

ALASKA ENERGY AUTHORITY

AEA FISCAL YEAR 2027 BUDGET OVERVIEW

Curtis W. Thayer
Executive Director

House Commerce, Community, and
Economic Development:
Finance Subcommittee
February 24, 2026



AEA Programs and Services Overview



Owned Assets

- Bradley Lake Hydroelectric Project
- Alaska Intertie
- Sterling to Quartz Creek Transmission Line
- Cook Inlet PowerLink



Power Cost Equalization

- \$46 Million Program
- 188 Rural Communities
- 81 Electric Utilities
- Benefits 81,000+ Alaskans (All figures reflect FY2025)



Rural Energy

- Bulk Fuel Upgrades
- Rural Power System Upgrades
- Circuit Rider Program
- Electrical Emergency Assistance



Renewable Energy and Energy Efficiency

- Renewable projects; biomass, electric vehicles, hydroelectric, solar, and wind
- Federal programs: National Electric Vehicle Infrastructure and Home Energy and High Efficiency Rebate Allocation



Grants and Loans

- Renewable Energy Fund
- Power Project Fund
- Federal Grants



Energy Planning

- Alaska Energy Security Task Force
- State Energy Security Profile
- Electronic Library
- Energy Data Resources
- 40101(d) Grid Resilience



Railbelt Transmission Organization

- AEA, Railbelt Reliability Council, and Utility Governance
- Certificate of Public Convenience and Necessity
- Tariff Under Regulatory Review

FY2027 Operating Budget Summary



FY2026 Management Plan:

| Component | Federal | State UGF | State DGF | Other | Total |
|---|--------------|----------------|-----------------|-----------------|-----------------|
| AEA Facilities | - | - | - | 1,199.0 | 1,199.0 |
| Rural Energy Assistance | 535.1 | 3,812.6 | 2,950.3 | 7,514.2 | 14,812.2 |
| Power Cost Equalization | - | - | 48,283.7 | - | 48,283.7 |
| Statewide Project, AEE (IIJA) | - | - | - | 6,211.2 | 6,211.2 |
| Railbelt Transmission Organization (RTO)* | - | - | - | - | - |
| TOTAL | 535.1 | 3,812.6 | 51,234.0 | 14,924.4 | 70,506.1 |

FY27 Change Records:

| Component | Federal | State UGF | State DGF | Other | Total |
|---|------------|--------------|------------------|----------------|------------------|
| AEA Facilities | - | - | - | - | - |
| Rural Energy Assistance | 6.9 | (854.2) | 29.5 | 184.1 | (633.7) |
| Power Cost Equalization | - | - | (3,415.8) | - | (3,415.8) |
| Statewide Project, AEE (IIJA) | - | - | - | 177.0 | 177.0 |
| Railbelt Transmission Organization (RTO)* | - | 1,306.2 | - | 923.5 | 2,229.7 |
| TOTAL | 6.9 | 452.0 | (3,386.3) | 1,284.6 | (1,642.8) |

FY27 Budget Request:

| Component | Federal | State UGF | State DGF | Other | Total |
|---|--------------|----------------|-----------------|-----------------|-----------------|
| AEA Facilities | - | - | - | 1,199.0 | 1,199.0 |
| Rural Energy Assistance | 542.0 | 2,958.4 | 2,979.8 | 7,698.3 | 14,178.5 |
| Power Cost Equalization | - | - | 44,867.9 | - | 44,867.9 |
| Statewide Project, AEE (IIJA) | - | - | - | 6,388.2 | 6,388.2 |
| Railbelt Transmission Organization (RTO)* | - | 1,306.2 | - | 923.5 | 2,229.7 |
| TOTAL | 542.0 | 4,264.6 | 47,847.7 | 16,209.0 | 68,863.3 |

*RTO is a new Component in FY2027; in FY25 and FY26 RTO was funded through Rural Energy Assistance

