

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE RESOLUTION NO. 22- 03

PROVIDING FOR ADVANCE PAYMENT FOR REQUIRED PROJECT WORK

INTRODUCTION

The Bradley Lake Project Management Committee (“BPMC”) is responsible for the management, operation, maintenance, and improvement of the Bradley Lake Hydroelectric Project (the “Project”), subject to the non-delegable duties of the Alaska Energy Authority (the “Authority”).

At its December 10, 2021 meeting, the BPMC approved Resolution No. 21-02 that endorsed a plan to unconstrain the benefits of the Bradley Lake Hydroelectric Project (the “Project”) through the development of a series of projects, and related financing to increase the energy available to the Project’s utility purchases (“Purchasers”).

The recent purchase by the Authority of the Sterling Substation to Quartz Creek Substation transmission line (“SSQ Line”) and its related financing is one of the initial steps taken by the BPMC and the Authority to resolve some of the Project’s transmission-related issues.

Shovel-ready projects like the SSQ Line are designed to optimize the use of the Project with the goal being to minimize costs and stabilize rates for consumers while providing jobs and other economic development opportunities from the Kenai to Fairbanks; without a burden on the State’s budget. The BPMC and the Authority have determined that it is in the best interest of the Project, the Purchasers and the customers served by the Project to advance pay certain debt obligations on the SSQ Line transaction.

PURPOSE OF BPMC RESOLUTION 22-03

BPMC Resolution 22-03 sets forth the intent of the BPMC to allow the prepayment of certain debt obligations that were necessary to purchase the SSQ Line.

BPMC RESOLUTION NO. 22-03

WHEREAS, the Bradley Lake Project Management Committee (“BPMC”) receives its authority under the Bradley Lake Hydroelectric Project Agreement for the Sale and Purchase of Electric Power (“Power Sales Agreement”).

WHEREAS, the BPMC is responsible for the management, operation, maintenance, and improvement of the Bradley Lake Hydroelectric Project (the "Project"), subject to the non-delegable duties of the Alaska Energy Authority (the "Authority").

WHEREAS, the Project provides some of the lowest cost renewable energy on the Railbelt Electric System ("System").

WHEREAS, the BPMC has determined that it is prepared to take specific steps in order to begin the improvements and upgrades to the System that will cost effectively enable the development of resources that will enhance the deliverability of energy produced by the Project.

WHEREAS, BPMC Resolution No. 20-05 and Resolution No. 20-06 collectively authorized the purchase of certain transmission rights and facilities including the Sterling to Quartz Creek transmission line ("SSQ Line"), which became part of the Project.

WHEREAS the Department of Law ("DOL") issued a memorandum dated November 10, 2020, and found that the definition of Required Project Work is broad enough to allow for the SSQ Line upgrades to be considered Required Project Work under the Power Sales Agreement, confirming the BPMC's proposals.

WHEREAS, the BPMC believes the transaction involving the purchase of the SSQ Line was an important initial step to enhance the deliverability of energy produced by the Project.

WHEREAS, in order to advance the upgrade to the SSQ line, the BPMC considered and approved a budget amendment to its fiscal year 2022 budget providing a prepayment on the debt obligations for the SSQ Line.

THEREFORE, BE IT RESOLVED THAT, the aforementioned comments and Recitals are incorporated and made part of this Resolution No. 22-03;

BE IT ALSO RESOLVED THAT, Resolution 21-02 and its Recitals are incorporated into this Resolution 22-03 as if fully set forth;

BE IT ALSO RESOLVED THAT, as part of the BPMC's responsibilities for the management and improvement of the Project, the BPMC will use the funds available for essential and agreed-upon Required Project Work to fund the advanced debt payment;

BE IT ALSO RESOLVED THAT, the BPMC approves the fiscal year 2022 budget amendment to provide the advanced debt payment, that such payment is considered debt service to be included in Annual Project costs, and such a payment be made before the end of fiscal year 2022;

DATED at Anchorage Alaska, this 25th day of March, 2022.


Chair, Anthony M. Izzo

Attest: 
Secretary, Curtis Thayer