Alaska Industrial Development and Export Authority
BOARD MEETING MINUTES
Wednesday, November 4, 2026
via Teleconference

1. CALL TO ORDER

Chair Kendig called the meeting of the Alaska Industrial Development and Export Authority to order on November 4, 2026, at 9:00 a.m.

2. ROLL CALL BOARD MEMBERS

Members present: Chair Bill Kendig (Public Member); Albert Fogle (Public Member); 9Julie Sande (Commissioner, DCCED) (no audible response); Lee Cruise (Deputy Commissioner, DOR); Randy Eledge (Public Member); Al Haynes (Public Member)(Arrived Late); and Rick Solie (Public Member)(Arrived Late).

A quorum was established.

3. AGENDA APPROVAL

MOTION: A motion was made by Vice Chair Fogle to approve the agenda, as presented. Motion seconded by Mr. Eledge.

Chair Kendig noted that Mr. Solie joined the meeting.

A roll call vote was taken, and the motion to approve the agenda passed unanimously, with Mr. Haynes not present, and no audible response from Commissioner Sande.

4. PRIOR MINUTES – October 21, 2026

MOTION: A motion was made by Mr. Solie to approve the Minutes of October 21, 2026. Motion seconded by Vice Chair Fogle.

Mr. Eledge asked Randy Ruaro, Executive Director, if he has taken care of the request from page one, Section 4, next to the last paragraph, and if he would comment. Mr. Ruaro agreed that issue was taken care of. Mr. Eledge asked Mr. Ruaro if Mr. Haynes got an answer. Mr. Ruaro agreed.

Chair Kendig noted that Mr. Haynes joined the meeting.

There were no other comments or questions.

A roll call vote was taken, and the motion to approve the Minutes of October 21, 2026 passed unanimously, with no audible response from Commissioner Sande.

5. PUBLIC COMMENT

Chair Kendig requested that Mr. Ruaro begin the public comment period.

Mr. Ruaro noted that for the record, he will walk through some of the key points related to AIDEA that seem to be persistently misunderstood by some in the public. He explained that the congressional reports clearly reflect that Congress' intent in offering statehood in the Statehood Act for the State of Alaska was that Alaska would become a state and would develop its natural resources to be able support itself economically and to provide jobs for Alaskans by the development of its natural resources. Congress said for Alaska to develop all of Alaska's resources, and that a strong Alaska is a benefit for the nation and makes the nation stronger. That is the public policy that was set by Congress as federal law for the State of Alaska.

Mr. Ruaro explained that he provided this background because there are people who think that AIDEA is doing something wrong when AIDEA pursues development of oil and gas or mining resources. AIDEA is following the public policy set by the federal government. Mr. Ruaro discussed the importance that people understand that AIDEA was not given a mission of only investing or developing certain resources, rather it is all of the resources for the benefit of all Alaskans. This mission continued from the Statehood Act to the Alaska Constitution, Article 8, that reflects the intent of Congress that Alaska's lands, mineral resources, oil and gas, belong to all Alaskans, not some Alaskans who would prefer that the resources are not developed, and that those resources are to be developed for the benefit of Alaskans. This is a public policy statement of the State of Alaska.

Mr. Ruaro discussed that Article 7 of Alaska's Constitution which says that the revenue from mineral and resource development, economic development, is to be used for the benefit of all Alaskans for their health, education, and general welfare. This is a mandatory duty that needs to be met. This demand and need can only be met by developing the resources. Mr. Ruaro discussed that the Legislature last year could not afford to fix leaky roofs in many of the schools. The answer to that dilemma is not less resource development, it is more resource development for the benefit of all Alaskans, not just some Alaskans who prefer not to develop Alaska's resources. AIDEA was clearly borne out of both the Statehood Act and the Alaska Constitution, and it reflects those public policy decisions by Congress and the State of Alaska Legislature. This is reflected in AIDEA's mission statement to assist in the development of natural resources, economic development, and to create jobs. Mr. Ruaro believes that the creation of jobs is particularly overlooked in AIDEA's efforts. Jobs lift people out of poverty and lift people out of suffering. The mining and oil and gas jobs are some of the best paying jobs in the state, and Alaska needs more of these jobs.

Mr. Ruaro discussed that the GeoAlaska Mount Augustine Project is a renewable energy project. AIDEA does not discriminate among energy types when looking to advance development. Mr. Ruaro believes it is important to reiterate AIDEA's mission because Alaska faces unemployment issues, particularly in rural areas, and those are some of the areas where AIDEA wants to create jobs the most. Mr. Ruaro's personal view is that poverty, unemployment, homelessness, and other problems are equivalent to suffering and are a direct result of the lack of good paying jobs.

Mr. Ruaro added that AIDEA's funds are not State funds. AIDEA's funds are not controlled by the Legislature, except for AIDEA's operating budget. This is an exception in the law. AIDEA's dividend can be allocated to whatever uses that the Legislature wishes to approve. Mr. Ruaro explained that when people who oppose AIDEA's resource development testify that they are concerned about AIDEA's use of public and State funds, the premise is not accurate. AIDEA is not using State funds.

Chair Kendig advised that Commissioner Sande has been on the line the entirety of the meeting, but the line was muted and she was unable to be heard. The technical issues have been resolved.

There were no members of the public in-person or online who wished to make a comment. Chair Kendig closed the public comment period. There was no objection.

6. NEW BUSINESS

MOTION: A motion was made by Vice Chair Fogle to enter into executive session for the purpose of discussing the following: AIDEA Finances and Investments, and other matters which are subject to specific legal advice, and matters subject to the executive and deliberative process privileges. Discussion will include Ambler, ANWR, West Susitna Access Project, GeoAlaska, Wrangell Shipyard, AIDEA FY26 Audited Financials, AIDEA dividend, and AIDEA finances. These matters, which if discussed publicly could have an adverse effect on the finances of AIDEA, are matters that are subject to attorney-client privilege, and matters involving consideration of issues that by law are not subject to public disclosure due to the executive or deliberative process, privilege, or other law. The executive session and matters discussed therein are proper subjects for an executive session under the Alaska Open Meetings Act, reference Alaska Statute 44.62.310 (C)(1), (3), and (4), and the Alaska Public Records Act. Motion seconded by Deputy Commissioner Cruise.

