Utilities form joint action agency

Aug. 1, Anchorage, Alaska: Chugach Electric Association, Golden Valley Electric Association and Anchorage Municipal Light & Power, three of Alaska’s largest electric utilities, have formed Alaska Railbelt Energy Authority, a Joint Action Agency (JAA) under Alaska statute AS 42.45.300.

The JAA structure will facilitate the utilities combining their expertise, resources and borrowing power to make major investments in generation and transmission facilities from Fairbanks to Homer. This is necessary to meet growing demands for power and to replace an aging Railbelt electric supply system. The JAA will be able to ensure the lowest cost power through coordinated planning, more favorable financing and possible joint dispatch of power. The Fire Island wind farm is an example of the type of project the JAA may undertake. Four of the six Railbelt utilities have indicated interest in participating in the Fire Island wind project.

The JAA is not a merger; it is a legal entity independent of its members. The ratepayers of one utility do not subsidize power to other utilities.

“This is a landmark action on the part of the main generating and transmitting utilities in the Railbelt,” Chugach chairman Jeff Lipscomb, said. “This is good news for all Railbelt electricity users.”

The Alaska Energy Policy Task Force, formed by the Alaska Legislature in 2003, recognized that Alaska needs a long-term plan to meet current and future electrical needs. The Task Force recommended that the Railbelt utilities continue joint planning to provide the most reliable and economic power supply to the Railbelt. “This JAA will go a long way in satisfying goals set by this statewide task force and in providing long-term benefits to the Railbelt and the State of Alaska,” said GVEA President & CEO Steven Haagenson.

The agreement also makes possible the task force recommendations to create a “unified system operator” (USO) and facilitate transfer of several State-owned assets. The assets being considered for transfer are Bradley Lake Hydroelectric Project, the Alaska Intertie (linking Southcentral Alaska and the Interior), and the Healy Clean Coal Project. The utilities have been discussing the transfer of these assets with the Alaska Industrial Development & Export Authority/Alaska Energy Authority (AIDEA/AEA) and the Alaska Legislature for over two years.
The Anchorage Assembly voted July 26, to approve Anchorage Municipal Light & Power joining the JAA. “Each of our utilities will remain responsive and responsible to our respective customers,” ML&P General Manager Jim Posey said. “The JAA allows us to reap the benefits of working as a cohesive group and to plan for future generation based on regional needs. We hope that all six utilities in the Railbelt – including Homer, Matanuska Electric Association and Seward – participate.”

The JAA membership is open to all other Railbelt electric cooperatives and municipalities, which consists of the City of Seward Light & Power, Homer Electric Association and Matanuska Electric Association. In the meantime, the three charter members are proceeding to begin providing the benefits of a JAA to the communities they serve.

At its first meeting on August 1, the JAA members elected officers. GVEA’s Rick Schikora will serve as chairperson, Jeff Lipscomb of Chugach as vice chairperson and ML&P’s Jim Posey as secretary/treasurer.

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