

# Alaska Energy Policy Task Force

*Created by the 23<sup>rd</sup> Alaska Legislature*

Headquartered at AIDEA/AEA  
907-269-3000 Fax: 269-3044  
In State Only: 1-888-300-8534

813 W. Northern Lights  
Anchorage, AK 99503  
[www.aidea.org](http://www.aidea.org)

## **Minutes of the Alaska Energy Policy Task Force Meeting**

September 23, 2003

AIDEA/AEA Board Room, Third Floor

**Call to Order:** With all nine members present, the first meeting of the Energy Policy Task Force was called to order at 9:00 a.m. by temporary Chair Becky Gay of Representative John Harris' office, Coordinator of the Task Force.

**Quorum In Attendance:** Appointed members Mike Barry, Red Boucher, Dave Carlson, Wayne Carmony, Rick Eckert, Steve Haagenson, Meera Kohler, and Robert Wilkinson.

**On teleconference:** Tom Boutin in Juneau. **Others:** Staff members Becky Gay and Bernie Smith. **Public:** Jerry Burton of RCA, Tuckerman Babcock, Don Zoerb and Mike Pauley of MEA, Joe Griffith, Sam Cason and Phil Steyer of CEA, Eric Yould of ARECA, Karl Reiche of AIDEA/AEA, Ron Saxton of Ater Wynne law firm, Sandy Burd of Sen. Hoffman's office, and Chris Rose of ACF/RAP. **Listening:** Steve Denton, UCM.

**Opening statement:** On behalf of Senate President Gene Therriault and Speaker of the House Pete Kott, Gay thanked the members for participating, noting that the Task Force would be forging a new model of cooperative interest between the Administration and the Legislature on electric utility issues facing the state. Gay directed attention to the packet, specifically to the four directives outlined in HCR 21. The Task Force was established to: 1. Review and analyze the state's current and long-term energy needs, 2. Consider how best to incorporate state-owned Railbelt energy assets as part of the solution for the Railbelt's current and long-term electrical needs, 3. Address elements of Alaska's long-term energy needs that can be solved through action on the part of industry and/or government actions, such as pooling and integrated resource planning, and 4. Develop a long-term energy plan to efficiently enhance Alaska's economic future. Final findings regarding a Railbelt energy plan are to be reported to the Legislature by December 31, 2003. Reports of task force findings for non-Railbelt areas are due by March 31, 2004.

**Self-Introductions of Task Force Members:** Gay asked appointed members to introduce themselves and to give a brief, pertinent statement of who they represent at the table, as well as involvement, interest and/or expertise in Alaska electric utility issues.

**The Honorable H.A. "Red" Boucher, Anchorage, Board Member of Chugach Electric Association,** began by summarizing a 45-year history in Alaska, holding political offices that included Lt. Governor and State Representative. Boucher asked that his business name, Alaska Wireless Technology, be included in his title for the roster of Task Force members and expressed excitement at getting started on an important agenda. **Dave Carlson, Petersburg, Southeast Conference Intertie Coordinator,** noted his 30-year history in Alaska including his long involvement with the Four Dam Pool and his

recent work as Divestiture Project Coordinator for that group. Elected positions include being Mayor of Petersburg and the Petersburg City Council. Carlson expressed admiration for the utility industry and looks forward to participating in the group.

**Robert Wilkinson, Glennallen, CEO of Copper Valley Electric Association (CVEA),** said he had lived in Alaska since 1959 as a “military brat,” residing in the Copper Valley since 1986. He noted his training as an accountant, experience as CFO and the odd position of CVEA being “not Railbelt, not PCE.”

**Meera Kohler, Anchorage, President/CEO of Alaska Village Electric Association (AVEC),** described her utility career as beginning in Cordova in 1979, going on to Naknek, then ML&P of Anchorage, before now representing 51 small villages in AVEC, giving her a solid foundation in both urban and rural aspects of utility business.

**Wayne Carmony, Wasilla, General Manager of Matanuska Electric Association,** noted he has served at MEA since 1994, described his background as an “industry brat,” having received his electrical engineering degree from the University of Kentucky and worked in the electric utility industry since then.

