Alaska Energy Security Task Force
MEETING MINUTES
Tuesday, October 3, 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 October 3, 2023, at 1:32 p.m.

2. **Roll Call**

Members present: Chair Lieutenant Governor Nancy Dahlstrom; Vice-Chair Curtis Thayer; Clay Koplin; Nils Andreassen; Andrew Guy; Karl Hanneman; Tony Izzo; Jenn Miller; Duff Mitchell; John Sims; Isaac Vanderburg; Robert Venables; Brittney Smart on behalf of Dr. Daniel White; Anne Rittgers for Senator Bishop; Garrett Boyle (Ex Officio); Craig for Representative Rauscher.
Also present were Andrew Jensen, Policy Advisor to Governor Dunleavy; Michael Yaffee and Marc Luken, Michael Baker International (consultant); and Jennifer Bertolini, AEA.
A quorum was present to conduct business.

3. **Prior Meeting Minutes – September 19, 2023**

MOTION: Vice-Chair Thayer made a motion to approve the Minutes of September 19, 2023, as presented. Motion seconded by John Sims Task Force Member. There were no objections. Motion passed unanimously.

4. **Survey Results**

Chair Lieutenant Governor Nancy Dahlstrom asked Vice-Chair Thayer to introduce the survey results and then we will start our reviews from the different groups. Vice-Chair Thayer reminded task force members that before the last meeting Michael Baker had sent out a survey to task force members with questions designed to help members determine prioritization for their committee. After conversations with the task force, Michael Baker staff redefined the survey to help narrow down what the task force was looking for. Therefore, everyone got a new survey. It has now been concluded, and Vice-Chair Thayer turned the meeting over to Michael Yaffee with Michael Baker to walk through the revised survey results.

Mr. Yaffee stated that they intend to incorporate the survey results into the plan as a section called Next Steps. We want to identify five to seven high level, high priority actions for immediate implementation. And this survey is a tool that looks across all actions, all subcommittees to understand how we are evaluating the actions to reach those five to seven high-level priorities. Ultimately, though, task force members will decide what is listed in the plan and what will be identified as the next steps.

There are several different ways we can use the survey results as a tool to help us set prioritization. Some of these methods have been discussed at the subcommittee level, but not necessarily at the task force level. Mr. Yaffee went over the methods that can be used to weight the criteria. There is a simple method and a more complex method. Mr. Yaffee gave an example to illustrate the difference between the two methods.

We don't necessarily have to have an answer at the end of this meeting. This is all easily done in a spreadsheet, and we could do a sensitivity analysis, if the task force wishes, to use the results of the survey to start coding values. This is just meant to be a helpful tool that's quick and easy. The survey question that was posed was select evaluation, prioritization criteria below that should be considered for inclusion. And we noted affordability, reliability and resilience will be automatically included. So we withheld them from the survey.

Mr. Yaffee presented a PowerPoint slide with the survey results. He stated that overall, we had 12 responses, and, as can be seen, there was some natural grouping. Fifty percent of respondents agreed with these top criteria: related to other actions; legislative and regulatory--that's if an action is suggested for implementation within the first year after the plan is adopted; and then alignment across the different regions; funding mechanism; and cost effectiveness.

Then once you get below 50% response rate, we have the second grouping of technical feasibility; advance other state and local objectives; supported by best available energy data; legal authority to implement; and agency championing identified. Then the last grouping of if there is political support; environmental constraints and then administrative capability to implement.

We did capture a few open responses and questions:

- *I think these criteria can factor into investment infrastructure development decisions.*
- *These criteria comport with the subcommittee focuses.*
- *Is there a way to capture the relative impact when comparing. Some actions might be easy and will make a helpful tweak, but others may be harder and have a large impact. Maybe effort level, low, medium, high impact level.* If we use the more complex method, that may address this comment.
- *Priority should be given to those actions that impact the greatest number of Alaskans.* That could be looking at the regional analysis, there is greater weighting towards those. That is something we can test if there is a desire.
- *Why wasn't this survey offered "rank choice" since all should be considered. While some are more import, and none should be omitted.* That gets back to if we want to assign weights to some criteria versus others.
- *There are too many screening criteria for the survey to be used in screening or developing priorities. The Governor provided one decisively clear criterion…lower the energy cost for Alaskans, which should be the sole prioritization screening criteria. Should it not be up to the Governor and administration to decide the prioritization using the criteria factors mentioned.* Just to speak to that, I think it's meant to just inform the recommendations

at the end of the report. It's up to the task force members on what those recommendations say.

There was no response to the question, "are there other criteria that should be considered?" So we feel comfortable that we have captured all the criteria that we could possibly use to analyze this.

a. Discuss Prioritization Exercise

Mr. Yaffee asked if there were any questions from the task force members.

Mr. Izzo stated looking at the regional areas, they all stop at 60%. Is it just relevant that they all were above 50%? It's hard to imagine that they were all exactly the same or maybe they were. Mr. Yaffee responded that in terms of the responses, the coastal region actually received a little less. And that's just an indication of there may not have been full participation. The intent of this question, alignment with regions, was so that you could quickly scan and see actions that may have a greater impact across multiple regions versus ones that are just focused on a particular region. Those might be considered a higher priority. But again, the intent is, this is a tool to help task force members arrive at a final decision. Mr. Izzo stated that context helps. Thank you.

Mr. Yaffee asked task force members if they had a preference between the two different methods.
So having said that, is there a preference towards between the two different methods as we use these criteria and start working with the subcommittee to populate what the values would be to determine what actions should be prioritized.

Vice-Chair Thayer stated that prioritizing at least the first few is important. Not necessarily all of them, because we'll be here all day. But I think there are clearly within the subcommittees some that really stand out. And so I don't want to say that we want to do the top three. It could be the top two, it could be the top four. But I think giving flexibility and working with the subcommittee members would be helpful in understanding where they can move the needle.

