

Alaska Energy Security Task Force
DRAFT MEETING MINUTES
Tuesday, July 18, 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 July 18, 2023, at 1:30 pm.

2. Roll Call

Members present: Chair Lieutenant Governor Nancy Dahlstrom; Vice-Chair Curtis Thayer; John Boyle (Commissioner); Jason Brune (Commissioner); Nils Andreassen; Andrew Guy; Karl Hanneman; Tony Izzo; Jenn Miller; John Sims; Isaac Vanderburg; Robert Venables; Daniel White; Garrett Boyle (Ex Officio); Keith Kurber (Commissioner, Ex Officio); and Representative George Rauscher (Ex Officio).

3. Prior Meeting Minutes – June 27, 2023

MOTION: Mr. Venables made a motion to approve the Minutes of June 27, 2023, as presented. Motion seconded by Mr. Thayer.

Mr. Izzo proposed a friendly amendment to the minutes on the second paragraph from the bottom of page 7 of 18 to read; "Mr. Izzo discussed that GVEA has a strategic generation plan and is looking to shut down Healy 2." There were no objections to the friendly amendment.

A roll call vote was taken, and the motion to approve the Minutes of June 27, 2023, as amended, passed without objection.

4. Subcommittees Check In

Chair Lieutenant Governor Nancy Dahlstrom directed members to page 4 of the packet that lists the AESTF subcommittees. She advised that the subcommittees have started their processes and are meeting. She asked Mr. White if he had scheduled a date for his subcommittee's kick-off meeting. Mr. White noted that the current date is scheduled for August 7, but the subcommittee is looking to move the meeting to a sooner date.

A member asked a question, and Vice-Chair Thayer explained that the subcommittee meetings are publicly noticed. The recorded audio will be posted and used as minutes. There were no other questions or comments.

5. Brainstorming Session – "Art of the Possible"

- **Facilitated by Michael Baker International**

Chair Lieutenant Governor Nancy Dahlstrom requested Michael Yaffe, Michael Baker International, to facilitate this item. Mr. Yaffe introduced himself. He discussed his professional background and his current activities with other clients on similar processes. Mr. Yaffe commented that two of his colleagues were present and taking notes on next steps for each subcommittee and Task Force. Those notes will be distributed via email. Mr. Yaffe requested Mark Luiken of Michael Baker International to introduce himself. Mr. Luiken discussed his professional background.

Mr. Yaffe commented that the room is full of leaders. He discussed that the goal today is to provide clarity of vision and unity of action so that the subcommittees understand the process within the expedited timeline. Mr. Yaffe explained that there will be pauses during the presentation for discussion topics. The goal of some of the topics is to reach a critical decision. However, if a decision is not made, the issue can be carried forward to the next meeting. Governor Dunleavy's Administrative Order No. 345 (AO 345) is the guiding document for this process.

Mr. Yaffe highlighted sections of AO 345. Alaska is experiencing exorbitantly high energy costs. Energy security and affordability are critical to Alaska's prosperity. The AESTF will provide strategies and tactics to achieve its goal of reducing the cost of energy. The purpose is to develop a comprehensive statewide energy plan through a process that is collaborative with public and private stakeholders. The plan will include proposed timelines and milestones. The plan will include a recommended statewide energy goal.

Mr. Yaffe noted that Alaska does not have a common peer in regard to energy. He explained that his team reviewed analogous state energy master plans and examined their goals. Mr. Yaffe read Washington's energy strategy goal. Mr. Yaffe communicated his professional recommendation that such a high level goal would be appropriate and could meet the intent of AO 345. He shared a selection of multiple goals from Utah's energy strategy master plan. Mr. Yaffe noted that if multiple goals are set, then multiple actions and strategies will need to be developed to meet the goals. If the AESTF wants to set multiple goals, Mr. Yaffe recommends that those goals align with subcommittees. He commented that the comprehensive energy master plan examples had a longer timeline for their process, one-and-a-half to two years, compared to Alaska's expedited timeline. Mr. Yaffe suggested that developing and identifying one goal may be beneficial to sharpening the scope of the subcommittees. It is also possible that the AESTF can include an action in the plan to revisit a more comprehensive plan or for the AESTF to continue and examine additional issues.

Mr. Yaffe explained that from review of peer state plans, his team is developing a database of goals to share with AESTF, as well as identifying the legislative actions taken to help implement those plans. The aim is to construct the process so that the subcommittees can expedite their discussions and understand emerging trends.

Mr. Yaffe opened the floor for the first discussion topic; what statewide energy goal or goals should be included in the Energy Master Plan? He commented that the wording of the goal does not have to be defined today. Mr. Yaffe inquired as to the number of goals the AESTF believes are appropriate to explore, given the timeline and the effective mandate.

