railbelt, rural, and coastal are three distinct areas of the state and will have different goals based on their region. Vice-Chair Thayer requested input from Task Force members on how to best roll out the subcommittees. He noted that Vice-Chair Holdmann will be working on the State Energy Data Subcommittee. Vice-Chair Thayer explained that the Statutes and Regulations Reform Subcommittee will focus on content after the recommendations have been made, and the Incentives and Subsidies Subcommittee will also focus on content as time progresses and as the information becomes available.

Mr. Guy expressed concern that separate subcommittees within different areas of the state will not be integrated to reach the 10-cent goal for the state. He noted a previous experience under a different governor where the committees met and developed a work product and no follow-through occurred. Mr. Guy commented that he does not want to repeat that experience with this Task Force.

Mr. Venables expressed support for the six topic areas and for the committee meeting as a whole structure. He believes that his understanding of the distinct regions and issues would be greatly enhanced by different presentations and perhaps the Railbelt representatives would better understand the other regions by listening to those presentations. Mr. Venables noted that if this suggestion slows the process down so that the deadline cannot be met, then he would withdraw the suggestion. He appreciates the leadership of the meetings so far and the subject matter experts and presentations.

Vice-Chair Thayer discussed that each region of the state is going to have a different way to get to 10-cent power. Mr. Venables commented on his understanding of the last topic is to integrate the regional findings.

Chair Lieutenant Governor Dahlstrom asked Vice-Chair Thayer if citizens have identified that they would like to be involved in the Task Force. Vice-Chair Thayer agreed, and noted that there are great candidates who applied to be on the Task Force that could provide beneficial involvement. Chair Lieutenant Governor Dahlstrom believes that it is possible to request a small extension of the October deadline, if necessary.

Mr. Simms shared Mr. Guy's concern. He believes there are critical resources that need to be involved in the discussions. Mr. Simms suggested that the Task Force members chair the subcommittees in order to ensure alignment and to reach the 10-cent goal. He recommended that the Task Force subcommittee chairs field the recommendation on the additional subcommittee participants.

Vice-Chair Holdmann agreed with Vice-Chair Thayer and Mr. Simms that there are additional individuals who could contribute to these dialogs. She believes it is important to find a mechanism to reach those individuals, as well as a mechanism to nominate members to each of the subcommittees. Vice-Chair Holdmann expressed an interest in the State Energy Data subcommittee. She suggested the mechanism that members nominate individuals to participate in each of the subcommittees and the Task Force could consider those nominations at the next meeting. Vice-Chair Holdmann discussed the importance of providing each of the subcommittees with a specific charge or a specific ask that integrates with the larger conversation. Vice-Chair Holdmann does not believe that the goal of 10-cent power can be achieved purely by constructing new projects. She believes that the plan must be considered from a policy standpoint, from a subsidy standpoint, and from a financing standpoint. She would like to include these standpoints into the subcommittees and to have subject matter experts contribute.

Vice-Chair Thayer asked Vice-Chair Holdmann to review the proposed structure of the State Energy Data Subcommittee and how that might be duplicated for the other subcommittees. Vice-Chair Holdmann welcomed any interested Task Force members to contribute to the State Energy Data Subcommittee. She informed that there is an active group involved in the State Energy Data Subcommittee, including Mr. Erickson, Denali Commission, and other State agencies. Vice-Chair Holdmann informed that the Governor

is supportive of ensuring that energy data is publicly available. The energy data will be used to find additional and better ways to finance energy projects in the future. She mentioned the Alaska Energy Data Gateway and informed that AEA has conducted much work in this area. Vice-Chair Holdmann discussed that she has presented a potential list of individuals to work with the Subcommittee who are at the State agency level and within the private sector who have been contributing to the area of energy data. She requested the Task Force review the proposed list of members for consideration to the State Energy Data Subcommittee.

Ms. Miller commented on the overall structure of the subcommittees and her understanding from the previous meeting's discussions. The information from State Energy Data is focused on the theme of defining the problem by identifying cost structures and benchmarking comparatives. The theme and topic of renewable energy and technologies needs to be included and researched in order to define the menu of potential solutions to new generation, funding structures, or how to organize utilities. Ms. Miller noted that at the previous meeting, a member suggested the Task Force remain as the whole to define the problem and to determine possible solutions and options. After that context is established, then the three different regions could define their individual solutions. She suggested this structure for members to consider.

