Energy Committee Meeting  
Wednesday April 22, 2020, 2-3:30 PM

Minutes

The meeting was called to order by Chair Alec Mesdag 2:05 pm.


Industry Overview – Crystal Enkvist, Executive Director, reported that APA is working with the utilities to manage the impacts of the COVID-19 pandemic and is having to reschedule several workshops and events, but still hoping to hold its annual meeting in Homer in August. They are holding weekly meetings of the APA Managers’ Forum to provide information on new developments related to the pandemic including federal and state legislative actions. One challenge has been the availability of basic sanitation supplies.

Utility Manager Updates: Trey Acteson, chairs the APA manager’s forum and is working with utilities across the state to stay informed and develop consensus on these challenging issues, including meetings with the federal Delegation. SEAPA has had issues with bringing contractors into town due to travel restrictions which is causing project delays. Staff continues to work remotely.

Jeremy Bynum (KPU for Andy Donato), reported multiple Covid impacts on both staff interactions and customer service with offices closed. Otherwise, operations are going well.

Jodi Mitchell said IPEC staff is also working from home and that the Gunnuk Creek hydro project was paused due to travel restrictions to Kake. Their annual meeting has been postponed but the board election will proceed. She is also writing grants for the next phase of the Hoonah hydro system (Water Supply Creek) and for Angoon’s Thayer Creek hydro which is being developed in phases (a line extension via directional boring that will also enable Kootznoowoo to possibly develop a fishing lodge that will create job opportunities. In addition to the hydro facility, there will be a road phase in partnership with the Tribe). IPEC sales have been higher than usual, possibly due to the stay at home situation.

Connie Hulbert reported that their construction projects had also been postponed and their offices were on lockdown, although AEL&P has a drive-up window for customer service. The drought condition is officially over with precipitation up over 140% above normal.

Meera Kohler said many of her staff are able to tele-work while their offices in Anchorage and Bethel are closed. The rural villages are facing many impacts, exacerbated by the closure of the regional airline, RAVN. AVEC is working with ACEP in continuing wave research in Yakutat, and they were approached recently by Yak Timber about a concept for biomass energy production. Biomass energy would have to compete with currently low diesel prices ($2.45/gallon).
Energy Project status reports: Duff Mitchell mentioned that the Sweetheart Lake hydro continues to achieve milestones and is moving forward. Melissa Kookesh reported progress on the Thayer Creek hydro. The project partnership is making progress and they are working to secure federal funding for the multi-phase hydro.

Federal stimulus opportunities – Executive Director, Robert Venables discussed the possibility of a federal stimulus bill under consideration in Congress for later this summer. The region should prepare as many construction-ready projects and be ready. Congress has previously authorized approximately $384 million under PL 106-511 for components of the Southeast Conference Intertie Plan. The SE IRP also has several projects listed that could apply for federal stimulus funds (and possibly Denali Commission). Both the Metlakatla intertie and the Thayer Creek hydro are considered to be “committed units” will full support of Southeast Conference and the region. Trey mentioned that SEAPA has a submarine cable to Petersburg ready for construction and that there is ongoing work to develop the next hydro resource. There was discussion related to interties among Energy Committee members about the need to include the potential need to replace the submarine cable between Skagway and Haines (follow-up with AP&T has insurance replacing the cable, but future discussion will follow regarding potential electrical capacity needs if Constantine moves forward or if Skagway decides to electrify the cruise ship docks).

Alec talked about the demand side research being done for Alaska Heat Smart by CCHRC and AEL&P with the hopes to retrofit 100 homes in Juneau. SEAPA is also looking to research heat pump opportunities in Ketchikan. Jodi Mitchell asked for more information which AEL&P will provide. Meera talked about the grid issues in Yakutat (approx. $6M) which will likely need to be done in phases. There was further discussion on dock electrification infrastructure. Duff Mitchell mentioned that Juneau and other communities have polices and actions moving toward dock electrification. Many of the same cruise ships that are fully shoreside connected in Seattle, Vancouver are the vessels that come to SE Alaska. The port of Victoria BC is seeking federal Canadian funds to electrify their docks. Trey Acteson agreed and said this was a good point and has himself suggested to the Ward Cove developers to look into dock electrification at their development as a potential interruptible customer to serve cruise ships.

Biomass Update – Karen Petersen gave an update on biomass projects in the region and state with a list of 9 shovel-ready projects (5 in southeast). Clay Good (REAP) talked about projects in Haines and Kake and reported that the Hoonah Indian Association had recently been granted a Wood Innovation grant by the USFS to design a district heat system (they already have a feasibility study).

AEA DOE EV infrastructure grant application – Tim Leach (SparkBox) talked about the initiative to expand electric vehicle infrastructure and AEA’s application for a DOE grant in support of statewide stakeholders who have been meeting to identify opportunities. EV charging stations could be installed between Anchorage and Fairbanks and possibly to the Canadian border in collaboration with the Yukon government. There is also a fleet component to look at multiple EV model’s performance in various climates in Alaska (cars and 12-passenger vans). He also referred to the recent RFI published (was included in the meeting notice today). The committee reviewed the draft letter of support from Southeast Conference and without edits or objection, it will move forward. Duff Mitchell offered to work with Tim on additional letters of support.
2025 Comprehensive Economic Development Strategies and planning (CEDS) – One of the responsibilities of Southeast Conference is to produce and update a 5-year Comprehensive Development Strategy (CEDS) for the region. Meilani walked the committee through the year-long timeline that began at Mid-Session Summit in February. After reviewing the SWOT analysis, she asked the committee for input to supplement the initial findings. The development of alternative energy resources, biomass and environmental benefits were added and the high cost of infrastructure (and especially transportation costs) were identified as weaknesses. The cost of integration and replacement of aging infrastructure was also mentioned as was possible electrification of cruise ship docks. The volatility of the global oil markets and the impact on Alaska was also identified as having an impact across all economic sectors and the State’s ability to fund its own operation as well as support capital projects.

Announcements – Duff mentioned it was 50th anniversary of Earth Day. Alaska has an energy policy of achieving 50% of its energy from renewable sources. This is also the 50th anniversary of CBJ and there are issuing a proclamation.

The meeting was adjourned at 3:40 pm