FY2026 Operating Budget Supplemental



FY26 Operating Supplement - Budget Request:

| Component | Federal | State UGF | State DGF | Other | Total |
|-------------------------|----------|--------------|-----------|----------|--------------|
| Rural Energy Assistance | - | 250.0 | - | - | 250.0 |
| TOTAL | - | 250.0 | - | - | 250.0 |

FY2026 Supplemental Capital Requests Overview



| Project/Program | Federal | State UGF | State DGF | Other | Total |
|--|-------------------|-----------|----------------|------------------|-------------------|
| Bulk Fuel Upgrades-EPA Funds to Denali Commission for AEA and Alaska Native Tribal Health Consortium | 25,000,000 | - | - | - | 25,000,000 |
| State Match for Indirect Costs | - | - | - | 650,000 | 650,000 |
| Bulk Fuel RUS-High Cost of Energy Grant | 5,000,000 | - | - | - | 5,000,000 |
| Electrical Emergencies Program | - | - | 150,870 | - | 150,870 |
| TOTAL | 25,000,000 | - | 150,870 | 5,650,000 | 30,800,870 |

FY2027 Capital Requests Overview

| Project/Program | Federal | State UGF | State DGF | Other | Total |
|---|----------|----------------|-----------|-------------------|-------------------|
| Cruise Ship Terminal Port Electrification | - | - | - | 15,300,000 | 15,300,000 |
| Electrical Emergencies Program | - | 350,000 | - | - | 350,000 |
| Federal Tax Credits | - | - | - | - | - |
| TOTAL | - | 350,000 | - | 15,300,000 | 15,650,000 |



Total Project Cost – \$400 Million
May Qualify for Up to \$100 Million in Federal Tax Credits



Bradley Lake Expansion Project

AEA is advancing the Bradley Lake Expansion Project, which includes the **Dixon Diversion** and **Bradley Pool Raise** sub-projects. This project will divert water from Dixon Glacier to increase Bradley Lake's annual energy production by **50 percent**.



ESTIMATED ANNUAL OUTPUT

180,000 MWh

≈ 30,000 homes powered



NATURAL GAS OFFSET

1.5 Billion cu ft

7.5% of unmet demand (2030)



TARGET COMPLETION

2031

Shovel-ready status



ESTIMATED COST

\$400 Million

Class IV Estimate

SOUTHCENTRAL ALASKA

Bradley Lake Hydroelectric Project

Total Project Cost – \$413 Million
Match of \$64.2 Million Secured; \$142.3 Million to Complete Financing

Cook Inlet PowerLink (CIPLink)

CIPLink is a high-voltage direct current (HVDC) transmission system connecting Southern and Central Railbelt regions. It features a **38-mile subsea cable** and overland routes to deliver **up to 200 MW** of bidirectional power flow.



