

Alaska Energy Authority
Railbelt Electrical Grid Authority
Technical Conference – Roundtable Summary
November 27, 2007

Is there a need for an independent system operator to manage and dispatch power in the Alaska Railbelt Electric Grid?

Primary drivers

- The state needs a long-term comprehensive energy plan – urban and rural – that addresses the entire supply chain over the millisecond to 30-year timeframe
- This is a serious issue; there is an urgent need to address the aging infrastructure of electrical generation and to ensure natural gas availability; the emphasis needs to be on redundancy, reliability and sustainability
- The cost of energy and power affects the state economy and employment
- The Railbelt utilities must work together on generation and transmission issues; unless the utilities work together, the state will not be a source of funding
- Large projects with extended timelines require the utilities and the state to work together

Planning

- There needs to be an energy planning organization that deals with the “big picture” issues of electrical generation and transmission – perhaps the REGA Advisory Group
 - Lay out all options
 - Consider effect of electrical generation on gas utilization and supply
 - Consider all governance options
 - Consider independent power producers among the energy options
 - Consider the impact on consumers and the socioeconomic fabric of communities
 - Analyze the unbundled costs of generation, transmission, distribution
 - Create an intensive, open, transparent public process
 - Identify a formal advisory / stakeholder group, representing the whole Railbelt, not just utilities
 - Establish working groups in four functional areas
 - Governance
 - Gas purchasing
 - Generation
 - Transmission
- Railbelt utilities’ general managers need to meet on a regular basis to build trust and create opportunities for joint action
 - The Alaska Power Association can provide a forum for utilities to work together, discuss strategic plans

Transmission

- Begin with consideration of a transmission entity to ensure there is a robust reliable Railbelt transmission system fitting the 21st century needs of the Railbelt
 - Establish an open transparent governance approach with stipulated voting rights, that includes cooperatives, municipalities, independent power producers, qualified facilities, and public sector (including legislative) energy interests
 - Ensure open access to the transmission system

Generation

- The public policy should encourage diversification of generation sources
- Combine the market power of utilities in purchasing fuel for generation
- Utilities should have the primary responsibility for ensuring sufficient generation
- Develop marketplace solutions, with consideration of social and environmental effects
- Encourage alternative and renewable energy sources by removing barriers
- Create incentives for energy efficiency and conservation
- There should be a level playing field for all (especially with regard to use of state resources)
- For generation – determine what plants to build in the future
 - Next 5-10 years likely to be primarily gas
 - Then hydro projects like Susitna and Chakachamna
 - Keep the opportunity for independent power producers and qualified facilities to provide additional solutions

Note: This summary is intended to capture the primary points raised in the Roundtable. Statements in the summary may not represent the views of a majority of participants. There were no votes taken on recommendations. Participants did agree, however, to participate in the planning and working group process, and utility managers agreed to begin regular meetings on generation and transmission issues.