Mr. White commented that the example of Washington's energy goal uses the broad language of "competitive energy prices that are fair and reasonable." This wording is difficult to define and could have various interpretations. He asked if there is a sharper goal for AESTF. Mr. Yaffe agreed. He explained that professional planners like to make broad goals. Mr. Yaffe is aware of the unofficial executive request for 10-cent energy. He noted that could be used as a goal, but it is so specific, and is more of a measurable objective or key performance indicator. It could be used to measure success at the end of the process and as projects are implemented over time. This leads to the discussion topic that will be reviewed second; should key performance indicators (KPIs) be included in the plan to measure success? Mr. Yaffe reiterated his recommendation to define high-level goals.

Ms. Miller commented that she views this process as creating a mission statement that contains a high-level goal. One of the primary objectives is having low-cost energy for the state so that the citizens and businesses can thrive. Ms. Miller expressed support for KPIs associated with the goal.

Mr. Guy agreed with Mr. White's comment that the 10-cent power goal is specific. He believes the goal is appropriate, especially since it was included in the language provided by the Governor. Mr. Guy commented that the different areas of the state have varied energy issues within communities. He expressed support that a specific goal will help the subcommittees work to create a plan.

Mr. Andreassen agreed that affordability is critical to the goal. He does think the specificity of 10-cent power needs to be included in the wording. He asked if the State currently has other written energy goals. Mr. Andreassen commented on possible legislation regarding renewable energy goals of 50% by 2025, and 10% energy efficiency. He requested to see Alaska's other goals to use as references in this process, specifically the goals from the Alaska Energy Pathway.

Mr. Izzo commented that from a business perspective, the goal of 10-cent power by 2030 is a vision. He believes there are ways to achieve that goal, but he does not know if those ways are affordable, specifically the investment in infrastructure. Mr. Izzo noted that the state does not have a first-world power grid. He expressed his thoughts on how to organize the common goal and the framework for each of the subcommittees to reach the goal. The key components of focus for utilities are affordable, safe, and reliable energy. Mr. Izzo would like to understand the utilities' current status of these

components compared to the utilities' goals, and then compare that goal to where the components need to be to support the overall goal of lower cost or 10-cent energy. Mr. Yaffe agreed and noted that is in line with the framework that will be presented by Michael Baker International.

Mr. Yaffe discussed that there seems to be general agreement that one of the goals is affordability and reduction in the price of energy. He asked if there were any objections to only focusing on affordability and reduction in price of power or if other goals should be included. Mr. Izzo discussed the importance of resiliency and the balance of safety and reliability. He explained that Alaska does not come under the federal standards of reliability because it would take more than a billion dollars to upgrade the current infrastructure for the necessary line redundancy.

Mr. Hanneman noted that he has previously expressed the importance of establishing a definitive goal early in this endeavor. He noted that the Governor has set out a mark of 10-cent power and a determination needs to be made if that will be included in this goal. Mr. Hanneman emphasized that the goal is pivotal in determining the next steps for the subcommittees. He gave the example that if the goal is to aggressively strive for 10-cent power, then pivotal changes have to be made to the way power is currently generated. That could mean adding more hydro facilities or coal facilities or nuclear battery technology. The status quo of incremental additional generation will not reach the 10-cent goal. Mr. Hanneman discussed that if the goal is to have the most affordable and resilient power within the current resources, then support and development of the ongoing efforts will be the focus.

Mr. Yaffe commented that the process now is to determine the overall goal and the subcommittees will provide the plans on how to reach the overall goal.

Mr. Hanneman highlighted that if the hard goal of 10-cent power is changed, then a discussion needs to occur with the Governor to communicate to him that the goal has been softened.

Vice-Chair Thayer discussed that the Governor's AO is included in the presentation. The Governor's AO does not include the Governor's moonshot goal of 10-cent power. Vice-Chair Thayer believes the Task Force needs to follow the Governor's written AO. He gave the example that the goal of 10-cent power cannot be reached without additional transmission assets and other costly upgrades to the system. Those costs will need to be considered to maximize the delivery of the cheapest power. Vice-Chair Thayer gave the example that Bradley Lake power is 4 cents, but the power cannot get to Fairbanks because of line loss and constraints of the transmission lines.

Mr. Yaffe read the first part of the purpose section of the AO; "The purpose of the AESTF is to develop a comprehensive statewide energy plan". Mr. Yaffe discussed that from a professional planner's perspective, the development of a comprehensive statewide

energy plan takes a holistic and systems based approach to develop broad range goals for the state. Mr. Yaffe commented that the process unfolding today reminds him of strategic planning where an end goal is known, rather than comprehensive planning. He asked for feedback if the Task Force wants to go the route of strategic planning or comprehensive planning.

