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February 2009

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Energy legislation energizing the capital this legislative session

Energy issues are keeping us hopping in the APA Anchorage and Juneau offices. The year started with the release of the State energy guide, the announcement of approved sale terms for the Healy Clean Coal Plant, and the introduction of several energy bills in the Legislature.



We are monitoring these bills, commenting on some, and reporting frequently on the status of them with our APA e-flash e-mails and weekly bill tracking reports.

The Regulatory Commission of Alaska closed Docket R-06-5, the docket opened to consider federal PURPA standards adopted by the Energy Policy Act of 2005 and opened Dockets R-09-1 and R-09-2 to consider Alaska-specific net metering and interconnection standards. We will report on the status of these issues as they move through the regulatory process.

The APA Legislative Conference, to be held March 10-11 at the Westmark Baranof Hotel in Juneau, offers the opportunity to discuss our issues and positions with policymakers.

Speakers include Senate President Gary Stevens, Speaker Mike Chenault, Senator Albert Kookesh, and Commissioners Emil Notti (Commerce) and Click Bishop (Labor). Heather Grahame, a partner in the firm of Dorsey & Whitney LLP, will deliver a lunchtime presentation on carbon cap and trade initiatives and legislation.

We take pride in our annual conference as it has historically been well attended by legislative and

**APA Associate Member:
Denali Alaskan Federal Credit Union**



Denali Alaskan Federal Credit Union was chartered in December, 1948 as the City of Anchorage Employees Federal Credit Union.

As a not-for-profit financial co-op, Denali Alaskan's revenues revert back to its members via low or no fees on financial services and higher yielding savings and investments accounts.

In addition to the Municipality of Anchorage, Denali Alaskan also currently serves 580 other Select Employer Groups including Alaska Power Association.

The credit union has 16 branches statewide, including eight in Anchorage, two in Eagle River, four in Fairbanks, and one each in Juneau and Wasilla.

If you have any questions about Denali Alaskan or would like membership information, call (907) 257-7245, e-mail: eileent@denalifcu.com, or log on to www.denalifcu.org.

Industry Links

[Alaska Power Association](#)

[Alaska Energy Authority](#)

[Energy Information Administration](#)

[National Rural Electric Cooperative Association](#)

[Northwest Public Power Association](#)

[Renewable Energy Alaska Project](#)

Administration leaders. I look forward to reporting on it in the next newsletter.

As a reminder, my door in Anchorage and Juneau, when I'm there, is always open. While a lot of our communications are via e-mail or the telephone, nothing will ever take the place of face-to-face conversation.

Until next time,
Marilyn Leland, Executive Director

State releases energy guide

Governor Sarah Palin last month praised energy coordinator Steve Haagenson and the Alaska Energy Authority for the release of their comprehensive guide to energy in Alaska. The guide, *Alaska Energy: A First Step Toward Energy Independence*, identifies energy options for communities across the state.

"While lower crude oil prices are reducing the costs of energy today, we must remain committed to achieving energy security for our future economic well-being," Governor Palin said.



"This tool will focus each community on their relative options for generating electricity and heat through the use of locally available resources," said Haagenson.

The plan calls for Alaskans, the Legislature, local and regional governments, the University of Alaska and the private sector to work together to ensure that by 2025 half of the state's electricity comes from renewable sources.

A copy of *Alaska Energy: A First Step Toward Energy Independence* can be found at www.akenergyauthority.org.

Photo: Governor Sarah Palin with Steve Haagenson, Energy Coordinator, at a press conference last year. Source: State of Alaska website.

Sale terms for Healy Clean Coal Project approved by AIDEA, GVEA and HEA

The Alaska Industrial Development and Export Authority (AIDEA), Golden Valley Electric Association (GVEA) and Homer Electric Association, Inc. (HEA) have approved terms for the sale of Healy Clean Coal Project (HCCP) to GVEA. The action will result in agreements leading to the end of litigation and bring HCCP on line for the maximum value and benefit to Railbelt electric consumers.

Construction and testing of the experimental plant was completed in the 1990s with federal and state funding, including a grant from the U.S. Department of Energy. HCCP has not been in operation since 2000.