CAPACITY

200 MW

Bidirectional Flow



CONNECTIVITY

Railbelt Link

Connects South & Central Regions



TARGET COMPLETION

2032

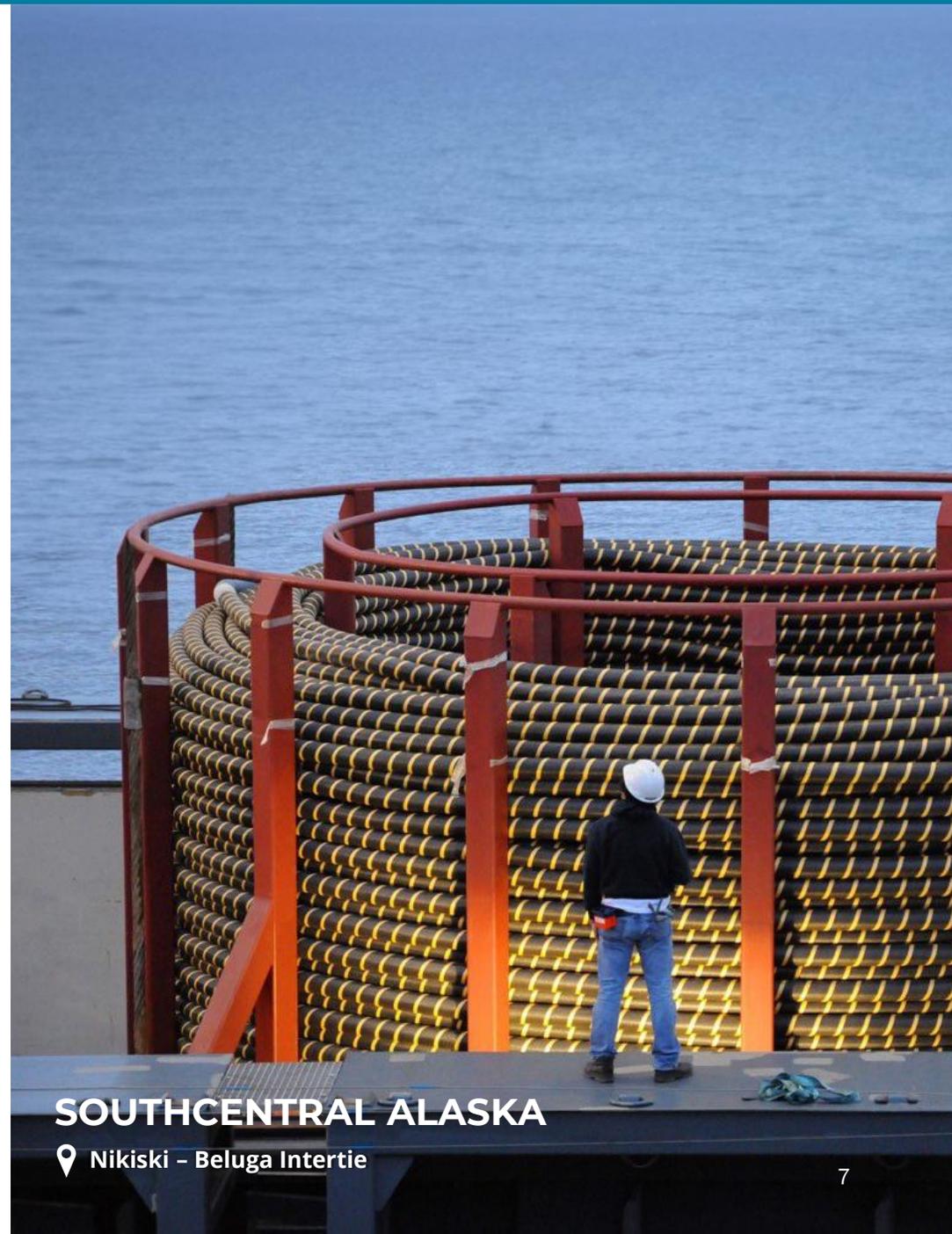
Shovel-ready status



ESTIMATED COST

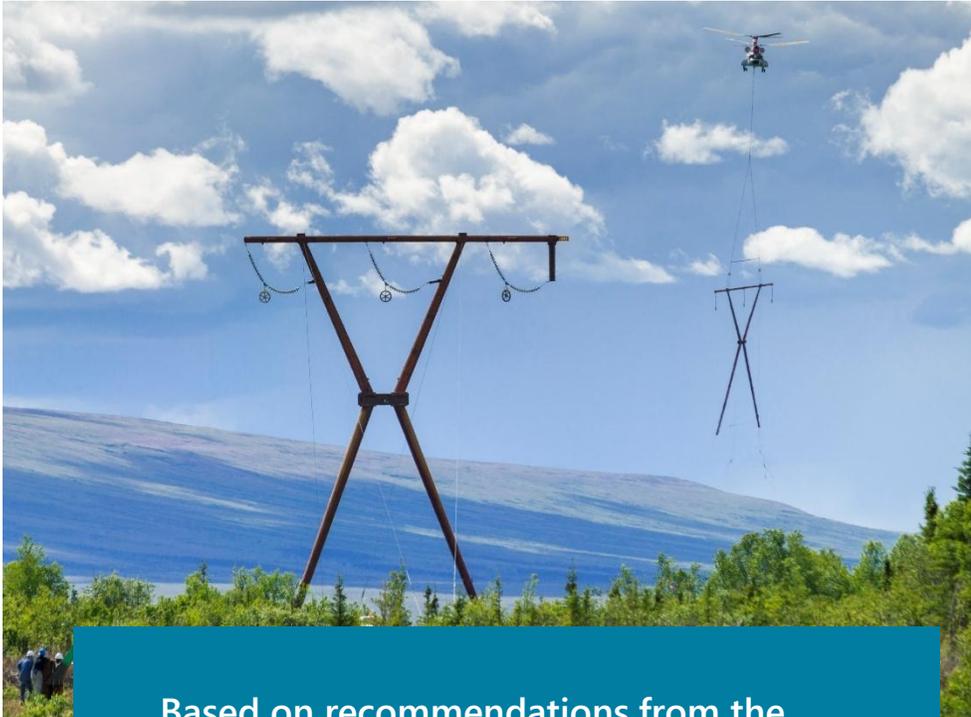
\$413 Million

Preliminary Engineering Done



SOUTHCENTRAL ALASKA

Nikiski - Beluga Intertie



Based on recommendations from the Governor's Alaska Energy Security Task Force—including eliminating transmission wheeling charges and establishing an RTO—the Legislature passed House Bill 307, signed into law on July 31, 2024. Under this new law, the RTO is established as a division of AEA.

Railbelt Transmission Organization (RTO)

- The RTO operates a **division of AEA** for administrative purposes.
- Governance includes representatives from **AEA, Chugach Electric Association, Golden Valley Electric Association, Homer Electric Association, Matanuska Electric Association, the City of Seward,** and the Railbelt Reliability Council (ex-officio, nonvoting member).
- The RTO received its **certificate to operate** from the Regulatory Commission of Alaska (RCA) on **May 6**.
- On **July 1**, the RTO filed a proposed **Open Access Transmission Tariff (OATT)** with the RCA, meeting its statutory deadline. The docket is pending at the RCA with a final order due June 4, 2026.
- The proposed OATT outlines terms for **network integration transmission service** and introduces a **formulaic tariff-based revenue mechanism** for recovering the costs to own and operate the backbone transmission system.