**Mike Barry, Anchorage, Chair of the AIDEA/AEA Board,** described his private sector background in Alaska since 1960, which includes years as a banker at NBA and as a developer, most recently of the Dimond Center, noting he is a Chugach consumer.

**Steve Haagenson, Fairbanks, President/CEO of Golden Valley Electric Association,** described his years in Alaska, which includes participation in all Railbelt studies and projects since 1984, and working for Golden Valley for the past 28 years. He serves presently as Chair of the Alaska State Coordinating Council, a utility consortium, and as Chair of the Bradley Lake Project Management Committee.

**Rick Eckert, Jr., Homer, Interim Manager for Homer Electric Association (HEA),** noted his utility career began in 1981, most recently CFO for HEA. Eckert noted HEA’s service area has unique aspects of remote villages and industrial needs to consider.

**Tom Boutin, Deputy Director for the Treasury,** described his seat on the Task Force as being designee for the Commissioner of Revenue. Boutin briefly described his career in state government from his days in the Forestry division, to presently being in charge of the \$16 Billion treasury for Revenue Department.

**Staff Smith and Gay** also gave brief introductions.

**Approval or Changes to the Agenda:** No changes. Agenda approved, no objection.

**Elect Chair and Vice Chair:** Gay opened the floor for nominations for Chair. Carmony made a motion to nominate Barry. Kohler made a motion to nominate Boucher. A secret ballot was conducted. A brief recess occurred while staff phoned Juneau to get Boutin’s vote by voice and by fax. Barry was elected on a 5-4 vote. Carmony made a motion to nominate Boucher for Vice Chair, which was supported unanimously. Barry proceeded to Chair the remainder of the meeting.

**Establish procedures:** Barry brought up the need to determine meetings and outcomes and asked for suggestions regarding subcommittee. Vice Chair Boucher objected to subcommittees, preferring to meet as a committee of the whole for learning purposes. He also suggested bi-weekly meetings. Carlson said he would prefer all-day or two-day meetings due to the time and travel involved. Kohler suggested leaving scheduling until later on the agenda under that item. Scheduling was postponed, no objection. Discussion continued, with Eckert noting the task force has staggered deadlines and the need for defining what the Governor and Legislature define as economic development and need.

Kohler asked if fuel was contemplated to be in the mix, to which Smith noted legislative intent is specific to electricity. Wilkinson brought up brainstorming, noting gas line and long-term considerations of sources of fuel have to be considered for planning. Haagenson gave analogy of “buckets” which needed to be organized into subjects of interest, suggesting fuel efficiencies, renewable energy, electrical generation sources, delivery and transmission issues, pools such as JAAs, and IRPs.

**Administrative procedures:** Gay gave procedures briefing regarding the Uniform Rules (source document in the packet) of the Legislature under which the Task Force will operate, including Mason’s Rules; definition of a quorum (five); definition of majority (of those present, after satisfying quorum); public notice requirement (notice the Chief Clerk and Senate Clerk at least the Thursday before meeting for listing on statewide BASIS notice); open meetings (comply); executive sessions (not recommended, but manageable); minutes (staff will provide) and taping (required of committees.) Gay also noted enabling legislation (SCS for CSHCR21 Fin) with final Resolve 24 included in packet as a source document from which the four directives were derived.