Vice Chair Fogle noted that he misspoke during his motion, and that he should have said AIDEA FY26 Audited Financials. There was no objection to correcting the motion.

A roll call was taken, and the motion to enter into Executive Session passed unanimously.

6A. Executive Session: 9:13 a.m. Confidential and deliberative matters related to: Ambler, ANWR, West Susitna Access Project, GEOAlaska, Wrangell Shipyard, Review of AIDEA FY2026 Audited Financial Statements, Authorizing the FY28 Dividend, and AIDEA Finances. All of which are subject to the deliberative process privilege, executive process privilege or other legal exemptions from the Open Meetings Act. Also, matters related to AIDEA subject to the attorney-client privilege will be discussed.

The Board reconvened its regular meeting at 1:07 p.m. Chair Kendig advised the public that no official action was taken during Executive Session, and that the Executive Session is in recess in order to move to the public session of the Agenda Items 6B. through 6G. The Board will consider resolutions related to GeoAlaska and Mount Augustine Geothermal Project, Wrangell Shipyard, Audited Financials, and the AIDEA Dividend. The Board will then reconvene the Executive Session to focus only on Ambler related agreements. There were no comments or

objections.

6B. GeoAlaska Presentation

An unidentified speaker discussed that Resolution G26-13 authorizes AIDEA to undertake a direct equity investment in GeoAlaska, which is a renewable energy start-up that plans to operate on Mount Augustine Island believed to be a strong geothermal resource with potential to provide the Railbelt with a substantial portion of its current power requirements.

Paul Craig, Founder, CEO and majority owner of GeoAlaska, noted that the presentation slides are appropriate for the public. Some of the slides indicate confidential 2025, however, they are not confidential at this point in time. Mr. Craig expressed appreciation to the AIDEA Board and to staff for engaging with GeoAlaska regarding the project. Mr. Craig thanked Governor Dunleavy for his vision that established and has maintained the Sustainable Energy Conference in Alaska. Alaska needs energy security. The conference is attended by international participants.

Mr. Craig discussed that GeoAlaska is an Alaskan-based company that shall remain in Alaska and operate on geothermal prospects in Alaska. Mr. Craig noted that Anthony Pennino, GeoAlaska, will introduce himself later during the presentation. Mr. Craig has been involved with energy-related projects for at least 30 years in Alaska. GeoAlaska started in 2020, and has grown. GeoAlaska's mission is to deliver sustainable, affordable, low carbon, baseload geothermal energy to the benefit of Alaska's residents and the State's economic future.

GeoAlaska maintains leaseholds on Mount Spur and Augustine Island. Mount Spur is a good prospect, but the main focus is Augustine Island, which is on the southwest aspect of the Cook Inlet. It is a stratovolcano that is entirely defined by an island and surrounded by State waters. Augustine Island is entirely State lands and has never been inhabited. No historical events have occurred there, other than an occasional eruption. Mr. Craig described the location where the initial well will be drilled to reach the geothermal resource target. The first well will be above the tsunami line.

Mr. Craig reviewed that GeoAlaska submitted a formal equity investment application to AIDEA in April 2026. GeoAlaska submitted a grant application to the Department of Energy (DOE) in May 2026, in response to a notification of funding opportunity. A subrecipient under the grant is the National Laboratory of the Rockies, formerly known as National Renewable Energy Laboratory. Mr. Craig discussed the personnel's expertise. Also in May, POSCO International signed the Memorandum of Understanding (MOU) with Alaska's Governor and the State of Alaska regarding six projects, two of which involve Augustine Island. As of September 21, 2026, GeoAlaska was notified by DOE of their selection of confirmation drilling under the grant program. Mr. Craig expressed his excitement about the project and about AIDEA's involvement.

Mr. Craig discussed the slide from SAGE Geosystems that explains the ways that geothermal energy works. GeoAlaska uses the magmatic source from a magma storage zone. The water moves through the fractures and has been heated from the heat source. It comes up, gets flashed to steam, gets run through turbines, then cooled fluids are injected back into the reservoir.

Vice Chair Fogle thanked Mr. Craig for the informative slides. He commented that water is a delicate subject, especially in this region because of salmon. Vice Chair Fogle asked if new water has to continually be brought in. He asked where the water would come from. Mr. Craig responded that information will be definitively determined after drilling occurs. He believes the most likely case is that the water that naturally falls as snowfall and rainfall on the mountain has created an aquifer that is heated subsurface. GeoAlaska would then bring that water from a depth of 3,000 to 4,000 feet to the surface and flash it to steam. It will then run through turbines, cooled, and then reinjected into the reservoir.

Vice Chair Fogle commented that it almost a closed system. Mr. Craig agreed it is a closed system. He noted there is a possibility that if very hot rocks are found that are not fractured with water in it, that GeoAlaska will need to then create its own reservoir and put water into one well, bring through fractures in the rock up another well, flash that to steam, and continue the process. The process is called Enhanced Geothermal Systems (EGS), and is being performed currently in Utah and Nevada. Mr. Craig does not believe that scenario will occur.

Vice Chair Fogle commented that the geothermal process will not affect any salmon streams or animal habitats because it is all going to be subsurface for the resources. Mr. Craig agreed. He discussed that Augustine Island does not have any large animals and does not have any fish. This is an ideal location for such a project.

Mr. Craig continued the presentation and reviewed the geology of Augustine Island, and the anticipated temperatures at different depths below the surface. He discussed that the analysis of the geophysical data shows that the magma storage zone is massive. It begins about 6,500 feet below the surface and continues underground for several miles. The potential amount of geothermal energy contained below Augustine is significant.

