



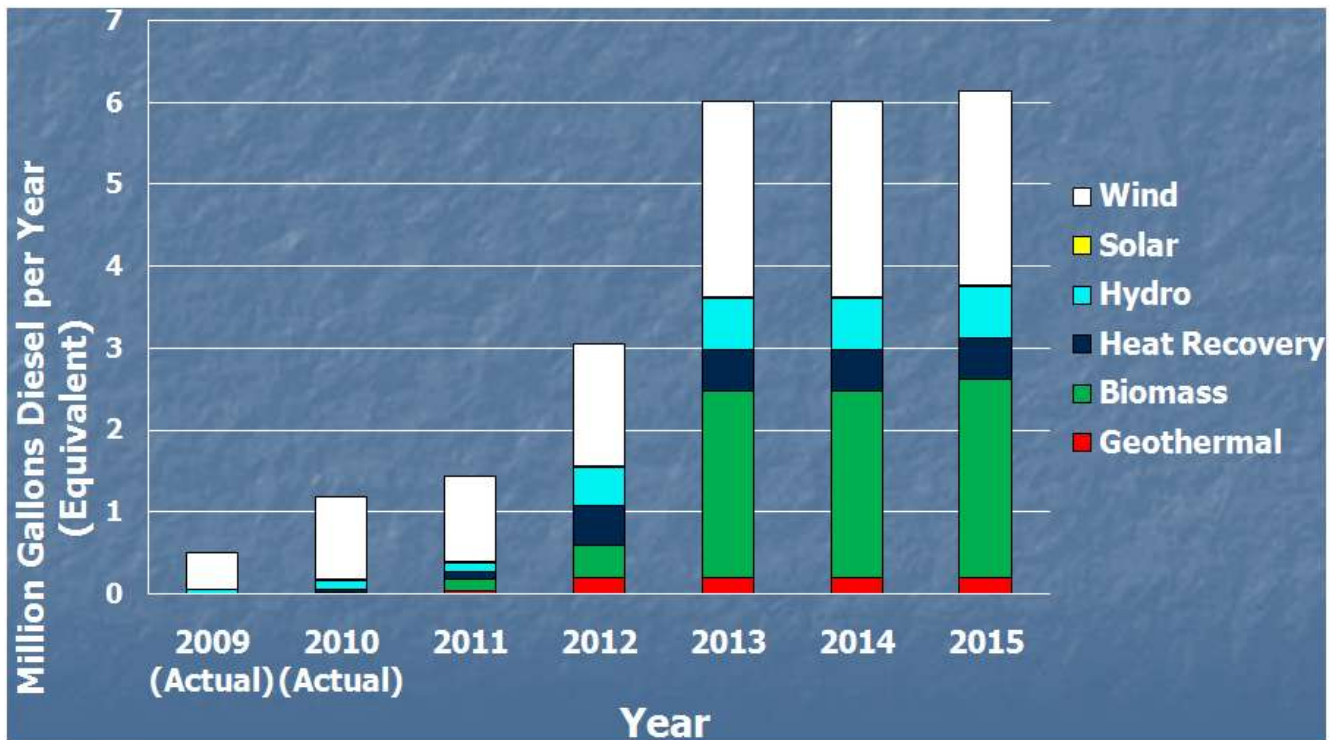
RURAL AND ALTERNATIVE ENERGY STUDY GROUP
JUNE 2, 2011
CIRI
MINUTES

1. **CALL TO ORDER:** Meeting called to order at 12:05pm by Ethan Schutt

2. **Overview of AEA's Rural and Alternative Energy Programs - Sara Fisher-Goad, Executive Director & Peter Crimp, Deputy Director of Alternative Energy and Energy Efficiency, Alaska Energy Authority (AEA)**
 - AEA was created by the Legislature in 1976 to reduce consumer power costs and encourage the long-term economic growth of the state, including the development of Alaska's natural resources, through the establishment of power projects by creating the public corporation with powers, duties and functions
 - AEA Leading Statewide Energy Planning
 - Alaska Energy Pathway (2010)
 - Statewide policies to guide energy development and financing options
 - Community and regional scale recommendations for energy projects
 - Railbelt Integrated Resource Plan (IRP)
 - State sponsored plan cooperatively produced by AEA and Railbelt utilities
 - Provides preferred resource list for power generation and transmission lines
 - Establishes regional capital budgets for projects
 - Alaska Power Statistics (2011)
 - AEA also facilitates and organizes conferences such as the Rural Energy Conference this year being held September 27-29 in Juneau
 - AEA Initiatives
 - Assist Rural Communities
 - PCE, Tank Farms, Power Systems, Training
 - Reduce Energy Waste & Use Local Resources
 - Efficiency, Biomass, Geothermal, Hydro, Wind
 - Finance Projects
 - Renewable Energy Fund, Energy Tech Fund, Loans
 - Owned Facilities
 - Bradley Lake Hydro, Willow-Healy Intertie
 - Rural Energy Construction
 - Bulk Fuel and Rural Power System Upgrades Program
 - Reduce fuel loss from leaks and spills
 - Compliance with EPA, Coast Guard and Fire Marshall regulations

- Creation of business operation plan
 - 67 bulk fuel tank farm projects completed to date
 - 9 projects currently in progress, 29 projects remaining
 - Rural Power System Upgrades
 - Efficiency, reliability safety, and sustainability are primary drivers
 - Common to see a 30% - 40% increase in fuel savings
 - Basic requirement for integrating renewable energy is an efficient power system with modern controls
 - 48 rural power projects completed to date
 - Includes powerhouse (bank of generators in a community), electrical distribution, hydro electric, heat recovery
