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**MINUTES**  
**Alaska Industrial Development and Export Authority**  
**Board of Directors**  
**February 13, 2009, @ 3:30p.m.**  
**Anchorage, Alaska**

**1. CALL TO ORDER**

Chairman Galvin called the special meeting of the Alaska Industrial Development and Export Authority to order on February 13, 2009, at 3:37 p.m. A quorum was established.

**2. BOARD OF DIRECTORS ROLL CALL**

Directors present in Anchorage: Commissioner Emil Notti (Department of Commerce, Community and Economic Development).

Directors present via conference call: Commissioner Pat Galvin (Chairman); Mr. John Winther (Public Member).

Chairman Galvin confirmed that public notice requirements had been met.

**3. AGENDA APPROVAL**

The agenda was approved as presented.

**4. PUBLIC ROLL CALL**

Staff present in Anchorage: Ted Leonard (Executive Director); Chris Anderson (Deputy Director-Credit); Jim Hemsath (Deputy Director-Development); Valorie Walker (Deputy Director-Finance); Mark Schimscheimer (Project Manager); Karsten Rodvik (Project Manager-External Affairs); Brenda J. Fuglestad (Administrative Manager); and Sherrie M. Siverson (Administrative Assistant).

Others attending in Anchorage: Brian Bjorkquist (Department of Law); Charlie Cole (Esq.); Emily Fehrenbacher and Chris Hall (Sierra Club); Alli Harvey (Alaska Center for the Environment); Tim Bradner (Alaska Journal of Commerce); Jim Posey (Anchorage Municipal Light & Power); and Bob Day (Homer Electric Association). Mike Mitchell (Department of Law) joined the meeting in progress.

Others present via conference call: Dave Domansky (Attorney); Mike Nesper (Peninsula Clarion); Naomi Klouda (Homer Tribune); Rena Delbridge (Fairbanks Daily News Miner); Tim Leach (MEA Ratepayers Association); Jessie Peterson (Northern Alaska Environmental Center); Derek Miller (Legislative Administrative Assistant); Senator Joe Thomas; Grier Hopkins (Legislative Administrative Assistant); and Mike Barry (Public).

**5. PUBLIC COMMENTS**

Mike Barry complimented and thanked the Board for bringing the parties together on the Healy Clean Coal Project.

Alli Harvey, Alaska Center for the Environment stated she is anxious to see what will come out of this meeting. She is also curious as to what will come out of the 3<sup>rd</sup> party assessments from HEA. She said she understands that the costs will eventually be passed down to the ratepayers.

Tim Leach, MEA Rate Payers Alliance, stated they are concerned about how the sale of Healy Unit 2 will impact the ratepayers. There is concern that the rates will be increased. There are a number of questions about the existing facility that have not been answered such as the risk of bringing this coal plant on line and the permitting issues (CO2 and mercury). At the press conference it was noted that that risk would be shared by all along the Railbelt. There are unknowns and uncertainties surrounding the restart of the Healy Clean Coal Plant and that risk is ultimately borne by the ratepayers.

## **6. NEW BUSINESS**

### **6A. Resolution No. G09-04, Resolution of the Alaska Industrial Development and Export Authority Relating to the Healy Clean Coal Project**

Mr. Leonard reviewed Resolution No. G09-04 stating it is the next step in the process of the term sheet which is to negotiate an asset sale agreement between GVEA and AIDEA. The Resolution approves the asset purchase and sale agreement and authorizes the Executive Director and staff of the Authority to take all actions necessary to consummate the transactions specified in the Asset Purchase and Sale Agreement.

Mr. Bjorkquist described the asset purchase and sale agreement. He said the closing of the actual sale will require the Regulatory Commission of Alaska's final approval of the power sales agreements between the entity purchasing Healy Clean Coal, and GVEA and Homer Electric. The transaction is a sale to a subsidiary of GVEA, Tri-Valley Electric Cooperative. Tri-Valley Electric Cooperative will have power sales agreements with GVEA and HEA. The power sales agreements are the primary revenue sources for repaying the loans to AIDEA.

Under the agreement as set out in the settlement term sheet; when this agreement is executed by AIDEA and Tri-Valley and GVEA, the parties in the litigation, GVEA and AIDEA will seek a stay of the litigation from the trial court. The stay will stop all further ongoing litigation until August 1, 2009, which will give all the parties an opportunity to do all of the steps necessary to close the deal. There is one exception to that and that is the RCA order needed to approve the power sales agreement. If that is not a final non-appealable order by August 1<sup>st</sup> and the matter is still pending before RCA, then there is an automatic tolling provision so the August 1<sup>st</sup> deadline would be extended and the closing could occur after August 1<sup>st</sup> in that circumstance. Simultaneously, the parties would agree to go to court and ask for a similar extension and stay of the litigation. If the deal does not go forward and the deal does not close, and there is no tolling by August 1<sup>st</sup>, the parties would go back to the trial court and ask the trial court to reschedule the trial to begin no sooner than January 1, 2010.

Chair Galvin emphasized that, as a complex issue, this is a sequential deal where we are refining the terms as we move forward in order to keep the process public.

**MOTION: Commissioner Notti moved to approve Resolution No. G09-04. Seconded by Mr. Winther. There being no discussion, the question was called. A roll call vote was taken and the motion passed with Messrs. Galvin, Winther, and Notti, voting yea.**

**7. DIRECTORS' COMMENTS**

Next Board meeting, Thursday, February 26, 2009 at 10:30 a.m.

**8. BOARD COMMENTS**

Commissioner Notti thanked Mike Barry for his comments. Mr. Winther thanked staff and counsel for moving the Healy Clean Coal issue forward.

**9. ADJOURNMENT**

Chair Galvin adjourned the meeting at 4:10 p.m.



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Ted Leonard, Secretary  
Alaska Industrial Development and Export Authority