Mr. Eledge asked Mr. Craig if there is a diminishing point of return closer to the liquid magma, as far as water content and the ability to retrieve it and utilize it. Mr. Craig agreed, based on today's technology. He discussed that research in this field continues. He noted that the amount of energy grows exponentially the closer one gets to the higher temperatures. Research is ongoing to develop ways to access and produce that power.

Mr. Craig reviewed that the CAPEX of less than $1 billion includes building out the whole project, connecting it to the grid, and delivering 204 MW. The internal rate of return (IRR) over 25 years calculates to 42.8%. This is an extraordinary rate of return. This venture capital endeavor is not risk-free. Mr. Craig discussed that the IRR assumes that there is no value in 25 years. He noted that will not be true, but this maintains a conservative IRR estimation. All of the business modeling estimates are conservative. The model excludes any carbon credits, which could add to the IRR.

Mr. Craig highlighted that the conservative power estimate from JRG Energy based upon 19% of the acreage under lease and a narrow depth of reservoir is 224 MW of hydrothermal power produced from the existing formation. Using the same formula used by geothermal engineers, he discussed that if 100% of the acreage under lease was utilized with 300-degree centigrade of hot dry rocks with no water, the formula used to calculate probable power then suggests that 830

MW could be produced and sustained over 30 years at this location. Mr. Craig indicated that even though this location will not be utilized for research, Dr. John Eichelberger of University of Alaska Fairbanks stated that "Augustine Volcano is the best national test site for near-magma research and development – perhaps the best in the world."

Mr. Pennino commented that he has been involved with GeoAlaska since 2022, and is a minority owner and Vice President of the Board of Directors. Mr. Pennino discussed the slide showing the power production numbers related to questions about how this will help the gas problem and how this will help the Railbelt. Mr. Pennino reviewed that the average Railbelt load is about 543 MW. This can increase up to 750 MW in the winter. The 204 MW for the project is about 37% of that load. Mr. Pennino indicated that the Cook Inlet produced about 75 BCF of gas per year. Most of that gas is used to heat homes in the Railbelt and about 28% to 35% is used to make electricity, which is about 20 to 25 BCF of gas per year.

Mr. Pennino gave the example for perspective that one well at Point Thompson creates more gas than all of Cook Inlet combined. However, there is a stranded gas issue on the North Slope. He noted that 200 MW of electricity being replaced by 200 MW of natural gas fired power is about 10 BCF of gas per year. Mr. Pennino explained that one of the questions asked is if this project will solve the gas problem and replace all of the gas. Mr. Pennino indicated that no, this will not replace all of the gas. There may be a need to import gas into Cook Inlet. An average tanker for natural gas is about 3 BCF. This project would provide about 10 BCF of gas, which would displace about 3 tankers of natural gas every year. This project does not solve the gas problem, but it does lessen the gas problem.

Chair Kendig explained to the public that during the winter, the Railbelt's load is 750 MW. The amount that is retrieved in the lower load months can be stored for the higher demand months, which decreases the amount that needs to be imported.

Vice Chair Fogle asked Mr. Pennino to tell the public how many BCF of natural gas burned per day in the winter this project would equate to. Mr. Pennino indicated that he does not have that information with him. He noted that in 2014, 40% of the electricity that was used in the Fairbanks region came primarily from Cook Inlet's natural gas fired power plants. The percentage today is almost 0%. Mr. Pennino explained that in 2014, Fairbanks was burning diesel fuel and naphtha for about 3% of their total load of electricity. In 2025, it was 15% of the total load. Fairbanks is paying 50% more for electricity in the winter than Anchorage, and they are paying three times what Southeast is paying for electricity because Southeast is primarily on hydro. It would help Fairbanks for GeoAlaska to wheel electricity north to reduce the need for burning costly and polluting diesel and naphtha fuel during the winter.

Mr. Solie commented that Golden Valley Electric Association is experiencing concerns over the ability to generate sufficient power. He discussed different scenarios and reasons. His additional comments were too far from the microphone and indiscernible.

Mr. Pennino continued the presentation and commented that building a HVDC submarine cable line from the Island to Beluga would allow connection north to the Fairbanks market and also to the Southcentral market. This is the best way to transmit electrons off the Island. Mr. Pennino

discussed that if geothermal can be proven on a large scale at Augustine, GeoAlaska has leases at Mount Spur, and has identified other volcanic systems within the state, specifically on the Aleutian Chain. Other uses could be exporting hydrogen-based fuels, SAF, methanol, or power for data centers. There is no need to tie into the grid. The economics around power has changed over the last 10 years, and there are many different options on how to monetize the heat and electrons that are produced at Augustine Island.

Mr. Craig discussed the issue and risk of the volcano erupting. In the past 200 years, Augustine has erupted seven times. The average length of repose is 30 years. It has been as short as seven years between eruptions and as long as 70 years between eruptions. It is an active volcano. It will erupt. When it does erupt, it shoots ash about 45,000 feet into the air, becoming a significant aviation hazard, especially at night. Fumes and pyroclastics also occur. It is not a risk-free environment when it is erupting. All humans need to be off of the island during an eruption. The intent is to design facilities so that they are like bunkers as best as possible, utilize filters for the ash issue, and are remotely operable for the short-term in order to keep base load power generation ongoing. The worst-case scenario is needing to shut down the facility temporarily during an eruption. GeoAlaska believes that the project will make a significant and relatively safe contribution to the power generation.

Mr. Craig explained that geothermal power is not a unique idea and that there is currently a 400 MW powerplant proximate to a volcano in Indonesia. He explained that the risk for this volcano can be foreseen and is monitored closely by the Alaska Volcano Observatory. They know well in advance when it begins to show signs of an eruption. When the status of the Island moves from green to yellow, safety procedures will be implemented for humans first, and the facilities next. The risk can be mitigated and underwritten. Mr. Craig added that a tsunami is also a risk on the island. The facilities will be built above the tsunami elevation. Mr. Craig welcomed the opportunity for AIDEA to participate as a venture investor with GeoAlaska moving toward the drilling of the Kamishak as the first step to the project.