Mr. Venables commented that he heard the Governor discuss 10-cent power, as well as the aspirational process to get to 10-cent power. He believes the mission of Washington State is nice, but would not be effective for Alaska. Mr. Venables noted that Alaska ranks low on state economic success. He believes Alaska's goal has to be aggressive and aspirational, which is in line with the Governor's charge. Mr. Venables noted that AEA has created an amazing body of work with the Alaska Affordable Energy Strategy documents. He suggested that this work is used as a starting point to identify the progress that has been made from the incremental approach and to continue the discussion on ways to adjust the aspirational and aggressive goals to make the changes needed.

Mr. Yaffe asked if there is agreement to sharpen the approach by defining one goal and developing a strategic plan to meet that goal.

Chair Lieutenant Governor Dahlstrom expressed support for having one goal and a strategic plan on how to reach that goal while understanding that the different areas of the state may have different ways to reach the goal.

Mr. White agreed with the comments of Mr. Hanneman and Mr. Thayer that the goal is to create an energy plan. He noted that the cost of power could be used as a KPI, and he supports the sharp goal in the vision of 10-cent power. Mr. White discussed that heat is a key part of the energy plan and it is useful to understand heat in this context. He believes that the vision of the goal will drive the behavior of the Task Force through the subcommittees and will determine what information is gathered.

Ms. Miller agreed with the comments of Mr. Hanneman and Mr. Venables. She suggested using substantial language like "transformative change" or "transformative reduction" to show the level of shift in the mission statement, rather than using a numerical goal.

Mr. Yaffe continued the facilitation and noted that it sounds like there is agreement to have one goal. He explained that the wording and language of that goal can be tabled for a future discussion and perhaps examples could be shown at the next AESTF meeting. He noted that the subcommittees work can begin. Mr. Yaffe moved to slide 16 and opened the discussion regarding timelines and milestones for the actions identified in the plan to meet that goal or KPI of 10-cent energy, such as zero to two years, two to five years, five to 10 years, and over 10 years.

Mr. Izzo explained that he understood the discussion of 10 cents per kWh energy by

2030 to be a vision, similar to the vision of putting a man on the moon safely by the end of the decade. He noted that both visions have specific timeframes. He discussed that there are different levers that could be utilized to achieve the vision in each of the listed timelines. Mr. Izzo gave the example that he believes that 10-cent power could be achieved for the majority of the Railbelt in 2024 with a large down payment of over a billion dollars to pay off debt and an annual subsidy of approximately \$500 million to pay for the fuel. He gave another example that if MEA no longer had employee payroll, including himself, the price per kWh could decrease by 1.7 cents, from 20 cents to 18.3 cents, but the lights would probably not be on very often because no one would be there to run the plant or to conduct maintenance. He discussed that the more common sense recommendation could be to use the borrowing power of the annual payment to build an infrastructure that would facilitate a future of cleaner and lower-cost energy and is agnostic to the type of fuel generated. Mr. Izzo believes that access to transmission lines opens future economic development.

Mr. Yaffe discussed that it is important to outline different scenarios and to find multiple ways to achieve the vision. The timelines listed are a guide to determine short-term, medium-term, and long-term goals. Mr. Yaffe asked how often the plan should be updated.

Ms. Miller commented on the efforts of the Alaska Utilities Working Group (AUWG) who is reviewing the forecast of the Cook Inlet gas supply shortage in 2027. She asked what the timeframe is for AESTF. Ms. Miller indicated that it seems like the AUWG is reviewing the near-term supply shortage and she believes AESTF is reviewing for the long-term steady state objective for 10 years and beyond. Ms. Miller noted that AUWG will make recommendations that spends capital. She inquired how the two groups will work together and how the goals will merge to minimize the direct costs.

Vice-Chair Thayer discussed the importance of AESTF having short-term goals and long-term goals. The active study regarding Dixon diversion, which is expected to increase Bradley Lake's capacity by 50%, may be five to eight years away from completion of construction. He noted that a larger hydro opportunity could be planned for 10 years to 15 years completion time. Additionally, he hopes that AESTF will discuss micronuclear options for the long-term of 15 years to 20 years. The shorter-term projects include the ongoing work on solar energy, some of which are completed within 18-month intervals. The larger solar projects will take longer to complete. Vice-Chair Thayer believes it is important to identify and evaluate projects, costs, and timeline. He identified that a couple of the hydro projects have discussion documents dated back to 1959. Vice-Chair Thayer gave the background that Southcentral Alaska originally had a hydro plan and then shifted to natural gas when that fuel was found in Cook Inlet.

Mr. Yaffe indicated that another timeframe is the consideration and implementation of immediate, high priority recommendations. He suggested that the subcommittees use three time horizons: immediate, short-term, and long-term. Mr. Yaffe noted that

immediate is self-explanatory. He asked members for feedback regarding the length of time for short-term and long-term actions.

Vice-Chair Thayer suggested that zero years to five years is used for short-term actions. He noted that some long-term solutions, such as nuclear, are 20 years away, and hydro projects could be 15 years away.