Under the terms approved by AIDEA, GVEA and HEA, the Healy Clean Coal Project will be sold to GVEA for \$50 million. AIDEA will finance the sale at five percent interest and provide GVEA a \$45 million line of credit at six and one-half percent for HCCP restart costs, both amortized over 25 years.

Additionally, this agreement provides that HEA will purchase from GVEA half of the plant's energy and capacity starting in 2014.

"Years of conflict have been set aside, and recent good-faith negotiations have produced a positive result for all concerned parties," said AIDEA Board Chairman Pat Galvin.

"Homer Electric Association is fully supportive of the settlement terms," said HEA Board President Debbie Debnam. "The Healy Clean Coal Project will provide HEA with needed diversification of our fuel sources, and has the potential to produce much-needed low cost power for the Railbelt region."

A trial between AIDEA and GVEA to resolve current litigation is scheduled to begin on June 1. Under the terms of the Settlement Term Sheet, the parties will postpone certain pre-trial activities until February 15 as work continues on more details of the sales transaction. Reaching agreement on these further details will lead to the trial's postponement. The trial will be dismissed when the transaction is complete.

"This is excellent news for Interior electric consumers," said GVEA Board Chairman Bill Nordmark. "The GVEA Board responded to members' requests to take ownership of this plant and strengthen the local economy by using local coal resources."

"The settlement terms benefit all the parties involved with the Healy Clean Coal Project. The members of Homer Electric Association and Golden Valley Electric Association will have access to economical, reliable power, and AIDEA will begin to see a return on its investment in the Healy Clean Coal Project," concluded HEA Board President Debbie Debnam.

Photo: Mark Schimscheimer, AIDEA

Chugach Electric and ML&P kick off energy efficiency program



Chugach Electric Association and Municipal Light & Power are joining forces to help residential customers save money.

Customers of both utilities are able to use \$2 off coupons to buy compact fluorescent lightbulbs (CFLs).

As a "Buy Alaska" move, the coupons will only be redeemable at the three Anchorage Brown's Electrical Supply locations. Coupons will arrive with customers' bills and they will also be available at the electric utilities'

customer service departments and at the Brown's locations.

Chugach & ML&P recently hosted a Saturday morning workshop at Brown's during which a Satco representative made a short presentation to about 20 people on the types and color temperatures of CFLs. Satco is a nationally-known Energy Star manufacturer that works closely with Brown's on a variety of energy efficient lighting elements.

Chugach is the largest electric utility in Alaska, providing power for Alaskans throughout the Railbelt through retail, wholesale and economy energy sales. ML&P serves the downtown Anchorage commercial district and surrounding residential areas.

Photo: Dan Webb of Satco discussed the features and applications of CFLs during a Smart Power presentation on January 24.

► [Chugach Electric website](#)

Movers and shakers

Bonnie Maxwell (right) started working at Chugach Electric Association recently as the Manager, Customer Service. Maxwell was the classified call center manager at the Anchorage Daily News where she worked since 2005.



Shawn Wendling

(left) was named Manager, Substation Operations. Wendling moved to the substation department from his position as Project Engineer in the transmission services area of the engineering division. Wendling started working at Chugach in 2001. He has a bachelor of science degree in mechanical engineering technology from Purdue University.

Paul Lisankie of Anchorage was appointed to the Regulatory Commission of Alaska by Governor Sarah Palin. If the appointment is confirmed by the Legislature,

Lisankie's term starts March 1 when Commissioner Mark Johnson's term expires. Johnson served on the commission since 2003. Lisankie, an attorney, previously served as Director of the Alaska Workers' Compensation Division within the Alaska Department of Labor & Workforce Development.

NANA/Colt Engineering changed its name to **NANA WorleyParsons**. NANA WorleyParsons, a limited liability corporation, is jointly owned through a 50/50 partnership between Alaska-based NANA Development Corporation and Australia-based WorleyParsons LTD.

