Kake - Petersburg Intertie Update

Southeast Conference
Mid Session Summit
February 27, 2013

Trey Acteson
CEO, SEAPA

Mark Schinman, P.E.
Commonwealth Associates

SEAPA
Southeast Alaska Power Agency

Commonwealth
associates, inc.

There is a Need for the Intertie

- Kake has an isolated electric system
- Local generation is diesel fueled
  - 2.6 MW installed capacity currently (3 units)
- Electricity is crucial to economic development
  - Average residential consumption very low, 366 kWh/mo
  - High cost of retail electric service

    (as high as 64 cents/kWh with market fluctuations)
  - PCE reduces cost to residential, but not commercial users

SEAPA
Southeast Alaska Power Agency

Commonwealth associates, inc.

Project Funding

- Approximately $5M is Available to Develop the Project so that it is Construction Ready

- Additional Funds are Required for Construction

SEAPA
Southeast Alaska Power Agency

Commonwealth associates, inc.

Project Progress

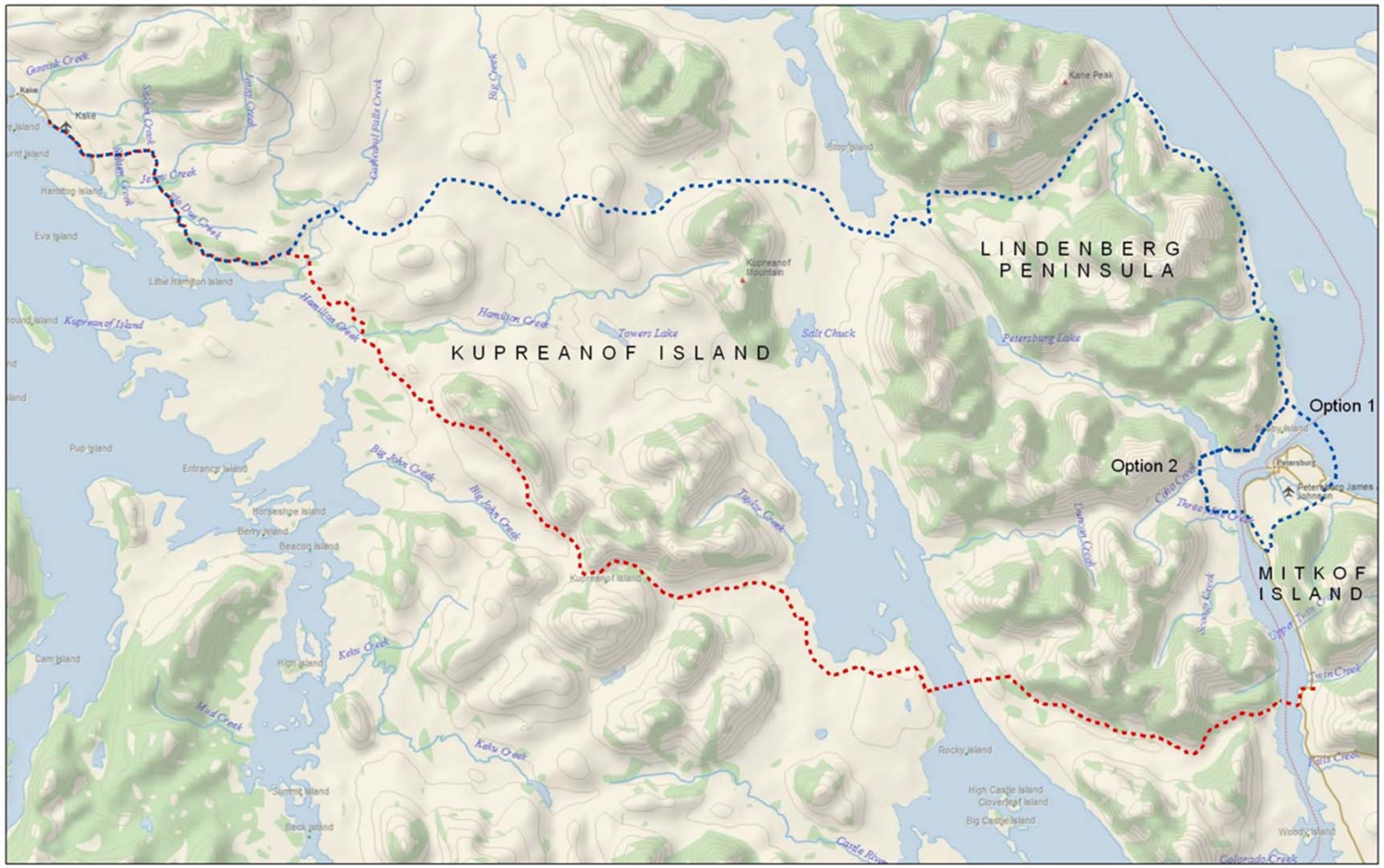
- MOU signed by SEAPA, AEA and IPEC
- SEAPA agreed to assume the Intertie ownership role
- A project management office has been established