Mr. Guy inquired if the subcommittees are expected to write a final product of planning in each subject area. Vice-Chair Thayer discussed that the subcommittees are a working group within the Task Force and will bring recommendations to the Task Force to make decisions regarding what is included in the final report. Mr. Guy asked who will be writing the finished product. He asked if staff and subject matter experts will be involved. Vice-Chair Thayer explained the finished product will be a combined effort and a contractor will be utilized to consolidate the information for drafting the final for review.

Mr. Guy offered an alternative to subcommittees. He suggested that staff and subject matter experts from different industries write an integrated product for the Task Force members to consider. Vice-Chair Thayer commented that the term staff is undefined. He noted that AEA has 38 individuals. Mr. Guy expressed his concern that he does not believe the Task Force with the subcommittee structure can develop a viable plan. Mr. Guy discussed that there needs to be a process that leads to the end product. He does not see that the current process will lead the Task Force to the end product.

Vice-Chair Thayer conveyed that the discussion of the process today was to involve subcommittees. The subcommittees would be comprised of invited individuals who are interested in the topic areas and may be subject matter experts, and also may have applied to be on the Task Force. Mr. Guy reiterated the question of who will write the product with the information from the interested parties. He asked if the product will be divided among the subcommittees and the Task Force.

Vice-Chair Holdmann commented that both AEA and ACEP have contributed \$100,000 in

staff time to support this effort. She noted the internal concerns that both AEA and ACEP staff are stretched thin. Vice-Chair Holdmann informed that AEA and ACEP discussed which staff are available and the option of utilizing contractors to provide support. She reported that AEA has 36 employees and ACEP has 80 employees. Vice-Chair Holdmann stated that ACEP is planning to designate a staff member, on as close to a full-time basis as possible, to support John Espindola, the Office of Energy Innovation, and this effort. Vice-Chair Holdmann expressed respect for Mr. Guy's concerns. She commented that the Task Force is instrumental in determining how to be successful. She stated that the Task Force is comprised of fantastic people, and she encouraged input from members. The goal to develop a product that will result in actionable outcomes is important to everyone.

Mr. Guy expressed his continued concern with the process and commented that his apprehension is related to Alaska Native Claims Settlement Act (ANCSA). Affordable energy is needed for ANCSA to fully meet its goal of having successful corporations. Over the last 50 years, affordable energy has not materialized. He does not see that this process will reach that goal, especially considering statements that 10-cent power may not be possible in certain areas of the state. Mr. Guy repeated the need for the Task Force to define the process that will develop the product to achieve the goal of 10 cents per kWh. He emphasized his investment in reaching the goal.

Vice-Chair Thayer agreed with Mr. Guy's comments. Vice-Chair Thayer discussed that the subcommittees could focus on their specific areas. The answers in rural Alaska are very different than the answers in urban Alaska and other parts of Alaska. Mr. Guy responded that the subcommittee approach has been the approach for the last 50 years and that equity for rural Alaska will not be reached if the same mindset continues. He commented that the economy in rural Alaska cannot develop with the current power structure. It is less expensive to come to town to shop. Mr. Guy expressed that the status quo is unacceptable 50 years after ANCSA. He discussed that a segment of the State's obligation is to ensure that ANCSA works, and energy is part of that obligation.

Mr. Mitchell commented that this discussion is useful. He understands Mr. Guy's concerns and understands the State's issues. Mr. Mitchell used the analogy of the Russian nesting dolls and acknowledged that "we're all in this together." He noted that each area has unique challenges, benefits, and opportunities. Mr. Mitchell does not believe each area needs to be decentralized while focusing on its individual characteristics. Ultimately, all the information will be combined as a total and no area will be left on their own. Regarding committee structure, Mr. Mitchell suggested that the leadership in the Task Force could Chair the committees and people serve on one or more committees where they feel they can do the greatest good. He recommended that the work products from the committees are either uploaded to Sharepoint or emailed to members for the purpose of situational awareness and consistency until the Task Force reconvenes.

