NORTHWEST TERRITORIES
LEGISLATIVE ASSEMBLY
TERRITOIRES DU NORD-OUEST
ASSEMBLÉE LÉGISLATIVE

MEETING GO 50-20-25

STANDING COMMITTEE ON GOVERNMENT OPERATIONS
~
MONDAY, MAY 26, 2025
EAGLE ROOM, LEGISLATIVE ASSEMBLY
10:30 AM

AGENDA

1. Call to Order
2. Prayer
3. Review and Adoption of Agenda
4. Declarations of Conflict of Interest
5. Public Matters
    a) NTPC governance study:
        i. Public briefing with Linda Freed, President, and Crystal Enkvist, Executive Director, Alaska Power Association
6. In Camera Matters
    a) Debrief
    b) Internal briefing on studies of the NTPC conducted by previous Assemblies
    c) Correspondence review:
        i. 2025-05-21 – Minister of Finance – Confidential
7. New Business
8. Date and Time of Next Meeting: Tuesday, June 10, 2025 at 1:30 p.m.
9. Adjournment

Alaska's Electric Utility Landscape

By Crystal Enkvist, Executive Director, Alaska Power Association
and Linda Freed, President, Alaska Power Association
Director, Kodiak Electric Association

For Northwest Territories Legislative Assembly
Assemblée législative des Territoires du Nord-Ouest
May 26, 2025

Assists members in accomplishing their goals of delivering electric energy and other services at the best value to their consumers

- Non-profit association governed by a board of directors representing electric utilities throughout Alaska
- Utilities choose their designated representatives
- Majority of members are electric cooperatives
- All share the same vision: **safe, reliable and affordable electric energy for consumers**
- Different membership types: Active, Associate, Affiliate and Supporting
- Provides curated information on regulatory, legislative and operational issues
- Offers training for members' employees and board members
- Advocates on issues impacting electric utilities and consumers

Seven Cooperative Principles

1 VOLUNTARY AND OPEN MEMBERSHIP

Cooperatives are voluntary organizations open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2 DEMOCRATIC MEMBER CONTROL

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

3 MEMBERS' ECONOMIC PARTICIPATION

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefitting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4 AUTONOMY AND INDEPENDENCE

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5 EDUCATION, TRAINING AND INFORMATION

Cooperatives provide education and training for their members, elected representatives, managers, and employees so that they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