Mr. Andreassen discussed that urgency could be categorized to include challenges that specific communities are facing now, as well as urgency relating to decision points that need to be influenced now. The timeframe could be that urgency is considered zero to two years and is critical in response, whereas short-term actions are focused on making broad and general improvements. Mr. Andreassen expressed support for long-term thinking to build a plan for long-term projects and long-term financing that is responsive to regions and communities.

Commissioner Boyle emphasized the importance for the Task Force to identify long-term goals and ideas to carry the work forward. He believes that the Task Force's analysis on long-term priorities is intended to continue beyond this Administration, so that the focus and forward progress can extend to the next Administration.

Mr. Yaffe asked if the timeline of immediate, short-term, and long-term changes should be based on regionality in the state. A member agreed. Another member commented that the actions proposed by the different regions will change, but the timeline nomenclature and lengths should remain consistent throughout the state.

Discussion continued regarding the timeline nomenclature and lengths of time for each category while being aggressive and aspirational. Mr. Yaffe noted that the consensus for the immediate goals is a timeline of zero to two years. Additional conversation regarding the other category names and lengths of time can occur later.

Mr. Yaffe asked members if discussion should occur today focusing on KPIs for the goals. He noted that the KPIs could be data driven and could be explored within the Data Subcommittee. Mr. White expressed his support for developing specific KPIs. Discussion occurred regarding which KPIs should be utilized. Mr. Yaffe asked if there is current capability to measure the KPIs. A member agreed. Additional discussion occurred regarding the amount of effort that should be focused on KPIs.

Mr. Yaffe moved to slide 20 of the presentation and asked the members if the question about current barriers to obtaining energy data would be best discussed at the Data Subcommittee. Discussion occurred regarding barriers to obtaining current and relevant energy data. The industry data information that is accessible through reports now is nearly two years old. It would be relevant to have more recent data. Mr. Yaffe discussed that the AO calls for a data portal. He noted that the topic of barriers to obtaining energy data could be set as an action item for the subcommittees.

Ms. Miller suggested that by the next meeting, the AESTF agree on the language of the overarching goals. The AESTF could also agree on success criteria, ranking success factors in order of importance, and a decision matrix that would be helpful for the subcommittee.

Mr. Yaffe suggested crafting the topic areas of the overall goal in real-time today. There was no objection. The list includes the words affordability, reliability, transformative, aspirational, and aggressive.

Mr. Guy noted that he has commented numerous times in prior meetings. He asked if the expectation today was that he repeat his previous comments and suggestions. Mr. Yaffe explained that earlier in today's meeting, it was recommended that the Task Force wait on developing the wording for the overall goals. He referenced Ms. Miller's request for AESTF to craft language for the overarching goals. Mr. Yaffe agrees that it would be helpful for the subcommittees to have a goal statement, even if it is a draft statement. Mr. Guy provided additional comments. Mr. Yaffe suggested that the word statewide is added to the goal list. There was no objection.

The suggestion was made to include two additional KPIs; tracking the successful regulatory and statutory changes and tracking the funds invested and money that comes to the State to build the energy infrastructure to achieve the moonshot goal.

The suggestion was made to include energy security and resiliency in the goal language. Discussion continued and a comment was made on the importance of AESTF to provide a clear picture for writing the upcoming energy legislation. Mr. Yaffe indicated that the Regulation Subcommittee will be focused on identifying and tracking upcoming legislation. A suggestion was made for the KPI section to include a metric of tracking increased economic development due to lower costs of energy that incentivizes private investment.

Additional suggestions for the list of words and phrasing of the goals include independence, economic prosperity or thriving economy, and inter-governmental collaboration to leverage incentivize and encourage partnerships.

Mr. Yaffe discussed the overall planning process for the Energy Master Plan as shown on the flowchart on page 23. Academia and consultant support is provided throughout the process, as well as the energy symposium series. Public and stakeholder involvement will occur throughout the process. The subcommittees will help develop the actions and send them to the Task Force. The Task Force will present the plan to the Governor's Office.

Mr. Yaffe reviewed the illustrative design of a possible layout for the plan. He noted that the photos, colors and fonts can change. The primary focus is on the wording of the

main sections. The example includes Introduction, Energy in Alaska, Energy Priorities, and Next Steps. Mr. Yaffe discussed the general items that will be included in each section. The Energy Priorities section is further delineated into action priorities that align with the current subcommittees.

Mr. Yaffe returned to the discussion regarding the list of words and phrases for the overall goals. He noted that the list is long. He suggested creating a high-level goal that captures the high priority of reducing the cost of energy. The subcommittees will be tasked to draft goals that align with their priority areas.

Mr. White commented on the importance of thinking transformatively and prioritizing the words and phrases that have been listed. He discussed that prioritization would lead the work and actions of the subcommittees. Mr. White gave the example that if the top priority was maximizing affordability, the work of the subcommittees would be different from the work if the top priority was energy independence.