Vice Chair Fogle asked where the first well will be drilled. Mr. Craig indicated that GeoAlaska has the south half of Augustine Island under lease. All of the facilities will be in that area.

Mr. Eledge commented on the thorough presentation. He asked if the design life is 30 years. Mr. Craig explained that the design life is in perpetuity. There will be maintenance work, surface facilities work, well work, and improvements as new technologies emerge. The IRR is based on 25 years for the purposes of modeling the financial returns in a conservative manner. The project will be in operation for much longer than 25 years.

Mr. Eledge asked for the terms of GeoAlaska's lease. Mr. Craig explained that the lease is very similar to oil and gas leases from the State of Alaska. The term is 10 years, and is extendable by way of discovery and/or production. They can be unitized. Once discovery and production begins, the term of the leases will be as long as there is production.

Mr. Eledge asked how many years GeoAlaska has held the current lease. Mr. Craig discussed that GeoAlaska began with two-year permits. Those were converted to 10-year leases. The leases of Mount Spur have been held for about 1.5 years. The leases on Mount Augustine have been

held for about one year. There is plenty of time left for discovery.

Mr. Eledge asked how long it will take to get back to base load in the event the plant had to be shut down. Mr. Craig explained that the plant would only shut down if there was a very significant impending eruption. The wait time relates to when the volcano no longer creates a risk to humans. Mr. Craig gave the example of Puna, the geothermal powerplant in Hawaii. Puna had lava flow over it, and they were able to come back up to production in a matter of a few weeks. Mr. Craig explained that in oil and gas, there is possibility that the same production does not return after turning off a well. In geothermal, there is no reason to believe that turning off a well will interfere with the production.

Mr. Eledge asked how long it would take to get back to base load after the plant is shut down, if no equipment has been damaged. Mr. Craig indicated that all of the facilities have not yet been designed. However, one of the strategies for designing facilities is instead of building only one plant with 244 MW, there would be five plants with 50 MW each that are dispersed so that ballistics do not impair all five plants. It takes time to repair or replace plants. Mr. Eledge asked for the total acreage of GeoAlaska's lease. Mr. Craig said GeoAlaska has more than 20,000 acres of geothermal leases. The vast majority of those acres are on Augustine Island.

Mr. Solie commented that this is an exciting project because the near-term provides the opportunity for reliable base load power, and the science project is immense. He asked for more information regarding the challenges of getting the electricity to Fairbanks and to Cook Inlet. Mr. Pennino discussed that the project will be permitted 100% under the purview of the State of Alaska Department of Natural Resources (DNR) with associated work through federal agencies. The impacts and potential mitigations on the Island will be de minimis. Building the line route from the Island to Beluga is primarily through State waters. The actual act of installing the line has the biggest amount of potential environmental impact, but that impact is de minimis because the cable is laid on the bottom of Cook Inlet. There are hundreds, if not thousands of miles of pipelines and cables that cross Cook Inlet. In the upper Cook Inlet, there is critical whale habitat. That potential impact would only be considered during the laying of the cable, not after the cable is in place. Mr. Pennino noted that there will be an inverter onshore at Beluga to convert the DC to AC to go into the line. The overall project has minimal permitting involved.

An unidentified member asked if GeoAlaska would work with the contractors who are going to build the line and bury the line to Beluga and to Fairbanks, and if so, how these efforts affect the other aspects of the project. Mr. Craig explained that the project started as an idea six years ago, and the funding and dedicated time to the project has been provided by a variety of people. GeoAlaska is now financing through grant funding and Series A financing for the drilling of the initial exploratory well. The CAPEX of $1 billion includes the power transmission. He commented that the financing aspects of the project still need to be established. The biggest geothermal power producer in the United States is Ormat, and they may be interested once the project gets to the point where it meets their threshold.

Mr. Craig discussed that Augustine Island could be the biggest geothermal power producer in the United States. Currently, the Geysers in California is the biggest geothermal project in the United States and in the world. It produces about 850 MW. Augustine Island is just one of the many

geothermal prospects in Alaska. This project is a clean source of base load energy that could solve many problems for future generations of Alaskans.

Mr. Eledge requested confirmation that AIDEA's ownership position would not be diminished regardless of the ownership structure. Mr. Craig explained that he has participation rights and could take his 53% of AIDEA's investment and put that in as his investment so that he does not get diluted. This would be a choice to forego his participation rights to bring AIDEA in. AIDEA will have participation rights. There is inevitable dilution that occurs if an equity participant does not participate in follow-along CAPEX. There were no other comments or questions.

An internet drop occurred momentarily.

6C. Wrangell Shipyard Presentation

Chair Kendig introduced Mason Villarma, City Manager of the City and Borough of Wrangell, to provide the Wrangell Shipyard presentation. Mr. Villarma discussed that the public presentation is meant to share information about the Wrangell Shipyard and some of the potential transactions that could occur with AIDEA. Mr. Villarma noted that Wrangell put $150 million in public infrastructure projects, as well as secured private sector investment. The Wrangell Shipyard represents the most exciting opportunity for the Borough. The Wrangell Shipyard has a 34,000-ton shiplift. Wrangell would like to have the largest shiplift in the country. The largest shiplift in the United States is currently in Jacksonville, Florida. The Wrangell Shipyard shiplift has a dual-purpose ability for homeporting two vessels and combine with haul-out potential for a shipyard. The conventional drydock system is rail-built and has the ability to turn vessels over, and work on vessels simultaneously. There can be up to five ships up to 567 feet being worked on simultaneously. This is different from the Ketchikan Shipyard, which is a rail-based system.

Mr. Villarma commented that the Wrangell Shipyard is slated for a 25-acre site. There is a lease underway with the JAG Marine Group, who will be the onsite operator. There is no competition with the Ketchikan Shipyard. The Wrangell Shipyard is meant to complement the existing operations in Ketchikan and to expand capacity in Alaska and along the West Coast.

