

The Southeast Alaska Power Agency

Southeast Conference Mid-Session Summit

Juneau – March 16, 2016

Strategic Positioning

Advocacy, Policy, and Alignment

Trey Acteson, CEO



SEAPA's Mission: To provide the lowest wholesale power rate consistent with sound utility planning and business practices. We exist for the long-term benefit of our member utilities and the rate payers, providing unified regional leadership for project development and prudent management of our interconnected power system.

SEAPA - Overview

Joint Action Agency (JAA) - Regional Wholesale Power Provider

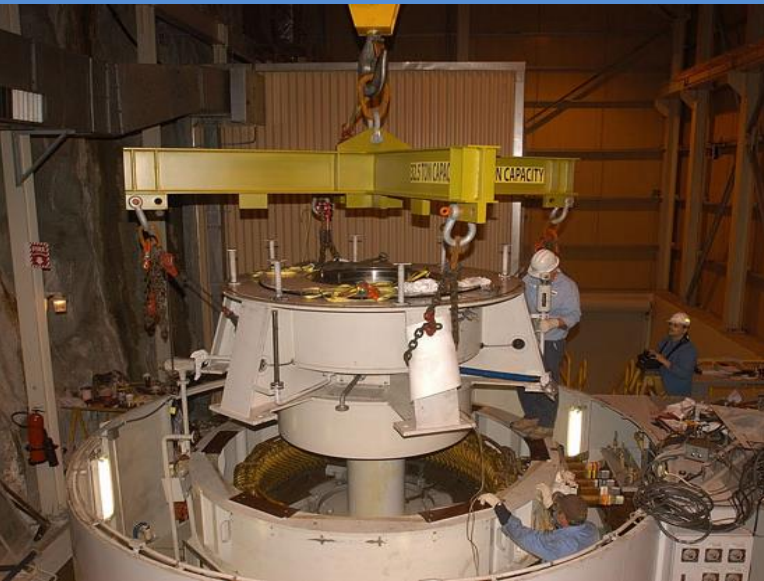
- SEAPA is a not-for-profit, evolved from the FDPPA
- Governed by municipal appointed directors (WRG, PBG, KTN)

SEAPA Owned Facilities

- 2 Hydro Projects (Swan & Tye built in early 80's)
- 175 miles transmission, 14 miles submarine cable, substations, switchyards

JAA Bundled Regional Services - Postage Stamp Rate

Power scheduling, water resource mgmt., planning & engineering, facilities O&M, risk mgmt., project mgmt., etc.



JAA Area



Transmission system
Petersburg to Ketchikan

SEAPA owned facilities
serve about 60% of the
load

< 12,000 meters

KTN



SEAPA Generation



Swan
Lake

25 MVA
77,000 MWh



Tye
Lake

25 MVA
130,000 MWh



PSG



WRG





Industry Advocacy

A Long-term Commitment

State

- Alaska Power Association
- Legislative outreach
- Southeast Conference
- Chambers of Commerce (Ktn, Wrg, Pbrg)

Regional

- Northwest Hydroelectric Association
- Northwest Public Power Association

National

- National Hydropower Association
- Legislative



Federal Policy

Potential for Progress

Senate Bill 2012:

Energy Policy Modernization Act

SEAPA amendment

Roadless Rule:

SEAPA major legal investment

Kake, et. al. v. Alaska. This case is on appeal through a Writ of Certiorari at the United States Supreme Court.

Alaska v. USDA. This case involves a direct challenge to the Roadless Rule. The case is now pending back in the US District Court.