  Commonwealth Associates, Inc.
- Environmental Impact Statement underway
- D. Hittle January 2010 report being updated

SEAPA
Southeast Alaska Power Agency

Commonwealth associates, inc.

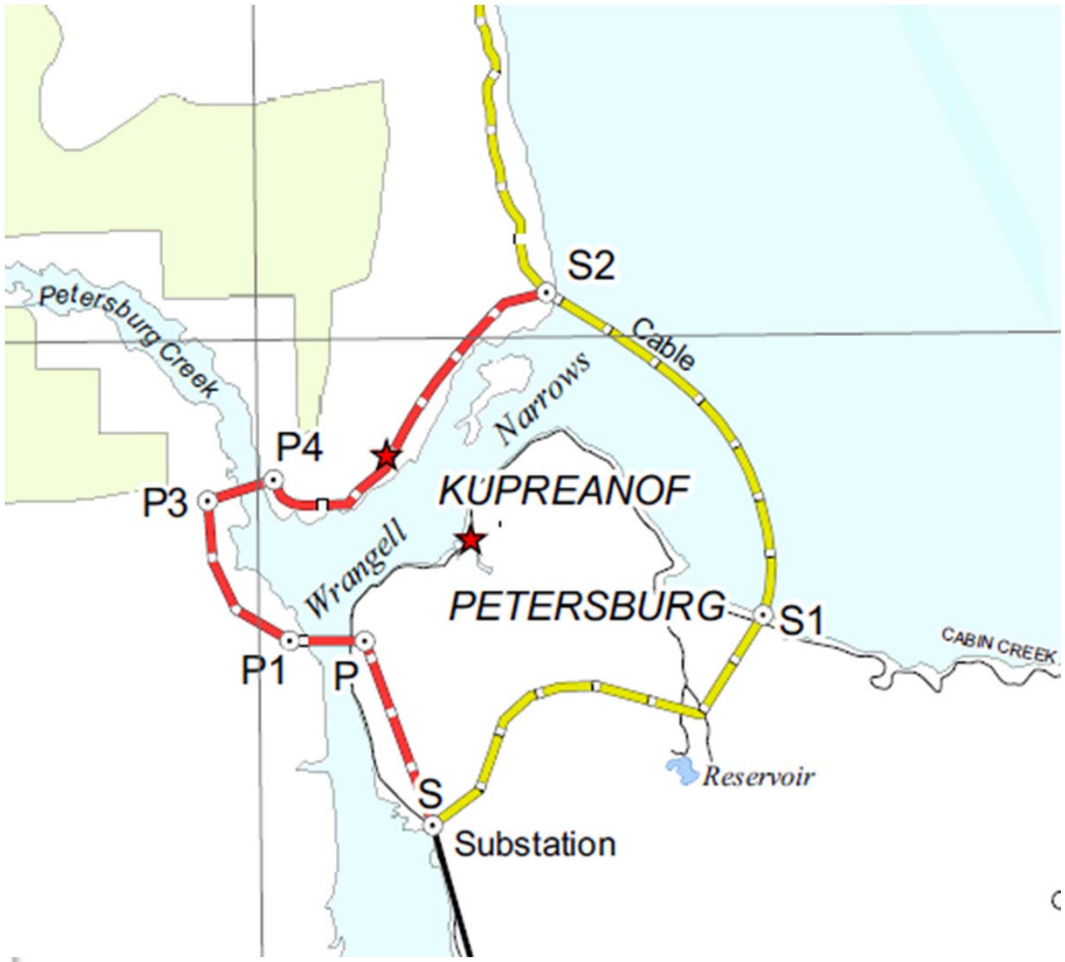
Northern and Center-South Routes



SEAPA
Southeast Alaska Power Agency

Commonwealth associates, inc.

Alternative Northern Route Options



SEAPA
Southeast Alaska Power Agency

Commonwealth associates, inc.