Mr. Villarma explained the financial position of the project. An EDA Disaster Supplemental grant has been acquired for $31 million. The qualification for the grant was due to the 2024 landslide. Wrangell Shipyard is asking for participation from AIDEA in the amount of $22.8 million. Of that amount, 20% or $7.8 million will be a match obligation for the EDA Grant. The remaining $15 million will be used for site design and permitting. The Phase 2 of the project includes land-level facility and shiplift at $387 million. The Phase 3 of the project includes assembly hall and fabrication shops for $218 million. The total cost equals $659 million.

Mr. Villarma discussed the requested participation from AIDEA is for two different components that would combine for a transaction of $23 million. The first component is for a $7.8 million matching contribution for the EDA grant consistent to what was adopted at the last regular AIDEA Board meeting for the Ketchikan Shipyard. The second component is a power-backed loan for $15 million for design and permitting for the site. Mr. Villarma discussed that within Resolution G26-14, Sections 2 and 3 are relevant to the matching contribution, and Section 4 is

relevant to the $15 million loan.

Mr. Villarma explained that the matching contribution structure proposes an 8% return with interest capitalized until the Shipyard is constructed, which is expected in 2031. Upon completion of the Shipyard and operations commencing, the proposal guarantees 1% of gross revenues to pay back the matching contribution. The proposal is secured by Borough property. The Borough has over 10,000 acres of entitlement lands and municipally owned property, many of which are rich in timber and old growth potential.

Mr. Villarma reviewed that JAG Marine projects the first year operating gross revenue in 2031 to be at $175 million. By 2040, the operating gross revenue extends to $331 million. The 1% revenue share in year one would translate to $1.75 million. He showed the graphs illustrating the pay-back schedule for the first component of the loan.

The second component is the power-backed loan of $15 million. Wrangell is a hydropower community, along with Ketchikan and Petersburg, sharing the same hydro resources of Tyee Lake and Swan Lake. The combination of facilities produce an abundance of power to the region. There is over 30,000 MWH of unused power in the region and at least the same amount that was not captured. The Wrangell community is not large and does not have much tax base or rate base to structure the transaction in a conventional way. However, Wrangell does have hydro power and much property for security. The proposal is for a 2 MW baseload power sales agreement to either AIDEA's wholly owned subsidiary, an Alaskan Native Corporation, or directly to a data center company. There would be an obligation to purchase 2 MW of power each year, which would generate enough revenue to secure the obligation that AIDEA is providing. The information in the slides is illustrative of possible components that could be structured if the resolution is approved today.

Mr. Villarma discussed the possible Power Sales Agreement cashflow at 2 MW, totaling approximately $1.5 million per year for debt service. The amortization is proposed at 30 years. He noted that expansion of additional power in Wrangell includes a SEAPA solar field that has begun production and another project that is slated to begin construction in 2027. Mr. Villarma indicated that the terms of the components must be finalized and agreed upon by AIDEA and the Borough. He is optimistic regarding both elements of the transaction and is excited to work with AIDEA. Mr. Villarma reviewed a prospective timeline of the project if the resolution passes today. Negotiation of terms would continue, and the loan would be disbursed within 30 days of closing. The final design would be completed by the end of 2027. The permitting would continue through 2028. The industrial subdivision construction will begin in 2028. The loan repayments of the $15 million application would begin in 2029, after the power is generated. The Shipyard is expected to be fully constructed by 2031.

Mr. Villarma expressed appreciation to AIDEA staff for engaging with Wrangell on bringing this very important project to the community and to the Southeast region.

Vice Chair Fogle thanked Mr. Villarma for his presentation, and believes this is an excellent opportunity for the community of Wrangell to increase their population, to provide jobs to their population, and to increase the viability of the community. Vice Chair Fogle asked Mr. Villarma

to explain how the Wrangell Shipyard complements the Ketchikan Shipyard, rather than competing with them. Mr. Villarma discussed that Wrangell has signed a joint resolution with the City of Ketchikan and the Ketchikan Gateway Borough about the Wrangell Shipyard. They all are on a shared power system on the SEAPA Board. There is no operator competition because the JAG Marine Group operator is the same operator that is currently in Ketchikan. Mr. Villarma discussed that the West Coast does not have the capacity to serve the market that exists. He noted that JAG turned down a $25 million job over the last couple of weeks because they do not have the capacity in their yard for the service. Wrangell would welcome that capacity.

Mr. Villarma indicated that Wrangel and Ketchikan are only 89 nautical miles away from each other. The air flight takes approximately 20 minutes. This is useful when considering workforce development and specialized skilled labor. Both communities would be able to increase capacity for new residents and combat workforce development issues together.

Vice Chair Fogle commented that Ketchikan has grown the shipyard so big that they have to turn away bids. He asked if there is room for expansion in the Wrangell Shipyard if volume increases and the ice breakers potentially are worked on at the Wrangell Shipyard. Mr. Villarma agreed that there is an opportunity for expansion. The deep-water port is 42 acres, and the initial shipyard is slated for 25 acres. Additionally, Wrangel owns 37 acres surrounding the property. Work is ongoing with the State of Alaska to acquire some of their submerged lands. Mr. Villarma believes that expansion of the footprint of the shipyard could easily occur. This may enable penetration of different markets. The natural characteristics of the property are such that if the northern side of the property was filled out, it could increase the haul out of vessels that were 600 tons or less. This option may be interesting to JAG for targeting barges and tugs.

Vice Chair Fogle thanked Mr. Villarma for bringing this project to AIDEA. He believes that partnering with JAG is an excellent way to create additional development for the Wrangell community.

Mr. Eledge requested Mr. Villarma discuss for the record the number of construction jobs and permanent jobs that will be created by this project, how the community will provide for housing for the workers, and how the project will impact the school. Mr. Villarma noted that the Board was provided the 54-page Economic Impact Analysis (EIA). The information is available to the public on the website at Wrangell.com. The EIA quantifies the impact of the Wrangell Shipyard. It is $4 billion of economic output over a 20-year period as the base case. Mr. Villarma discussed that the increase to the population of the schools is anticipated at 250 students, which is significant since the current school district population is 260 students. There is current capacity to service this increase because the three full-size schools are half empty.