Renewable Energy Fund (REF)

REF Round 17 funded the **six top-ranked projects** recommended by **AEA**, with legislative approval and the Governor’s concurrence, for a **FY2026 appropriation of \$6.3 million**. For **Round 18**, **AEA** has recommended **29 applications totaling \$41.2 million** for consideration in the FY2027 Capital Budget.

Rounds 13-17: 67 projects – \$53.55M

- Rd 13: 11 Projects – \$4.75M
- Rd 14: 27 Projects – \$15M
- Rd 15: 18 Projects – \$17M
- Rd 16: 5 Projects – \$10.5M
- Rd 17: 6 Projects – \$6.3M



Kongiganak, Alaska



Since its inception, the State has invested **\$333 million** in the REF;



110+ projects are operational, and **56** more in **development**;



REF has **displaced 120 million gallons of diesel**—\$600 million in avoided costs at the FY2025 PCE rate of \$4.95 per gallon.

Rural Energy Infrastructure

Improving reliability and safety for Alaska's remote communities.



Rural Power System Upgrades

Improves generation in villages with <2,000 people by replacing inefficient mechanical systems with electronic generator sets.

Mitigates risk of aging system failure

ELIGIBLE
170
Communities

DEFERRED MAINT.
\$300 Million
Funding Need

Bulk Fuel Upgrades

Designs and builds modern, code-compliant bulk fuel facilities. Most existing facilities are >40 years old and pose safety risks.

