



c/o Matanuska Electric Association, Inc. Post Office Box 2929 Palmer, Alaska 99645 (907) 761-9212

MINUTES OF THE BOARD OF DIRECTORS MEETING
Alaska Power Association Conference Room
703 W. Tudor Road, Anchorage, Alaska
Tuesday, November 12, 2013, 10 a.m.

CALL TO ORDER 10:04 a.m. (Chair Reiser)

ROLL CALL
MEMBERS PRESENT Joe Griffith and Janet Kincaid (MEA); Brad Evans, Dave Galespy, and Janet Reiser (Chugach); Cory Borgeson and Tom DeLong (Alternate, GVEA).

TELEPHONICALLY PRESENT John Fouts (Seward).

OTHERS PRESENT Harry Crawford (Chugach); Cassi Campbell (MEA); Kirk Warren (AEA), Larry Howell, Phil Bernhart (HDR Engineering).

SAFETY MOMENT (Griffith) Reminded everyone to wear ice cleats and be careful walking outside. Also reminded everyone that the roads are very dangerous and to watch others as well. (Borgeson) Added to be safe with weapons and to keep them away from children.

ACCEPTANCE OF AGENDA (Evans/Griffith) Motion to accept amended agenda CARRIED.

Amendments to include: (Evans) suggested to add CEO Search under committee reports. (Griffith) suggested ISO TRANSCO under item VII E under unfinished business.

APPROVAL OF MINUTES- October 24, 2013 (Kincaid/Griffith) Motion to accept September 24, 2013, minutes CARRIED.

REPORTS

Chairman's Report (Reiser)

- Had nothing new to report.

CEO's Activity Report (Griffith)

- Docket R-13-002 – Petition for a Rulemaking to Encourage Renewable Energy Development by Independent Power Producers.

- Ruling yesterday by the commission that dismissed petition of complaint on Golden Valley. Griffith encouraged board to read petition to commission and to stand by for more.
- FY2015 Legislative Strategy
 - Essentially the proposal in the governor's letter. No longer need the \$4 million for Seward that was in there previously as they have, from working with AEA, identified the funds necessary to finish their project.
 - Now budget is along \$37 million, with \$24 million is Battle Creek Diversion
- R-12-006 – Renewable Energy Cogen and Demand Ratchet Policy
 - (Griffith) reported that the complaint related to Chugach charging demand charges for outages related to the system causing a longer delay in bringing up their own systems or to be picked up a demand ratchet because of a higher load.
 - (Evans) clarified that the two businesses didn't install their system to be able to come up on their own, so they're having to rely on Chugach to do it. This leaves them independent but still having a crutch. He said the issue lies in what the cost of the crutch is. After being asked by Reiser what the status was, he informed the group that he'd check
 - (Kincaid) added contacting Senator McGuire's office and expressed her concerns that only one side would be relayed to legislature. A discussion took place about the time of the meeting and Borgeson mentioned that he planned to attend after the conclusion of this meeting.
 - (Reiser) asked if REAP or APA would be submitting comments. Griffith stated that APA's comments were comprehensive and nothing was needed beyond what they said. He felt it was appropriate that utilities themselves sign up to APA's statements or write their own. He also said that Doug Johnson (REAP Board) said they're going to go back to situation that caused this initially and review their position.

Committee Reports

Business Planning

- (Reiser) reported no activity since the previous meeting.

Transmission/Hydro

- (Evans) No update other than Brian Hickey spoke to MEA.

CEO Search

- (Evans) Handed out letter saying that he had spoken to Tom and will again when he returns to Alaska.

UNFINISHED BUSINESS

Update on FY2011 Projects (AEA)

- (Warren, AEA) reported they've worked through getting \$1.75 million for the Seward Power Plant from HEA's Soldotna/Nikiski transmission line project. (Evans) updated that they've finished the Hope Substation and gateway structures. That combined with the others were all under schedule and budget. He said sectionalizing that line was quite an achievement and will help minimize problem identification. After questions about it, Evans clarified that a small amount was used from the ARCTEC budget.