Tongass Forest Plan Amendment:

- SEAPA filed comments 2013, 2014, 2016
- *Renewable Energy Direction* – New guidance
- Working on clarifications to reduce uncertainties

Federal Energy Regulatory Commission:

4(e) Mandatory conditioning authority overreach

- 10 Alaska hydro projects relicensing next 15 years
- Approx. 13 new projects under active consideration
- Outreach to Alaska Delegation
- Unlikely to be fully addressed in S.2012

FERC land use fees; 70% increase in 5 year period



State & Local Policy - Initiatives

Securing Financial Pathways

- Preservation of PCE Endowment
- New funding mechanism for Renewable Energy & Immerging Technology Funds
- Contouring loan structures
- Multi-source financing
- State Muni Bond Bank access



System Load Analysis & Forecasting

- How is energy use evolving?
- Customer class dynamics
- Population
- Weather
- Economy and fuel costs
- Conversions
- Industrial growth
- Timing of new generation investment



Energy Resource Evaluations

- Hydro
- Wind
- Geothermal
- Tidal
- Potential interconnection
 - Kake: Draft Record of Decision
 - Metlakatla



Alignment For Long-term Success

- Policy reform
- Building legislative relations
- Educating key decision makers
- Assisting agencies on energy issues
- Stewardship
 - Increasing community outreach
 - Sponsoring USFS public use cabins
 - Supporting King Salmon rearing pens

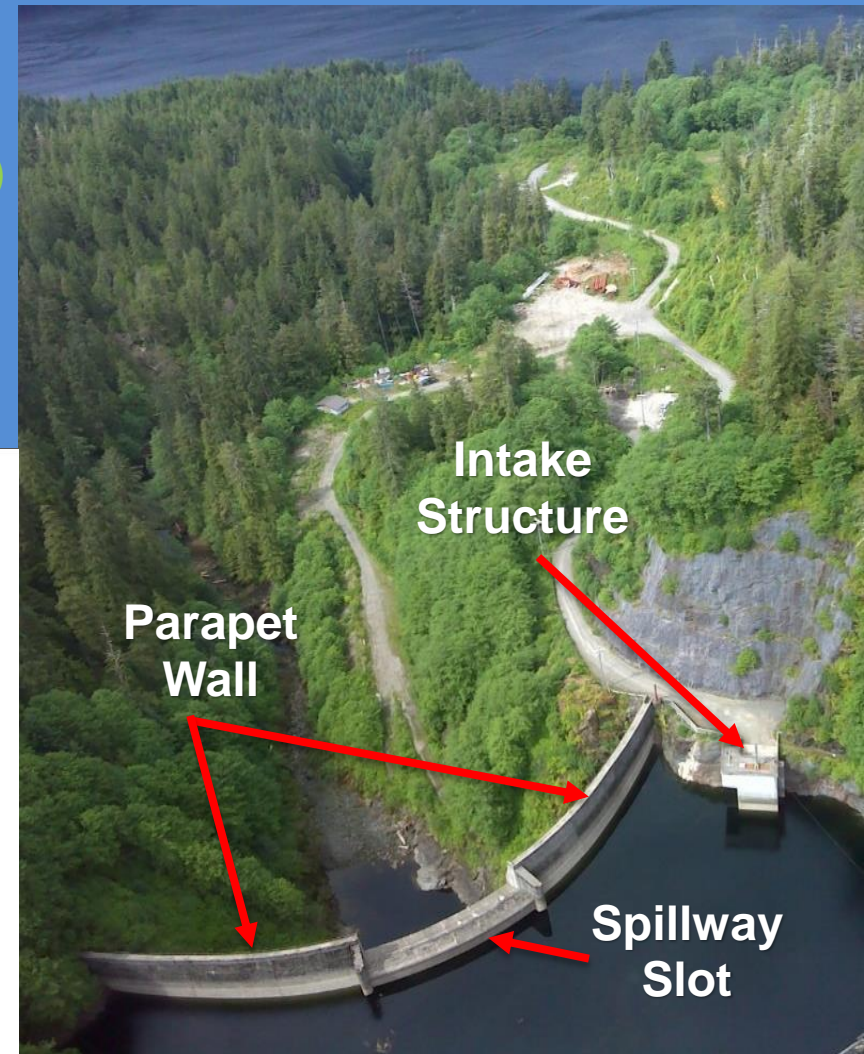
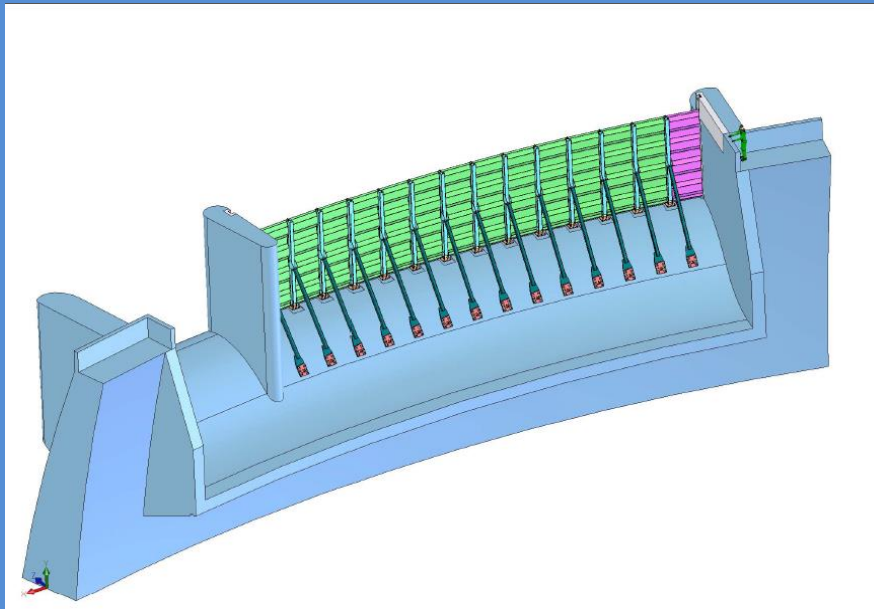
Swan Lake