Addresses corrosion and environmental risks

INVENTORY
400+
Facilities

DEFERRED MAINT.
\$1 Billion
Funding Need

Federal Funding for Bulk Fuel Infrastructure

Alaska Bulk Fuel Infrastructure Partnership

- **Funding:** **\$100 million** awarded to the Alaska Native Tribal Health Consortium (ANTHC) and subawarded to AEA and Alaska Village Electric Cooperative (AVEC) for project management
- **Partners:** Denali Commission, ANTHC, AEA, AVEC
- **Impact:** Largest single-year investment in **20+ years**; replaces failing infrastructure and improves safety and reliability
- **Communities:**
 - AEA - **Shageluk, Russian Mission, Eek, Aniak, Tuluksak**
 - AVEC - **Wales, Kivalina, Kobuk, Noatak, Quinhagak**
- **Schedule:** Aug. 2025–July 2028 | **Match:** None
- **Benefit** : Modern, resilient fuel storage for power, heat, and transportation

USDA Rural Utilities Service – High Energy Cost Grants

- **Funding:** **\$5 million** for bulk fuel maintenance and improvements
- **AEA Role:** Leads coordination, scoping, and community grant awards
- **Communities:** Atmoutluak, Brevig Mission, Chignik Lake, Chuathbaluk, Diomede, McGrath, Sleetmute, Stony River, and Teller
- **Schedule:** Scope refinement in 2026; construction during 2026–2027 seasons
- **Benefit:** Extends safe operation and facility life by 5–10 years



Thank You

Alaska Energy Authority
813 W Northern Lights Blvd.
Anchorage, AK 99503
Phone: (907) 771-3000
Fax: (907) 771-3044
akenergyauthority.org

APPENDIX

REF Round 18 Recommended Projects to Legislature



| Rank | Community | Project Name | Applicant Name | Technology | Recommended Funding | Energy Region | Election District |
|------|--|---|---|-----------------------------------|---------------------|--------------------------|-------------------|
| 1 | Kokhanok | Kokhanok Community Center Biomass Heating Project | Kokhanok Village Council | Biomass | \$312,800 | Bristol Bay | S-37 |
| 2 | Petersburg, Ketchikan, Wrangell | SEAPA Grid Resiliency (Tyee Hydro Upgrade) | Southeast Alaska Power Agency | Hydro | \$2,000,000 | Southeast | A-1 |
| 3 | Allakaket, Alatna | Allakaket Village Community Solar and Battery IPP | Allakaket Village Council | Solar, Storage, NaturalGas | \$2,953,085 | Yukon-Koyuk/Upper Tanana | R-36 |
| 4 | Haines, Skagway, Dyea, Klukwan, Chilkat Valley | Goat Lake Hydro Reservoir Expansion - Construction | Goat Lake Hydro, Inc. | Hydro | \$2,000,000 | Southeast | B-3 |
| 5 | Kongiganak | 500kwh BESS + Installation, Integration, including upgraded controls | Puvurnaq Power Company | Storage | \$596,000 | Lower Yukon-Kuskokwim | S-38 |
| 6 | Gambell | Gambell Battery Energy Storage System Project | Alaska Village Electric Cooperative, Inc. | Wind | \$1,932,516 | Bering Straits | T-39 |
| 7 | Elim | Elim Community Solar Project | Native Village of Elim | Solar, Storage | \$2,987,430 | Bering Straits | T-39 |
| 8 | Tuntutuliak | Tuntutuliak Turbine Repair & Upgrades | Tuntutuliak Community Services Association | Wind, Storage | \$565,000 | Lower Yukon-Kuskokwim | S-38 |
| 9 | Railbelt | Healy Volcanic Region Geothermal: Collaborative Data Collection and Subsurface Exploration | Alaska Renewables LLC | Geothermal, Transmission, Storage | \$1,248,029 | Railbelt | O-30 |
| 10 | Nome | NJUS Solar- Nome Banner Ridge Solar Farm | Nome Joint Utility System | Solar | \$3,950,000 | Bering Straits | T-39 |
| 11 | Unalakleet | Unalakleet Battery Energy Storage System (BESS) Project | Unalakleet Valley Electric Cooperative Inc. | Storage | \$1,060,595 | Bering Straits | T-39 |
| 12 | Railbelt | Anchorage Waste-to-Energy Facility Reconnaissance, Feasibility, Conceptual Design, and Permitting | Solid Waste Services, Municipality of Anchorage | Biomass | \$2,000,000 | Railbelt | Anchorage |
| 13 | Kotlik | Kotlik Solar Battery Project | Kongnikilnomuit Yuita Corporation | Solar, Storage | \$3,216,259 | Lower Yukon-Kuskokwim | T-39 |
| 14 | Atka | Atka Hydrogen Power Project | Native Village of Atka | Hydro, Storage | \$2,560,000 | Aleutians | S-37 |
| 15 | Railbelt | Walker Dome Wind Final Design and Permitting | Walker Dome Wind LLC | Wind, Transmission, Storage | \$2,000,000 | Railbelt | O-30 |

