

Alaska Energy Authority
Alaska Intertie
Proposed FY2027 Budget
Date: May 1, 2026

**ALASKA ENERGY AUTHORITY
ALASKA INTERTIE
Proposed FY2027 Budget Contents**

<u>Description</u>	<u>Page #</u>
Budget Summary	3
O&M Budget	4-5
Grant Budget	6
Usage Projection	7
AK Intertie MITCR	8

Proposed FY2027 Budget

Budget Summary

<u>Revenues</u>	<u>O&M</u>	<u>Grant</u>	<u>Total</u>	<u>(Total Paid by Utilities)</u>				<u>Total</u>
				<u>Total GVEA</u>	<u>Total CEA</u>	<u>Total MEA</u>	<u>Total HEA</u>	
Revenue from Operations	3,785,155	-	3,785,155	2,166,773	475,183	1,143,199	-	3,785,155
Grant Match	-	1,586,228	1,586,228	1,298,215	97,916	178,314	11,783	1,586,228
	<u>3,785,155</u>	<u>1,586,228</u>	<u>5,371,383</u>	<u>3,464,988</u>	<u>573,099</u>	<u>1,321,513</u>	<u>11,783</u>	<u>5,371,383</u>
<u>Expenses</u>								
Operations	2,602,700	-	2,602,700					
Admin	985,000	-	985,000					
Grant	-	1,586,228	1,586,228					
	<u>3,587,700</u>	<u>1,586,228</u>	<u>5,173,928</u>					
Surplus/(Shortage)	197,455	-	197,455					

Proposed FY2027 Budget

	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Actual @2/28/2026	Amend FY26 Budget	Proposed FY27 Budget
REVENUES						
GVEA	1,632,539	3,896,647	2,654,471	1,682,882	2,593,498	2,166,773
CEA	405,435	471,717	462,878	302,464	379,452	475,183
MEA	450,409	674,787	803,910	841,106	1,198,215	1,143,199
INTEREST	58,625	106,406	118,200	44,679	-	-
OTHER	27,357	113,875	-	1,950	-	-
TOTAL REVENUES	2,574,364	5,263,432	4,039,459	2,873,082	4,171,165	3,785,155
EXPENSES						
FERC 562 - Station Operation Expenses						
GVEA - Substation Electricity Usage	478	-	-	-	-	-
	478	-	-	-	-	-
FERC 566 - Miscellaneous Transmission Expense						
Cell Phone Comm. Svc for Weather Monitoring (Verizon)	11,983	12,007	6,431	-	-	-
SLMS Support and Intertie Ground Patrol	145,346	133,342	18,971	37,341	175,000	150,000
	157,329	145,349	25,402	37,341	175,000	150,000
FERC 567 - Transmission Expenses - Rents						
Rents - Alaska Railroad	1,500	1,000	1,000	1,000	1,000	1,000
MEA - Talkeetna Storage	7,200	7,200	7,200	4,800	7,200	7,200
Equipment Rental	102	-	-	-	-	-
	8,802	8,200	8,200	5,800	8,200	8,200
FERC 569 Maintenance of Structures						
MEA - Insulator & Str Replacement (Teeland to Douglas)	-	-	-	-	100,000	350,000
MEA - Maintenance of Structures	-	5,204	-	-	100,000	100,000
	-	5,204	-	-	200,000	450,000
FERC 570 - Maintenance of Station Equipment						
GVEA - HLSB17 Sync PT Replacement	-	-	94,455	409	50,000	-
GVEA - Healy, Cantwell, Goldhill	141,248	80,624	37,514	15,088	54,500	54,500
GVEA - SCADA Maintenance Healy, Cantwell, Gold Hill	-	1,120	-	-	10,000	10,000
GVEA - Replace Healy Substation Breaker B17	-	-	336,527	1,100	-	-
GVEA - Healy and Goldhill Digital Fault Recorders	-	6,046	-	-	-	-
GVEA - Gold Hill SVC Cooling	-	2,059	-	-	-	-
GVEA - Cantwell Install Breakers or Load Break Switches	-	-	682,125	-	-	-
GVEA - Cantwell 4S2 Switch Repair	43,217	748	-	-	-	-
GVEA - Perform Maintenance, repaint Reactors Healy SVC Yarc	4,472	-	-	-	-	-
GVEA - SVC Insulator Replacements - Healy and Gold hill	-	-	-	-	10,000	-
GVEA - SVC Capacitor Spares	-	-	38,499	-	-	-
GVEA - Redesign Healy SVC 138 kV Interconnection	-	-	-	-	50,000	-
GVEA - Intertie - SVC Project	-	-	3,693	-	-	-
CEA - Teeland Substation Communication	-	6,787	-	-	5,000	10,000
CEA - Teeland Substation	74,128	168,737	87,080	65,547	180,000	100,000
CEA - Teeland Substation Breaker 538 Replacement	-	-	-	-	-	250,000
CEA - Douglas Substation Communication	-	-	6,866	-	5,000	10,000
MEA - Douglas Substation	-	5,181	286,046	218,768	250,000	-
MEA - Douglas Substation 138 kV BKR Inspections	-	-	-	-	-	-
CEA - Telecomm Support (Douglas, Teeland, Anc-Fbks Leased Circuits)	-	-	-	131,682	500,000	-
	263,065	271,301	1,572,805	432,594	1,114,500	434,500

