



RESOLUTION NO. 12-007

RESOLUTION TO DEFINE THE BUSINESS AND FINANCIAL STRUCTURE OF AN ALASKA REGIONAL TRANSMISSION OPERATOR AND REQUESTING ARCTEC MEMBERS TO PARTICIPATE THEREIN

WHEREAS, ARCTEC was created to address the generation, transmission and ancillary services needs of the Railbelt region and,

WHEREAS, new generation plants are under construction and soon to be on line thereby altering the past method of dispatching Railbelt electrical energy and,

WHEREAS, the Alaska Energy Authority conducted studies to identify the transmission constraints on the Railbelt electric system that recommended transmission additions to alleviate the identified constraints; and,

WHEREAS, substantial transmission constraints have been identified on the Railbelt system that require concentrated and vigorous attention to mitigate; and,

WHEREAS, AEA has conducted Pre- and Post- Watana system studies to ensure that all the recommended system additions that are needed today will fully align and seamlessly integrate with the Watana Hydroelectric Project; and,

WHEREAS, these constraints are costly to Railbelt ratepayers and foster inefficiencies in delivery of electrical power and,

WHEREAS, State assistance is required to meet these mounting infrastructure shortcomings and,

WHEREAS, ARCTEC members wish to address these substantial challenges through cooperation, collective action and hands-on management.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of ARCTEC,

1. That ARCTEC define the business and financial structure of an Alaskan Regional Transmission Operator and as required move to position itself as that entity.

2. That ARCTEC craft a business plan around this business structure that will facilitate nondiscriminatory, open access transmission, with transparent cost based rates for the movement of energy and capacity along a backbone interconnected transmission corridor.
3. That ARCTEC members are encouraged to craft a business plan at the earliest that will result in ARCTEC management of the backbone transmission system, submission of a FY2014 budget request to the State that will result in work to mitigate the shortcomings and a plan to dispatch transmission services to ARCTEC members and others who may request such services.
4. That ARCTEC management coordinate these activities with Alaska Energy Authority to ensure the most efficient effort in achieving ARCTEC objectives.
5. That once the business structure is identified ARCTEC would immediately begin efforts to rationalize pricing, control and operation of the Railbelt Interconnected Transmission Corridor in the most cost effective and reliable way practical.



JANET REISER
CHAIR



EVAN J. GRIFFITH
CHIEF EXECUTIVE OFFICER

ATTEST:



JANET KINCAID
SECRETARY