Mr. Hanneman supports what Curt was saying. I believe that we need to ask each subcommittee to give us an elevator pitch, which is the two points, maybe three, that is the highest priority from their perspective. I think that'll be more useful because of their knowledge of the subject than trying to categorize it by this numeric method. Because I don't think we know enough about how to apply the criteria under the numeric method to each of the different proposed actions.
I'm not against trying and see what we get out of it. I think we should spend more time trying to align our objectives and our recommendations between the subcommittees and working on the duplication that exists and spend more time in the text of the recommendations, which I think is really important. And then asking each subcommittee to prioritize in some way.

Mr. Yaffee responded that Mr. Hanneman's comments make sense. If it's okay with the task force, one of the takeaways from this is we can ask each subcommittee what their top priorities are, then code them with this very basic, simple method just to go through that exercise. And then from a big picture level, the task force can look at the top priorities across the subcommittees to determine what priorities align with these criteria and to answer the question of what has highest priority for the task force?

Task Force member stated he is looking beyond the work product. I'm thinking without specifics on how it's structured will we have a tool afterwards that we can apply. If we have three or four high level criteria, how does a new project or an opportunity line up with that? And it kind of gets back to setting a strategic vision that as we make investments and work to modernize and secure a grid, that it's affordable, reliable, sustainable and that we try to serve all the citizens of the state.

Mr. Thayer responded that however we do the ranking, there are going to be things that are going to occur in the near future and long-term future that will change the dynamics of it. I'll just say that AEA and others have participated in several grant opportunities. And, in some cases, we are an email away of finding out if it's a game changer. So even though it's a task force priority further down the list, but if money is associated with it and there's a way to get it done, all of a sudden it might move up to the top of the list. So I think everyone needs to understand the need for flexibility.

Mr. Yaffee added that's where the importance of innovation and emerging technologies comes in because these opportunities can pop up along the way and having a way to fit those into a plan or rationalize those is going to be important.

Mr. Mitchell stated that he agrees with Curtis' wisdom and comments. I mean we're looking at things in three dimension of time. What is good today is going to change a little bit in a year from now with dynamics of funding, federal actions, other things and there's a lot of levers with a lot of these actions that we're planning that could materially impact the prioritization.

And so an exercise of here and now, while important, I think is really critical that we also have the flexibility, the opportunity. We didn't get to this energy state in 30 days and we're not going to fix the energy state in 30 days. But I think the vision was that we have an energy plan, which imbibes a longer view. So I'm just tail hooking on your comment that I think that's wise, that regardless of the prioritization exercise that we use now, we need to reserve the ability to be able to pull things up or down as the situation changes. Thanks.

Mr. Yaffee thanked members for their discussion, as that helps us move forward.

5. Review Draft Report

Vice-Chair Thayer introduced this item. The draft report has been emailed to task force members and is available on the Task Force website and other venues. We are up to

approximately 60 recommendations. He asked Michael Yaffee to walk task force members through the draft report.

Mr. Yaffee directed task force members' attention to the PowerPoint presentation. Vice-Chair Thayer reminded task force members that any pictures used in this initial draft report are placeholders. There may be some that are out of place or in a wrong region. That will be revised as we fine tune the report.

Mr. Yaffee added that this is a working draft. We do have a preliminary table of contents. This is a familiar slide with the design vignettes. What you have before you today is Section 4 - Energy Priorities with priorities listed by subcommittee and contains their strategies and actions.

With the next iteration of this draft report, we hope to populate the other sections. So the Introduction will help go over the goals of the plan. The Planning Process is going to be an overview of all the public meetings and the documentation related to that. Energy in Alaska is a snapshot of the current state of energy in Alaska, largely informed by the energy symposiums that occurred. And then Next Steps is going to be focused on the prioritization and high level recommendations for next steps from the Task Force. And a more detailed Table of Contents.

At the end of the report, we will have appendices. There will be an appendix for definitions and then we also included two appendices in this kind of deliverable. They're still draft, but Appendix 2 is the action tracking sheet that you're used to seeing in terms of what we've presented in the past. That tracking sheet has been updated and now aligns with the kind of the new nomenclature numbers that have been presented in the report.
And then Appendix 3 is the additional action detail summary. So some committees have advanced the write-ups for many of these actions, where some of these actions have a lot of details in terms of next steps implementation and full background. It's almost implementation level details. Any actions that might be high priority that identify the next steps, we might take that level of detail for the next steps description. But beyond that, I think it's information that's useful but still needs be in the appendix. And we'll go through that when we get to the report itself.

Mr. Yaffee referred task force members to the meeting handout, which is Section 4 Energy Priorities. This should look familiar from what we've discussed in the past. He will do a quick overview of each priority and will invite the co-chairs of each priority subcommittee to highlight anything for each focus. As a reminder, there has been a lot of activity on the part of the subcommittees to rework their information and strategies since the task force last met.

So, the draft in front of you is more of a snapshot in time of where the actions currently stand. It's going to be a living document and there's going to be edits as we go forward, even during public comment period. So there may be placeholders on pages as we wait for additional information or input. We invite feedback--especially on photos. If you have photos, please forward those to us.

Mr. Yaffee then directed members to the PDF of the report and proceeded to walk them through the priority sections. This is how the report will appear online. The table of contents will have links to the title page for quick navigation through the report. Each section will have an area highlighting the public process and subcommittee meetings that occurred. There will be an appendix dedicated to the public meeting material and public comments. The layout is priority area/subcommittee. Then subcommittees organize the action items into strategies. One thing we are considering for the final plan layout is if there is additional summary for an action, we can actively link that here. So, you can jump to the appendix for the one page write up or additional write up related to that action. Just to make the plan fully interactive.