FERC 571 - Maintenance of Overhead Lines							
GVEA - Northern Maintenance	99,464	99,237	86,109	-	-	103,000	103,000
GVEA-Private Line Telephone Service		-	-	-	-	-	-
GVEA - Northern ROW Clearing	328,252	626,189	581,075	31,301	-	600,000	660,000
GVEA - Northern ROW Clearing - Remote Sensing Analysis	-	335,516	-	-	-	-	-
GVEA - Landing Pads	-	-	-	-	-	60,000	60,000
GVEA - Repair Tower 616 Foundation	-	-	-	8,000	-	500,000	-
GVEA - Repair Tower 531 Foundation	-	154,915	-	-	-	-	-
GVEA - Repair Tower 532 Foundation	-	154,915	-	-	-	-	-
GVEA - Helicopter Patrols	-	-	-	-	-	-	-
MEA - Special Patrols [Incl Helicopter Inspections]	11,603	6,510	45,059	-	-	50,000	50,000
MEA - Southern Maint (Incl Ground and Climbing Inspect'	78,729	-	-	10,891	-	125,000	125,000
MEA - Southern ROW Clearing	525,520	287,124	50,220	-	-	175,000	350,000
MEA - Southern ROW Remote Sensing and Analysis	-	104,849	5,561	-	-	10,000	60,000
MEA - Equipment Repair and Replacement	803,393	152,755	23,023	-	-	100,000	100,000
	1,846,961	1,922,010	791,046	50,192		1,723,000	1,508,000
FERC 924 - Property Insurance							
AK Intertie - Insurance	40,178	42,558	48,653	26,521	-	45,000	52,000
	40,178	42,558	48,653	26,521		45,000	52,000
Intertie Operating Costs Total	2,316,813	2,394,623	2,446,105	552,448		3,265,700	2,602,700
FERC 920 - AEA Administrative Costs							
Personal Services, Travel and Other Costs	190,236	254,493	367,055	219,425	-	300,000	375,000
	190,236	254,493	367,055	219,425		300,000	375,000
FERC 920 - IMC Administrative Costs							
IMC Administrative Costs (Audit, meetings, legal)	14,579	20,672	15,220	213,753	-	20,000	100,000
	14,579	20,672	15,220	213,753		20,000	100,000
FERC 566 - Miscellaneous Transmission Expense							
Misc Studies: \$150k for Southern Intertie analysis by CEA, \$250k EMT Model Development by GVEA	150,368	57,544	134,247	139,643	-	180,000	150,000
LIDAR study (complete lidar, vegetation, PLS CADD file with drawings, structure/foundation movement, infrared, and imaging)	-	-	-	-	-	-	-
Private Line Telephone Service for AKI SCADA (GVEA)	5,788	2,315	13,240	20,191	-	85,000	30,000
SVC Support Services Contract	-	-	-	-	-	-	100,000
SVC PSS/E & EMT Model Development	-	-	-	-	-	-	100,000
PSSE Maintenance	-	-	-	-	-	27,000	90,000
EPRI (Annual Cost)	-	-	-	-	-	40,000	40,000
	156,155	59,859	147,487	159,834		332,000	510,000
Intertie Administration Costs Total	360,970	335,023	529,762	593,012		652,000	985,000
TOTAL EXPENSE	2,677,783	2,729,646	2,975,867	1,145,460		3,917,700	3,587,700
SURPLUS (SHORTAGE)	(103,419)	2,533,786	1,063,591	1,727,621		253,465	197,455

