



RESOLUTION NO. 13-007

**ARCTEC RESOLUTION IN SUPPORT OF PROJECTS IN THE STATE'S FY 2015
CAPITAL BUDGET**

WHEREAS, the Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) is comprised of four utilities representing customers served by an interconnected regional transmission system;

WHEREAS, through ARCTEC, member utilities have assumed the role of setting priorities to improve the regional power grid;

WHEREAS, ARCTEC has worked cooperatively with the Alaska Energy Authority to review grid issues, make recommendations and seek funds to improve the Railbelt power grid;

WHEREAS, ARCTEC successfully championed several grants provided by the legislature during the 2011 session to improve the Railbelt power system;

WHEREAS, individual utilities developed project agreements with AEA to manage the funds allocated to projects;

WHEREAS, the ARCTEC board of directors supports the timely use of grant funds to improve the regional power system on behalf of the Alaskans it serves;

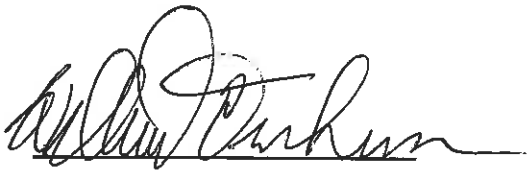
WHEREAS, the State-owned Bradley Lake Hydroelectric Project which provides power for all Railbelt electric utilities was financed by a combination of 50 percent equity contribution by the State of Alaska and 50 percent bonds with annual debt service paid by the utilities;

WHEREAS, the 115-kv transmission line between Cooper Landing and Anchorage provides the sole path for power from the Bradley Lake project to flow to utilities north of the Kenai Peninsula without full recovery of transmission line costs through wheeling;

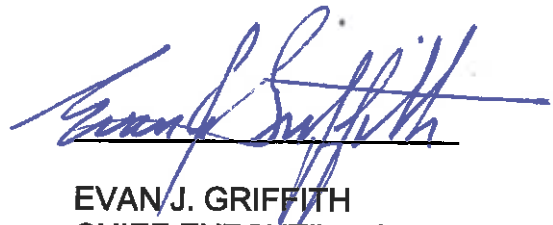
WHEREAS, the following projects comprise a reasonable investment of public funds for public good,

NOW, THEREFORE be it resolved that the ARCTEC board of directors recommends the Governor and Legislature include funding for the following projects in the State's FY 2015 capital budget to be developed during the 2014 legislative session:

- \$24 million as the State's half of the Battle Creek diversion project at the Bradley Lake Hydroelectric Project
- \$2 million for the Seward generation integration project
- \$4.5 million for the rebuild of the 115-kilovolt transmission line between Silvertip Creek and the Hope Substation
- \$5 million for the rebuild of the 115-kilovolt transmission line between Powerline Pass and Indian
- \$4 million for the Eklutna Hydroelectric transmission system upgrade



WILLARD DUNHAM
CHAIR



EVAN J. GRIFFITH
CHIEF EXECUTIVE OFFICER

ATTEST:



JANET KINCAID
SECRETARY