6 COOPERATION AMONG COOPERATIVES

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

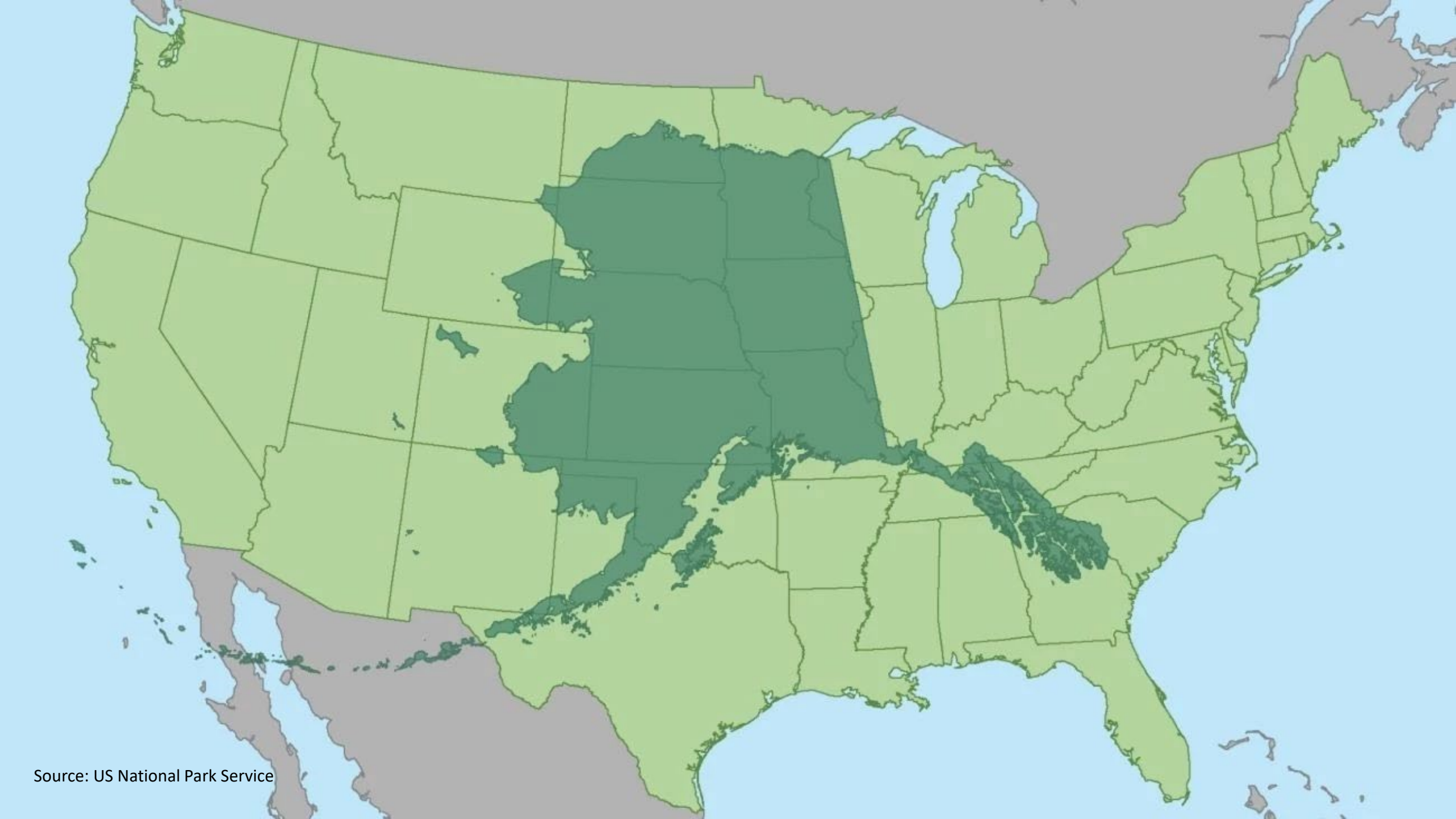
7 CONCERN FOR COMMUNITY

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

NRECA

APA's electric utility members throughout Alaska

- Alaska Electric Light and Power
- Alaska Power and Telephone
- Alaska Village Electric Cooperative
- Barrow Utilities and Electric Cooperative
- Chugach Electric Association
- Copper Valley Electric Association
- Cordova Electric Cooperative
- Doyon Utilities
- Golden Valley Electric Association
- Homer Electric Association
- INN Electric Cooperative
- Inside Passage Electric Cooperative
- Ketchikan Public Utilities
- City of King Cove
- Kodiak Electric Association
- Kotzebue Electric Association
- McGrath Light and Power
- Metlakatla Power and Light
- Matanuska Electric Association
- Middle Kuskokwim Electric Cooperative
- Naknek Electric Association
- Nome Joint Utility System
- Nushagak Cooperative
- Purvurnaq Power Company
- City of Seward
- Southeast Alaska Power Agency
- Tanana Power Company
- Tanalian Electric Cooperative
- TDX Power
- Unalakleet Valley Electric Cooperative
- City of Unalaska



Source: US National Park Service

Alaska’s unique electric systems

Alaska has a unique electric grid system due to its vast and sparsely populated geography. There are more than 150 islanded, stand-alone electrical grids serving rural communities. A community’s electric utility system has sole responsibility for generation, transmission and distribution.

The largest transmission grids are in the Railbelt and Southeast regions of the state. Although these serve a vast majority of Alaskans, they are significantly smaller than grids in the rest of the country and are all islanded.

Due to the state’s electric reality, Alaska utilities are pioneers in microgrid operation and technological innovation. From batteries to renewables to time-tested operational expertise in unforgiving conditions.