Mr. Villarma noted that transportation to Wrangell includes air, ferry service, and reliable freight service. The freight service views this opportunity as exciting, which could lead to a reduction of rates to the region because of the increase in the amount of freight volume. The construction job numbers are included in the EIA. The overall direct labor force that will be produced is 500 direct jobs to Wrangell. Mr. Villarma noted that Wrangell was a community of over 3,000 residents, and is currently at 2,000 residents. The community's infrastructure, road systems, schools, hospital, and property for development for housing is all scaled to meet the needs of the

Shipyard, direct labor force, and the generated construction jobs. Mr. Villarma noted that the biggest challenge will be the housing, since it is not readily available. There is a fairly decent vacancy rate, and there are letters of intent from several large-scale developers that could meet the housing needs for more than 334 new units across the community of Wrangell. Over 300 acres of property that is adjacent to the deep-water port is for development in close proximity to utilities. The municipality has already taken means of developing municipally owned subdivisions and getting those out to market. In the last few months, 20 lots have been sold. Another 20 lots with full-service utilities will be available soon.

Commissioner Sande commented that she has much faith in the Wrangell leadership and the community. She believes that investing in a new shipyard in Wrangell is exactly the kind of strategic economic development that AIDEA was created to support. The project has the potential to create high-paying year-round jobs that will strengthen Alaska's maritime infrastructure and support the fishing and marine transportation industries. This will keep the shipbuilding and repair dollars within Alaska, rather than flowing out of state. AIDEA's Alaska Ship Financing tool was created exactly for this reason.

Commissioner Sande believes this project represents an opportunity to diversify Southeast Alaska's economy and to attract private investment to build a sustainable industry with the intent to benefit generations of Alaskans. She expressed her full support for the project.

Chair Kendig expressed appreciation to Mr. Villarma for his presentation. There were no other comments or questions.

6D. FY 2026 AIDEA Audited Financial Statements (Adoption by Motion)

Chair Kendig requested the AIDEA Chief Finance Officer (CFO) Jean Kornmuller, and an unidentified speaker, review the Audited Financial Statements and the dividend. The unidentified speaker noted that the audit is complete and there were no exceptions or errors. Staff recommends that the Board approve the final Audited Financial Statements for FY26 by motion.

MOTION: A motion was made by Vice Chair Fogle to approve the Audited Financials for FY26 as presented. Motion seconded by Mr. Haynes.

Vice Chair Fogle requested Ms. Kornmuller to provide an overview of the financials for the year. Ms. Kornmuller discussed that the net income for FY26 was over $44 million. The statutory net income was $62.4 million. The net position increased by $44.8 million to $1.6 billion.

Vice Chair Fogle asked if his understanding is correct that this year has been one of the highest, if not the highest, recorded year-over-year earnings ever. Ms. Kornmuller agreed. She noted that the prior three years have been banner years with record statutory net income of over $60 million per year. Vice Chair Fogle asked Ms. Kormuller what amount of seed money the Legislature gave AIDEA at inception. Ms. Kormuller explained that around 1980, the Legislature provided AIDEA with about $200 million in cash. Vice Chair Fogle asked for the total amount of dividends that AIDEA has given back to the State of Alaska's general fund, not including today's dividend declaration. Ms. Kornmuller noted that since the inception of the dividend

program with the first payment being issued in 1997, AIDEA has provided the State with over $512 million in dividend payments. Vice Chair Fogle commented that amount is over $300 million that has been paid to the State's general fund.

Vice Chair Fogle commented that one of the reasons this year has been stellar is due to the structuring of the loans and the programs. Ms. Kornmuller explained that AIDEA has been making more direct finance loans at higher interest rates which have produced higher returns. The returns on investment funds have been used to help fund operations. The investment portfolios have been improved and are generating higher returns. Additionally, staff has done a good job of managing costs and reducing expenses.

Vice Chair Fogle noted that even though AIDEA continues to have increased net income year-over-year, those funds are being deployed back onto the street. He asked if there is enough funding available to fund the potential projects that may occur over the course of the next year. Ms. Kornmuller indicated that there are many high-capital projects in the pipeline, and AIDEA will have to be cognizant of maintaining high returns to capitalize those projects so that the outflows do not exceed the inflows for too long of a period time.

Vice Chair Fogle commented that when AIDEA receives money, AIDEA immediately puts that funding back out onto the street for reinvestment. Ms. Kornmuller agreed. The economic report posted on AIDEA's website indicates that through 2024, AIDEA has injected the Alaskan economy, both direct and indirect investments, with over $60 billion. This created many jobs, companies, infrastructure, and funds contributing to the economic multiplier effect. Vice Chair Fogle commented that the original $200 million of seed funding was turned into $60 billion. Ms. Kornmuller agreed that is an appropriate perception of AIDEA's production.

Mr. Solie noted that the audit is impressive. He commented that AIDEA is a well-run entity, which is appreciated from the fiduciary standpoint. The tax returns are good. The financial returns are good. The investment returns to the State are good. AIDEA is the State's bank to develop the economy, to create jobs and economic activity. AIDEA works in partnership with private banks. Mr. Solie requested additional comments that AIDEA is not crowding out private banks with AIDEA's efforts in the market, rather that AIDEA is partnering in developments.

Mr. Ruaro noted that he can provide comments, and that Tiffany Janssen, Chief Loan Officer, can also provide comments. Mr. Ruaro noted that AIDEA's largest lending program is the Loan Participation Program (LPP). For that program, banks have to approach AIDEA first. AIDEA is not in the private market taking up demands for loans. AIDEA is responding to banks that request help from AIDEA. This does not crowd out the private banks.

