

2010 Energy Summit Reporting Meeting Minutes

October 13, 2010

Introduction: At 9:00 a.m., Larry Cotter, CEO of APICDA, greeted and thank all for attending the meeting. Mr. Cotter provided an overview of the outcome of the April 25-26 Summit and summarized the agenda for this meeting. He pointed out that today's meeting is intended to identify strengths from the summit meeting and continue the forward movement of developing the energy plan for the Aleutian Region.

Alaska Energy Authority: Alaska Energy Authority (AEA) personnel, Bruce Tiedeman (Community Relations) and Steve Haagenson (Executive Director), reported on behalf of AEA. Mr. Tiedeman reported on AEA's involvement with alternative energy projects in the region. He then provided a brief summary and of Steve Haagenson's role in AEA, and introduced him to the participants of the meeting. Mr. Haagenson commended the "A Team" for being the most active in developing energy plans amongst the regions in rural Alaska. He led the participants through the "Alaska Energy Pathway" document developed and published by AEA. This publication was developed to provide the basic guide for Alaska communities to utilize local energy resources. He pointed out that our region is "blessed" with raw resources; however, cursed by long distances to markets and consumers on a commercial basis. He also suggested that the communities develop resources in region with the goal of developing economy not develop less expensive energy. Funding for energy projects will be a challenge. He pointed out the awe will need to be creative in developing financial packages to fund these projects. Our region also needs to consider how to be globally competitive. Mr. Haagenson closed by stressing the importance of the six strategies related to economic growth (reduce imports, develop State infrastructure, determine highest and best use of a resource, do the projects yourself-utilize local or Alaskan, and use the State as an economic facilitator), and to sue the "Alaska Energy Pathway" publication as a generic guild line for our energy plan and product implementation.

An in-depth discussion followed inclusive of Clem Tillion's inquiry of acquiring the Naknek drilling rig and Bruce Wright's (APIA) report on the findings of the Akutan Geothermal project. Mr. Tillion would like to pursue purchasing the Naknek drilling rig to develop geothermal energy on Adak. Mr. Wright reported that initial finding of the Akutan geothermal project appear to be world class as seen in Iceland.

Bulk Fuel: Larry Cotter provided an introduction for the bulk Fuel segment of the meeting. He pointed out that this project has the ability to provide an immediate positive impact for the communities of our region in providing reliable fuel deliveries with potential saving costs dependent on the amount we purchase. Larry introduced John Andres Leman, Kempfle, Huffman & Ellis, P.C. who develop a draft bulk fuel purchasing cooperative agreement for the participants to review. This course of work was initiated by the committee at the April summit meeting. Mr. Leman led the participants through a power point presentation outlining strategies and plans to move the Aleutian bulk fuel program forward and ultimately to reality.

A health Q&A session followed. The group expressed eligibility concerns, financial obligations, and current "tankage" of the individual villages. The general consensus was that each community needed adequate "tankage" (minimum 1 year) to prevent shortages of fuel. I was also discussed that regional transportation should be considered and potentially incorporated in the plan. Stanley Mack and Clem Tillion pointed out that the region has two large holding facilities in Adak and Cold Bay. These facilities should be utilized.

Julie Dirks (City Administrator, Atka) suggested that a demonstration of the cooperative needs to be present5dd to the potential clients on how the program will increase savings and increase reliably of fuel deliveries.

Larry Cotter expressed that at some point, with the hope that it be no later than the end of January, we need to make a decision on moving forward with the bulk fuel program cooperative. He pointed out that initially we may not experience savings; however, we are creating a process that gives us more control of the fuel delivered in our communities –Saving may be seen as the program matures.

Renewable Energy: Everette Anderson (APICDA) led the group through a power point presentation developed by the “A Team” Renewable Energy (RA) Committee. Highlights of the report included:

- Defined current renewable energy projects in the region, and
- proposed project in the regions - near/far future

Bruce Wright (APIA) expanded on the potential project in Akutan -geothermal/heat pump applications. This led to an informative discussion on the possibilities of district heating.

Mr. Andersen continues by informing the participants that the RA Committee wanting to increase interest in alternative energy projects and to assist the communities in developing plans for projects, include of identifying funds, partners, and expertise. Both Everette and Bruce encouraged the participants to visit the Aleutianenergy.org website.

Clem Tillion reported that Adak is interested in heavy industry activities (aluminum, thermal cells, etc.), utilizing geothermal energy.

Earle Ausman, Polar Consult Alaska, reported on the projects that he is working on in the Region. He pointed out that the Atka hydro in beginning to shape up and once completed will provide the community with a non-diesel dependent energy source. Mr. Ausman also touched on the high voltage direct current transportation system that he is developing. He pointed out that once perfected could assist in delivering electricity long distances. He reported that the cost for the system would be approximately \$100,000 per mile.

Conservation: Bruce Wright (APIA) led the participants through the activities that the Conservation Committee was tasked to perform. He informed the group that the committee has had five meetings since the April summit. In addition to the meetings, committee members have been gathering community information pertinent to our program. He reported that the committee has also reviewed the Aleutian Housing Authorities (AHA) weatherization program. Lastly, he reported on the success of the greenhouse project in Nikolski headed by Connie Fredenberg and locally manned by Eric Willhite.

Bruce demonstrated the various compact fluorescent lights (CFL) available for home use. He informed the group of their energy saving qualities as well as reliability. Other conservation topics discussed were waste heat projects and weatherization projects. Earle Ausman (Polar Consult Alaska) relayed that it costs approximately \$150,000 to build and implement a waste heat system. Stanley Mack informed the group that the cost to build the waste heat system in King Cove was approximately \$25,000.

The Conservation Committee will continue to increase information on projects throughout the communities.

Reaching Our Goals: Larry Cotter reported that the near future goal is to have key components of this program ready by winter to move forward on our energy plan needs and programs region wide. The Group recapped on the participation of the various committees and funding for administration functions as well as funding sources for the programs. Larry pointed out the “Your Clean Energy, Inc.” proposal of \$54,000 to perform renewable energy assessments in four of our communities.

The group participated in a round table discussion on the program as a whole is performing and what are the next steps of the committees. It appears that the committee structures are fine except that the

Administration Committee needs directions. Chris Lace will take the lead to address this concern. We need to investigate the cooperative purchasing power of equipment. There is big saving is buying in bulk. Bruce Tiedeman pointed out that there is funding for energy efficiency equipment, especially for public facilities. Bruce is available to all to assist in seeking these funding sources.

Everette Andersen led the group through the preview of the website. He reported the site is in the very earliest stages of development. He encouraged all to continue to check the site as it develops.

Larry Cotter informed the group that the bulk fuel project would need to go out to bid in February. We will need to focus on this project in the near future.

Clem Tillion reiterated that like to see efforts moving forward that every community have appropriate fuel storage. He would like to see that all of the communities have at least an 18 month fuel capacity. In addition to the infrastructure, we need to identify financial arrangements to keep these tanks filled.

Final Comments: Larry Cotter and Everette Andersen thanked all for participating in today's meeting. They felt it was very productive and has provided the addition charge for project to continue forward.