Commercial Operation, June 1984

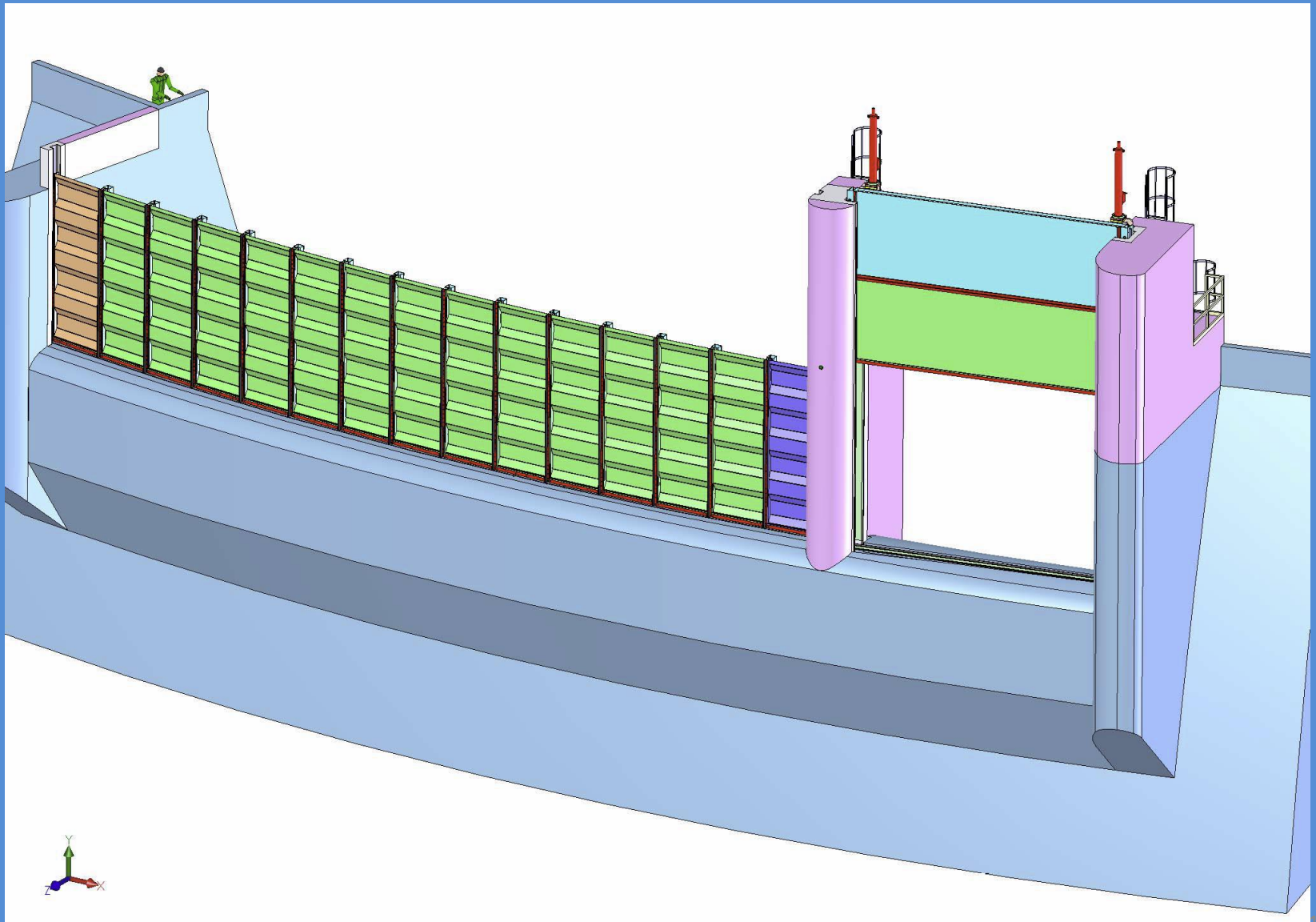
Swan Lake Reservoir Expansion

- Cost \$10M
- License Amendment (Approved)
- Contracts Awarded
- Completion 2016



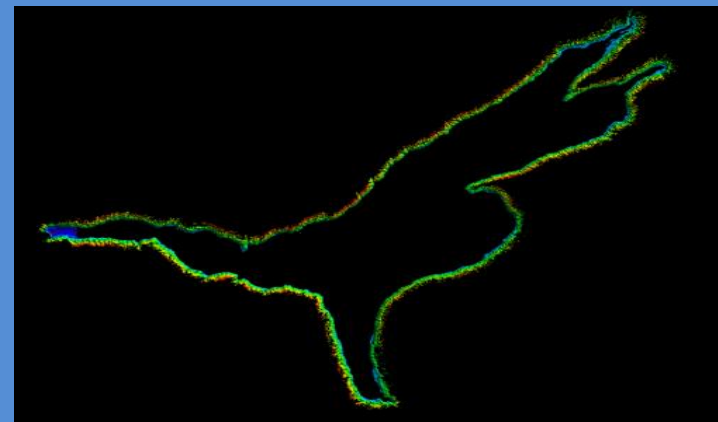
Dam 174' high x 430' wide
Spillway 15' high x 100' wide

Swan Lake Reservoir Expansion

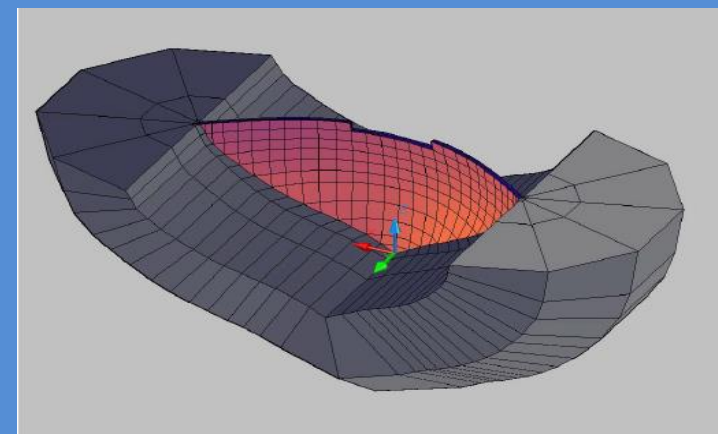


Project Benefits

- More energy
 - Up to 12,000 MWhrs (7,500 avg.)
 - Displaces up to 800,000 gal/diesel = 7,904,000 lbs/CO₂
- 25% more active storage
- Safely increases reservoir height for greater efficiency
- Supports integration of non-dispatchable renewables (wind, run-of-river hydro)
- No rate increase required



Swan Lake preliminary LIDAR returns, Overview of 310'-350'



Seismic Modeling

Abundant Affordable Energy *“The Cornerstone of Economic Development”*

Thank you

Please visit our website:
seapahydro.org

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