



News from Alaska Power Association

June 2009

Watts Inside

APA AIE Annual Meeting

Members advocate in DC

Chugach Electric gas contract

Eklutna rezone helps MEA generation plan

Movers and shakers

Red Flags enforcement delayed

GVEA, Chugach safety programs honored

APA seeking cover photo

ANGDA propane workshop

Meetings & events calendar

Employment opportunities

Welcome new APA Associate Members:

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Energy policy work gains momentum during summer

As a longtime Alaskan, I remember when summer was the season when most business organizations tried to avoid holding meetings and legislative activity slowed down significantly. In the fall, attention immediately focused on government relations efforts in preparation for the legislative session.

This summer, however, the work on energy policy development is maintaining its strong momentum from the legislative session. The House and Senate Energy Committees have been holding meetings around the state with more to come in the next couple of months, including one in conjunction with the APA Annual Meeting. The Joint Utility Task Force, comprised of directors from the six Railbelt utilities and me, has been meeting in our office to discuss the Greater Railbelt Electric Transmission Corporation (GRETC) legislation.



On the federal level, Senator Lisa Murkowski has been working hard to support the interests of Alaska electric utility consumers. The Senate Energy and Natural Resources Committee nearly finished its work on a Renewable Electricity Standard (RES) title. While Murkowski had led Republicans in opposing the concept at a May 21 markup session, the RES survived by a vote. The Senator has since worked to make the proposal more acceptable to Alaska utilities, less economically painful to consumers, and more beneficial for Alaska entities.

The committee kept the qualifying threshold for utilities to have to comply with the standard at 4 million megawatt hours sold a year--a standard that should prevent any

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Industry Links

[Alaska Power Association](#)

[Alaska Energy Authority](#)

[Energy Information Administration](#)

[National Rural Electric Cooperative Association](#)

[Northwest Public Power Association](#)

[Renewable Energy Alaska Project](#)

Alaska utilities for years from having involuntarily to meet the standard or pay a 2.1 cents per kilowatt-hour penalty.

The committee also approved amendments that will permit Alaska utilities that generate renewable energy to sell credits equal to the power they produce from renewable sources to utilities in the Lower 48.

Additionally, the committee accepted an amendment to expand the definition of what constitutes as renewable energy by allowing additional forms of hydroelectric power to count, but in the State of Alaska only. Those forms include lake-taps of any size, small hydro projects defined as projects up to 50 megawatts in size, and pumped storage projects.

A full Senate energy bill could be finished in committee this week.

Until next time,
Marilyn Leland, Executive Director

Policymakers, Denali Commission to meet during APA Annual Meeting in Kenai

The Alaska Power Association and ARECA Insurance Exchange Annual Meetings are being held August 5-7 in Kenai, Alaska. Homer Electric Association is the host utility.



APA is seeking nominations for the Mason Lazelle Achievement Award, the David P. Hutchens Public Service Award, and the Hatcher-Williams-Turkington Employee Service Award. The deadline to submit nominations is July 1. Award

nomination forms and other annual meeting related information, including lodging and car rental deals for attendees, are posted on the [meetings and events page](#) of the APA website.

Here is a preview of coming attractions:

Tuesday, August 4

- Welcome reception hosted by Homer Electric Association at the Kenai Visitors and Cultural Center

Wednesday, August 5

- NRECA Director Training, New and Emerging Technologies (923.1), at Kenai Central High School
- The Denali Commission is holding an Energy Advisory Committee meeting
- ARECA Insurance Exchange reception featuring entertainment by Atz Kilcher at the Challenger Learning Center

Thursday, August 6

- APA Awards Banquet and ARECA Educational Foundation Auction at the Soldotna Sports Center

Friday, August 7

- There will be an NRECA Alaska Director Election at the start of the general session in the auditorium of Kenai Central High School. This position is currently held by GVEA Director and former NRECA President Ron Bergh.
- The Senate and House Special Committees on Energy are having a joint meeting following lunch at the Challenger Learning Center.

Alaska electric cooperatives represent member interests in Washington, DC

Alaska Power Association member electric cooperatives represented the interests of their member-owners last month at the National Rural Electric Cooperative Association Legislative Conference in Washington, DC.

Every May, a group of nearly 3,000 co-op grassroots advocates spend time on Capitol Hill talking to their congressional delegations about legislative issues affecting electric cooperatives and their member-

owners. The group is comprised of directors, managers, and employees of member-owned electric cooperatives.



Electric cooperatives are working to meet the enormous demands for new generation, efficiency programs, renewable power and R&D to develop technologies that will reduce carbon emissions while providing their members with reliable electric power in the most cost-effective manner possible.

These challenges must be met in a political climate in which key decision makers are focused on transforming the way the nation generates and uses electricity. The national electric cooperative legislative conference was especially well timed since several important issues are being addressed: climate change, energy efficiency resource standards, renewable energy standards, and funding for programs of the USDA Rural Utilities Service. It is apparent that the electricity sector is on the cusp of enormous change.