Mr. Yaffe opened the floor and asked members to list their top three priorities from the list. A comment was made that members online cannot see the written list. A member asked if a survey for ranking could be sent out to the members after today's meeting. Mr. Yaffe agreed to the recommendation to have a follow-up action to the meeting to send out a survey on prioritization and ranking of the words that were identified. Mr. Yaffe read the list of words and phrases and requested members indicate if any other words need to be included. The list included affordability, reliability, transformative, aspirational, aggressive, safe, statewide, security/resilience, economic prosperity, independence, intergovernmental coordination and collaboration. The KPIs identified are statutes and policies that were passed, funds expended, and investments.

A comment was made to include the consideration for the environmental impact. A suggestion was made to integrate the energy priorities listed in the presentation. A suggestion was made to include renewable and carbon neutral technology. Mr. Yaffe asked if any of the words or phrases are defined in existing documents and plans. Current definitions will reduce ambiguity. A member noted that he has numerous plans that he can review to look for definitions. A member suggested that the survey is crafted in a way that members can rank the whole list in order of priority, rather than just the top three. Mr. Yaffe agreed.

Mr. Yaffe continued the presentation on slide 26 discussing the overall outline and structure of the energy master plan. He showed an example layout of one of the pages of the plan to give the subcommittees structure and understanding of how the plan might be presented. The strategy will consist of collective actions, which will be listed on the side of the page. Mr. Yaffe discussed that Michael Baker will create a master tracking sheet of all of the actions that the subcommittees are considering and will help organize the actions in a framework to be presented to the Task Force. He noted that the subcommittees will have overlapping actions. Mr. Yaffe highlighted that there are six

subcommittees. Three are organized by geographic regions; Railbelt, Rural, and Coastal, and three subcommittees are focused on developing actions to support implementation; State Energy Data, Statutes and Regulations Reform, and Incentives and Subsidies. He noted that Michael Baker will attend the subcommittee meetings to help track the overlapping ideas and actions.

Mr. Yaffe asked if there is consensus on how the geographic regions are designated. He requested the subcommittee chairs and vice-chairs to respond. A question was asked if the Coastal region includes Southeast, Prince Williams Sound, Kodiak, and the Chain. Mr. Thayer agreed and noted that also included is Cordova and Dillingham. The Coastal areas have the opportunities for tidal and hydro energy. He discussed there are rural areas in the Coastal region, but the energy needs are different. The Rural region is primarily comprised of the Interior, Southwest Alaska, Northwest Arctic Borough, and the North Slope. The Railbelt is defined as Homer to Fairbanks.

A brief at-ease was taken.

Mr. Yaffe returned to the presentation and asked for comments regarding the overall structure and layout of the outline of the plan. The four main sections are Introduction, Energy in Alaska, Energy Priorities, and Next Steps. The Energy Priorities are separated into sections that are aligned with the subcommittees. The wording shown is an example and the Energy Priorities will undergo revisions based on feedback from members. A member commented that the outline of the plan seems reasonable. A suggestion was made to change the title of Energy in Alaska to Energy in Alaska and Worldwide. The section could contain benchmark information. The energy data could be a report of the key findings of current energy in the state and the cost of energy solutions around the globe.

Mr. Yaffe commented that suggestion includes outside of Alaska and the intent for this structure is to focus on energy priorities in Alaska. A member suggested removing the energy data out of Section III and moving it into Section II. The Energy Priorities would focus on solutions and the energy data could include worldwide benchmarks. Mr. Yaffe indicated that work with the Data Subcommittee could occur to focus on high-level benchmarks in other states.

A member commented that the Energy Master Plan outlines the goals and provides ways to reach those goals. The question was asked if the goal of Section II, Energy in Alaska, and Priority 1, Support and Share Equitable Access to Energy Data, is to produce a public database on energy information or is the goal to create a plan for a database and a sharing portal. Mr. Yaffe discussed that the Energy in Alaska title is ambiguous on purpose. The high-level summary information should include why the plan exists, the current prices and energy demands in Alaska, and how the information aligns with the goals and the priorities of the next section. The Energy Priorities delineate the actions that are being taken to address the needs.

Mr. Yaffe indicated that the intent is to set up the subcommittees for success at their first meeting. He noted that the presentation reviews the structure and purpose of the subcommittees aligned with each priority. The name of the chair is listed and who is providing support. Mr. Yaffe noted that Mr. White is the Chair of the State Energy Data Subcommittee. Their purpose is to establish a baseline energy portfolio for the State of Alaska, to develop and maintain a public database of Task Force information and to recommend strategies for sharing energy data and information through an energy data portal. Additional actions could include helping to understand and track the KPIs or any data gaps.