We are keeping a consistent layout for each strategy to make is easy to scan through. For each strategy, we have purpose, background, benefits, implementation, timeline, and expected results. And for the tracking sheet we're developing, each action will have high-level details related to timeline and potential partners. That's also included in the appendix.

Mr. Yaffee continued to scroll through the draft plan with task force members. He did comment that the Statutes and Regulations Subcommittee met that morning. One of their strategies is to look at other subcommittees actions to see what might need assistance in terms of updates to statutes and regulations. To help advance this discussion, Michael Baker staff created, along with Duff Mitchell from Coastal Subcommittee, a matrix, which may be helpful across all subcommittees. This matrix helps answer the question of actions identified in other subcommittees or priority areas that may relate to multiple subcommittees. Through this exercise, we found a lot of overlap between Coastal and Statutes and Regulations. The matrix presented in the draft report is a snapshot of today. This matrix should definitely be an agenda item in future subcommittee meetings, and we can be populating the matrix with further information identified in these meetings.

Mr. Yaffee directed task force members' attention to Appendix 2 - Acton Tracking Sheet. This should look familiar to task force members although we referred to them as worksheets in the subcommittee meetings. The tracking sheet includes actions, priority updates and has similar numbering as the rest of the report for ease in navigation. Mr. Yaffee pointed out some high level gaps, because new actions have been added and some restructuring at subcommittee level is needed. This is something to go back in to backfill and identify some of this information before the final plan.

He then moved on to Appendix 3 - Additional Action Detail Summary. This appendix is an action by action summary from some of the committees. Actions are listed along the side of the page in the body of the report. If someone is interested in more detailed information, they click the link and they'll be taken to the appropriate page in Appendix 3. The summary will provide more information on the background, benefits, how did we get there, implementation steps, implementation timeline and expected results. Not all subcommittees developed this level of detail, and that's okay. We want the task force and subcommittees' energy to focus on the high priority actions.

Having said that, Mr. Yaffee views this as more optional because it speaks more to the implementation at the end. But kudos to all the subcommittees that have prepared this because I think it sets you up for success for the next stage of this process.

His question for task force members is where to put this information about implementation. We put it in an appendix of the plan for now. But is it more appropriate to include these detailed summaries in the Next Steps section, as they speak more to implementation of the action.

Mr. Yaffee scanned through the rest of the detailed summaries from the subcommittees. He then paused and asked if members had any high-level questions on the organization, framework, layout about the draft work plan or any feedback or questions.

And if not, I was going to go through the plan from the beginning and ask co-chairs of the committees highlight anything that they wish to concerning the work and actions that they've done with their subcommittee. In addition, we would open the floor for any discussions that need to occur across multiple subcommittees or the task force on any one action that they want to highlight.

Mr. Hanneman commented that he wasn't able to make the Statutes and Regulations Subcommittee meeting this morning because he was on an airplane. But he was able to read the full PDF version of the draft plan. May takeaway is that we have a big job ahead of us to figure out how to structure this. I don't see that structure yet in the table contents. We thought it was going to be maybe in the energy priorities, but that's ballooned to where it's unreadable.

It's great work by the subcommittees and Michael Baker's staff have done a great job of pulling all this together in a form and trying to propose a structure. And I think all the subcommittees have done incredible amount of work of writing up and pulling this together, putting the details together, but it's much too much.

Not that we can't include it in some way, like you're talking about. But we have to figure out how to present the key findings to move Alaska forward.

As co-chair of the Statutes and Regulations, I wrestle with this. I had thought that we were going to extract from the other sections what statute and reg actions we needed to take. But I'm also concerned about duplication. At this point, I'm not even sure that the statute and regs grouping is even a necessary element. Maybe it needs to be left within the subcommittee sections.

There are some things that we did come up with that are not part of the different subcommittees and they need to be brought forward. So, leave statutes and regs within individual subcommittee sections, then our section is about here are some statutes and regulations in addition to what's in each subcommittee section. Rather than trying to duplicate it.

Maybe we need a Section 4.5 or something of the real priorities, an executive summary or the actionable items that the task force as a whole has endorsed to present. Something that's a quick read for somebody. It's incumbent upon us to make a structure that does that and we're not there yet.

Vice-Chair Thayer commented that we have to consolidate everything before you come up with the executive summary. So I think everything's being put in and then we need to determine what stays in the body of the plan and what goes, whether in an appendix and deleted altogether. That's what the goal is in the upcoming meetings. To help us figure out what is included in the executive summary. What is the takeaway that's at the front of this plan.

We have two meetings with public comments that's going to help craft this and then we'll have another all-day meeting on October 31 to help us finalize this plan. Then we have two draft version review meetings with Michael Baker and then we'll meet before we finalize the plan for the Governor. So I think the executive summary is probably about two or three weeks away once we get everything consolidated to where we can extract the high-level recommendations.

Unidentified member commented that Section 4 shouldn't be called Energy Priorities because we have 60 priorities. That seems high. Vice-Chair Thayer responded that's why we're in draft mode. The subcommittees have done the yeoman's work. Michael Baker is trying to capture everything we've done on paper. Now we just need to make it into the reader's digest version for a good part of this report.

Mr. Mitchell stated that he was going to follow-up Karl's comment, because he, too, was looking for an executive summary. But Curtis addressed it very well. In his experience, if a document doesn't have a bottom line up front, it usually gets put onto the shelf. In the first four pages, if you see that there's action items or something, you're intrigued enough to continue reading it. As Curtis has encapsulated, the executive summary is coming later, and this is a work in progress.

Mr. Mitchell then suggested moving the Energy in Alaska section, which is the symposium series, later in the document only because it's not the bottom line up front. This section is education discussion, it's situation awareness and it's ideas. While that's all really good, but if I'm a mayor in a community, I'm going to look at the introduction, I'm going to look at the executive summary and then I'm going to want to see the priorities. And I'm less concerned on the planning process, how we created the report, and less concerned on the energy in Alaska.