Sen. Mark Begich (D-Alaska) recently hired **John Richards** to serve as his Legislative Director. Richards spent the last 10 years working for Sen. John (Jay) Rockefeller (D-WV) where he served as a principal adviser on energy, environment, homeland security, judiciary and transportation issues. His last title was Senior Commerce Counsel.

Murkowski names Alaskans to energy panel staff



U.S. Senator Lisa Murkowski (R-Alaska) named several long-time Alaskans to serve on the staff of the Senate Energy and Natural Resources Committee.

McKie Campbell was appointed Republican Staff Director of the Senate Energy and Natural Resources Committee. With nearly 30 years of government and

private-sector experience working on natural resources issues, Campbell was Commissioner of the Alaska Department of Fish and Game from 2005 to 2007. He also served as Deputy Chief of Staff to Gov. Walter Hickel, and spent nine years in the Alaska Senate as legislative committee staff working on natural resource issues.

Chuck Kleeschulte, who has been an aide for the Alaska Congressional Delegation for 18 years, is taking over dealing with most Alaska energy and land issues on the energy committee. Kleeschulte, a former reporter for the

Juneau Empire and Anchorage Daily News, is a 32-year Alaskan. He is a former communications aide for Gov. Jay Hammond and also worked for the Alaska Department of Environmental Conservation. He previously handled Alaska energy issues for Murkowski out of her personal office for the past four years.

Isaac Edwards has also moved over from Murkowski's personal office to handle U.S. territories and international energy issues for the committee. Edwards is the committee's Republican counsel. Edwards was born and raised in Homer. He worked for Sen. Frank Murkowski starting in 1997, and then for Sen. Lisa Murkowski and served as her Legislative Director since 2003.

Robert Dillon was named Communications Director for the energy committee. Dillon began his journalism career at the Anchorage Times in the late 1980s. He later spent six years covering Alaska Native issues as a reporter in Kotzebue and Bethel for Alaska Newspapers Inc. Before joining the energy committee, Dillon covered politics in Juneau and Washington, D.C., for the Fairbanks Daily News-Miner.

Anne Johnson joined the committee staff as Minority Press Secretary. She previously served as Deputy Press Secretary for Murkowski, where she started as a Press Aide. Johnson was born and raised in Chugiak and is a graduate of the University of Alaska Anchorage.

Brian Hughes remains on the energy panel as a legislative aide, focusing on policy related to oil, natural gas and alternative fuels. Hughes was raised in Anchorage and graduated from Service High School in 2001. He first came to the Senate as an intern for Sen. Ted Stevens, and went on to serve as his speechwriter before joining the energy committee in September 2007.

In Memory: Walter Wilcox



Walter Wilcox, the Alaska Power Association director who represented the City of Galena, died January 21.

Walt was the City Manager for the City of Galena. Prior to serving in that position, he was the Utilities Manager.

He worked in public administration for many years including serving as the Haines City Administrator, a legislative staffer, and a manager in the Alaska Department of Transportation and Public Facilities.

Walt held master's degrees in public administration and education from the University of Alaska. His experience, education and reputation for getting things done made him a much sought-after public administrator in Alaska.

Those of us who had the pleasure of working with Walt will dearly miss his sense of humor, his straightforward approach to tackling tough issues, his work ethic, and his distinguished career in public service. Our deepest sympathy is extended to his family, friends and the community of Galena.

Rural energy update from the Denali Commission

The Denali Commission reports on three grants to provide funding to its partner, the Alaska Energy Authority:

The commission added \$850,000 to fully fund a \$3 million upgrade to electrical power systems for the village of Napakiak in western Alaska. Significantly, this project will connect the village with Bethel, a regional hub some 15 miles distance across the tundra with a new power line, and construct a standby capability in the village. Gradually connecting villages together into small grid systems is a great long-term solution to providing reliable electric power.

A \$2.2 million grant was provided to upgrade and replace a 70-year-old hydro power system in Pelican, in Southeast Alaska, which is beyond the end of its useful life and at risk of failure. The project includes the fiber optic interface between the switchgear in the hydro and a diesel plant, which allows the community to fully blend hydro and diesel power sources.

