AEA UPDATES

Curtis W. Thayer
Executive Director

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Who We Are

AEA’s mission is to reduce the cost of energy in Alaska. To achieve this mission, AEA works to diversify Alaska's energy portfolio.

Railbelt Energy – AEA owns the Bradley Lake Hydroelectric Project, the Alaska Intertie, and the Sterling to Quartz Creek Transmission Line — all of which benefit Railbelt consumers by reducing the cost of power.

Power Cost Equalization (PCE) – PCE reduces the cost of electricity in rural Alaska for residential customers and community facilities, which helps ensure the sustainability of centralized power.

Rural Energy – AEA constructs bulk fuel tank farms, diesel powerhouses, and electrical distribution grids in rural villages. AEA supports the operation of these facilities through circuit rider and emergency response programs.

Alternative Energy and Energy Efficiency – AEA provides funding, technical assistance, and analysis on alternative energy technologies to benefit Alaskans. These include biomass, hydro, solar, wind, and others.

Grants and Loans – AEA provides loans to local utilities, local governments, and independent power producers for the construction or upgrade of power generation and other energy facilities.

Energy Planning – In collaboration with local and regional partners, AEA provides economic and engineering analysis to plan the development of cost-effective energy infrastructure.
Active Projects And Services

- Biomass/Biofuels
- Bulk Fuel Upgrades
- Circuit Rider Assistance
- Diesel Emission Reduction Act
- Electrical Emergency Response
- Emerging Energy Technology Fund
- Heat Pump
- Heat Recovery
- Hydroelectric
- Maintenance and Improvement
- Ocean/River
- PCE Community
- PCE Utility Clerk Training
- Rural Power System Upgrade
- Solar
- Storage
- Transmission
- Utility Operator Training
- Utility Technical Assistance
- VEEP (Efficiency)
- Wind
Bradley Lake is Alaska’s largest source of renewable energy. Energized in 1991, the project is situated 27-air miles northeast of Homer on the Kenai Peninsula.

The 120 MW facility provides low-cost energy to 550,000+ members on the Railbelt.

Bradley Lake’s annual energy production is ~10% of Railbelt electricity at 4.5 cents/kWh (or ~54,400 homes/year) and over $20 million in savings per year to Railbelt utilities from Bradley Lake versus natural gas.

The Dixon Diversion Project would expand Bradley Lake and generate electricity for 14,000-28,000 homes on the Railbelt every year.
Alaska Intertie

- Constructed in the mid-1980s, the Alaska Intertie is a 170 mile-long, 345 kilovolt (kV) transmission line from Willow to Healy.

- Operated by AEA and Railbelt utilities, within Railbelt system the transmission line improves reliability.

- Allows Golden Valley Electric Association (GVEA) to connect to and benefit from lower cost power.

- Between 2008 and 2021 the Intertie provided an average annual cost savings of $37 million to GVEA customers.
Transmission Upgrades and Battery Storage

AEA and the Railbelt utilities closed on $166 million in bond financing to improve the efficiency and deliverable capacity of power from the Bradley Lake Hydroelectric Project. The bonding comes at no additional cost to ratepayers or burden on the State treasury.

- Upgrade transmission line between Bradley Lake and Soldotna Substation
- Upgrade transmission line between Soldotna Substation and Sterling Substation
- Upgrade transmission line between Sterling Substation and Quartz Creek Substation
- Battery Energy Storage Systems for Grid Stabilization

These projects will reduce constraints on the Railbelt by improving the Kenai Peninsula’s transmission capacity to export power from Bradley Lake — and allow for the integration of additional renewable energy generation.
These federal formula grant funds will provide $60 million to Alaska over five years, including $12.1 Million for the first year allocation, to catalyze projects that increase grid resilience against disruptive events.

Resilience measures include but are not limited to:
- Relocating or reconductoring powerlines
- Improvements to make the grid resistant to extreme weather
- Increasing fire resistant components
- Integrating distributed energy resources like microgrids and energy storage

Formula-based funding requires a 15% state match and a 33% small utility match.

Per IIJA section 40101(a)(1), a disruptive event is defined as “an event in which operations of the electric grid are disrupted, preventively shut off, or cannot operate safely due to extreme weather, wildfire, or a natural disaster.”
State of Alaska Electric Vehicle (EV) Infrastructure Implementation Plan

AEA and the Alaska Department of Transportation & Public Facilities (DOT&PF), submitted its State of Alaska EV Infrastructure Implementation Plan (The Plan) to the United States Joint Office of Energy and Transportation, as required by the Infrastructure Investment and Jobs Act’s (IIJA) National Electric Vehicle Infrastructure (NEVI) Formula Program.

