

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER

PRELIMINARY DECISION
ADL 234892

Proposed Noncompetitive Sale to Public and Charitable Use Applicant
AS 38.05.035(e), AS 38.05.810(a)(1)

RELATED ACTIONS:
Proposed Mineral Order 1340 (Closing)
AS 38.05.185 and AS 38.05.300

PUBLIC COMMENT PERIOD ENDS 5:00 PM, TUESDAY, NOVEMBER 3, 2026

Executive Summary: The State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) proposes to convey its interest in approximately 5,805 acres (subject parcel) of State-owned land in the Kenai Peninsula Borough at no cost¹ to the Alaska Energy Authority (AEA) through a noncompetitive public and charitable use conveyance for the continued operation and development of the existing, federally regulated, Bradley Lake Hydroelectric Project. AEA is a political subdivision of the state with the mission of advancing affordable, reliable energy in Alaska. Currently, the Bradley Lake Hydroelectric Project is a critical component of the Railbelt² electric system, producing approximately 10 percent annual power to Railbelt communities. The proposed conveyance will help facilitate an expansion project that AEA estimates will increase power production from the facility by 40 percent.³ The proposed conveyance is subject to existing authorizations, third party interests, and borough zoning and platting authority. With due consideration given to the cumulative impacts and public purpose of the proposed conveyance, DNR finds that disposal of the subject parcel to AEA for no cost is in the public interest, it serves a public purpose, and is in the best interest of the state.

I. Proposed Actions

Preliminary Decision: Approval of Proposed Noncompetitive Sale to Public and Charitable Use Applicant ADL 234892

Attachment A: Vicinity Map

Attachment B: Public Notice

Attachment C: AEA Application for Public and Charitable Use Purchase of State Land

Attachment D: Draft Affidavit Acknowledging Conditions of Land and Releasing the State from Related Liability

Attachment E: Preliminary Survey Determination

¹ The term “no cost” conveyance used in this decision describes a conveyance in which AEA will not provide compensation for the value of the land. However, AEA will still be responsible for administrative costs related to acquiring the subject parcel, including but not limited to the costs of survey.

² Population corridor in Alaska stretching from the Kenai Peninsula to Fairbanks.

³ See, AEA Application for Public and Charitable Use Purchase of State Land, p. A-2

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The public is invited to comment on the proposed related action:

Attachment F: Draft Mineral Order (Closing) MO 1340

Primary Proposed Action, Noncompetitive Conveyance: DNR proposes to convey the subject parcel through a noncompetitive conveyance to AEA under Alaska Statute (AS) 38.05.810(a)(1) Public and Charitable Use. The subject parcel is located within DNR's Southcentral Region, approximately 23 miles northeast of Homer in the Kenai Peninsula Borough. See *Attachment A: Vicinity Map* for a visual depiction of the subject parcel.

Proposed Related Action: This related action will be developed separately; however, public notice is being conducted concurrently.

Mineral Order (Closing): DNR proposes to close the subject parcel to new mineral entry. There are no current mining claims located within the subject parcel. Refer to Section **VIII. Planning, Classification, and Mineral Orders** for more information on this proposed related action.

This related action will be developed separately. However, approval of the mineral order is dependent upon approval of the primary action and will not proceed without the approval of the primary action.

Public Notice of Proposal: In accordance with AS 38.05.945 Notice, during a period of at least 30 consecutive days, the public will have the opportunity to submit written comments on this proposal. Public notice for all actions is conducted concurrently and will include the Preliminary Decision (PD) for the noncompetitive sale (ADL 234892) and draft Mineral Order (Closing) 1340.

Refer to Section **XIX. Submittal of Public Comments** and *Attachment B: Public Notice* for details on how to submit a comment for consideration. After consideration of timely, written comments, DMLW will issue a Final Finding and Decision (FFD) stating whether the State intends to move forward with the proposed and related action and identifying any changes from the PD.