More than 90 percent of Alaskans receive their power from a not-for-profit utility.

Alaska's electric utilities: Different types of business models

COOPERATIVE: MEMBER-OWNED AND GOVERNED, NOT-FOR-PROFIT ELECTRIC UTILITY.

MUNICIPAL ELECTRIC UTILITY: OWNED AND OPERATED BY A LOCAL GOVERNMENT, NOT-FOR-PROFIT.

INVESTOR-OWNED UTILITY: A FOR-PROFIT ELECTRIC UTILITY TYPICALLY OWNED BY A PRIVATE COMPANY OR A PUBLICLY-TRADED CORPORATION.

ALASKA NATIVE-OWNED AND OPERATED ELECTRIC UTILITY: AN ELECTRIC UTILITY OWNED AND OPERATED BY AN ALASKA NATIVE ORGANIZATION.

JOINT ACTION AGENCY: COLLABORATION OF PUBLIC UTILITIES TO DESIGN, FINANCE, BUILD, OPERATE, AND MAINTAIN POWER GENERATION AND TRANSMISSION FACILITIES.

Generation sources across Alaska

NATURAL GAS
47%

HYDROPOWER
26%

PETROLEUM
(DIESEL, NAPTHA)
13%

SOLAR
>1%

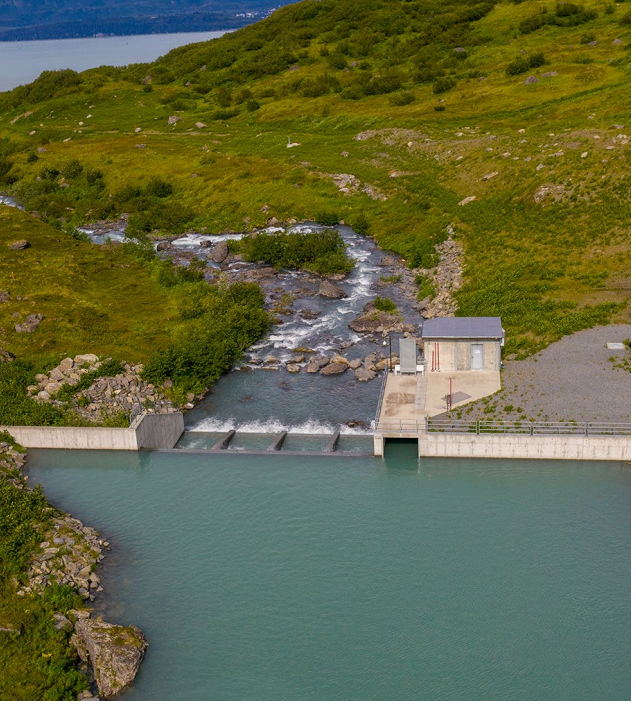
WIND
2%

COAL
11%

Source: US Energy Information Administration

Alaska's electric utilities continue to diversify power sources

- Diversification of electric systems has been underway for some time.
- Rural and Railbelt utilities are integrating solar, wind, batteries and looking at other clean energy sources in ways that are technically and economically feasible.
- Diversification can lead to increased energy security.
- Diversification Projects consist of both utility-built and electricity purchased from independent power producers (IPPs).
- Focus on reliability, economic, and technical feasibility.
- Important to note – renewable energy is not always a cheaper alternative.



Alaska Renewable Energy Grant Fund

- State grant program designed to reduce and stabilize energy costs through the development of renewable energy projects.
- APA supports full funding of the grant program in the FY26 budget.
  - FY26 legislature approved funding is $6.3 million out of $21 million required to fund the full program.
- 2023 Report findings (AEA):
  - 60% of grants used to support the creation of a new project.
  - 90% of grants used for fuel displacement purposes.
  - 94% of grants have achieved this goal.
  - Offset approx. 85 million gallons of diesel fuel.
- REF grants lower impact on rates and can help advance projects quicker than other funding sources.

