



Alaska Energy Authority
BOARD MEETING MINUTES
September 22, 2011
Anchorage, Alaska

1. CALL TO ORDER

Chairman Short called the meeting of the Alaska Energy Authority to order on September 22, 2011 at 1:03 p.m.

2. ROLL CALL: BOARD MEMBERS

A quorum was established.

Members present: Hugh Short (Chairman); Ron Arvin (Public Member); Robert Sheldon (Public Member); and Bruce Tangeman (Deputy Commissioner, Department of Revenue).

Members present via telephone: Susan Bell (Commissioner, Department of Commerce, Community, and Economic Development); Wilson Hughes (Public Member) and Gary Wilken (Public Member).

3. AGENDA APPROVAL

Mr. Sheldon moved for approval and Mr. Arvin seconded the motion. The agenda was approved as presented.

4. ROLL CALL: STAFF, PUBLIC

Staff present in Anchorage: Sara Fisher-Goad (AEA Executive Director); Sandra Moller (Deputy Director-Rural Energy Group); Peter Crimp (Deputy Director-AEEE); Linda MacMillan (Deputy Director-Operations); Valorie Walker (Deputy Director-Finance); Aaron Rhoades (HR Administrator); Brian Bjorkquist (Department of Law); Shauna Howell (Executive Assistant); May Clark (Administrative Assistant); Karin St. Clair (Administrative Assistant);

Others present in Anchorage: Tom Harris (Alaska Village Initiatives/Alaska Moose Federation).

Listen to the full audio recording of the 9/22/2011 meeting at <http://www.akenergyauthority.org/boardmin.html>

5. PUBLIC COMMENTS

Mr. Harris expressed his appreciation and support for the Watana Project and that there will be a PR person available to them, pointing out that good communication and resource restoration will result in a successful project. He said they are focused on the impact the project will have on rural Alaska wildlife and that keeping access to hunting and fishing should be part of the planning process.

6. PRIOR MINUTES

The minutes from June 9 and July 19, 2011 were approved as corrected.

7. NEW BUSINESS

A. Executive Session – Legislative Matters and Staff Recruitment

EXECUTIVE SESSION – 1:10p.m.

The Board reconvened the meeting at 3:02 p.m.

8. BOARD COMMENTS

Mr. Wilken requested staff define, in laymen's terms, the term "optimal" and explain why the Susitna project is being built at 600 megawatts and show what the considerations would be for future expansion. He said he felt we are under shooting the size of the dam and that we do not recognize nor appreciate the resources we have today. We need to be assured we have given due consideration to today's chosen size and to future expansion.

Mr. Arvin agreed we need to have the backup information to give us the ability to determine if the 600 MW size is correct and that we can later defend the decision. Stating that just because the size was decided a long time ago doesn't mean that it is right for today.

Mr. Sheldon also agreed and said he recently learned that ground source heat pumps is a very good opportunity for offsetting heating requirements for homes especially in the interior and villages. Hydro is one of the best sources for low cost electricity combined with ground source heat pumps and would look forward to discussing these initiatives further with staff.

Deputy Commissioner Tangeman thanked the Board for the opportunity to sit in on the meeting and stated he is familiar with energy issues in Alaska.

Chairman Short said performance evaluations are due for both AIDEA and AEA Executive Directors and he will work with Aaron Rhoades to set up a process where each of the Board members have input to provide feedback and hopefully this will be an agenda item at the December meeting. Commenting on his recent trip to Norway, he said he was impressed that in Norway the grid and intertie system covers the whole country, including the smallest of villages. They have made a commitment to building out electricity and energy to every community and they have made an astounding investment in energy. Hydro is 98% of their energy source. They use more electricity in Norway than any other country in the world per capita, because they get their heat from hydro and electricity and vice versa. They have so much energy that they have trading floors in Oslo for selling their energy to Europe. He said he also spent a day at Stat Croft, the State owned hydro company in Norway. They have hydro infrastructure all over the country that have been built to not affect their fisheries which is their second biggest industry. They have done it in a way that has addressed environmental concerns and also provided energy for their country.

This made him question if Watana was big enough, is our grid big enough, do we need to build more interties in the state? Are we taking care of our villages like we should be? What is our moral obligation to the state and what are we doing about that? For 40 years our villages have been burning expensive diesel fuel and may continue for another 40 years. As board members, we need to question what we can do as advocates in getting more cheap energy after Susitna. He said he will provide a written report to the Board.

Mr. Arvin requested AEA reach out to Mat-Su Borough Assembly and Mayor Larry DeVilbiss in the near future to provide an update on the Watana project. Ms. Fisher-Goad replied that AEA would do so.

9. DIRECTOR'S COMMENTS

A. Next scheduled AEA Board meeting:

Wednesday, October 5, 2011 and October 6, 2011.

10. ADJOURNMENT

There being no further business of the Board, the meeting was adjourned at 3:14 p.m.



Sara Fisher-Goad, Executive Director/Secretary
Alaska Energy Authority