II. Authority

DNR management of state lands starts with Article VIII, section 1 of the Alaska Constitution, which states, "It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." The legislature adopted AS 38.04.005(a) which repeats Article VIII, section 1, stating, "In order to provide for maximum use of state land consistent with the public interest, it is the policy of the State of Alaska to plan and manage state-owned land to establish a balanced combination of land available for both public and private purposes." Additionally, AS 38.05.035(e) preconditions disposal of state land on a finding that the disposal serves the best interests of the State.

These provisions confirm that DNR, in managing state lands, is directed to promote the development of natural resources on state lands by making the lands available for maximum use in a manner consistent with the public interest. A conveyance of state land to AEA⁴, a political

⁴ AEA is "a public corporation of the state. . . but with separate and independent legal existence." AS 44.83.020.

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subdivision established to promote electrical power projects to benefit Alaskans, is in the public interest.⁵

The legislature also authorized DNR under AS 38.05.810(a)(1) to dispose of state land to a state or federal agency or political subdivision for less than appraised value including for no cost. DNR may convey state land for less than the appraised value and for no cost under AS 38.05.810 if the commissioner “ensures . . . that disposals of land under this subsection serve a public purpose and are in the public interest.” In doing so, DNR must also consider “the terms of grant under which the land [being considered for disposal] was acquired by the state.” A disposal of state land serves a public purpose if the disposal “furthers the delivery of governmental services or functions by a . . . state agency “or where it “contributes to the economic development of the state.”⁶

Additionally, 11 AAC 67.015 authorizes the State (and thus DNR) to convey “land that has been tentatively approved by the federal government for patent to the state, but that is not yet patented.”

Collectively under these statutes, DNR may dispose of state land, including lands that have been tentatively approved to the State which applies to some of the lands proposed for conveyance, for no cost to a state agency or political subdivision if the disposal is in the best interests of the public. Under AS 38.05.810(a), DNR’s best interest finding also must consider: (1) the terms of the grant under which the land was acquired by the State; (2) how the applicant will use the lands and if that use is in the public interest and for a public purpose. AS 38.05.810(g) requires that the State retain a reversionary interest in land conveyed under AS 38.05.810(a), unless DNR determines that the waiver is in the public interest.

This action is also supported by the following additional statutory authority: AS 38.05.300 (Classification of Land) and AS 38.05.185 (Generally allow for mineral orders).

III. Administrative Record

The case file for ADL 234892 constitutes the administrative record for this proposed action. Also incorporated by reference are:

- Kenai Area Plan (KEAP, adopted January 2000) and associated land classification files;
- DNR case file: ADL 222656; Preliminary decision dated February 18, 1986. Final finding dated April 28, 1986; Final Finding and Amended Final Finding dated January 10, 1994; Preliminary Decision (Amendment #1) dated May 17, 2017; Final Finding (Amendment #1) dated July 25, 2017; GS 47; GS 5142; GS 5143; GS 5144;
- Federal patents 50-84-0514, 50-95-0511;
- Federal Power Project (FERC) No. 8221

Also incorporated by reference are additional files and documents listed throughout this decision.

IV. Scope of the Proposal

The scope of this proposal, under the statutes described in the preceding **Section II. Authority**, is limited and specific to the following: (A) that AEA qualifies for the disposal at no cost under AS

⁵ AS 44.83.070 (“The purpose of [the Alaska Energy Authority] is to promote, develop, and advance the general prosperity and economic welfare of the people of the state by providing a means of financing and operating power projects and facilities that recover and use waste energy.”).

⁶ 11 AAC 98.010.

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38.05.810(a); (B) that the disposal of this state land is in the public interest and for a public purpose; (C) a waiver of the reversionary interest is in the public interest; (D) the State has accounted for the reasonably foreseeable cumulative impacts resulting from the conveyance; (E) that DNR considered “the terms of the grant under which the land was acquired by the State; and (F) that in summation the proposed disposal is in the best interests of the State.

The scope of this decision does not include post-patent land use, and, by waiving the reversionary clause, DNR does not intend to impose restrictions for this purpose. Restrictions regarding land use will be handled by the local zoning authority, if any.