Considerations for integrating renewables in Alaska

- It’s more complicated than just putting up wind and solar.
- Electric utilities must consider:
  - Grid stability and reliability – Ensuring intermittent resources don’t upset the balance of the grid.
  - Infrastructure upgrades – Enhancing transmission lines and other grid management systems.
  - Energy storage – Manage variability and storage of excess energy.
  - Economic considerations – Cost of integrating renewables, backing up intermittent renewables with base load power and the cost of new infrastructure, etc.
- Baseload Power = the minimum level of continuous power required to meet the constant demand for electricity on the grid.

Alaska Powerline Podcast – May 2, 2024, episode Understanding the Challenges of Variable Energy

Kodiak Electric Association, Inc.

- Locally-owned and operated electric cooperative
- 83 years old
- Provides electricity to 6,000 meters, largest US Coast Guard base in US and the largest fishing fleet in Alaska
- Isolated microgrid
- Peak load – 30 MW
- Minimum load – 13 MW

KODIAK ELECTRIC ASSOCIATION

Back in 2000

- 59% Diesel
- 41% Hydro
- Anticipated all load growth provided by diesel generation
- Hydroelectric power plant was owned by a third party

Vision Statement

- Adopted February 23, 2007

"Kodiak Electric Association, Inc. shall endeavor to produce 95% of energy sales with cost effective renewable power solutions by the year 2020."

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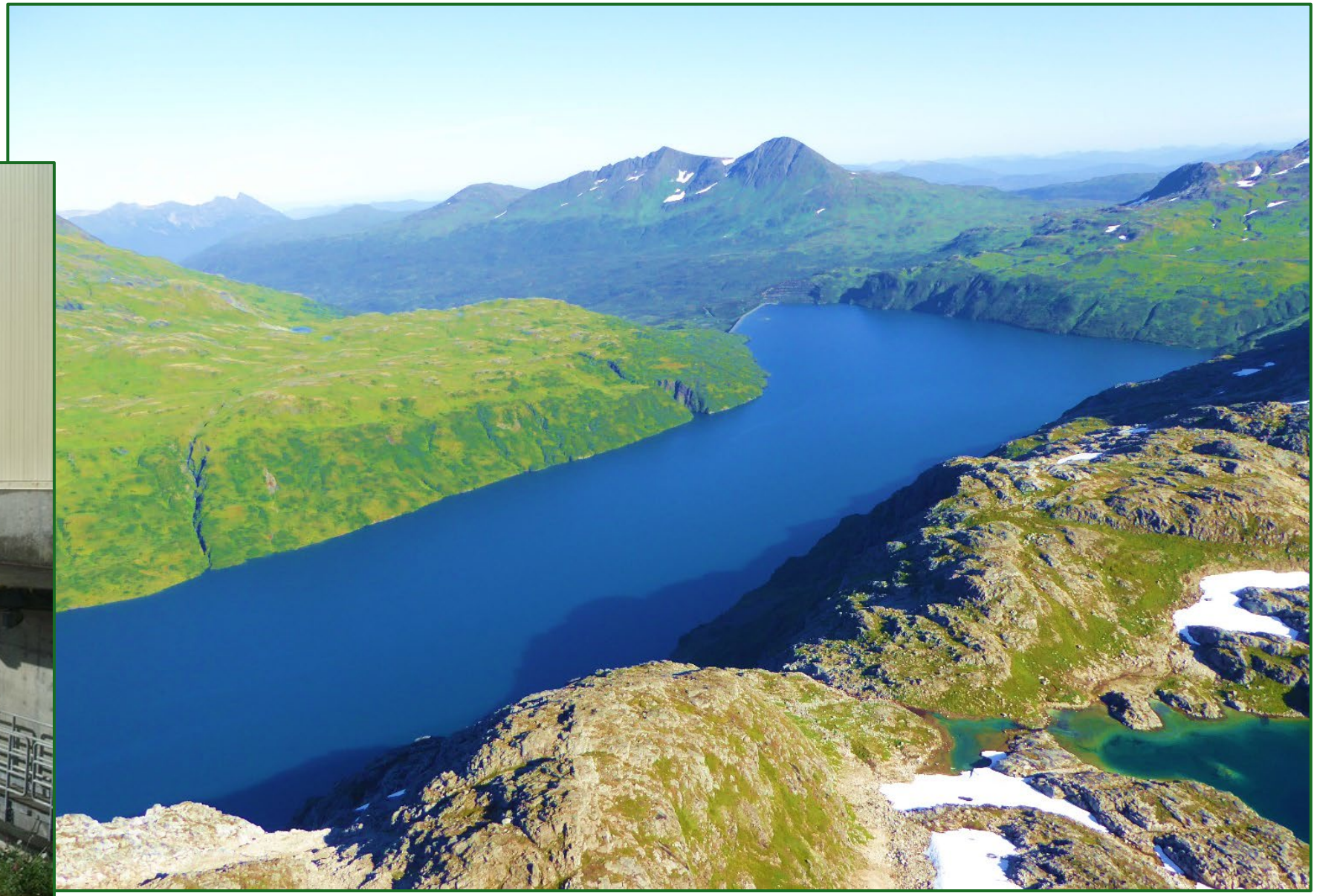
KODIAK ELECTRIC ASSOCIATION