Mr. Yaffe requested Task Force members provide feedback and discussion for each of the subcommittees regarding what other resources they should be aware of and consider. The examples listed in the presentation for the State Energy Data Subcommittee are new datasets and online mapping portals. Mr. White verified that his understanding is that the State Energy Data Subcommittee will create a public database as their work product. Mr. Thayer commented that there was a data portal in the past, but it is no longer active due to the high cost structure, budget cuts and loss of priority. The intent is for the Data Subcommittee to share that information again. He believes that current technology will allow the data to be maintained at a lower cost and to address any security issues.

Mr. White stated that the Data Subcommittee's current structure has a technical advisory committee that will be providing the database and will be providing advice. He welcomed and encouraged anyone who is interested to participate in the technical advisory committee.

Mr. Yaffe noted that Michael Baker is supporting all of the subcommittees. Additionally, Black & Veatch has been engaged and they are available to help the subcommittees with data energy models and scenario planning.

Mr. Yaffe reviewed the structure of the Statutes and Regulations Reform Subcommittee. The Co-Chairs are Mr. Venables and Mr. Hanneman. The subcommittee support is Michael Baker and Black & Veatch. The purpose of the subcommittee is to streamline permitting, reduce regulatory burden, update outdated provisions, promote renewable energy development, encourage energy efficiency, support workforce development, and ensure Alaska's energy independence.

Mr. Yaffe noted that examples of resources this subcommittee should know about include recent legislation tracking and policy white papers. Mr. Venables indicated that there is an RCA member within the subcommittee. He believes that the RCA would have a list of the regulatory guidance and he requested the subcommittee is provided with that list. Mr. Venables hopes to track legislation, track known permitting requirements, and determine how to streamline the information.

Mr. Yaffe reviewed the structure of the Railbelt Transmission, Generation, and Storage Subcommittee. The Co-Chairs are Mr. Izzo and Ms. Miller. The subcommittee support is Michael Baker and Black & Veatch. The purpose of the subcommittee is to promote renewable energy, evaluate multiple scenarios, encourage energy efficiency, support workforce development, lower the retail cost of energy, ensure Alaska's energy independence, increase reliability and resilience, support local economic development, and evaluate renewable portfolio standards and clean energy.

Mr. Yaffe discussed that the scenarios are data-driven scenarios potentially supported by Black & Veatch. There are multiple scenario planning structures that will be reviewed and developed at the subcommittee level. Mr. Yaffe noted that each of the regional subcommittees will have discussion regarding what resources the subcommittee should know about, as well as what sources of energy members feel provide long-term energy security for Alaska. The floor was opened for responses that are specific to the Railbelt.

Mr. Thayer commented on the importance of the question for each of the regions due to their specific energy needs and different opportunities.

Mr. Guy reiterated his repeated disapproval for creating separate geographical subcommittees due to the concern that the structure maintains the status quo. He commented that each of the geographical subcommittees should have the same title. He likes the title for the Railbelt, "Continue to Advance Low-Cost Energy Solutions in the Railbelt." In Western Alaska, the word "Continue" could be replaced with "Begin." Mr. Guy discussed that in terms of the purpose of making energy affordable, having two energy companies in Anchorage increases the cost of energy. Similarly, separate facilities for villages that are one to five miles apart also increases the cost of energy. He believes it is important to consider combining energy companies to lower the cost of energy.

Mr. Yaffe noted that the subcommittees can investigate and decide to rename their priority section. Mr. Guy emphasized support for affordability, resilience, and statewide solutions. He believes the three geographic subcommittees should have the same title, with Western Alaska modified using the word "begin," rather than "continue."

Ms. Miller commented that it will be helpful for the Railbelt Subcommittee to have the results of the member survey that ranks the different priorities. There are perhaps competing objectives listed under the subcommittee's purposes and the survey data will guide the solutions, work and analysis. There are likely many paths to follow for achieving the goals. Reviewing multiple scenarios will show different options for flexibility. After the analysis is complete, an evaluation of the renewable portfolio standards and clean energy will occur. Ms. Miller discussed that solar, wind, hydro, and natural gas provide long-term energy security for the Railbelt. She would like to learn more about nuclear.

Mr. Izzo commented that the answer to the question, what sources of energy do you feel will provide long-term energy security for Alaska and Alaskans is all of the above. He does not believe that any sources of energy should be excluded. He noted that his utility tracks the development of possible long-term energy sources, including the North Slope gas pipeline, Susitna-Watana, deep wave geothermal, and fusion.

Mr. Venables suggested that the regional plans that apply to each regional subcommittee could be informative to committee members. Mr. Thayer noted that regional plan documents will be available on Sharepoint and on the public facing website. He will ensure that the members are emailed the access information.

Ms. Miller believes that a Phase II study is underway reviewing generation sources on the Railbelt. She asked if anyone knew the timing of the analysis and report. Mr. Thayer believes that the study is taking a multi-year approach and it is on time.