From the reader's point of view, I'm just offering we make the report have some more snap and more energy as we try to do something with taking it from this level into the implementation stage.

Mr. Yaffee responded that I think we're all in alignment in terms of the report itself, as we intend for it to be an executive level report. You're just not seeing the areas where we have that executive summary. And maybe we just need to breathe words into these titles to clarify. For

example, the introduction could be the executive summary. And we certainly can move around these sections. That's very easy to do. And to Karl's point, if calling this Energy Priorities is confusing in terms of what really has high priority, we can certainly word smith that.

In terms of next steps, I think that's where we want to detail what has high priority and then that would be mirrored in the executive summary and then everything else. All those details are going to be appendices to this plan.

Unidentified member stated that I don't want to repeat what's already been said because I kind of did the same thing. I took all those priorities and just kind of pulled them all together, pointing to an executive summary. And I think, Michael Baker, you started to do that when you had that one sheet where you took similar initiatives across all the subcommittees and started building onto one sheet that starts to look like one of those handful of things.

One thing I don't think we've discussed a lot is what is the role of policy in our energy future? And this is something I've seen grappled with in other arenas where, for example, the power policy to me is an overarching roadmap and it works well when you have kind of stable conditions and markets and everything. But it doesn't work so well sometimes for emerging technologies or innovations where you start layering policies on new technologies or opportunities that haven't even had a chance to really develop use cases or to fully mature.

And so, as an example, to kind of illustrate that, power cost equalization program isn't a policy. It's a tactical approach. And it implies a policy that we want to have all Alaskans have access to affordable energy. So I think I've heard legislators say over and over and over, well, we're not subject matter experts. You and the utility industry are, or you and the gas and oil industry are, or you over here are. So if policy tries to reach too far down and maybe starts picking winners and losers, I think that can be counterproductive.

And I'm just thinking in terms of where we've been as a state and what we can do differently going forward. And to me, a policy looks like we want to provide affordable, accessible and reliable energy to Alaskans, and it can stop there.

Then that takes some of the politics out of, well, this region's initiative or this particular pet project or this particular pet technology. We're just going to pour our horses into that. So I hope I'm articulating this well. But I think one of the things that we could communicate forward to the legislature and governor's office even, is policies should provide a guidance and a roadmap, like a strategic vision. And then I'm hoping that the executive summary is going to say, here's some overarching tactical and strategic approaches that can help us get there. And then we have a roadmap and a toolkit that we know, and we can start getting infrastructure built.

Ms. Miller stated hearing Karl's, Clay's and others comments, I agree. When we first started meeting as a task force, we talked about are we going to have an overarching goal? What are

we heading towards? And it certainly helped within our rail belt subcommittee to set what our mid- and long-term goals were so we can structure actions around them.

I think for me, I'm looking forward to reading the whole report and seeing where there's a lot of common themes. Because at the end of the day, I think what we really coalesced around was having a future that's a diverse, affordable and reliable local energy source. And so I want to look for these common themes from the subcommittees as I read the report. But I think it could be we come back to that question of do we have an overarching statement or goal for the state on what we want the future to look like.

And once we've had a chance to read this, it'll become obvious to us what those themes are--whether it's one or two goals. That would be helpful because I think if we don't have something, a vision statement or something to summarize where we're heading, we won't be as effective. I remember we had a goal of 50% renewable energy by 2025. Now I think we have a more informed view of what that could look like. We include clean energy, but having some sort of summary statement that people will remember and use as a North Star. So I look forward to reading the report. I know it takes a lot just to get to this step. Hopefully we can roll it up into something punchy and actionable. Thanks.

Seeing no further comments in the room, Vice-Chair Thayer asked if anyone online wanted to make any comments. Seeing and hearing none, he moved on to the next agenda item, which is subcommittee report outs.

a. Review Subcommittee Strategies and supporting Actions

Mr. Yaffee stated that if there's a preference for the order of the subcommittees, to let him know. Otherwise, he will follow the list in the plan.

Railbelt Transmission, Generation, and Storage - Co-Chairs Tony Izzo & Jenn Miller

Ms. Miller started by saying first off, I just want to recognize the Rail Belt Subcommittee. There have been tens, if not hundred emails back and forth over the last couple of weeks. And again, I say that in a really positive light. We are lucky to have our subcommittee with that level of engagement and expertise. And so the team has just been in a ton of work to develop the action summaries and then the roll up summaries and put a lot of thought and effort and so just want to recognize the subcommittee for all their work.

We are meeting this Friday from noon to four here at the Alaska Energy Authority. And so the intent is we've been working really heavy on our action summaries, and we wanted to meet again this Friday to read this report today, tomorrow, Thursday, and then come together on Friday and say, okay, what are our high level comments so that we can get our section how we would like it to be presented, and then we can kind of focus on the crossover and those overarching goals. The committee has put in a ton of work and thank you everyone very much.

Mr. Izzo added that he completely agrees with Jenn's comments. Additional thanks to AEA and Michael Baker for all the support and the tolerance for the fact that my Word app just ceased working. So I was sending back drafts with more cutting and pasting than I've probably done in ten years combined. But I think it speaks to the enthusiasm and the engagement of the group.

For information's sake to the group. Early on we had a presentation, I think it was maybe to the entire task force, from Brian Hickey on the various efforts undergone and underway by the railbelt utilities.

As a result of that, in August, Brian convened a group of technical people, representatives from the four co-ops Homer Electric, Chugach Electric, MEA, and Golden Valley, AEA representative or representatives and others. I think there were like 18 people. They engaged a facilitator and came up with their own recommended work product. So that's being sent out. It's late in our process. I intentionally did not participate, as I wanted to keep my task force perspective.

As I've had a chance to glance through our draft report, I see a lot of redundant things in here and maybe some additional items that we'll consider on Friday. Luckily, it's our last meeting. That's it. Thank you.