Terror Lake Hydroelectric Project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ASSOCIATION
Pillar Mountain Wind Farm

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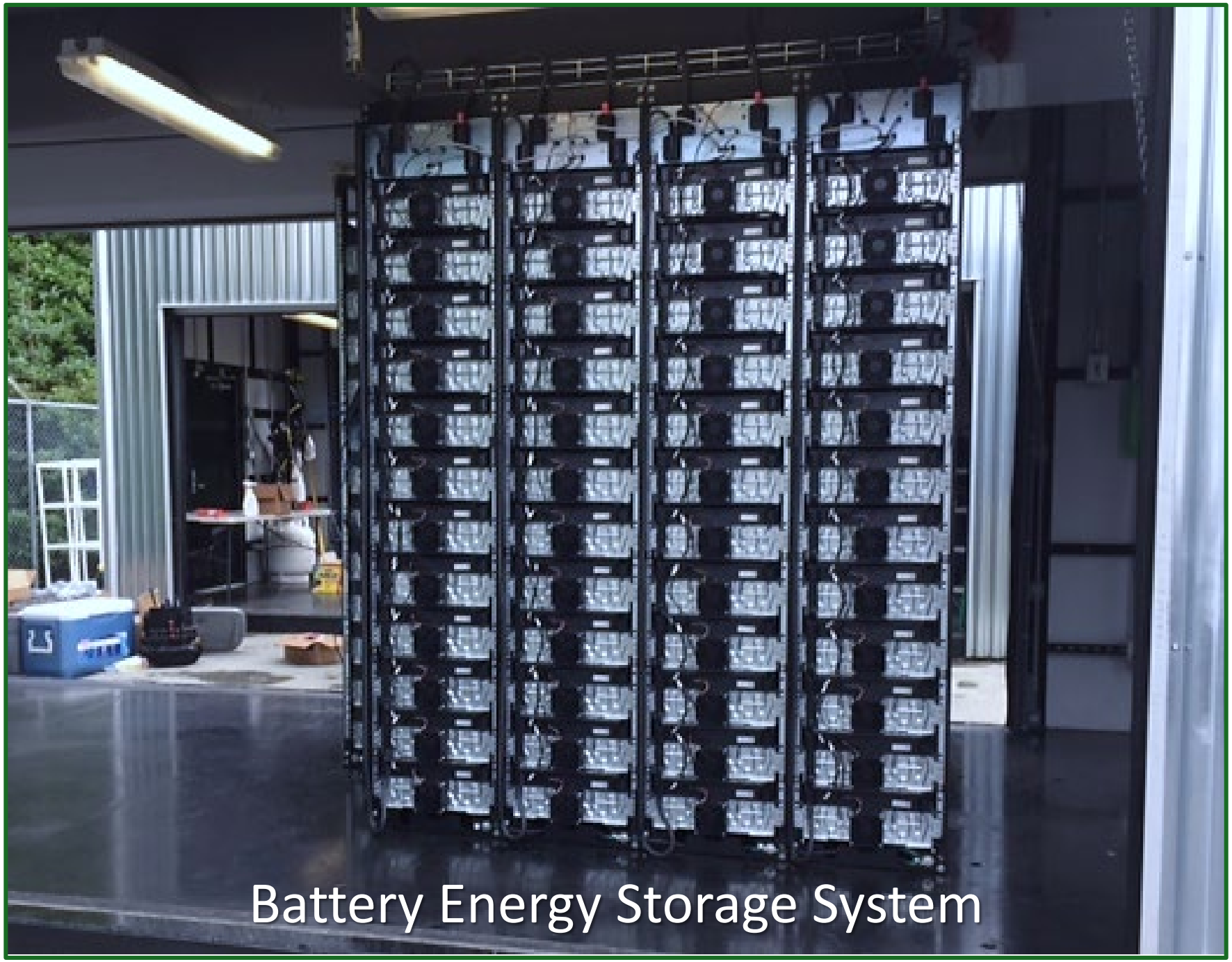


