

Summary: March 8-10 SEAPA Meeting

Voting Member Bob Lynn – Alternate Karl Hagerman

--The Board selected Robert Siedman as the new CEO replacing Trey Acteson - pending negotiations of a contract. Mr. Siedman has been the Director of Engineering and Technical Service for the past 8 years. Some of his past accomplishments include synchronicity of turbines for efficiency and longer-term life; development of a highly detailed annual operations plan to move power over the Swan- Tyee intertie among Petersburg, Wrangell and Ketchikan to maximize water use and storage; development of a model to more accurately predict runoff and storage within the reservoirs.

--The Board also discussed coming issues including re-licensing of both Swan and Tyee; the need for more power (kilowatts vs. kilowatt-hours); upgrading and replacement of equipment; finances and potential funding opportunities through the infrastructure legislation and future staffing needs. No decisions were made except to schedule a discussion of organization needs and skills at the next board meeting.

--During the December 2022 meeting the Board authorized a study to look at our long-term power needs of the 3 communities. The Acting CEO reported the first draft of that study is due to the board by the summer meeting. The conclusions and recommendations from this study are very important. Our local power usage is increasing at about 3% annually. Ketchikan reported their being higher. The study will set the table for many long-term planning efforts of the Agency.

--Power sales in the 3 communities were higher than estimated during January and February – a condition owed to lower temperatures and generally increasing loads. If we can bank some of the revenues, we can delay increases to wholesale power rates.

--The winter reservoir draw down is well underway. Low to nil lake inflows due to freezing conditions and snowpack development do not keep up with generation and the lakes draw down as a result. However, this year we are in a good position due to the lake levels being full at winter's start. Neither Swan or Tyee lake should be in danger of hitting draft limits before the warmer weather and increased inflows start up this spring.

--Almost all the project cost estimates the Board approved in the FY22 and FY23 budgets are coming in at least one-fourth to one-half higher than engineer estimates. The Board has convened several times since the beginning of the year to look at and approve cost increases and equipment delays. This is an alarming trend in the construction industry but there is little relief in site, so the Board has approved budget increases as necessary to keep momentum on important projects and operations.

--The Board began a discussion of grid resiliency. That term captures a lot of different aspects including increases of power production for the three communities; protection of the grid from cyber attack; recovery from natural disasters like the recent slide on Mitkof Island; monitoring for equipment and cable failure; taking care of peak loads and more. The subject will be back on the summer agenda and some action initiated.

--The need to install a third turbine at Tyee was discussed, with no decisions made. Once a decision is made to install a third turbine, it will take a minimum of 5 years before any output is realized. The Board toured the Tyee power plant and had a chance to observe the many provisions for the third turbine that are already in place. Past planning and work will help shorten the time frame to install, will reduce costs, and will enable quick integration with the existing transmission system.