Representatives from Alaska electric cooperatives including Chugach Electric Association, Golden Valley Electric Association, Homer Electric Association, INN Electric Cooperative, Kodiak Electric Association, and Naknek Electric Association met with Senator Mark Begich (D-Alaska); Senator Lisa Murkowski (R-Alaska); Congressman Don Young (R-Alaska); John Katz, Director of State and Federal Relations and Special

Counsel to Governor Sarah Palin; Kellie Donnelly, Republican General Counsel for the Senate Energy Committee; and officials from the Rural Utilities Service including Joseph Badin, Northern Regional Division Director, and Karen Larsen, head of the High Cost Energy Program.

Photo captions:

Discussing Alaska energy issues with Congressman Young in Washington, DC last month were Dr. PJ Hill, Chugach Electric Association; Cliff Davidson, Kodiak Electric Association; Crystal Enkvist, Alaska Power Association; Marilyn Leland, Alaska Power Association; Lee Thibert, Chugach Electric Association; and Rick Eckert, Homer Electric Association.

A large group of representatives from Naknek Electric Association participated in the NRECA Legislative Conference. Taking in the sights of Washington, DC are (left to right) two members of Naknek Electric Association; Mili Vukich, daughter of Donna Vukich of NEA; and George Hornberger, the new General Manager of INN Electric Cooperative.

Chugach Electric announces long-term natural gas contracts

Chugach Electric Association has a new, long-term natural gas contract with ConocoPhillips. The seven-year contract is designed to fill 100 percent of Chugach's unmet needs through April 2011, approximately 50 percent of Chugach's unmet needs from June 2011 through December 2015, and approximately 25 percent in 2016.

The total volume of gas under the contract is about 66 billion cubic feet. The vast majority (90 percent) of the gas under the contract will be priced off of a basket of Lower 48 Production Area price points, as published in Platts Gas Daily. The pricing formula in the contract will result in the most competitive price, on average, of any price formula presented to the RCA during the past decade for a major gas contract. Production Area Composite Index compares favorably with Henry Hub and has averaged out to be nine percent less than Henry Hub over the past four years.

As further consideration for the contract, Chugach has agreed to withdraw its appeal of the United States

Department of Energy's approval of the LNG export authorization for the period 2009-2011. Chugach asked that DOE condition LNG exports by requiring that the gas producers also make binding commitments to meet the natural gas supply needs of gas-dependent Cook Inlet utilities such as Chugach and ENSTAR.

The new supply contract between Chugach and ConocoPhillips ensures that Chugach's needs will be fully met through the end of the export authorization and then for significant portions of Chugach's requirements through 2016.

The contract was fully executed and submitted to the Regulatory Commission of Alaska last month. Chugach has been in negotiations with Cook Inlet producers for many years.

Chugach Electric said the State of Alaska provided critical assistance in bringing about the successful conclusion of these negotiations.

MEA's generation plan advances with approval of Eklutna land rezoning

Matanuska Electric Association (MEA) reached a milestone in its local generation planning process last month when the Anchorage Assembly unanimously approved the ordinance rezoning the property for the power plant.

MEA signed a memorandum of understanding a year ago with Eklutna Inc., a local Native corporation and MEA member, for the possible acquisition of nearly 70 acres of property in the Eklutna area. Last February, the MEA Board of Directors approved the purchase of the property for approximately \$2.7 million, pending a successful rezone.

MEA plans to build up to a 180 megawatt natural gas power plant on the property to provide electricity to its roughly 45,000 members living in the Mat-Su, Chugiak and Eagle River areas.

"MEA and Eklutna Inc. have worked side by side on getting this property rezoned," said Lorali Carter, MEA spokesperson.

"The management and board of directors at Eklutna, Inc. have a long affiliation with our local power cooperative, and are excited about MEA moving forward with a natural gas power plant in our area," said Curtis McQueen, CEO, Eklutna Inc.

The property surrounds an existing electric substation, and is adjacent to the retired Eklutna Power House.

Movers and shakers



George Hornberger is the new manager of INN Electric Cooperative. The Bristol Bay electric cooperative had been managed through a long-standing management agreement with Naknek Electric Association which is headed by general manager Donna Vukich. Vukich said she is pleased to turn the co-op's management over to Hornberger, a retired

Iliamna Air pilot who also spent a few years working for the Pebble Project.

Northwest Public Power Association's (NWPPA) Board of Trustees elected **Ed Gossett** at their 69th Annual Conference and Membership Meeting in Boise, Idaho to be the 2009/2010 NWPPA Board of Trustees President. Gossett, who will serve a one-year term, has served on the Kootenai Electric Cooperative (Hayden, Idaho) Board of Directors since 1993. He has held all of the officer positions on the co-op's board and is the current president. A 27-year veteran of the Los Angeles Police Department, Gossett is currently an investigator and security consultant for several national corporations. **Rebecca Logan**, Chair of Chugach Electric Association, and **James M. Posey**, General Manager of Anchorage Municipal Light & Power, were elected to their first three-year terms.



Mark Johnson started work at Chugach Electric Association on March 19 as General Counsel.