The proposed related action will be issued concurrently with the FFD. This action is described in more detail in Section **VIII. Planning, Classification, and Mineral Orders** of this document.

V. Description of Subject Parcel

- a. Location: The subject parcel is located within DNR’s Southcentral Region, approximately 23 miles northeast of Homer in the Kenai Peninsula Borough, Alaska. See *Attachment A: Vicinity Map* for additional information.

USGS Map Coverage: Seldovia C-2, Seldovia C-3, Seldovia D-3

Platting Authority: Kenai Peninsula Borough

Regional Corporation: Cook Inlet Region, Incorporated

Village Corporation: Seldovia Village Corporation

Federally Recognized Tribes: Seldovia Village Tribe

- b. Legal Description:

The legal description of the subject parcel is included as part of *Attachment E: Preliminary Survey Determination* due to length.

The legal description of the proposed mineral order is the same as the subject parcel.

VI. Title

Based on Title Reports 24434, 24435, 24436, 24437, and 24438 issued in July and August 2026, the State of Alaska has received Federal Tentative Approval (TA) to lands within the subject parcel which are further outlined below. The parcel is subject to valid existing rights, including but not limited to platted easements and reservations, and lease agreement ADL 222656.

The State of Alaska holds fee title to the *land and mineral estates* within the proposed conveyance area, as outlined in the table below:

Title Report (RPT) No.	State Case File	Title/Date
RPT 24434 Current as of 7/22/2026	GS 5143	PA 50-95-0511 9/7/1995
		TA 2018-0011 5/22/2018
RPT 24435 Current as of 7/24/2026	GS 5144	TA 2018-0008 4/20/2018
RPT 24436	GS 5142	TA 1989-0003

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Current as of 8/3/2026		10/20/1988
		TA 2018-0007 4/20/2018
RPT 24437 Current as of 7/23/2027	GS 47	PA 50-84-0514 5/18/1984
		TA 1995-59 9/7/1995
		TA 2018-0010 5/22/2018
RPT 24438 Current as of 7/27/2026	GS 5144	TA 2018-0008 4/20/2018

State Reservation of Title:

Retention of and Access to Mineral Estate: In accordance with Section 6(i) of the Alaska Statehood Act and AS 38.05.125 Reservation, the State retains ownership of all oil, gas, coal, ore, minerals, fissionable material, geothermal resources, and fossils that may be in or upon the land that it sells. This retention is for all minerals, including both locatable minerals (such as gold, copper, silver, etc.) and leasable minerals (such as oil, gas, coal, etc.).

The State and its successors reserve the right to enter onto the land for the purposes of exploring for, developing, and producing these reserved mineral resources. Access reserved to these retained interests is superior to any and all land uses. The State may also lease these retained interests to mineral developers or allow mining locations to be staked. However, AS 38.05.130 Damages and Posting of Bond also provides that the surface owner will be compensated for damages resulting from mineral exploration and development. For more information, see Section **VIII. Planning, Classification, and Mineral Orders** of this document.

Navigable Waters: Per AS 38.05.126(b) Navigable and Public Waters, "...the state has full power and control of all of the navigable or public water of the state, both meandered and not meandered, and the state holds and controls all navigable or public water in trust for the use of the people of the state." This trust is in accordance with the principles of the Public Trust Doctrine, which are included in Article VIII, Section 14 of the Constitution of the State of Alaska and protected in the United States Constitution. It is vested in the title to this land, is not transferable, and the State's title to submerged lands under navigable waters cannot be relinquished by a transfer of the property. In holding with this concept, navigability determinations are made, and access will be reserved per AS 38.05.127 Access to and Along Public and Navigable Water. For more information, see Section **X. Access, Including Access To and Along Public and Navigable Water** of this document.

The Bureau of Land Management has not made navigability determination for waters within the affected townships for title purposes.

Alaska Native Interest: The subject lot is within the boundaries of the Cook Inlet Region, Incorporated. There are no Alaska Native interests identified within this parcel.

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Other Conflicts or Pending Third-Party Interest: There are no known conflicts or pending interests. If conflicts or third-party interests are discovered during the public notice period, they will be addressed in the FFD.