**Staff report/administrative:** Smith gave a short briefing on the staff research document, Statewide Energy Plan, An Overview, and went through the document provided in the packet. Smith emphasized the plan is a “living document” and anticipated it being used as a working document or framework by the Task Force. Smith noted the document is on the AIDEA website now. Staff will be working on putting a link specific to the Energy Policy Task Force on that site. All input is welcome and other links are appreciated as staff builds that site. **Discussion of additional topics:** Boucher added cyber-security, with a security audit for system. Haagenson mentioned security versus response and NERC planning criteria. Barry added reliability as a topic. Kohler suggested looking at the total high voltage transmission system. Carlson mentioned state-owned assets. Wilkinson questioned coal bed methane potential. Based on these additional suggested topics and the list of recommended task force topics found in the Statewide Energy Plan, An Overview, Carmony voiced concerns about “looking at the trees, trying to see the forest” and cautioned against the Task Force interfering with anyone’s business negotiations. Barry noted concerns with defining what is environmentally responsible and sustainable and asked the difference between power pooling and integrated resource planning. Haagenson expressed concern with the age of generators, discussing “big picture.” Eckert noted concerns regarding competition and legislation, with Haagenson questioning the role of regulators in competition. Kohler suggested a path of deliverables, including an inventory of existing assets, assessing current reliability and life of assets, identifying future paths, with long-term (10, 20, 30 or 50?) year scenarios, identifying means to achieve future needs which includes a look at generation, transmission and public policy/regulatory structure. Carmony stated plans now include stable regulatory environment, with each utility planning within its own service area, but the task force needs to broaden scope and have larger vision. Barry reiterated legislative “vision” and Railbelt report first deadline. Haagenson noted integrated resource planning already underway for Railbelt, with basic issue of “where is the load?” and how to deliver. Carlson reported that Southeast Conference is completing a \$100,000 study covering the same subjects and he will distribute a copy to all task force members upon finalization of the report. Boucher handed out a small booklet entitled “Alaska Energy Systems,” containing a brief statement, a synopsis of Alaska Electric Utilities (2002 statistics), a glossary of industry terms, a listing of other affiliates and a

map showing the Northern and Southern Interties. Kohler noted about 100 small PCE utilities need to be added and Boucher encouraged everyone's help in updating the booklet.

**Staff administrative items:** Gay explained staff would help individuals claim applicable per diem and pointed out the source citations on that subject in the packet for individual review. Regarding public notice, although not required Gay is giving additional notice to the interested public on meetings by email when requested. Barry emphasized that the public was to be included and to forward any notice requests to staff. A provision for public comment was discussed, after which Barry opened the meeting to the public.

**Public comment:** Chris Rose, Renewable Energy Director for the Alaska Conservation Foundation spoke briefly on his interest in the Task Force process. He re-emphasized the Task Force would be setting criteria by which to judge what is economic, what is sustainable and what is long term, suggesting that at least 50 years be the criteria. Rose spoke further on diminishing fossil fuels, and the potential for hydrogen fuel cells and wind generation. Smith noted that the Assistant Secretary of Renewable Resources for DOE, Dave Garman, is touring Alaska with AEA staff looking at geothermal sites.

**Set meeting schedules and deadlines:** Next two meetings were both set for **Tuesdays, October 7 and October 21, at the AIDEA/AEA 3<sup>rd</sup> Floor Board Room from 1:00 p.m. – 5:00 p.m.**, with a teleconference available through the Legislative bridge number. Members requested topics for the next agenda to include 10-15 minute presentations by the seven Railbelt utilities, an assets overview by the Alaska Energy Authority, a draft scope of work on the Railbelt Integrated Resource Plan (IRP), and a discussion of the format of the final report. Haagenson distributed a discussion draft of Iowa's Energy Policy Recommendations as a good sample format.

**Task Force Member comments:** Haagenson said he has high expectations of the Task Force, and not to forget the "little guys." Carmony asked if there would be any summary notes of the meeting for Task Force members, and was assured by staff there would be draft minutes sent out prior to the next meeting for review. Kohler stated she believed the Task Force will be meaningful, but has no desire to make another "blue print for the future that stays on the shelf." She noted that assets are still owned and operated by the utilities and there needs to be "buy-in" for implementation of any recommendations. Carlson said he is excited to participate and believes that getting folks together makes good work possible. Boucher agreed wholeheartedly and stated he looked forward to working with the group, hoping they will look at his Energy booklet handed out earlier and send edits to him directly. Barry closed the comments stating he appreciated being elected Chair and wants to keep "on target." As Chair, Barry asked for direction and suggestions from the Task Force members as the meetings progress.

**Meeting adjourned at 11:45 a.m. Members and staff lunched informally.**