Coastal Generation, Distribution, and Storage - Co-Chairs Clay Kaplin and Andrew Guy

Mr. Mitchell stated that for the coastal generation, distribution and I think there's some transmission stuff spiced in there because there is transmission needs in southeast Alaska and coastal regions--we've taken in a lot of input.

We had John Binkley with Ward Cove. We had Renewable Juneau, a renewable energy NGO, which introduced Heat Smart, an air source heat pump. And we had the Juneau Commission on Sustainability. Representatives participated in some of our earlier meetings to include good input with Keith Kurber and we also took input from Michael Baker and AEA observers because there's no wrong answers and all input is good input. So we tried to be inclusive.

Then we focused on a Russian nested doll concept of action items that could be rolled up into strategy. So you can go up and down in that Russian nested doll, whether it's strategic to tactical to action items or action items up to tactics and then strategy.

So we've tried to not only come up with really good suggestions and recommendations that apply to our coastal region, but to also look at where the applicability is statewide or in other specific areas. Initially, we wanted to at least identify where those overlaps were. Because I don't think anyone has a lock on a good idea. If it's a really great action or strategy coming out of rail belt, for example, and it has applicability in coastal, then I think we need to add that on. We've developed these silos in each of the subcommittees and now we're rolling them up, so to say.

I want to say thanks to Michael Baker staff. I mean, herding cats and dealing with this and all the paperwork back and forth and the editing. I really have two co-chairs. I have Robert as a technical co-chair, but I also have Clay as a member and both of them actively participated, were very involved and helped develop our section. So I think there was a good team effort to get us to where we are at this point.

I also recognize we that we've got a lot of work to do as far as polishing. I think we have good foundations. Now it's time to polish it up. Appreciate the time and effort everyone's put into our subcommittee. Thank you.

Mr. Venables added that Duff did a good recap. Duff mentioned the word polishing. I agree that there's some word smithing that still needs to be done. But I think the task force can help weigh in on that, when we are at that point. I think that's a good overview. Thanks.

Rural Generation, Distribution, and Storage - Co-Chairs Clay Koplin and Andrew Guy

Mr. Yaffee asked Clay or Andrew for an update from the Rural Subcommittee.

Mr. Koplin stated that I feel like we captured what we wanted to, and this is a fairly finished work product. So, maybe I'll jump ahead to some ways that this might feed up into the whole task force. So, for example, this is just from the summary sheets, increased capital availability. That's something that certainly cuts across the whole task force is funding mechanisms. And there again, one of a handful of approaches might be the state of Alaska or the task force recommends that we encourage funding mechanisms that include public/private partnerships, collaborating with federal government and so on. But basically an overall statement that says seek multiple sources of funding for projects to spread the cost and the benefits of them.

So, looking ahead, I think most of these improve economy of scale. The fourth one, in particular, that maps to every region in the state. And there's the sales side or the revenue side of expanding sales to better cover the cost of fixed infrastructure. But then there's also an innovation piece of it. To drive smaller economies of scale through developing small scale wind turbines that can get down to 10 cents a kilowatt hour or small scale localized gas production to feed into markets and so forth.

So I just thought I'd make a couple of comments about how some of these might start mapping up into overall executive summary. And then also just recognize and appreciate the participation from folks from Alaska Municipal League, certainly the Denali Commission, Andrew Jensen from the Governor's office, and Alaska Native Corporations in the rural subcommittee meetings. They helped feed into the discussions and the goals.

Mr. Guy added that with situation being what it is in rural Alaska, anything that we do will be an improvement. If we can mirror in rural Alaska what you have in the rail belt and other urban

areas, they're proven technologies, they're proven innovation, they're proven economy of scale, they're proven lower cost, everything like that. All of those.

If we can replicate that in rural Alaska, everything will help. But we need to have fortitude to start the process. And that's where I think the main question will be whether or not this committee will have the fortitude to begin with a pilot project, say, that can be proved in one area of rural Alaska and could be used as a template to replicate in other areas of the state. That's what I wanted to add. Thank you.

Mr. Koplin added that Andrew reminded him of another point about economic impacts. From his experience, a development can have impacts outside of the project area. For example, a regional hydro project in Alaska. There's going to be a lot of support in construction economy that happens in Anchorage and the rail belt that is an example of an adjacent economic impact.

Another example is if you're developing resources that are being shipped or value added processing or something on the rail belt back to local economy and around the marine highway system, around the seafood industry in Cordova that the economic impacts are many times. You have outside corporations that are making profits. They have a value stream that's outside the state. But then that fish gets shipped through Anchorage, a lot of it gets shipped on marine highway system. That creates economies in Anchorage for the marine highway system and so forth.

So that kind of holistic look about taking the bigger view of what are the broader impacts for the whole state on regional investments is important.

Mr. Yaffee shared an observation on what Mr. Koplin said earlier related to the discussion on the overall organizational framework of the report and the Executive Summary. If we start looking at these strategy statements, in a way, they become your policy goals. So in the Executive Summary, we can present each of these sections, whether we call them priority areas or not, but under them we'll present the strategies. And then have a couple of sentences or a paragraph describing the policy direction of that strategy, and then these would be the actions to help implement that. And that could be one way to present that in the Executive Summary. As Duff says, have everything kind of roll up like the nested Russian doll approach.

Mr. Koplin responded that he agrees with Michael's comment. Those strategies help advise the policy. And it doesn't have to just be one policy. There can be different policies. And I was just reminding myself that we're talking about generation and distribution and storage.

For storage, specifically, a policy might say we want to promote long duration storage. There's all kinds of storage and benefits, and rather than drilling down to a level, just a policy that we want to have adequate storage to make sure that we're being economic and keeping the lights on. But that was my thoughts.