Ms. Janssen commented that she runs the LPP. AIDEA partners with commercial lenders in the state. The mission was created to have economic development, in terms of ancillary projects, temporary jobs, and permanent jobs. If the project can be serviced at the bank's market rate, then it is serviced at the bank's market rate. AIDEA is not sourcing the loans and is not actively seeking borrowers. The project loan applications have to come directly from the lenders. AIDEA reviews the project applications to ensure it complies with AIDEA's mission. AIDEA is a niche market and is utilized to bridge the gap for projects that go beyond commercial lenders' abilities.

Ms. Janssen noted that there are not many outside investors who are coming in to fill this role. If AIDEA was not in its current position, several large projects would have not been able to be completed.

Mr. Solie expressed appreciation for the comments. He noted that AIDEA's role is to take some of that additional risk.

Mr. Eledge commented that Ms. Kornmuller, her team, and staff deserve accolades for the great report. He asked if the audit report will be included in the annual report to the legislators. Ms. Kornmuller explained that part of the annual reporting requirements include sending the Audited Financial Statements to the Legislature. In the annual report, pages are included that show the financial statements and results. Ms. Kornmuller noted that based on the presented results, the dividend range is from $15.6 million to $31.2 million. There were no other comments or questions.

A roll call was taken, and the motion to approve the Audited Financials for FY26 passed unanimously.

Vice Chair Fogle requested to move to Item 6G. Draft Resolution G26-15 Declaring FY28 Dividend to the State. There was no objection.

6G. DRAFT Resolution G26-15 Declaring FY28 Dividend to the State

Vice Chair Fogle requested that Ms. Kornmuller discuss the resolution. Ms. Kornmuller noted that based on the statutory net income of $62.4 million, the dividend ranges from a minimum of 25% at $15.6 million to the maximum of 50% at $31.2 million. She explained that the Board makes the motion to set the dividend amount.

Vice Chair Fogle commented that after reviewing the historical dividends of over $500 million to the State and looking at the previous dividends to the State, they were approximately 25%.

MOTION: A motion was made by Vice Chair Fogle to declare the FY28 dividend at 25%. Motion seconded by Mr. Haynes.

Mr. Eledge asked for the dollar amount of the 25% dividend. Ms. Kornmuller reiterated that 25% is $15.6 million. Mr. Eledge asked Ms. Kornmuller if during her extensive financial experience if she knows of any organization that can sustain a 25% dividend annually. Ms. Kornmuller commented that she does not know of another organization who issues this size of a dividend. The range is usually less than 1%, usually .25%. AIDEA is exceptional in this arena.

Mr. Ruaro provided context and gave the example that Coca Cola, which is one of the best S&P 500 paying dividend stocks, provides a dividend of approximately 2.1% per year.

Mr. Eledge understands that the statute sets the dividend between 25% and 50%. This is a big ask, and he is happy to say that AIDEA has been up to that task consistently year after year.

Vice Chair Fogle asked Ms. Kornmuller what the new total amount of dividends is, including

this 25% dividend, that AIDEA has provided to the State's general fund to pay for healthcare, education, ferries, assistance, and Medicaid. Ms. Kornmuller noted that the total is approximately $528 million. Vice Chair Fogle commented that there is no other organization that pays a 25% dividend every year. He advised that some years, AIDEA has paid a 50% dividend to the State. AIDEA should be proud to be in a position every year to provide a dividend to the State.

Mr. Solie commented that this is his first year as a Board member to vote on the dividend. He appreciates being part of AIDEA, an organization that returns value to the State beyond the jobs and economic activity. He acknowledged that there is a consistency in the range of the dividend amounts over the last few years. Mr. Solie believes there is a need to balance the level of dividends to the investments that will create jobs and economic opportunities for the State. He thanked management and staff for the information presented that finds that balance.

Commissioner Sande reflected on the last eight years that some of the Board members have been together. She is incredibly proud that she has been able to participate and vote in favor of well over $100 million in dividends to the State of Alaska for all the critical services mentioned earlier. She is proud of the work of the team and of the discussions weighing the very sensitive financial information from applicants and borrowers while reviewing projects. Commissioner Sande acknowledged the painstaking decisions that are made, and that members do not always agree. She noted the incredible fact that AIDEA is presenting an audit that shows another record year of statutory net income. So much of the work lands squarely at the leadership of Executive Director Ruaro. She is proud of the team at AIDEA and proud of the members of the Board. The decisions are carefully considered and are for the benefit of Alaskans. AIDEA's performance as a financial institution speaks for itself. There were no other comments or questions.

A roll call was taken, and the motion to declare the FY28 dividend at 25% passed unanimously.

6E. Resolution G26-13 GeoAlaska

MOTION: A motion was made by Vice Chair Fogle to approve Resolution G26-13 relating to the Augustine Geothermal Project and a direct equity investment in GeoAlaska, LLC. Motion seconded by Mr. Haynes.

Mr. Eledge commented that this great project will help the State significantly. Due to the visibility of the project, Mr. Eledge assumes that there will be monthly or quarterly reports and updates to share with the public. He asked Mr. Ruaro if his inference is correct. Mr. Ruaro agreed that it is possible to provide updates on the project status. That will be part of the duty of management.

Vice Chair Fogle stated that AIDEA continues to believe and achieve by investing in different types of finance products and programs. This project is innovative by connecting with GeoAlaska to partner in geothermal, which has been idyllic until now. He is excited for this project that will offload the reliance on the dwindling natural gas in Cook Inlet, while providing ample power for the grid and rate relief, especially in Fairbanks. Vice Chair Fogle noted that

AIDEA's investment policy was modified to allow investments in private equity, such as this project. He is proud that the AIDEA team has brought this project forward. He expressed his support for the project.

An unidentified speaker expressed his excitement about the project. He believes that it shows that the AIDEA Board is willing to look at additional streams, other than oil and gas. This will be one of the cleanest projects, and will be one of the best projects for the state.

Chair Kendig commented that this energy project is clean, reliable, and affordable. He feels that this project is one those rare times that all sides can agree that the project is good for the State of Alaska.

