Southeast Alaska Power Agency - Update

Abundant Affordable Energy
“The cornerstone of economic development”

Planning for the future...
Southeast Alaska Power Agency

<table>
<thead>
<tr>
<th>Year</th>
<th>Municipal Load</th>
<th>Population</th>
<th>PSG</th>
<th>WRG</th>
<th>KTN</th>
<th>Totals</th>
<th>BV Load Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td>2967</td>
<td>2382</td>
<td>8199</td>
<td>13,548</td>
<td>289,016</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td>55,404</td>
<td>38,509</td>
<td>181,932</td>
<td>275,845</td>
<td></td>
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</tbody>
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Total Area Hydro Capability (MWh)
- Avg. 286,000
- High 336,000
- Low 236,000
Note: KPU hydro and diesel generation is shown lumped simply as KPU generation for space saving reasons.
Initiatives

• Swan Lake Reservoir Expansion
• Request for Offers
• DCCED Grant
10 Obermeyer gates
each 15 ft h x 10 ft w

New dam height
raised by 6 ft.

Spill in this photograph
occurs at elev. 330 ft, the
improved structure
would spill at elev. 345 ft.
Request for Offers

Four Options:

1. Firm fixed Energy delivery schedule by month
2. Variable Power and Energy schedule (5 year blocks)
3. Propose a delivery schedule within 35% of Options 1&2
4. Joint development of a resource

Schedule:

Notice of intent to offer by 4/15/2013
Options 1, 2, 3 Submit by 9/30/2014
Option 4 Submit by 11/29/2013
$3MM DCCED Grant: Planning and pre-construction work for the next generation of hydroelectric projects in Southeast Alaska.

Follow-up activities to S.E. Integrated Resource Plan

- Hydroelectric storage
- Hydro site evaluation
- System stability & transmission interconnection studies
- System load balance modeling
- Project management
- Business analysis & PSA development
Challenges and Managing Risk

Accurate resource assessment
Accurate construction estimates
Size and timing of projects
Evolution of technologies
Funding and potential impact to rates
Partnering to share risk
Questions