Mr. Yaffee wanted to follow-up on a comment made by Duff earlier about the names of the different sections. We are looking to the subcommittees to provided that feedback. For example, Duff mentioned that transmission wasn't mentioned in their section name, when there is some transmission involved. So, we want to be sensitive to that and make sure everyone knows we are open to make those changes.

State Energy Data - Chair Dan White

Mr. Yaffee asked Brittney Smart for an update on behalf of Dan White from University of Alaska, Fairbanks.

Ms. Smart stated that one of the first approaches that we took with the State Energy Data and the Technical Advisory Committee (TAC) that supported that effort is that you can't measure what you don't track. With that said, tracking is just the first step.

We have a lot of data out there, and one of the challenges is making sure that it's accessible and it's in a usable format. And that serves as the primary basis on the recommendations that you see before you. You've previously seen a couple of iterations of these recommendations. So I will focus on the key highlights.

I do want to note in regards to the prioritization in the TAC report that was submitted to the State Energy Data Subcommittee, which was accepted, there is a full suite of additional recommendations. I notice that while this report is included in the appendices, it is not included in your draft today. So the work of prioritization in terms of recommendations was done, at least in that subcommittee. It has not necessarily been through the rubric that was discussed today. So I just want to make sure that that aspect is clear.

But the four key recommendations you see before you, the strategies have been prioritized by the committee. So there's two key changes that I wanted to highlight as part of this. The first one is adding in specific language as it regards to statutes. So there's just a couple of points. Number one was just with the establishment of a Data Energy Department within AEA. There was just a recommendation that should statutes need to be amended in order to ensure that activity gets done, that that recommendation gets moved forward. That doesn't necessarily mean that statute changes have to occur, but if that is necessary in order to ensure that action gets taken and gets funded, then we would recommend doing that.

Half of this next comment is to you, Michael. The other big edit that was provided between previous drafts and this one was ensuring that energy data was very clearly expanded to include thermal and transportation. And Michael, just one thing that I noted that did not translate from the TAC and State Energy Data Report to this new format is that we actually spent specific time and effort into coming up with a definition of what energy data is. And I think it would be important to include that as part of this plan.

Whether it's this chapter, whether it's a summary, but the definition is information about how electricity, heat and transportation fuels are sourced, generated, stored, distributed, used and governed, and the impact on the built, natural, and socioeconomic environments.

So, just a general recommendation from the committee. That's just one thing that I noticed that got lost in translation. However, the edits throughout this chapter did specifically expand energy data to include very explicitly thermal and transportation. And with that, I'm happy to answer any questions you may have.

Mr. Yaffee responded that we're happy to make that change. We'll put it in the introduction here. And obviously, if there's any other edits to the introduction, we can do that. But then also, I just want to note that we will also include it in Appendix One. We're creating an appendix of just definitions related to this. So we'll try and capture that in multiple areas so it's clear.

Mr. Hanneman asked did the Data Subcommittee get your specific statute recommendation into this draft, or is it not yet incorporated. Ms. Smart responded that we didn't specifically say what or where. So, no. But we did specifically add language to say that should statute changes be required to do so. We recommend that that take place. Vice-Chair Thayer added that AEA statutes are all in one location. So, it's really easy to identify them because we have a list.

Vice-Chair Thayer asked if there were any questions or comments from folks online. Hearing none, he asked Michael to move one.

Incentives and subsidies - Co-chairs Nils Andreassen and Isaac Vanderburg

Mr. Yaffee asked the co-chairs for an update.

Mr. Andreassen stated that we've had some productive discussions with our Incentives and Subsidies Subcommittee members. And great to see more recent participation across the group. I think the main takeaway right now is we've still got some work to do. What you're looking at is kind of a first draft, but we've had some good input just in the last 24 hours on ways to improve this.

I'm really excited to look back at what everybody else has done and to see how these match up. So we'll take some next steps to inform our work based on what everybody else has done. We've talked about an upcoming meeting this Friday to continue revisions. But overall, we've taken a strategy and actions report, still haven't done our approach and haven't done further action development. But I think we're looking good for what we're doing. Isaac, is there anything you would add? Mr. Vanderburg stated he had nothing to add.

Mr. Yaffee commented that this current version of the plan doesn't include the newest revisions that the subcommittee was considering just because they missed the pencils down window. So there is active discussion going on at that subcommittee, and there are changes in progress.

Vice-Chair Thayer asked if there were any questions or comments from task force members in the room. Seeing none, he asked if any task force members online had any questions. Seeing and hearing none, he moved on to the next item.

Statutes and Regulations Reform - Co-chairs Robert Venables and Karl Hanneman

Mr. Yaffee stated that this subcommittee met this morning. He asked Mr. Venables for an update.

Mr. Venables stated our subcommittee has met. We're really in a mode of collecting from a number of sources, primarily from the other subcommittees. And we're going to ask for those subcommittees in their transmittal to add a little more information or maybe join us at our meetings the next two Tuesdays on the 10th and 17th at 10:30 a.m..

We want to flesh out those recommendations just a little bit more and with an eye to just having enough framework to develop a path forward. Whether it's a legislative path that a statutory change with the legislature, or whether it's regulatory, administrative that the RCA would entertain, or perhaps it's a twofold designation. So understanding that path forward, that input that comes from the other subcommittees and then best attempt to prioritize. If we don't get enough subcommittee experts participating, we will kick the prioritization up to the task force because they'll need some good input from those that are grappling with those issues and have that expertise. As we try to boil this down to four or five key recommendations or at least prioritize the list.

We've also captured input from the Alaska Power Association and gleaned from the comprehensive economic development strategy of some of the tasks that they had identified that were applicable to statutory/regulatory reform. So we've got that included. And you'll see that we're still waiting on an overview of what some of the other states best practices or lessons learned are.

Michael Baker's building that car while they're driving it to the meeting on the 10th or the 17th. You'll see a couple of examples in the spreadsheet where they've already placed similar applicable tasks that have been adopted or steps that have been taken by other statess. We're going to get a little more information in the next couple of meetings.