 - 16 projects currently in progress, 45 projects remaining
 - Technical Assistance
 - Real time technical support dramatically reduces travel costs
 - Readily accessible information for managers and operators
 - Remote monitoring or SCADA (Supervisory Control And Data Acquisition)
- Power Cost Equalization (PCE)
 - Program goal is to equalize high cost of electricity in rural Alaska with urban areas
 - Core element to ensure financial viability of centralized power generation in rural Alaska
 - Average cost of electricity for rural residents is 3-4 times greater than urban
 - Program subsidizes about 1/3 of rural energy
 - Does not help industries and individuals have a maximum limit per month
- AEA Goals
 - Efficiency and Conservation - Up 15% by 2020
 - Any energy plan should begin with efficiency
 - Diesel power systems are backbone of rural Alaska
 - Need to have an efficient system and ensure renewables can tie into that system
 - Renewable Energy - 50% by 2025 (State Goal)
 - Alternative Energy defined in AEA regulation as renewable and/or locally available energy sources (could include coal and gas if locally available)
 - Renewable Energy Fund Established 2008
 - Project selection criteria:
 - Economic and technical feasibility
 - Energy cost per capita
 - Statewide balance
 - Matching funds
 - Advisory committee helps develop methods
 - \$157 M appropriated in FY09-11 out of \$971M requested
 - AEA recommended up to \$37.3 M for FY12
 - 6 million gallons of diesel will be displaced a year by 2013 which equates to a 4-8 year payback for state investment¹

¹ Sara Fisher-Goad, AEA Presentation 6/2/11 Slide 22 “RE Fund Rounds 1-3”



- Anchorage landfill gas sequestration project (Biomass) will come online in 2013
 - Emerging Energy Technology Fund Established 2010
- Recommendations
 - We need to build upon what is working such as the Renewable Energy Fund
 - There is a process in place that vets potential projects and has been successful at reducing diesel fuel use
 - The program is set to expire in 2013
 - An energy plan is detailed work and should be lead regionally
 - Locally available resources may transcend regional areas and each region should consider larger opportunities but ultimately the communities should decide
- AEA invites the CWN study group to attend a June 8 open house to view and tour a newly completed powerhouse

3. **Adjourned: 1:04pm**