

## SEAPA Notes from the June 25 and 26, 2025 Meeting

-The license amendment for Tyee to install a third turbine was submitted January 27, 2025. Federal Energy Regulatory Commission (FERC) comments were received, and a response was filed FERC on June 12, 2025. Barring any unanticipated challenges, we are still on track for approval this year.

-To date SEAPA has made good progress on lining up full funding for the Tyee Third Turbine. Total estimated project cost is \$24 million.

-Secured funding includes:

- DOE Section 247: \$5MM grant (awarded – pending negotiations)
- Renewable Energy Fund (REF) Round 17: \$4MM grant (Near top of approved project list and pending Legislative Appropriation for FY27)

-Unsecured but promising funding includes:

- FY26 Congressionally Directed Spending (CDS): \$4.5MM grant being evaluated by Senator Murkowski's office.
- Federal Investment Tax Credit program (ITC): \$12MM cash tax rebate (consultant hired to prepare IRS documents and calculate qualifying project amount)

-The agency will need to procure a bond or loan to front the cost of the reimbursable grants and provide adequate cash flow through all phases of the project. Staff has been authorized to seek financial proposals to fill this need.

-The Board had previously approved negotiations with Canyon Industries of Washington State on their initial \$12.9 million bid for Tyee Third Turbine equipment. At the June meeting, the Board approved a contract with Canyon Industries, Inc. for the lump-sum amount of \$11.9 million (including contingency) for the Tyee 3rd Turbine, Generator and Transformer Procurement Contract after SEAPA staff negotiated for the best possible value in the contract. Delivery will occur in 2026.

- Even though the snowpack was less than normal, the high amount of rainfall this spring has resulted in very healthy reservoirs. Tyee Lake is over 90% full and rising at this time, which is above average for this time of year. Swan Lake is at a record high for this time of year.

-As has been the norm, a considerable amount of work was accomplished during the annual SEAPA shutdown including dewatering, inspecting, and successfully spot repairing the power tunnel at Swan Lake. Additionally, testing, repairing and replacing various equipment at all SEAPA sites was completed during the shutdown while the equipment is de-energized.

-Next SEAPA meeting will be August 19 and 20 in Petersburg. At that meeting the Board will continue discussions and decisions on funding for completion of Tyee third generator and a new unmanned 115/34.5 kV substation to serve Ketchikan.

-Other news of note: The SEAPA outage that occurred on the morning of June 24<sup>th</sup> was the result of an oil level alarm in one of the Tyee generator bearings. The alarm serves to protect the generator bearings if water was to infiltrate the bearing system, but SEAPA has confirmed that no water intrusion or bearing damage occurred. The agency is researching this issue to prevent its recurrence.