And Karl might want to speak. He and I talked about some of the redundancy. I think it's just a function of the process, but I think there's still some instances where some of the subcommittee documents still have the statutes and regulatory reform items in there. It's probably cleaner to pull those out of those subcommittees and just put it all into this framework here. But we're still working at it. We've got a couple more meetings to go, and we invite any of you that are interested to join us on the 10th or the 17th at 10:30 A.m.

Mr. Yaffee added that the next meeting of the Task Force is October 10 at 2:00 p.m. and is currently posted on the AEA web site. At the subcommittee meeting there was the discussion to

hold a meeting tentatively scheduled for October 10 at 10:30 a.m.. I'm not sure if that's been publicly posted yet. Mr. Venables asked to post both meetings, the 10th and the 17th, at 10:30 a.m. on the web site.

Mr. Yaffee stated that there is a lot happening with the subcommittees meeting on 5th and 6th. So, we're encouraging some cross pollination on this if committee members are available. We will have the dates posted for upcoming meetings on a later presentation slide. The other thing I just wanted to circle back to was, Karl, you mentioned for this particular section, almost the need to have kind of a section after that. I just wanted to see if you have any additional thoughts.

One of the things you brought up is when we transition from this section, it goes to the next steps section of the report. And a lot of those next steps might be statutory and regulatory in nature. So there is overlap between this section and the next steps section that we can think through. But I just wanted to give you the floor in case there was anything else you wanted to speak to.

Mr. Hanneman commented that he has been reflecting on this matrix that you prepared and wondering if, for simplicity, we could accept the fact that there's duplication and applicability in many of these topics across the different subcommittees and just identify that by the check marks in the matrix and not try to extract out of the different subcommittee sections everything related to statute and regulations but leave it as it is. Then we focus on the prioritization effort that we need to do anyway. Because a list of all the statute and regulation recommendations that come out of this is going to just get round filed. It is good to have a list and the background is good to have and necessary. So we'll discuss that at our subcommittee meeting next week. But I think maybe we can work with this matrix approach that you presented.

Mr. Yaffee opened to floor for any comments or questions from members concerning what Karl just said.

Mr. Koplin commented that he has been thinking along the same lines as Karl. I think we had talked earlier about subcommittees trying to bring up one or two things and yet they've done comprehensive work that's going to be captured in the appendices. So just looking ahead over the next few weeks, I'm wondering how we structure and develop that executive summary. Whether with Michael Baker kind of lists where we builds a straw dog that the subcommittee can start with. It pulls those cross cutting themes into some overarching themes. And then my other thought is specific to policy and statutes and whatnot. It sounds like what we talked about earlier is maybe pushing some kind of high level policy guidance forward as a whole subcommittee and then maybe keep the detailed work that the subcommittee did there as an appendix. But I guess my overarching thought is I'm just trying to mentally structure how we're going to actually develop that executive summary over the next few weeks.

Mr. Izzo supports Karl's comments and observations. I think we've heard this come up a few times during the meeting today and I think it's a good sign because it means we've all gone through this and we're starting to think about, well, how does this align.

I know one particular case where you've got different subcommittees that are trying to address the same thing but taking different approaches. I'm aware this report is going out for public comment. And I think that's fine. But we are going to have to rationalize those things as a group and come up with a final recommendation. Is it this one or that one? And then secondly, and more importantly, would be rather than four pages in, as Duff mentioned, on the first or second page I would look for here's what we want to be and here's what we need to triage and some priorities. That would be my hope for what comes out in an executive summary.

Vice-Chair Thayer asked if any members online had any questions or comments. Hearing none, we'll go back to Karl.

Mr. Hanneman stated that with that goal of executive summary in mind, I think, well, policy is important, and we want to set some high level policy. We've got to go farther than that. We've got to present some actionable items that we can help communicate and get traction on.

Mr. Mitchell stated that he is reiterating and preaching to the choir. I think, bottom line, up front, priorities and or what is our big item that's going to get the most rate out of legislators. It's going to help us get our actions and help us transition from all this planning, great work we've done into actual implementation and getting momentum and gravity behind where the Governor wants to take this. So I think that's just echoing those useful comments. Thank you.

Vice-Chair Thayer asked if there were any other questions or comments from task force members. Hearing none, he moved on to the next agenda item. Task Force members decided to keep going through the agenda.

b. Break - no break was taken.

6. Draft Report Editing

Vice-Chair Thayer asked if the editing needs to be discussed here or will take place through the scheduled subcommittee meetings. Mr. Luken responded that we have subcommittee meetings scheduled to start the editing process after members have had a chance to review the draft plan.

a. Subcommittee calendar dates for report edits.

Task Force Proposed Work Schedule

Vice-Chair Thayer added for the group, the next two full task force meetings will be by Teams and it's for public testimony. We will do public testimony from 2:00 to 4:00 p.m. on October 10th and October 24th here in this room.

Everybody is invited to call in. The Lieutenant Governor, possibly Clay, and I will conduct that meeting. Oral public comment on our work product will be limited to three minutes per person or organization and will be transcribed. We are also accepting written comments. So, both the oral and written comments will be combined and sent out to task force members to review.

And keep in mind that public comment might influence some of our tasks because the task force, the subcommittees are still finalizing and making recommendations. So this is a work in process to meet our deadline. We can't just stop, wait and then restart. We want to work it together.

And then the goal is on October 31st, we have an all-day meeting here in this room starting at 9:00 a.m. to 4:00 p.m. The goal of that meeting is to review and vote on the recommendations by the subcommittees. So we have everything approved and move forward. Then we would turn it over to Michael Baker, who will send the report back to us via email on November 10th. It will also be publicly available. Then, a week later on Friday, November 17th, we will have one final look at the report. It could be a Teams meeting.