Project Details

- Single pole overhead construction
- 69 kV or 138 kV
- Follow existing USFS roads where possible
- Fiber Optic Cable
- 2-3 year construction period

SEAPA
Southeast Alaska Power Agency

Commonwealth associates, inc.

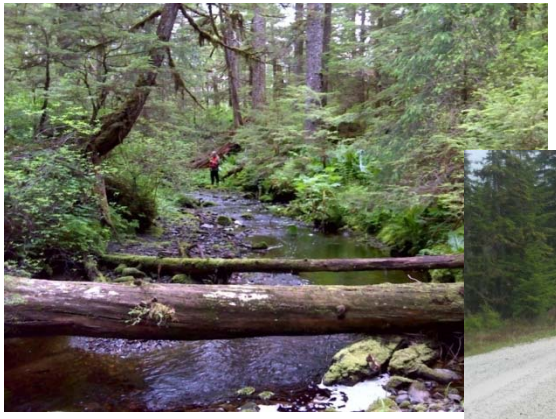
EIS Progress

- Public scoping meetings April/May 2010
- Completed environmental fieldwork
  Fall 2010 and Summer 2011
- Draft Resource Reports to USFS May/June 2012

SEAPA
Southeast Alaska Power Agency

Commonwealth associates, inc.

Draft Resource Reports



- Wildlife
- Aquatics
- Botany
- Wetlands
- Scenery
- Soils and Geology
- Biological Assessment/Biological Evaluation for Wildlife
- Biological Evaluation for Botany
- Invasive Plant Risk Assessment

SEAPA
Southeast Alaska Power Agency

Commonwealth associates, inc.

EIS Analysis Options

	Submarine Cable Options		Directional Bore Options			
No Action	Northern w/Submarine Cable	Northern Limited Roads	Northern Directional Bore	Northern Limited Roads	Center South	Center South Limited Roads
Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5	Alternative 6	Alternative 7

SEAPA
Southeast Alaska Power Agency

Commonwealth associates, inc.

Estimated Construction Costs

- Last estimated in 2010
- Updated cost estimates realistic
  - Acknowledge 2015-2016 Construction
- Alternatives are considered in a format consistent with EIS
- Vendors contacted indicated inflation/escalation 4-5%/year
- Submarine cable shipping costs raised significantly (fuel)

SEAPA
Southeast Alaska Power Agency

Commonwealth associates, inc.

Estimated Construction Costs

2015/16 Construction ($000)

	69-kV Northern w/Sub. Cable (Alt. 2)	69-kV Northern Dir. Bore (Alt. 4)	69-kV Center South (Alt. 6)
Overhead Line	$ 26,974	$ 30,379	$ 23,047
Clearing	2,537	2,976	1,210
Underground Construction	-	273	-
Submarine Cables	13,795	-	13,511
Directional Bore Crossings	-	2,314	-
Switchyards and Substations	1,984	1,984	2,434
Subtotal - Direct Costs	$ 45,290	$ 37,925	$ 40,201
Indirect Costs & Contingency	$ 10,960	$ 9,178	$ 9,728
Total Costs w/o Road Costs	$ 56,251	$ 47,103	$ 49,930

SEAPA
Southeast Alaska Power Agency

Commonwealth associates, inc.

Additional Potential Costs

2015/16 Construction ($000)

	69-kV Northern w/Sub. Cable (Alt. 2)	69-kV Northern Dir. Bore (Alt. 4)	69-kV Center South (Alt. 6)
Access Road Construction	$ 5,972	$ 5,971	$ 4,782
Additional for Helicopter Const.	$ 9,713	$ 11,722	$ 6,661
Additional for 138-kV Construction	$ 5,436	$ 3,906	$ 5,144

SEAPA
Southeast Alaska Power Agency

Commonwealth associates, inc.

Next Steps

Update D. Hittle Intertie Study Update (dated January 2010)	February 2013
EIS - Purpose and Need/Alternatives to USFS for Review	February 2013
Draft EIS Available for Public Review and Comment	May or June 2013
Public Meetings on Draft EIS	June or July 2013
Preliminary Final EIS based on Public Review and Comment to USFS for Review	September 2013
Revise and Publish Final EIS and ROD	December 2013
45 Day Appeal Period Complete	February 2014
Hire Design Engineer	Mid 2013 to Early 2014
Construction Ready Assuming Funding Available	Spring 2014

SEAPA
Southeast Alaska Power Agency

Commonwealth associates, inc.

Thank You!!!

SEAPA
Southeast Alaska Power Agency

Commonwealth associates, inc.