Motion to Move Funding from Nikiski to Soldotna 115kV project to Seward Generation Integration

- (Griffith) This gives AEA authority from ARCTEC to move the funds from the Nikiski to Kenai project 115kV upgrade to Seward Integration
 - (Kincaid/Evans) Motion CARRIES, no opposed.

Motion Approving CEO to Hire a Lobbyist

- Began with discussion about the price for a lobbyist given the length of the session. It was decided that the cost would include a year's worth of time and Griffith was going to follow up with this. Griffith then listed the other organizations that Kent represents. It was mentioned that the cost is important for providing ARCTEC with access to the Legislator and closed door sessions. Most lobbyists don't have that. Members of the board have worked with him previously and said he's done a good job. A potential conflict is to be considered since he also represents Seward. Kincaid stated that hiring a lobbyist would allow ARCTEC to gain credibility and this session is extremely important.
- (Kincaid/Griffith) Motion: Move that we authorize the CEO to retain the services of a lobbyist for 12 months and the 2014 legislative session to facilitate passage of ARCTEC agenda in the amount of \$60,000. The CEO is to report the progress to the board in a timely manner.
- Discussion: Friendly amendment by Evans, make a year
- Kincaid/Griffith accept
- Motion CARRIES, none opposed.

Resolution on Docket R-13-002 concept of Renewable Energy Incorporation in the Generation Suite of the Railbelt

- (Griffith/Kincaid) ARCTEC Resolution 13-009: A resolution regarding Railbelt support of renewable energy development contingent upon demonstrated financial economics for consideration under RCA docket R-13-002, petition for a rulemaking to encourage renewable energy development by independent power producers.
- Discussion: It was discussed that the resolution did not have the right tone or timing and it might be better to support APA's comments instead of creating their own.
- Motion defeated
- (Griffith/Kincaid) New Motion: Resolution 13-009 3rd with necessary changes
- Discussion: Clarification that this would get passed onto the RCA by the CEO
- Motion CARRIES, none opposed.

ISO/TRANSCO Update-

- (Griffith) This was presented at MEA's board meeting on 11/11/13 and they passed the following resolution: "Therefor be it resolves that the board of directors of Matanuska Electric Association resolves that this utility supports the creation of the TRANSCO under ARCTEC management." Kincaid and Reiser agreed that this needs to be a focus of all utilities.

NEW BUSINESS

ARCTEC 2014 Budget

- (Griffith/Borgeson) \$137,000 to be passed for the 2014 ARCTEC Budget.
- It was discussed that the budget should include a the cost of a CEO keeping in mind that the board would like to have one in place by that time.
- (Borgeson) Motion to amend the motion to include after dollar amount in budget with words that the understanding budget would be adjusted to facilitate the hiring of a CEO as soon as possible in 2014.
- Maker (Griffith) accepts motion.
- The motion to approve the ARCTEC 2014 budget in the amount of \$137,000 with the understanding that additional funds will be budgeted to facilitate the hiring of a CEO as soon as possible in 2014.
- Motion carries unanimously.

Motion Approving CEO to Schedule Legislative Lunch and Learn session

- (Griffith) cost would come out of \$50,000. Put on lunch and learn for legislatures that would like to know what as to be done and how
- Moved by Kincaid and seconded by Evans
- Comments: Kincaid suggested it happens early in the session. Griffith said topics would be ARCTEC projects and grant requests. It was discussed that the turn outs for these are typically high.
- Motion passes unanimously

**** John Fouts left meeting 11:17 a.m.

IX. DISCUSSION ITEMS AND BOARD MEMBER COMMENTS

- It was agreed that there'd be no ARCTEC Legislative Reception

EXECUTIVE SESSION- None

NEXT MEETING: 10:00 a.m. December, 2013

ADJOURNMENT: (Kincaid/Evans) Motion to adjourn at 11:30 a.m. CARRIED.