

Regional Integrated Resource Plan (RIRP)
Coordination Conference Call
August 11, 2009 10:00 a.m. ADT
Meeting Minutes

Began at 10:00 a.m. ADT

- Myron Rollins, Arlin Mire, Kevin Harper, Jim Gooding - Black & Veatch
- Dick Schober - Seattle Northwest
- Dave Burlingame - Electric Power Systems
- Jim Strandberg, Bryan Carey - AEA
- Mark Fouts, Burke Wick - Chugach Electric Association
- Gary Kuhn, Jim Walker - Matanuska Electric Association
- Doug Hall - Anchorage Municipal Light & Power
- Henri Dale – Golden Valley Electric Association
- Paul Berkshire - HDR

Project Manager Comments

- An item that came out of the Advisory Working Group Meeting was the need for preliminary results from the Integrated Resource Plan Study by mid- to late September to get an idea of the near term infrastructure projects. Fuel infrastructure projects are particularly important with relation to the potential for gas storage and fuel supply.
- Preliminary results will also provide a sense of direction for the long-term. The analysis should include the risk of fuel supply and price volatility. The Alaska Energy Authority and Black & Veatch are working to ensure the amendments are executed. Jim Strandberg will get together with Enstar to complete the third amendment.
- Jim Strandberg will be meeting with the AIGEA team Friday, August 14.
- A Utility Task Force meeting was held in the Kenai recently. Three utilities, Matanuska Electric Association, Chugach Electric Association, and the City of Seward have publicly expressed the desire to move forward with the Greater Railbelt Energy and Transmission Corporation (GRETC) concept. Golden Valley Electric Association and Homer Electric Association's board chairs have indicated they want to have a meeting later this month.
- HDR has been evaluating the capabilities of a downsized Susitna project against the projected Railbelt load. Preliminary results indicate that a downsized project cannot meet all of the projected load for the Railbelt system, but further study is being done. This evaluation is being done in addition to the other Susitna options that have previously been identified.
- HDR expects to have the evaluation of the downsized project by the end of August, with preliminary model inputs completed before then.

- Black & Veatch is developing a risk-based, probabilistic approach to evaluate the natural gas situation. They are currently on schedule and expect to have results by the end of September.
- Black & Veatch is also working with the natural gas team to deliver preliminary modeling results from PROMOD and STRATEGIST with regards to the three scenarios identified during the Advisory Working Group meeting.
- Black & Veatch is also looking to deliver preliminary transmission options to Dave Burlingame by early September. A meeting will be set up next week to move this effort ahead.
- Electric Power Systems has nearly completed the wind penetration portions of the evaluations and should have them finished soon.
- Jim Strandberg noted that the mid- end of September interim date has been put in place to support the drafting of potential legislation and to allow the utilities to begin the process and to meet with the legislators.
- Electric Power Systems has a task order with the Alaska Energy Authority to complete the transmission analysis for Susitna. Dave Burlingame has been in contact with the Susitna group to gather the necessary characteristics. Dave indicated the analysis should be done by September.
- Dave indicated that Electric Power Systems has not dealt with Chakachamna and that its transmission issues should come out of the Black & Veatch modeling efforts. It was also noted that there may be a significant amount of transmission investment required to support a long-term Chakachamna build.
- Black & Veatch has a good handle on the TDX project specific costs. They are internally reviewing the costs to ensure the reasonableness of the numbers with the note that the costs provided do not include improving the backbone of the transmission system. Those costs will need to be completed after the initial Integrated Resource Plan runs.
- Dave Burlingame noted that if Chakachamna stays below 180 MW, two transmission lines would be sufficient for the project, but if the project exceeds that amount, a third transmission line would need to be built.
- Jim Strandberg asked that the preliminary results in September accurately reflect the transmission needs of Chakachamna
- Kevin Harper mentioned that two areas that may require further development after the mid- end of September timeframe are the transmission investments and financial analysis because they are on the backside of the study. With that, Kevin mentioned that there is enough knowledge and experience in the group to develop reasonably good estimates of the final results in terms of order of magnitude.
- In the near term, some major proposed projects will be put on the table and discussed.
- Dave Burlingame indicated that he will be unavailable from August 20th through September 4th.

- Kevin Harper will coordinate with the group to have a focused discussion on the preliminary list of transmission projects. Kevin also requested that individuals send their availability to him and Arlin Mire so that a discussion can be scheduled to develop a list of preliminary transmission investments.
- Dick Schober indicated that Seattle Northwest has created a base financial model and could provide some output. Going forward, they will need the timing of capital expenditures to replace the preliminary inputs. Seattle Northwest expects to look at how to arrive at an equitable cost of power for a longer term time period than would currently be fundable in the capital markets. Bonds longer than 35 years are difficult to finance.
- Dick noted that some financing options have been derived from the Bradley Lake model and will be provided in the next couple of weeks to vet those out.
- Jim Strandberg suggested that Kevin Harper and he have another meeting with Dick Schober to develop the model's methods sometime in the next week to 10 days, hopefully before the next advisory working group meeting. Jim mentioned that he would travel to Seattle if necessary.

Adjourned at 10:58 a.m. ADT