VII. Background and Discussion

The Alaska Legislature created AEA in 1976 as a public corporation of the state.⁷ By statute, AEA is housed in the Department of Commerce, Community, and Economic Development (DCCED), with separate and independent legal existence.⁸ AEA was created to develop the State's energy resources as a key element in diversifying Alaska's energy infrastructure.⁹ AEA manages and provides oversight to state-owned energy assets.¹⁰

The Bradley Lake Hydroelectric Project is located near the head of Kachemak Bay approximately 23 miles northeast of Homer. The 120-megawatt project generates an average of 392,000 MWh of energy per year and transmits it to the State's main power grid via two parallel 20-mile transmission lines.¹¹ AEA is the current authorization holder for the use and operation of the Bradley Lake Hydroelectric Project. The project went into commercial operation in 1991 and serves Alaska's Railbelt communities from Homer to Fairbanks as well as the Delta Junction area. The Federal Energy Regulatory Commission (FERC) oversees the Bradley Lake Hydro Project under FERC Project Number 8221. The FERC license was issued December 31, 1985. On March 12, 2015, AEA filed an application to amend its license in order to construct a diversion dam and flowline on the West Fork Upper Battle Creek. The amendment was approved September 6, 2016.

The State has received tentative approval and patent from the federal government for the land encompassing the project area. The land has been federally withdrawn for the FERC project and is subject to a Section 24 restriction of the Federal Power Act.¹² FERC will be notified in writing of this Preliminary Decision during the public notice comment period. Any comments or further information received from FERC regarding the Section 24 restriction will be addressed the Final Finding and Decision (FFD).

DNR previously authorized two leases under AS 38.05.810(a) to AEA for the Bradley Lake Hydroelectric Project (ADL 222656 and ADL 222657) as well as authorizing a transmission line easement (ADL 223192). ADL 222656 is a 55-year Public and Charitable lease issued on January 10, 1994, and expiring on January 9, 2049, which encompasses approximately 7,068.93 acres. ADL 222657 is a 55-year Public and Charitable lease issued on January 10, 1994, and expiring on January 9, 2049, which encompasses 15.76 acres. ADL 223192 is a Public Right-of-Way Easement issued on January 10, 1994, and expiring on January 9, 2049, which encompasses 770.6 acres. AEA was issued a license from the Federal Energy Regulatory Commission for the project on December 31, 1985.

In September 2012, AEA applied to amend ADL 222656 by adding an additional 704 acres with the purpose of supplementing the power generating capacity of the Bradley Lake Hydroelectric Project. The amendment added additional infrastructure to direct water from the west fork of Battle

⁷ AS 44.83.020.

⁸ *Id.*

⁹ AS 44.83.070 - .080.

¹⁰ AS 44.83.080.

¹¹ <https://www.akenergyauthority.org/>

¹² 16 U.S.C. § 818 (Section 24 of the Federal Power Act).

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Creek to the existing Battle Creek diversion, and then on to Bradley Lake. The additional water to the reservoir increased power production.

The FFD for the proposed amendment was issued on July 25, 2017. On August 28, 2017, an Entry Authorization (EA) was issued allowing AEA entry on to state land for the purpose of construction and survey.

On June 6, 2026, DMLW received an application from AEA requesting the conveyance of approximately 8,087 acres of land, a request that encompassed: (1) the entirety of the active lease authorizations; (2) the Battle Creek expansion; (3) a proposed future expansion (Dixon diversion); and (4) the land underlying Bradley Lake.

After consultation, AEA amended their lease application to exclude any overlap with tide, submerged, or shorelands, or any Legislatively Designated Areas.

On August 26, 2026, AEA submitted an amended application requesting the full conveyance of approximately 5,805 acres State owned uplands. The updated request includes: (1) the majority of active lease authorization ADL 222656, excluding the overlap with two Legislatively Designated Areas (the Fox River Flats Critical Habitat Area and the Kachemak Bay Critical Habitat Area); (2) the Battle Creek expansion; (3) the proposed future expansion (Dixon diversion).