Johnson served as a member of the Regulatory Commission of Alaska from March 2003 through February 2009. Prior to service on the commission, Johnson worked for the Alaska Congressional delegation in Washington, D.C.. He holds a bachelor's degree in economics from Lewis & Clark College and a Juris Doctorate from the McGeorge School of Law, University of the Pacific.

Felix Melendez joined Chugach Electric as Manager of Regulatory Affairs. Melendez spent the last eight years as a utility financial analyst for the State of Alaska. He has a bachelor of business administration degree with an emphasis in accounting from the University of Alaska Anchorage.



FTC delays enforcement of Red Flags Rule until Aug. 1

The Federal Trade Commission is delaying enforcement of the new "Red Flags Rule" until August 1 to give creditors and financial institutions more time to develop and implement written identity theft prevention programs.

For entities that have a low risk of identity theft, such as businesses that know their customers personally, the commission will soon release a template to help them comply with the law. The announcement does not affect other federal agencies' enforcement of the original November 1, 2008 compliance deadline for institutions subject to their oversight.

For more information, review the [announcement](#) posted on the FTC web site.

Golden Valley and Chugach Electric recognized regionally for safety programs

Northwest Public Power Association Safety Award winners for 2008 were announced April 23 at the Engineering & Operations Conference in Spokane, Washington.

Safety awards are based upon a review of each utility's safety contest form, the number of recordable injury/illness cases (the incident rate) in 2008, and the lost work days (the severity rate) in 2008.

NWPPA reports that this year's competition saw the number of utilities entering the safety contest more than double from last year.

Golden Valley Electric Association took first place and Chugach Electric Association took third place in the 500,001-1,000,000 hours of exposure category.

APA seeking cover photo for 2010 membership directory



Would you like to see your photographic talents featured on the cover of the next APA membership directory?

Photos submitted to the Alaska Power Association (APA) 2010 Membership Directory Cover Photo Contest will be used to highlight the talents within the membership of the statewide trade association.

APA is seeking images that are striking, original, creative and represent the electric utility industry in Alaska.

The winning photograph will grace the cover of next year's membership directory and the winner receives lodging and conference registration for this year's APA Annual Meeting in Kenai. [Contest information](#) is posted on the APA web site.

ANGDA hosting June 17 propane conference in Fairbanks

The Alaska Natural Gas Development Authority

(ANGDA) is hosting the Alaska Propane Opportunities Conference: "Putting North Slope Propane to Work for Alaska" on Wednesday, June 17 from 8 a.m. to 5 p.m. at Wedgewood Resort Suites in Fairbanks, Alaska.

ANGDA has developed a project to extract propane from North Slope gas and distribute it along Alaska's roads and to rural Alaska, particularly communities with no current, cost-effective, clean-burning alternative to diesel.

The agency has advanced the project to the point it is requesting expressions of interest from qualified contractors interested in designing, building, operating and maintaining a propane extraction facility and distribution system. This operation will be independent of ANGDA and will consist of licenses to extract, process and distribute propane throughout Alaska.

This free conference is open to everyone interested in utilizing propane as Alaska's alternative energy solution. For more information, contact the Alaska Natural Gas Development Authority at (907) 257-1334 or visit the agency's [web site](#).

AEA holding Regional Integrated Resource Plan conference

The Alaska Energy Authority is holding the Regional Integrated Resource Plan (RIRP) Technical Conference July 7-8 at the Hotel Captain Cook in Anchorage. The RIRP is a 50-year long range plan that will identify combinations of generation and transmission capital improvement projects in the Railbelt region of Alaska. Interested parties may view the draft conference agenda on the AEA [web site](#). To register, e-mail Shauna Howell at showell@aidea.org by July 2.

Meetings & events calendar

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, Anchorage, AK

▶ [APA Meetings and Events](#)

Employment opportunity

Copper Valley Electric Association (CVEA) is seeking a team-oriented professional to join its management team as **Manager of Transmission & Distribution** in Valdez, Alaska.

The successful candidate will manage the electric distribution and transmission systems of the cooperative by analyzing and developing projects that enhance system operations, implementing new and existing technology, and applying the cooperative's technical skills and abilities to new project opportunities.

Proven technical and technology skills, demonstrated leadership, and superior written and verbal communication skills are required. In addition to providing management oversight, the candidate will supervise the engineering and operations functions of the utility, manage capital projects and system improvements in assigned areas of responsibility, and will function as a technical resource to the utility CEO and board of directors.

Ten years experience, including all phases of operation and maintenance of a rural electric utility is required along with a bachelor of science degree in engineering in appropriate disciplines. The successful candidate should have a strong working knowledge of electric systems operations.

The position is salary exempt. The successful applicant is expected to perform as necessary to accomplish the responsibilities of the position. CVEA maintains a competitive range in a grade base pay compensation plan, which is updated annually. Initial placement in the plan depends upon experience and qualifications. The salary range for this position is up to \$120,000 annually, depending upon qualifications and relevance of professional experience of the candidate.

CVEA is an Equal Opportunity Employer. For more information, contact Nancy Heidelberg at jobs@cvea.org.

▶ [Employment opportunities](#)

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