- On September 27, AEA and DOT&PF secured approval.
- The announcement unlocks $19 million to expand EV charging infrastructure in Alaska.
- Over the next five years, AEA anticipates receiving $52 million. Funds will be received by DOT&PF and administered by AEA.
- Match Requirements:
  - Federal share – 80%
  - Private entity or other – 20%
Other Energy Infrastructure Project Opportunities

- **Black Rapids Training Site — Defense Community Infrastructure Pilot Program** – $12.8 Million
- **Alaska High Efficiency Home Rebate Program** – $37 Million
- **Inflation Reduction Act Alaska Hope for Homes** – $37 Million
- **IIJA: Energy Auditor Training** – $315,000 (Over Five Years)
- **IIJA Competitive: Alaska Rural EVSE Deployment** – $2 Million
- **IIJA Competitive: Grid Resilience and Intelligence Platform** – $10.5 Billion (Over Five Years)
Power Cost Equalization (PCE)

The PCE program was established in 1985 as one of the components of a statewide energy plan.

The cost of electricity for Alaska’s rural residents is notably higher than for urban residents. PCE lowers the cost of electric service paid by rural residents. Ultimately ensuring the viability of rural utilities and the availability of reliable, centralized power.

- **750 kWh**: Residential customers are eligible for PCE credit up to 750 kWhs per month.
- **70 kWh**: Community facilities can receive PCE credit for up to 70 kWhs per month multiplied by the number of residents in a community.
- **$29M**: In Fiscal Year 2021, AEA disbursed $29 million to rural electric utilities for the benefit of our rural communities.
Rural Power Systems Upgrades and Bulk Fuel Upgrades
AEA and Federal Partners (Denali Commission)

Rural Power Systems Upgrade
- ~197 eligible communities
- Active projects — 7 full and 16 Maintenance and Improvement / Diesel Emissions Reduction Act

Bulk Fuel Upgrade
- ~400 rural bulk fuel facilities
- Active projects — 8 full and 18 Maintenance and Improvement
Established in 2008, REF provides grant funding (subject to Legislative approval) incentivizing the development of qualifying and competitively selected renewable energy projects. The program is designed to produce cost-effective renewable energy for heat and power to benefit Alaskans statewide.
The PPF loan program qualifies applicants seeking low-interest loans for eligible power projects. PPF provides local utilities, local governments, or independent power producers an avenue to seek funding for the development, expansion, or upgrade of electric power facilities.
State Energy Plan and State Energy Security Plan

All future distributions of financial assistance through the State Energy Program will require the submission to the Department of Energy of a State Energy Security Plan that meets the requirements set out by the IIJA.

A State Energy Security Plan shall:

(1) address all energy sources and regulated and unregulated energy providers;

(2) provide a State energy profile, including an assessment of energy production, transmission, distribution, and end-use;

(3) address potential hazards to each energy sector or system, including—
   - physical threats and vulnerabilities; and
   - cybersecurity threats and vulnerabilities;

(4) provide a risk assessment of energy infrastructure and cross-sector interdependencies;

(5) provide a risk mitigation approach to enhance reliability and end-use resilience; and

(6) address
   - multi-State and regional coordination, planning, and response; and
   - coordination with Indian Tribes with respect to planning and response; and
   - to the extent practicable, encourage mutual assistance in cyber and physical response plans.
AEA provides energy solutions to meet the unique needs of Alaska’s rural and urban communities.
Railbelt Upgrades
Funding must be used to build out Alternative Fuel Corridors (AFCs) first

- Alaska currently has one AFC (pending)
- After AFC buildout, funding can be used elsewhere
- Charging infrastructure must be **DC fast-charging**
  - 4 Combined Charging System Connectors
  - >150 kW each
- Chargers must be located no more than **1 driving mile** from AFC
- Charging stations must be located no more than **50 miles** apart along designated AFC
- Match Requirements
  - Federal share: 80%
  - Private entity or other: 20%
- Justice40 Requirements

**NEVI Requirements**

Alternative Fuel Corridor Pending

Existing DC Fast Charger (June 2021)

Community

National Highways

NHS Port/Ferry/Airport Terminal

National Port/Ferry Terminals