Proposed FY2027 Budget

Utility Grant Matching Contributions

Snow Loading Grant to re-insulate from Douglas north 80 miles

(Approved Allocation Option #2 - Revenue excluding Admin Fee from Allocation)

GVEA Grant Submittal to AEA (\$13.8M grant with \$3M in matching funds & \$500k in-kind in-house labor) AEA to revise per agreed payment

\$1,463,611

	Percent Share	FY27 Match
Power Purchaser		
GVEA	81.95%	1,199,429
CEA	6.69%	97,916
MEA	11.36%	166,266
	100.00%	1,463,611

DOE Resiliency Grant - AK Intertie Snow Load Resiliency			
Year	Project Total Cost	Grant Reimbursement	Grant Match (Cash and In-Kind)
1	\$50,000	\$37,500	\$12,500
2	\$5,854,445	\$4,390,834	\$1,463,611
3	\$5,854,445	\$4,390,834	\$1,463,611
4	\$1,000,000	\$750,000	\$250,000
5	\$1,000,000	\$750,000	\$250,000
Total	\$13,758,890	\$10,319,168	\$3,439,722

Synchrophaser System Grant

(Approved Allocation Option #3 - Revenue Excluding Capacity and Admin Fee from Allocation)

Per GVEA Grant Submittal to AEA (\$2.2M grant with \$50k in matching funds & \$500k in-kind in-house labor) AEA to revise budget for approved payment methods

Total Match Amount

\$122,617

	Percent Share	FY27 Match
Power Purchaser		
HEA (Load Ratio Share)	9.61%	11,783
GVEA	89.13%	98,786
CEA	0.00%	-
MEA	10.87%	12,048
	100.00%	110,834

HEA is contributing because they are receiving benefit from the Synchrophaser System (Railbelt wide)
This is 9.61% of the Total Match Amount and is based on their load ratio share per resolution.

DOE Resiliency Grant - Synchrophasor Project - Five Year Average				
Year	Project Cost	Railbelt Utilities		Grant Contribution
		Combined Cash Match	Railbelt Utilities In Kind Contribution	
1	\$100,000	\$9,839	\$50,000	\$40,161
2	\$525,306	\$9,839	\$112,778	\$402,689
3	\$525,306	\$9,839	\$112,778	\$402,689
4	\$525,306	\$9,839	\$112,778	\$402,689
5	\$525,306	\$9,839	\$112,778	\$402,689
Total	\$2,201,224	\$49,195	\$501,112	\$1,650,917

ALASKA INTERTIE FISCAL YEAR 2027 ENERGY PROJECTION

MONTH	True up to Contract Value	GVEA	MEA	CEA	TOTAL MWH
		MWH	MWH	MWH	
Jul		2,403	2,660	0	5,063
Aug		4,840	2,300	0	7,140
Sep		6,669	2,140	0	8,809
Oct		9,411	2,000	0	11,411
Nov		8,802	2,350	0	11,152
Dec		7,152	2,400	0	9,552
Jan		2,493	2,400	0	4,893
Feb		905	2,260	0	3,165
Mar		2,044	2,275	0	4,319
Apr		6,005	2,225	0	8,230
May		7,296	2,250	0	9,546
Jun		2,507	2,590	0	5,097
TOTAL	0	60,527	27,850	0	88,377