*If appropriated by the Legislature and approved by the Governor, this funding would be anticipated to become effective July 1, 2026, and included in the Fiscal Year 2027 capital budget.
 **Cumulative B/C Ratio is calculated based on the cumulative Net Present Value of Benefits and total Project costs (match, in-kind, and state funding)

REF Round 18 Recommended Projects to Legislature (Cont.)



| Rank | Community | Project Name | Applicant Name | Technology | Recommended Funding | Energy Region | Election District |
|--------------|---|--|---|------------------------------|---------------------|-----------------------|-------------------|
| 16 | Kwigillingok | 500kwh BESS + Installation, Integration, including upgraded controls | Kwig Power Company | Storage | \$598,000 | Lower Yukon-Kuskokwim | S-38 |
| 17 | Valdez District, Copper River Basin District | Solomon Gulch Hydroelectric Facility Pool Raise | Copper Valley Electric Association, Inc. | Hydro | \$1,490,136 | Copper River/Chugach | O-29; R-36 |
| 18 | CEA Serving Area | Beluga Solar Array | Chugach Electric Association Inc. | Solar | \$2,000,000 | Railbelt | Anchorage |
| 19 | Elfin Cove | Elfin Cove Hydro Final Permitting and Design | Community of Elfin Cove Non-Profit Corporation, Elfin Cove Utility Commission | Hydro, Storage | \$130,000 | Southeast | A-2 |
| 20 | Mat-Su Region | Hunter Creek Hydro Electric Feasibility Study Project | Matanuska Electric Association | Hydro | \$112,000 | Railbelt | Mat-Su Borough |
| 21 | Scammon Bay | Wind Power in Scammon Bay | The Native Village of Scammon Bay | Wind | \$1,172,401 | Lower Yukon-Kuskokwim | T-39 |
| 22 | Railbelt | Chatanika Wind Feasibility and Conceptual Design | Chatanika Wind LLC | Wind, Transmission, Storage | \$583,000 | Railbelt | R-36 |
| 23 | Seldovia, Halibut Cove, Homer | Kenai Peninsula Energy Strategy Planning Project | Chugachmiut | Hydrokinetic | \$707,050 | Railbelt | C-6 |
| 24 | Atmaultluak | ATU BESS Battery Replacement Project | Atmaultluak Tribal Utilities | Storage | \$444,500 | Lower Yukon-Kuskokwim | S-38 |
| 25 | Hoonah, Kake, Chilkat Valley, Angoon, Klukwan | Hoonah Battery Energy Storage System (BESS) Installation Project | Inside Passage Electric Cooperative | Storage | \$2,350,000 | Southeast | A-2 |
| 26 | Knik Tribal members, Mat-Su Region | Solar in the Heart of the Railbelt | Knik Tribe | Transmission, Solar, Storage | \$292,640 | Railbelt | Mat-Su Borough |
| 27 | Akiachak | Akiachak Wind System Design and Integration | Akiachak Native Community | Wind, Solar, Storage | \$797,510 | Lower Yukon-Kuskokwim | S-38 |
| 28 | Railbelt | Bald Hills Wind Feasibility and Conceptual Design | Bald Hills Wind LLC | Wind, Transmission, Storage | \$528,000 | Railbelt | S-37 |
| 29 | Mat-Su Region | Knik Tribe Renewable Reconnaissance and Feasibility Study | Knik Tribe | Wind | \$577,100 | Railbelt | Mat-Su Borough |
| Total | | | | | \$41,164,051 | | |