An unidentified speaker added that this project is a different kind of investment for AIDEA. He appreciated that AIDEA changed the investment policy to allow this kind of project to move forward. There is opportunity to meet energy needs in the short-term and there is a huge upside potential for the state. The project remains less traditional, and is an appropriate project for AIDEA to be involved in because of its financing structure. This is a great opportunity for clean energy, lower costs, reliability, and potential for growth. He thanked staff and GeoAlaska for their time and efforts.

Deputy Commissioner Cruise thanked GeoAlaska and staff for bringing the opportunity to AIDEA. Energy is one of the bigger barriers toward any kind of economic prosperity, especially in Alaska. This is one of those distinct occasions where a renewable energy source will work in the winter and when it is dark outside. It is clean, cost effective, and it has the potential for scalability. He believes this is a very promising opportunity.

Mr. Solie commented that he should declare a potential conflict of interest because of the potential benefits of the project. He works for a project, Tower Hill Mines and Livengood Gold Project, that if the GeoAlaska Project is brought to fruition, it would use 50 to 100 MW of power that Fairbanks is currently struggling with, both generation and cost. Mr. Solie disclosed that this project could materially benefit the Tower Hill Mines and Livengood Gold Project.

Chair Kendig expressed appreciation for Mr. Solie's disclosure, and noted that it is at Mr. Solie's discretion to make his decision.

Mr. Solie indicated that he plans to vote on the resolution. There were no other comments or questions.

A roll call was taken, and the motion to approve Resolution G26-13 passed unanimously.

6F. Resolution G26-14 Wrangell Shipyard

MOTION: A motion was made by Vice Chair Fogle to approve Resolution G26-14, a resolution approving a non-federal matching contribution and authorizing a convertible design and permitting loan for the Wrangell Shipyard Project. Motion seconded by Mr. Haynes.

Vice Chair Fogle reiterated that staff has provided an ingenious and inventive way to help the Wrangell community in Southeast Alaska. Wrangell is poised for serious growth by partnering with JAG and building out a shipyard and a dock for ship repairs. This will potentially open the door to repair icebreakers that are coming to Alaska. The structure of the contract is extraordinary. Vice Chair Fogle noted that he is very happy to support this project to help the economy of Wrangell and Southeast Alaska.

Mr. Eledge offered comments for the Board's consideration. He believes that the visibility of this project needs to be elevated to monthly reports rather than quarterly reports. He suggested changing the word "quarterly" to "monthly" on page two of seven, in the last Whereas paragraph, on the second to the last line. He suggested changing the word "quarterly" to "monthly" on page six or seven, under number 10. Reporting. Mr. Eledge believes the monthly reporting visibility should be conducted through the construction phase and into the implementation and operational phases of the project. If future AIDEA Boards want to revert back to quarterly reports because the project is operating seamlessly, that is their prerogative. Mr. Eledge believes this is an important endeavor for AIDEA, for national security, for jobs in Alaska, and the well-being and prosperity of Alaskans. He would like to see the reported information elevated to a monthly basis.

MOTION: A motion was made by Mr. Eledge to approve the amendment changing quarterly reporting to monthly reporting. Motion seconded by Vice Chair Fogle.

A roll call was taken, and the motion to approve the amendment changing quarterly reporting to monthly reporting passed unanimously.

Mr. Eledge commented that this is a wonderful opportunity for AIDEA, Wrangell, the State of Alaska, the nation, the Navy, the Coast Guard, the entire marine industry, the potential timber benefits, the comingling of so many things to make this work, the additional power that is currently spilled that will be utilized, instead of wasted, and all of the positive components that fit together to make this project worthwhile. Mr. Eledge thanked Mr. Villarma for bringing this project forward. He thanked the staff for clarifying AIDEA's position.

Deputy Commissioner Cruise believes this is a fantastic project that diversifies the economic activity throughout the state. He commented that Mr. Villarma is a forward-thinking gentleman and this is a good opportunity for Wrangell to grow their school district, grow their local economy, and bring activity to an area that has not seen some of the benefits that the rest of the state has seen. Being able to have AIDEA and the State be a part of this new activity shows the diversification of enterprise that AIDEA attempts to conduct throughout the state. This project is good for the community and for the state as a whole. This is another good example of how the state grows and how AIDEA grows in multiple ways when it is allowed to invest in these types of opportunities. There were no other comments or questions.

A roll call was taken, and the motion to approve Resolution G26-14 passed unanimously.

Chair Kendig noted that the Board was in recess of Executive Session. He requested a motion to return to Executive Session to discuss the Ambler updates.

MOTION: A motion was made by Vice Chair Fogle to enter back into Executive Session for the purpose of discussing Ambler Access Project. These matters, which if discussed publicly could have an adverse effect on the finances of AIDEA, are matters that are subject to attorney-client privilege, and matters involving consideration of issues that by law are not subject to public disclosure due to the executive or deliberative process, privilege, or other law. The executive session and matters discussed therein are proper subjects for an executive session under the Alaska Open Meetings Act, reference Alaska Statute 44.62.310 (C)(1), (3), and (4), and the Alaska Public Records Act. Motion seconded by Mr. Haynes.

The motion to enter into Executive Session passed without objection.

Executive Session: 2:53 p.m.

The Board reconvened its regular meeting at 4.35 p.m. Chair Kendig advised the public that no official action was taken during Executive Session, and that the Executive Session is in recess until Friday, November 6, 2026, at which time the AIDEA Board meeting will continue. There were no objections.

6H. Amended Resolution G25-07 Ambler Access Project MOU - Postponed until November 6, 2026

7. DIRECTOR COMMENTS – Postponed until November 6, 2026

7A. Project Updates - Postponed until November 6, 2026

7B. Next regularly scheduled AIDEA Board Meeting: Friday, December 4, 2026. This meeting will be held in the Alaska Housing Finance Corporation Board Room, 4300 Boniface Parkway, Anchorage, Alaska

8. BOARD COMMENTS - Postponed until November 6, 2026

9. ADJOURNMENT - Postponed until November 6, 2026



Randy Ruaro, AIDEA Executive Director

Secretary