Mr. Yaffe discussed the structure of the Rural Generation, Distribution, and Storage Subcommittee. The Co-Chairs are Mr. Koplin and Mr. Guy. The subcommittee support is Michael Baker and Black & Veatch. The purpose of the subcommittee has very similar topics to the Railbelt Subcommittee to promote renewable energy, evaluate multiple scenarios, encourage energy efficiency, support workforce development, lower the retail cost of energy, ensure Alaska's energy independence, increase reliability and resilience, and support local economic development.

Mr. Yaffe asked members to discuss what sources of energy they feel will provide long-term energy security for the rural region. Mr. Hanneman commented that each subcommittee will identify that answer through their work and a presumptive answer cannot be made at this point. Mr. Yaffe advised that this question will also be sent out as an online survey. The intent is to have this conversation now to stimulate discussion before the subcommittees meet. He asked for members' opinion regarding which energy sources they would invest in to reduce the cost of energy for the region. Mr. Hanneman stated that question is the art of the possible discussion that he was hoping to have today. He believes that discussion is missing from today's meeting. Mr. Hanneman noted that Mr. Izzo is the only member who has offered any suggestions and he had hoped to nurture that discussion today. Mr. Hanneman commented that the objectives within the presentation were already written. He feels that the word "promoting" is the wrong word to use at this point and stage in the process. The subcommittees will be evaluating options and it is possible that they will present recommendations. The objective should be to determine the steps needed to achieve the goals that the members listed on the board. Mr. Hanneman believes that the purposes in the presentation are premature and he thinks that the subcommittees should establish their purposes and objectives to accomplish the goals.

Mr. Yaffe agreed that the work will be at the subcommittee level and the function of this meeting was to help define the overall scope and the guardrails that the subcommittees

should operate within. Mr. Yaffe believes that the next Task Force meeting will look in detail at the high-level actions that were produced at the subcommittee meetings. Mr. Hanneman asked if there will be time during today's meeting to begin the art of the possible, big-picture, brainstorming session. Mr. Yaffe agreed, and reiterated that the aim of this meeting is to discuss the overall framework and objectives, and to understand the goals and the timelines of what to accomplish.

Ms. Miller asked when the energy data will be shared on the statistics of different energy generation sources, and transmission and storage costs. She believes that it is important for the subcommittees to have similar baseline data while evaluating the various solution options. Ms. Miller requested feedback on how to structure that background information. Mr. Thayer clarified that some of the information has been provided to the members. For the 197 rural villages, all the data for the cost of energy, line losses, and size has already been provided. The presentation on the Railbelt included their utility costs. Mr. Thayer suggested that the subcommittees define what data they need and then it can be determined who provides that data, whether it is AEA, ACEP, or a contractor.

Ms. Miller explained that the cost metrics data she is requesting is related to new generation sources or projects that have been envisioned. Mr. Thayer suggested that Ms. Miller request the specific information and AEA, ACEP, or a contractor will provide the data that they have.

Mr. Yaffe discussed that at the end of the meeting, he can create the list of the recommended actions for the subcommittees that were generated today. Mr. Yaffe continued the presentation reviewing Priority 4, Rural Subcommittee. He noted that Mr. Guy suggested that the titling is revisited. Mr. Yaffe indicated that could be an action item for each subcommittee to review their titling. Mr. Guy restated his suggestion to change the Rural Subcommittee's title and Priority 4 to the same as the Railbelt Subcommittee's title and priority with the substitution of the word "begin" for the word "continue." Mr. Guy disagrees that the main focus and purpose of the Rural Subcommittee is to promote renewable energy. He believes the main focus should be developing affordable energy or connecting to affordable energy. Renewable energy will play a role in the process, but any major development will go beyond renewable energy.

Mr. Yaffe asked Mr. Guy what source of energy he feels would provide long-term energy security. Mr. Guy suggested using natural gas generation and connecting a line to the existing Railbelt grid.

Mr. Yaffe continued the presentation reviewing Priority 5, Coastal Subcommittee. He noted that the purpose statements are similar to the Railbelt Subcommittee and Rural Subcommittee. Mr. Yaffe reiterated that Michael Baker will be assisting the subcommittees throughout their process. He opened the floor to discussion regarding the same two questions for the Coastal area. Mr. Thayer believes that hydro energy

would be the Coastal area's top priority. It has been their backbone energy source and is their lowest cost energy source.

Mr. Venables commented that his focus for the Coastal Subcommittee will be analyzing distribution. He discussed that the Railbelt has scale and transmission connectivity, both of which do not exist in Rural Alaska or Southeast Alaska. Mr. Venables discussed that a transmission line for Southeast Alaska is not economically viable. He will also review storage options. He commented on the importance of having consistent and standardized technologies throughout the state. Mr. Venables believes the Railbelt has the opportunity to lead Rural and Southeast with their storage possibilities, including technology, infrastructure, and servicing technicians.