*If appropriated by the Legislature and approved by the Governor, this funding would be anticipated to become effective July 1, 2026, and included in the Fiscal Year 2027 capital budget.

**Cumulative B/C Ratio is calculated based on the cumulative Net Present Value of Benefits and total Project costs (match, in-kind, and state funding)

Federal Funding – Awards and Pending Applications



| # | Awarded and Conditional Awards | Alaska Grant \$ | Match \$ |
|----|--|-----------------------|-----------------------|
| 1 | Grid Resilience and Innovation Partnerships Topic 3 Phase 1 | \$ 206,500,000 | \$ 206,500,000 |
| 2 | Preventing Outages and Enhancing the Resilience of the Electric Grid (40101d) | \$ 64,022,556 | \$ 9,603,383 |
| 3 | National Electric Vehicle Infrastructure Program (NEVI) – Formula Funding | \$ 37,553,664 | \$ 10,483,059 |
| 4 | Alaska Bulk Fuel Infrastructure Partnership (ABFIP) – (Shageluk, Eek, Tuluksak, Aniak and Russian Mission) | \$ 50,000,000 | \$ - |
| 5 | Home Efficiency Rebates Program | \$ 37,293,071 | \$ - |
| 6 | Home Electrification and Appliance Rebates Program | \$ 37,150,940 | \$ - |
| 7 | Defense Community Infrastructure Pilot - Black Rapids Training Site | \$ 15,602,648 | \$ - |
| 8 | USDA High Energy Cost Grants (Kipnuk, Napaskiak, Manokotak) | \$ 7,974,420 | \$ 4,322,916 |
| 9 | USDA High Energy Cost Grant – FY2026 – Bulk Fuel M&I (Supporting 9 rural communities) | \$ 5,000,000 | \$ - |
| 10 | Energy Efficiency Revolving Loan Capitalization | \$ 4,782,480 | \$ - |
| 11 | State Energy Program (FY2025 + BIL Supplement) | \$ 4,177,360 | \$ - |
| 12 | Vehicle Technology Office Competition Federal Fiscal Year 2022 (ARED) | \$ 1,670,000 | \$ 417,500 |
| 13 | Energy Efficiency and Conservation Block Grant | \$ 1,627,450 | \$ - |
| 14 | Training for Residential Energy Contractors (TREC) | \$ 1,293,870 | \$ - |
| 15 | USFS Community Wood Energy Grant FY2025 (DC Match) | \$ 836,723 | \$ 836,723 |
| 16 | USFS Wood Innovation Grant FY2025 | \$ 184,651 | \$ - |
| | Total Awards = \$707,833,414 | \$ 476,669,833 | \$ 232,163,581 |

| # | Application Submitted - Status Pending | Alaska Grant \$ | Match \$ |
|---|---|----------------------|---------------------|
| 1 | FY2027 Federal Congressional Directed Spending (CDS) Requests | \$ 9,593,215 | \$ 0 |
| 2 | Watersmart Grants: Water and Energy Efficiency Grants – Dixon Diversion | \$ 5,000,000 | \$ 5,000,000 |
| | Total Pending = \$19,593,215 | \$ 14,593,215 | \$ 5,000,000 |