We will look at the executive summary along with everything there. And then the plan goes back to Michael Baker for any editing or formatting fixes. The final plan would be due on December 1 to the Governor.

So it kind of gives us time to walk through the public process, walk through the voting, and then have an opportunity to look at the product when completed, just to make sure it is the product in the formatting that we discussed on the 31st.

Mr. Luken added that as the subcommittees meet to put the final words to paper in their portions of the report, that there would be time set aside to actually come up with what are our priorities. So whether we use prioritization tool or some other means, but that our encouragement to each Subcommittee is that you find those actions that you want to put forward as recommendations for the task force to consider as the actions that you're going to send forward to the Governor.

Ms. Miller asked if for the October 31st meeting, can we set aside time to have a focused conversation on the executive summary? Vice-Chair Thayer responded yes.

Mr. Hanneman asked Curtis if we might ask each of the six subcommittees to present a list of four or five of their top priorities so we can start circulating and discussing those so that it doesn't all come down to the crunch at the end. Because if we want for the executive summary to come up with the top five or seven or something, we're going to have to pick from that. And not all of subcommittee's recommendations will make the cut. But we have to start discussing which ones we think as a group should. But the best way to start is to have the subcommittees bring that forward and earlier, I think the better.

Vice-Chair Thayer responded that he doesn't disagree with the suggestion. As the subcommittees wrap up their work and recommendations, we will make sure that gets out to everybody on the task force and make it publicly available as well.

Mr. Koplin commented about the overall report. So, I know we're on subcommittees, but in the structure we have an introduction to the report planning process and then energy in Alaska. One of the things I've really liked about this process is capturing a lot of the historical energy and regional studies that have been done and populating those onto the task force website where they're accessible.

And as I look at data or repository going forward, that's a great thing to have access to. But just from past experience, a lot of times this process is a snapshot and what you really lose from those past reports is the context. And it can be really hard to pull those out, if you don't actually talk to some of the people that are involved with writing them. So I think back to 2007 and 2008, the context was exploding energy costs, especially in rural Alaska, as diesel fuel prices spiked, and the economy collapsed. And you saw things like the state writing energy assistant checks and things that you might look at out of context and say, what the heck was the state doing?

But that's one of the things that we have a context for where we're at right now in terms of we're facing looming natural gas supply shortages, where we have unprecedented federal funding available. There's are these things that provide the context for what we're doing. I think that would be great to somehow capture that kind of energy in Alaska. The background, which is actual context of this report. So when you kind of refer back to it, it just creates that context.

Mr. Mitchell had a question about the schedule. I'm looking to see on this work schedule here is if there's any feedback loop and calibration from either the governor's office or from the chair, because we could be coming up with all kinds of recommendations and maybe the 10th in priority recommendation from the task force may be actually a much higher priority from those that have appointed us to serve on the task force. I know our job is to make recommendations, but I just offer that if there's a feedback loop because I would appreciate that guidance in the prioritization of where we're at and maybe I'd just like to have some color on that.

Chair Lieutenant Governor Nancy Dahlstrom responded that there is a feedback loop. When we are completed, I think that we'll be looking good all around. So don't worry about that when we've got it covered.

Vice-Chair Thayer added that it's safe to say that the Governor is informed of what we're doing. He is keeping tabs. I've gotten a text or two that he might even be at one of our phone calls. So, yeah, definitely there is a feedback loop that I think Nancy, our lieutenant governor, will be our official conduit for that.

7. Next Meeting Date/Closing Remarks

a. Tuesday, October 10, 2023, 2:00 p.m. via Teams.

Vice-Chair Thayer went around the room and online for closing remarks from task force members.

Mr. Sims had no comments today.

Ms. Miller had no additional comments. Thanks.
Unidentified Member 1 stated because someone asked me earlier today what do they feel about this overall process, and I would still say that I feel like the work product in progress to date has actually exceeded my expectations for a list this big on such a short timeline. And I think that's a reflection on the people. Everything from the energy symposium series to the work that the subcommittees and committees have done is commendable.

Chair Lieutenant Governor Nancy Dahlstrom thanked everyone for the time and effort that's been put in. And it's nice when you have an end date of a project that's this size, isn't it? Because psychologically, it helps us to get there. But I do understand, and I respect that you all spent a lot of time and effort to do this correctly. So thank you.

Vice-Chair Thayer stated that on my behalf, I would like to thank everybody and the time and effort. Because when we started this and looked at the task before us, and some of the road bumps we had, to where we landed today, we are in a great place. And it couldn't have been done without everybody. Especially when we committed early to doing these half day and full day meetings. And the subcommittees have now taken on full and half day meetings. And so with that, I just can't thank everybody enough for the work that they put in. And I think at one point I asked Michael Baker, how many hours have we put into this based on just the noticed meetings? I think it's safe to say right now, we're over 170 hours when you look at collectively all the meetings we've had, and a few people have been at almost all of them, because I recognize names. Karl's been on calls after calls and from different subcommittees, and it's all been great work. So I want to thank everybody for that.

Mr. Izzo stated that he echoes those comments and sincere thanks to the Governor and the task force leadership. Lieutenant Governor Nancy Dahlstrom, co-chairs Clay and Curtis. I've been involved with these kinds of efforts--although nothing at this level--for over 20 years in Alaska. And I'm feeling very optimistic about where this is going.

Unidentified member 2 had no further comments.

Mr. Mitchell stated just remember, everybody, that all plans work until the bullets fly. So we got a little bit of work to do, and I think we're on a really good pathway. And I think the comments from the chair and the co-chairs speak to where we're at. Thank you.

Vice-Chair Thayer asked if anyone else online wanted to make a comment. Hearing none, task force remarks was closed.

8. Adjourn

There being no further business of the Task Force, the Alaska Energy Security Task Force meeting adjourned at 3:12 pm.