In addition, the agency awarded \$120,000 to prepare a preliminary design for a new 294,000-gallon, co-located, code-compliant bulk fuel tank farm and related facilities in Tuluksak in western Alaska. This is the first key step leading to construction of a basic tank farm, once funding is available.

Southeast Conference sets energy vision and priorities

The Southeast Conference released its legislative report on energy projects in the region as it continues to promote a long-term vision for responsible development and management of energy resources to meet the energy needs of Southeast Alaska.

"The energy projects represented in this report will guide economic development in the region, and provide energy security for our communities," said Shelly Wright, Southeast Conference Executive Director.

"The vision for meeting our current and future energy needs is the development of a regional electrical grid that will reduce the dependence on fossil fuel and reduce energy costs. The Southeast Alaska Electrical Intertie System Plan was authorized by the U.S. Congress in 2001 with many community projects in various stages of development," Wright said.

The energy report addresses priority energy projects, including: the Kake to Petersburg Intertie, development of the Prince of Wales Island grid and the Reynolds Creek hydro project, and the Metlakatla to Ketchikan Intertie, and projects increasing renewable energy capacity for future electricity needs.

For a copy of the Southeast Conference energy program report, visit the organization's website.

▶ [Southeast Conference website](#)

ARECA Training Council hosts apprenticeship presentation

John Hakala, State Director of the U.S. Department of Labor's Office of Apprenticeship, will address Alaska Power Association members on February 24 at 12:30 p.m. as part of a presentation to the ARECA Training Council.

Hakala will discuss the mission of the U.S. Department of Labor's Office of Apprenticeship, the benefits of apprenticeship



programs, and the process of developing an apprenticeship program.

"I encourage any member interested in starting an electrical apprenticeship program to attend this presentation," said David Gardner, President of the ARECA Training Council and Vice President of Marketing and Member Services for Golden Valley Electric Association.

Meetings & events calendar

NRECA Annual Meeting: February 11-18, 2009, New Orleans, LA

ARECA Training Council: February 24, 2009, Anchorage, AK

APA Managers Forum: February 24, 2009, Anchorage, AK

APA Legislative Conference: March 10-11, 2009, Juneau, AK

ARECA Insurance Management, Inc. Meeting: March 19, 2009

NRECA Legislative Conference: May 3-6, 2009, Washington, DC

NWPPA Annual Meeting: May 17-21, 2009, Boise, ID

APA/AIE Annual Meeting: August 5-7, 2009, Kenai-Soldotna, AK

NRECA Region 9 Meeting: September 23-25, 2009, San Diego, CA

NWPPA-APA Alaska Utility Conference: October 29-30, 2009, Anchorage, AK

APA/AIE December Meetings:
December 4, 2009

[▶ APA Meetings and Events](#)

Employment opportunity

Copper Valley Electric Association (CVEA), a member-

owned non-profit electric cooperative, is seeking a highly motivated and team-oriented self-starter to play a key role in transitioning the cooperative into a new competitive electric utility. CVEA serves Valdez and the Copper River Basin.

The **Hydro Asset Manager** position is based in Valdez. The successful candidate will act as project manager on a wide range of major capital projects and upgrades at existing and future hydroelectric plants, be a technical and budget liaison to the CEO and board of directors, providing information on potential future projects as well as current project status updates.

The successful candidate will also advance the strategic mission of the cooperative by analyzing and developing projects that enhance system operations, implementing new and existing technology, and applying CVEA's technical skills and abilities to new project opportunities.

Proven information technology skills, demonstrated leadership, and superior written and verbal communication skills are required. Ten years minimum in FERC project management, including all phases of operation and maintenance of a FERC-licensed hydroelectric project is required along with a bachelor of science degree in engineering with a PE rating or the ability to obtain said rating.

The successful candidate should have a strong working knowledge of hydro and generation operation and integration. Travel between the two districts is necessary and outside the service territory as required.

This position is an exempt salary position. Relocation assistance is available. CVEA is an Equal Opportunity Employer. For more information, contact Nancy Heidelberg at jobs@cvea.org.

► [Employment opportunities](#)

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