Circuit Rider Program

Electrical Emergency Assistance

- Kwethluk (1)

Circuit Rider and Bulk Fuel Itinerant Onsite

Number after entity indicates more than one occurrence: 50 Total Onsite Visits

- Akhiok (3)
- Akiak (2)
- AVTEC/Seward (6)
- Beaver (1)
- Chevak (1)
- Chignik Bay (1)
- Chignik Lake (1)
- Chitina (2)
- Chuathbaluk (1)
- Eek (1)
- Elfin Cove (2)
- Golovin (2)
- Koyukuk (2)
- Levelock (2)
- Napaskiak (6)
- New Stuyahok (1)
- Nunam Iqua (2)
- Nunapitchuk (1)
- Perryville (1)
- Port Heiden (3)
- Rampart (2)
- Scammon Bay (1)
- Takotna (2)
- Teller (1)
- Tenakee Springs (1)
- Tuluksak (1)
- Venetie (1)

Circuit Rider Real-Time Remote Assistance

Number after entity indicates more than one occurrence: 245 Total Responses

- Akhiok (4)
- Akiachak (11)
- Akiak (7)
- Aniak (1)
- Arctic Village (2)
- Atka (1)
- Atmautluak (3)
- Buckland (2)
- Central (1)
- Chalkyitsik (1)
- Chignik (4)
- Chignik Lagoon (1)
- Chignik Lake (3)
- Chitina (9)
- Chuathbaluk (6)
- Circle (5)
- Clarks Point (1)
- Diomedede (2)
- Egegik (5)
- Elfin Cove (6)
- False Pass (2)
- Fort Yukon (2)
- Golovin (1)
- Hughes (1)
- Karluk (9)
- Kipnuk (11)
- Kokhanok (2)
- Koliganek (2)
- Kongiganak (1)
- Koyuk (1)
- Koyukuk (4)
- Kwethluk (6)
- Kwigillingok (3)
- Levelock (9)
- Manokotak (1)
- Mc Grath (1)
- Mertarvik (2)
- Napaskiak (20)
- Nelson Lagoon (1)
- Nikolai (8)
- Nikolski (1)
- Nunam Iqua (11)
- Ouzinkie (1)
- Pedro Bay (4)
- Pelican (1)
- Perryville (3)
- Pilot Point (4)
- Port Alsworth (1)
- Port Heiden (17)
- Rampart (5)
- RedDevil (1)
- Ruby (3)
- Saint George (1)
- Seward (1)
- Sleetmute (3)
- Stony River (2)
- Tatitlek (4)
- Tenakee Springs (3)
- Tuluksak (3)
- Tununak (1)
- Unalakleet (3)
- Venetie (7)
- White Mountain (1)



FY2025 Financial Highlights



| STATEMENTS OF NET POSITION | June 30, 2025 | June 30, 2024 |
|--|------------------|------------------|
| Assets: | | |
| Restricted investment securities and cash | 1,285,139 | 1,281,491 |
| Securities lending collateral | 46,735 | 44,045 |
| Loans, net | 29,508 | 30,832 |
| Capital assets, net | 375,026 | 369,244 |
| Receivables and other assets | 15,420 | 9,871 |
| Net Other Post-Employment Benefits (OPEB) | 1,479 | - |
| Total assets | 1,735,307 | 1,735,438 |
| Deferred outflows – Public Employees' Retirement System and OPEB | 511 | - |
| Total assets and deferred outflows | 1,735,818 | 1,735,483 |
| Liabilities and net position: | | |
| Liabilities | | |
| Bonds payable | 195,915 | 201,253 |
| Securities lending collateral | 85,622 | 44,045 |
| Payables and other liabilities | 46,735 | 78,723 |
| Deferred inflows - Related to OPEB | 34 | - |
| Total liabilities | 328,272 | 324,021 |
| Net Position | 1,425,512 | 1,411,462 |
| Total liabilities, deferred inflows, and net position | 1,753,818 | 1,735,438 |