



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

MINUTES OF THE BOARD OF DIRECTORS MEETING  
September 18, 2013  
Alaska Power Association Board Room  
Anchorage, Alaska

**CALL TO ORDER** 10:00 a.m. (Chair Dunham)

**ROLL CALL MEMBERS PRESENT** Willard Dunham (Seward); Joe Griffith and Janet Kincaid (MEA); Brad Evans and David Gillespie (Chugach); Cory Borgeson (GVEA) and Janet Reiser (Chugach) joined the meeting in progress.

**TELEPHONICALLY PRESENT** Rick Schikora (GVEA)

**OTHERS PRESENT** Lee Thibert (Chugach); Mark Johnson (Counsel); David Glines, Denali Daniels, Kevin Brown, and Suzie Deuser (MEA); Marilyn Leland (APA); Robert Wilkinson (CVEA); Kirk Warren (AEA); Chris Rose (REAP); Phil Steyer (Chugach) joined the meeting in progress.

**SAFETY MOMENT** (Griffith) Reminded everyone to drive safely and be cautious of moose on the highway.

**ACCEPTANCE OF AGENDA** (Kincaid/Joe) Motion to accept amended agenda CARRIED.

**APPROVAL OF MINUTES- August 29, 2013** (Kincaid/Griffith) Motion to accept August 29, 2013, minutes CARRIED.

**APPROVAL OF MINUTES- Special Member Meeting August 29, 2013** (Griffith Kincaid/) Motion to accept minutes of the Special Meeting on August 29, 2013.

- Counsel Mark Johnson advised the minutes be corrected to read "Minutes of the Members Special Meeting".
- Motion to accept amended minutes of the members CARRIED.

## REPORTS

### A. Chairman's Report (Dunham)

- Had the opportunity to visit with several legislators.
- Scheduling a meeting with the Speaker of the House Mike Chenault.

#### **B. CEO's Activity Report (Griffith)**

- Invited Copper Valley Electric Association (CVEA) CEO Robert Wilkinson to speak.
- (Wilkinson) Commented CVEA appreciates ARCTEC's continued interest in associate memberships and looks forward to the conversation later in the meeting.
- Crafted the Eklutna Transmission project definition as promised and distributed to the Board members.
- Reviewed the draft REAP Public Policy Committee Proposed Recommendations and will provide comments later.

#### **C. Committee Reports**

##### **1. Business Planning**

- (Evans) Recommended the discussion be tabled until the Transco/ISO and grid unification can be presented to the Board at the next meeting.

##### **2. Transmission/Hydro (Evans)**

- A letter was sent to Homer Electric Association (HEA) from all the ARCTEC members and ML&P concerning transmission access and lease expiration of the Soldotna to Cortez Creek transmission line. The recommendation in the letter was continuing the current business model as it exists today. Failure to continue the model could result in the need for revision of auxiliary agreements.
- Intertie Management Committee (IMC) transmitted a letter to HEA describing the standards for interconnection.
- IMC will send an advisory letter to the Regulatory Commission of Alaska (RCA) recommending updating the reliability standards and incorporating open access language.
- Recommended a subsequent resolution supporting the reliability standards be presented at the next meeting.
- (Griffith) Will draft supporting resolution for the next ARCTEC meeting.
- (Warren) Comments Alaska Energy Authority (AEA) meet with representatives from the IMC. AEA had some suggested changes to the language which were mostly administrative and suggested the amendments be adopted at the next IMC meeting.
- (Griffith) Recommended waiting on sending the letter to the RCA until amendments have been adopted.
- (Evans) Stated considering AEA's amendments are administrative, he recommended not delaying the RCA letter.
- (Borgeson) Remarked all the members are in agreement with the reliability standards and concurs that the RCA letter is ready to be sent.
- (Evans) Informed that Bradley Lake and Eklutna Lake are spilling.
- (Griffith) Urges ARCTEC to act quickly on the Transco/ISO model.

#### **UNFINISHED BUSINESS**

##### **A. Long Term Gas supply Group Update (CEO)**

- Remarked the existing contracts do not eliminate the urgency for future gas supplies for the utilities.

**B. Associate Membership Fee Discussion (Chairman)**

- (Reiser) Inquired, "What is the basis for the associate membership fee, and what is the benefit for the associate membership?"
- (Borgeson) Remarked that the addition of the associate membership is not driven by the need for revenue, but the associate memberships are to encourage additional participation. Borgeson recommended a small fee \$500-\$1,000.
- (Dunham) Concluded the participation of associate memberships in discussion would be beneficial to both ARCTEC members and associate members.
- (Wilkinson) Commented that CVEA could be a voice in Juneau and speak in favor of many of ARCTEC initiatives.
- (Kincaid/Borgeson) Motion for an associate membership fee of \$1,000 CARRIED
- (Dunham) Sought CVEA comments.
- (Wilkinson) Requested the application and instructions for membership.
- (Griffith) Offered to provide the application.

**C. Seward Project Funding (CEO)**

- Letter of support seeking transferring of a portion of the Lake Lorraine build around project or possibly a loan out of the PPF to fund the shortfall of the interconnection of the Seward Power Plant was provided as a handout. A copy of the letter was provided to Chairman Dunham and CEO Griffith for signature.
- (Dunham) Thanked the Board for their support.

**NEW BUSINESS**

**A. Transmission System Operational Issues (CEOs/GM)**

- (Evans) Most recent transmission modeling of AEA requires two lines between the regions. The source of funding of the line is in debate. Without a unified approach to transmission, this will be difficult to achieve.
- (Evans) The transmission projects identified in Governor Parnell's letter dovetail with AEA suggested transmission modeling plan. Although not a comprehensive approach, these projects would provide a beginning to the recommended model.
- (Evans) Commended the state for their recommendation of a different model for allocating cost and sharing benefits.
- (Griffith) Voiced the utilities are not in a position to have additional debt on their balance sheet.
- (Evans) Echoed Griffiths comment.
- (Warren) Informed the SETS fund is underfunded for the necessary upgrades, and stated it is not the only funding being considered.

**B. Transco Progress**

- No additional comments were offered at this time.

**C. GVEA Legislative Request (Borgeson)**

- Expressed support of the legislative requests as it stands, recognized it mirrors the Burlingame report.

**D. REAP Participation (Rose)**

- REAP has distributed a straw man proposal for consideration at the Public Policy Committee meeting on Monday, October 23.
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#### **DISCUSSION ITEMS AND BOARD MEMBER COMMENTS**

- (Borgeson) Suggested discussion in the next Board meeting on legislative strategy, and recommended discussion on ARCTEC funding in 2014 for utility budget planning.
- (Kincaid) Commented that Governor Parnell's letter should be received prior to his meeting with the ARCTEC representatives on Monday, September 23.
- (Schikora) Thanked the members who spoke directly into the microphone, and recommended a better solution for the sound system.
- (Dunham) Proclaimed that he is looking forward to meeting with the Governor.

#### **EXECUTIVE SESSION**

- (Griffith/Evans) Motion to go into executive session for matters that might compromise the finances of the organization at 11:01 a.m.
- Reconvened open session at 12:00 p.m.

**NEXT MEETING:** 10:00 a.m. Thursday, October 24, 2013

**ADJOURNMENT:** (Kincaid/Gillespie) Motion to adjourn at 12:02 p.m. CARRIED.