Mr. Yaffe continued the presentation reviewing Priority 6, Incentives and Subsidies Subcommittee. The Co-Chairs are Mr. Andreassen and Mr. Vanderburg. The purpose of the subcommittee is to lower the cost of energy in Alaska, maximize the use of federal incentives to increase the financial and economic impact of capital projects, promote renewable energy development, encourage energy efficiency, support workforce development, and ensure Alaska's energy independence. The examples of resources the subcommittee should know about are new financing programs and new public-private partnerships.

Mr. Andreassen discussed that he and Mr. Vanderburg have developed a plan for the upcoming meetings. He recognized that there is much interest in this subcommittee. He is looking forward to robust participation to meet the overall scope of work and outlined purposes. Mr. Andreassen commented that it will be interesting to define terms and to understand subsidies relative to incentives, and the different approaches for both.

Mr. Yaffe noted that section was the conclusion of Michael Baker's outlined presentation and brainstorming session. He opened the floor to questions, observations, or discussion by members for the remainder of the meeting.

Mr. Hanneman expressed interest in participating in a candid discussion regarding opportunities and the art of the possible. He appreciated Mr. Izzo's previous comments on one of the ways to get to 10-cent power. Mr. Hanneman would like to hear about other generation sources that could lead to 10-cent power. He believes that investment into basic transmission infrastructure will help regardless of the energy generation sources. Mr. Hanneman inquired as to the different options that could be considered, including a bullet gas line, a big LNG project, Watana, or windmills. He believes this discussion is important to help inform the subcommittees before they meet individually.

Mr. Andreassen expressed appreciation for the outline of the process. He is interested in engaging in specific project discussions once the process is developed further and the capacity for evaluation is established and can be utilized.

Mr. Thayer commented that the Governor has asked for multiple scenarios from the Task Force. Mr. Thayer does not believe that the Task Force is supposed to pick project winners and losers, rather the Task Force should report on the pros and cons of projects. Mr. Thayer suggested that members listen to ACEP's natural gas discussion within the symposium material last Thursday with DNR, DRG and the utilities. He suggested that members listen to the symposium material for Rural Alaska.

Mr. White commented that consideration of different projects like a gas line or Watana depends on the goal. For instance, the goal of affordable power is different from the goal of economic development. He gave the example that wood smoke, a result of affordable energy, in the Fairbanks region is creating a disincentive for economic development in the Interior. Mr. White agreed with Mr. Guy's comments that affordable energy for all Alaska is a different path than separating into regions of the state and approaching the issue from sectors. Mr. White believes that identifying the driving goal and ways to prioritize the driving goal will inform the data each subcommittee gathers, including the kinds of regulations to consider. He reiterated the need for that level of discussion.

Mr. Izzo agreed with Mr. Hanneman and Mr. White's comments. He looks forward to a discussion regarding the art of the possible, and does not want to start with the technologies. He believes that the consideration should be focused on determining the overarching goal of what the end result will look like. Mr. Izzo shared the illustration of the three types of companies: those that make things happen; those that let things happen; and those that don't know what happened. Mr. Izzo discussed his approach is identifying things to make happen. He believes that it is necessary to have an agreement of the priorities in order to determine the possibilities. If the primary focus is an economic priority, then Alaska could become a leader in mining rare earth to develop more revenue for the state. If the primary focus is resilient and reliable energy to ensure a central service of heat and power sources statewide, then there would be no delineation of geographic areas. However, the particular geographic areas would probably guide the various solutions at differing economies of scale. There were no additional questions or comments.

Mr. Yaffe noted that the next steps listed in the presentation contain the schedule of the upcoming subcommittee meetings, the next energy symposium presentation, and the next meeting date of August 8, 2023 at 9:00 am.

Chair Lieutenant Governor Dahlstrom commented on the amount of information reviewed today. She is confident the Task Force will be productive, and she is excited to see the results of the efforts. She noted that the Governor values all of the different ideas and scenarios.

6. Task Force Meeting Schedule

Mr. Thayer discussed the planned meeting schedule of short days and full days. He noted that the meeting on Tuesday, August 29, will most likely be held and hosted by MEA. At 3:00 p.m. that day, MEA will conduct a ribbon-cutting at the state's largest solar farm in Houston, Alaska. Members will have the opportunity to travel to Houston. Mr. Thayer indicated that the meeting on October 17, will be adjusted to accommodate member schedules.

Mr. Venables advised that he will be late for the next meeting, due to his flight schedule.

7. Next Meeting Date, Tuesday, August 8, 2023, 9:00 a.m.

8. Adjourn

There being no further business of the Task Force, the Alaska Energy Security Task Force meeting adjourned at 4:10 pm.