Mr. Mitchell believes this structure could meet the needs of the unique challenges of the committees, while addressing Mr. Guy's concerns. Mr. Mitchell commented that there should not be anybody involved if they do not believe in the Governor's direction of 10-cent power. Mr. Mitchell believes that the Governor understands that the goal is a moonshot and that it will not be an easy goal to reach. Mr. Mitchell stated that everyone around the table has committed to working diligently to reach the end goal. He emphasized that the process would take many breakout work sessions of the individual groups and that the final work product would be reviewed by the Task Force. Mr. Mitchell discussed that public members could be integrated in this time-sensitive process and that the understanding is to produce executable items.

Mr. Mitchell continued his comments that staff is limited, funding is limited, and that Zoom meetings would have to occur. He inquired regarding the process and procedure of the meetings, and asked if the work sessions must follow the Open Meetings Act criteria. Mr. Mitchell expressed his hope that he is adding value and wants to work together to move forward. Vice-Chair Thayer advised that all actions of the Task Force are conducted under the Open Meetings Act and are publicly disclosed. He noted the meeting will end soon and requested additional comments from members.

5. Discussion: Proposed Symposium Series Members

Vice-Chair Holdmann discussed that the proposed symposium series could be beneficial in providing relevant information to the group as a whole and to the public. She created a short survey that will be emailed to Task Force members to suggest topics of interest, dates, and the format for the symposium series. Vice-Chair Holdmann believes the symposium series is a good way to learn together and to move the process forward.

6. Roundtable – Discussion / Feedback from Task Force Members

Mr. Hanneman expressed support for moving rapidly to get information to the Task Force as a whole, possibly through the symposium series. He recommended following the same process as today by inviting known subject area experts to present to the Task Force. Mr. Hanneman noted this might mean creating working groups of the Task Force as a whole, thus meeting more frequently than once a month. He expressed concern that a subcommittee structure could get bogged down in process, as much as it makes progress on the issues. Mr. Hanneman suggested this format could be followed for a couple of months to "level up" the Task Force with information and knowledge. An evaluation of the format could occur after a few months to determine if subcommittees need to be formed at that point.

Vice-Chair Thayer suggested that staff identify the resources that will help with the process and communicate with the individuals who wanted to be on the Task Force. He encouraged members to identify additional good people to contribute to the process.

Vice-Chair Thayer noted that the subcommittee conversation will be delayed, while clearly identifying individuals who have expertise in the needed areas.

Mr. Hanneman discussed the possibility of identifying subject matter experts to participate in presenting information during the symposium series. Vice-Chair Holdmann and Vice-Chair Thayer agreed.

Vice-Chair Thayer informed that the Alaska Energy Sustainability Conference will be held the week before Memorial Day and will include over 1,000 attendees, with 150 guest speakers. He invited members to contact him if they would like to attend. Even though it is not part of the Task Force, there will be world renown experts reviewing Alaska's issues and working to solve them.

Mr. Espindola requested members communicate different ideas, topics, and suggestions through the email address: info@akenergysecuritytaskforce.com.

Mr. Venables inquired about a previous AEA document that was created showing different members of the energy community. Vice-Chair Thayer noted that report was reviewing the possibility of combining AEA and AIDEA into one facility. He can provide it, if necessary.

Vice-Chair Thayer informed that staff would communicate the deliverables with members using the info@akenergysecuritytaskforce.com email so that the correspondence is easy to track and available for public records.

7. Next Meeting Date: June 27, 2023

Chair Lieutenant Governor Dahlstrom expressed appreciation to Vice-Chair Thayer, Vice-Chair Holdmann, and the members. The next meeting is scheduled for June 27, 2023. She noted the possibility of convening a meeting before then.

Mr. Guy requested that the next meeting is scheduled for a full day. Chair Lieutenant Governor Dahlstrom noted that request will be considered.

There being no further business of the Task Force, the Alaska Energy Security Task Force meeting adjourned at 5:04 pm.