Battery Energy Storage System

KODIAK ELECTRIC ASSOCIATION

Flywheel Energy Storage System

Vision Statement

- Revised January 26, 2017

"Kodiak Electric Association, Inc. shall endeavor to maintain 98% of energy sales with cost effective renewable power solutions for the future of our members and the community"

- More than 25 million gallons saved by the wind project.
- At $3.50 per gallon, that is approximately $88 million.

KEA
KODIAK ELECTRIC ASSOCIATION

Alaska's rural electric utilities: Challenges and opportunities

Challenges:

- High cost of fuel and transportation, especially in remote areas.
- Harsh weather conditions and geographic isolation.
- Lack of interconnection.
- Small ratepayer base.

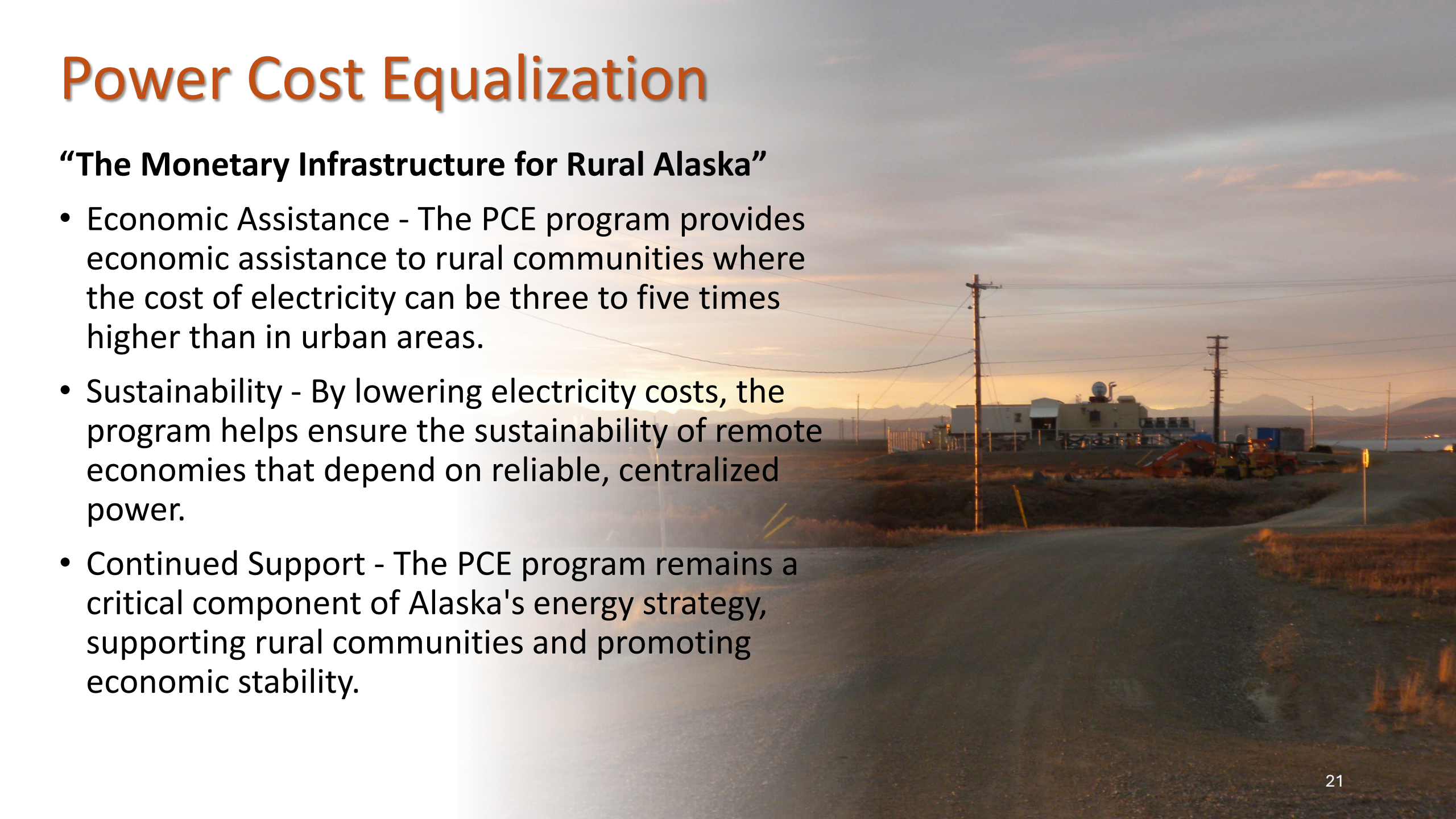
Opportunities:

- Dedicated and talented workforce putting solutions into play.
- Federal and state investment in infrastructure.
- Technologies becoming more feasible in rural communities.
- Preservation and continuation of Power Cost Equalization Program.
- Seeing more collaboration with other entities now in the energy space.
- Relationships with Independent Power Producers

Power Cost Equalization

“The Monetary Infrastructure for Rural Alaska”

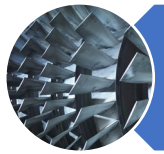
- Economic Assistance - The PCE program provides economic assistance to rural communities where the cost of electricity can be three to five times higher than in urban areas.
- Sustainability - By lowering electricity costs, the program helps ensure the sustainability of remote economies that depend on reliable, centralized power.
- Continued Support - The PCE program remains a critical component of Alaska's energy strategy, supporting rural communities and promoting economic stability.



Power Cost Equalization by the numbers

Population served: 80,809 Alaskans

Communities served: 188



Participating utilities: 82

Amount of monthly kWh covered: 750 (increased from 500)

PCE legislative funding appropriation: $48M in FY 26

Highest residential rate in PCE program: $1.84 per kwh

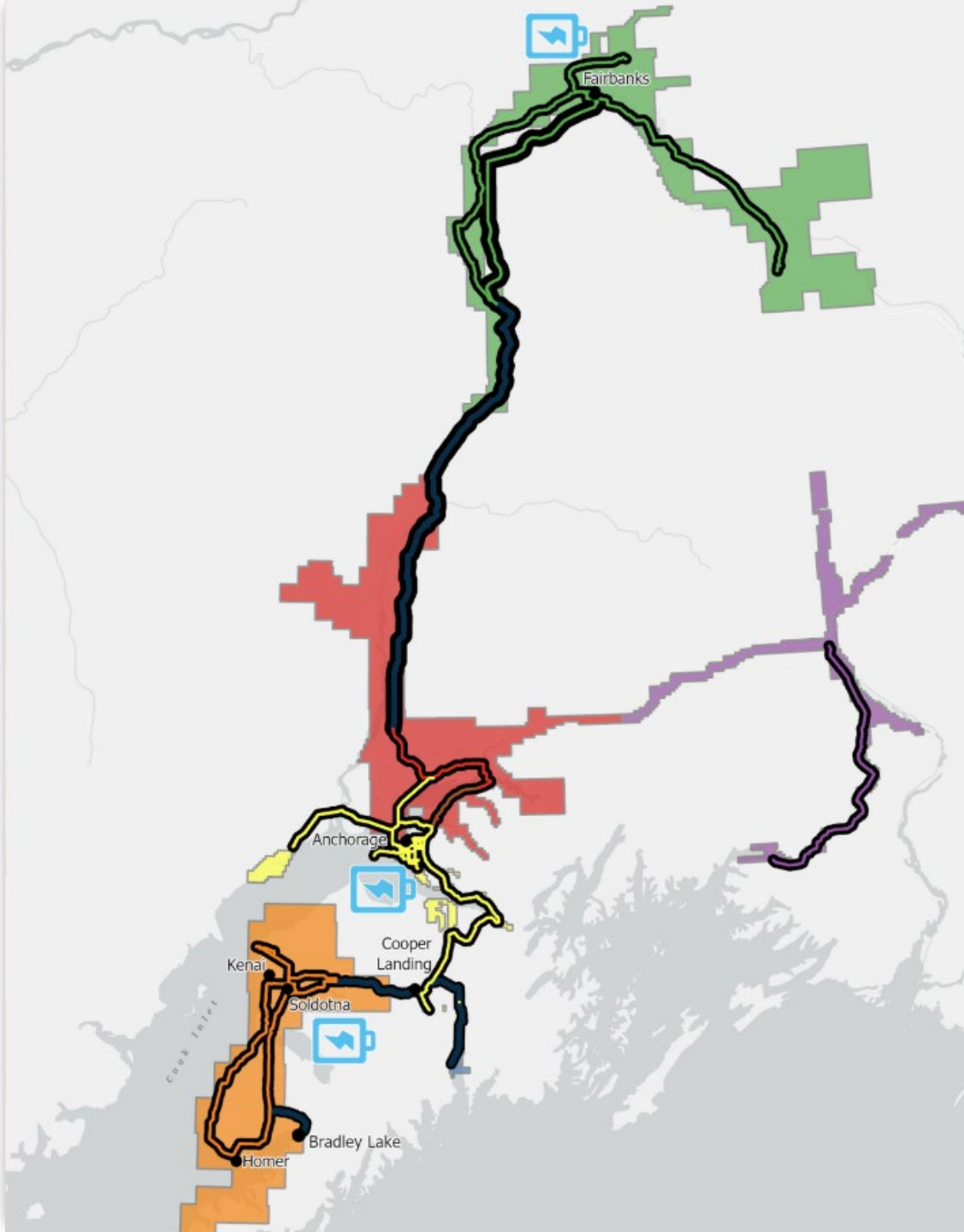
Railbelt Electric Utilities

- Four electric cooperatives and one municipal utility
  - Golden Valley Electric Association, Matanuska Electric Association, Chugach Electric Association, Homer Electric Association, and the City of Seward
- Incorporated as co-ops in the 1940s.
- The Railbelt serves about 75 percent of Alaska's population.
- The interconnected transmission system is a mix of energy sources:
  - Natural gas
  - Hydropower
  - Solar
  - Wind
  - Diesel
  - Coal

Railbelt Electric Utilities

- Working with Alaska Energy Authority to upgrade and modernize the grid.
  - This is crucial for maximum use of large-scale energy projects.
- Working with IPPs to add diverse energy options.
- Constructing community solar projects to allow more Alaskans to invest in solar energy.
- Railbelt energy costs impact Power Cost Equalization rate for rural communities.

Above all – keeping safety, reliability, and costs paramount.



Alaska Power Association's roles

- Convener
- Uniter
- Collaboration
- Representation
- Education
- Advocacy
- Assistance

Thank you!

Crystal Enkvist, Executive Director, Alaska Power Association

Linda Freed, President, Alaska Power Association Board of Directors

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