USAGE			CAPACITY			ADMIN			CASH FLOW
GVEA	MEA	CEA	GVEA	MEA	CEA	GVEA	MEA	CEA	TOTALS
\$64,472	\$71,368	\$0	\$214,500	\$67,650	\$146,850	\$82,083			\$646,924
\$129,857	\$61,709	\$0				\$82,083			\$273,650
\$178,929	\$57,416	\$0				\$82,083			\$318,429
\$252,497	\$53,660	\$0				\$82,083			\$388,240
\$236,158	\$63,051	\$0				\$82,083			\$381,291
\$191,888	\$64,392	\$0				\$82,083			\$338,363
\$66,887	\$64,392	\$0				\$82,083			\$213,363
\$24,281	\$60,636	\$0				\$82,083			\$167,000
\$54,841	\$61,038	\$0				\$82,083			\$197,962
\$161,114	\$59,697	\$0				\$82,083			\$302,894
\$195,752	\$60,368	\$0				\$82,083			\$338,203
\$67,263	\$69,490	\$0				\$82,083			\$218,836
\$1,623,939	\$747,216	\$0	\$214,500	\$67,650	\$146,850	\$985,000			\$3,785,155
Total Energy: <u>\$2,371,155</u>			Total Capacity : <u>\$429,000</u>						

TOTAL INTERTIE PROJECTED ENERGY USAGE 88,377 MWH
 Usage estimate reduced by 1/12 of Total for rate calculations 81,012 MWH
 Section 7.2.2 MINIMUM USAGE CONTRACT VALUE 204,984 MWH

TOTAL MWH REVENUE \$3,785,155
 O&M BUDGET - Operating 2,602,700
 -
 O&M BUDGET - Administrative 985,000
 TOTAL O&M BUDGET 3,587,700
 SURPLUS (SHORTAGE) \$197,455

Annual Participant Administrative Contribution 328,333.33
 Monthly Contribution per Participant 27,361.11

UTILITY	FY 27	
MEA	31.60%	24.60 MW
CEA	68.40%	53.40 MW
GVEA	100.00%	<u>78.00 MW</u>
		<u>156.0</u>

Usage Rate per KWH \$ 0.02683
 Capacity Rate \$2.75

**MINIMUM INERTIE TRANSFER CAPABILITY RIGHTS
(MITCR) DETERMINATION
FOR FISCAL YEAR 2027**

Annual System Demand													
	<u>23-24</u>	<u>24-25</u>	<u>25-26</u>	<u>3 YR AVG.</u>									
<u>SOUTHERN UTILITY PARTICIPANTS (MW)</u>													
CEA	322.9	338.7	338.2	333.3 MW		PROPOSED	AMEND	APPROVED	APPROVED	APPROVED			
MEA	150.7	154.2	157.6	154.2 MW		6/30/2027	6/30/2026	6/30/2025	6/30/2024	6/30/2023			
						FY27	FY26	FY25	FY24	FY23			
						UNITS							
						USAGE	KWH	81,012,000	80,949,000	162,048,000	251,476,000	415,247,000	
						OPERATING BUDGET	\$	2,602,700	3,350,700	3,271,100	3,710,200	2,544,100	
						MITCR	KW	156,000	156,000	156,000	156,000	156,000	
TOTAL				<u>487.5 MW</u>		ENERGY (A)	\$/KWH	\$0.02683	\$0.03456	\$0.01686	\$0.01232	\$0.00512	
						CAPACITY (B)	\$/KW	\$2.75	\$3.54	\$3.46	\$3.92	\$2.69	
<u>NORTHERN UTILITY PARTICIPANTS (MW)</u>													
GVEA	205.5	204	204	204.5 MW									
TOTAL				<u>204.5 MW</u>									

MITCR DETERMINATION

		<u>FY 27</u>		<u>KWH</u>	<u>CAP RATE</u>	<u>CAP CHARGES</u>
MEA	31.60%	24.60 MW		24,600	\$2.75	67,650.00
CEA	68.40%	53.40 MW		53,400	\$2.75	146,850.00
GVEA	100.00%	78.00 MW		78,000	\$2.75	214,500.00
		<u>156.00 MW</u>		<u>156,000</u>		<u>429,000.00</u>

(A) See Section 7.2.5 AK Intertie Agreement
(B) See Section 7.2.6 AK Intertie Agreement