If the proposed conveyance is finalized, AEA will still retain their existing tideland lease (ADL 222657) and upland lease (ADL 222656), both of which will be amended to encompass those lands that were not included in this conveyance.

Proposed Expansion:

With conveyance of the subject parcel, AEA will move forward with the long-planned Dixon Diversion Project. The proposed expansion includes raising the water level of Bradley Lake by 16 feet.¹³ This would be accomplished through various modifications to the existing infrastructure that would direct water from the Dixon Glacier watershed to Bradley Lake. The proposed modifications include:

- Construction of diversion infrastructure near the toe of the Dixon Glacier in the headwaters of the Martin River which includes:¹⁴
 - Diversion dam
 - Diversion tunnel intake
 - Tunnel inlet portal
 - Forebay berm
 - Access pad
 - Dike/sediment guide wall
 - Storage building
 - Mechanical building
 - Access road
- A 4.6-mile long, 16-foot diameter lined underground tunnel and an open outlet channel to convey water from the diversion to Bradley Lake.¹⁵

¹³ See, AEA Application for Public and Charitable Use Purchase of State Land, p. B-3

¹⁴ See, AEA Application for Public and Charitable Use Purchase of State Land, Figure B-5 Site Plan p. B-20

¹⁵ See, AEA Application for Public and Charitable Use Purchase of State Land, p. B-2

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- A 1,100-foot-long channel with a 16-foot-bottom width, constructed to convey the diverted flows into Bradley Lake.¹⁶
- A 1-mile-long, 16-foot-wide gravel access road extending from the existing road to the diversion tunnel outlet.
- Modifications to the existing Bradley Lake spillway and dam to accommodate the additional impoundment.¹⁷

Bradley Lake:

Prior to the development of the Bradley Lake Hydroelectric Project and additional impoundment, the surface area of Bradley Lake was approximately 1,486 Acres. Currently, Bradley Lake has a surface area of approximately 3,802 acres. With the addition of the proposed expansion project, the surface area of Bradley Lake is estimated to be approximately 4,033 acres.¹⁸

Public Access:

AEA has confirmed that the proposed conveyance will not change public access as it currently stands under the existing lease authorizations. During construction, and at various times during operation, AEA may need to restrict public access in the interest of public safety, which is consistent with the KEAP management intent. However, in general, the proposed conveyance will not affect public access to the area.

VIII. Planning, Classification, and Mineral Orders

Planning

The subject parcel is located within KEAP, Region 8: Upper Kachemak Bay and Fox River Flats, Unit 195, adopted January 2000. The plan designates the subject parcel as Habitat, Public Recreation and Tourism - dispersed use, and Water Resources, which convert to the classifications of Wildlife Habitat Land, Public Recreation Land, and Water Resources Land, respectively.

The KEAP states the management intent for Unit 195 as follows:

“Manage the area primarily as a power site consistent with the FERC license requirements. Accommodate recreation (particularly at designated campsites) and public access where the security of the power project, public safety, and liability are not significantly at risk. Also manage areas for wildlife habitat and harvest, particularly those designated for mitigation under FERC licensing.”¹⁹

Per 11 AAC 55.230. Wildlife Habitat Land. “Land classified wildlife habitat is land which is primarily valuable for: (1) fish and wildlife resource production, whether existing or through habitat manipulation, to supply sufficient numbers or a diversity of species to support commercial, recreational, or traditional uses on an optimum sustained yield basis; or (2) a unique or rare assemblage of a single or multiple species of regional, state, or national significance.”

¹⁶ See, AEA Application for Public and Charitable Use Purchase of State Land, p. B-7

¹⁷ See, AEA Application for Public and Charitable Use Purchase of State Land, p. B-4 and B-5

¹⁸ See, AEA Application for Public and Charitable Use Purchase of State Land, p. B-3

¹⁹ Kenai Area Plan (2000), p. 3-241

¹⁶ See Section XI. Reservation of Mineral Estate

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11 AAC 55.160. Public Recreation Land. “Land classified public recreation is land that is suitable for recreation uses, waysides, parks, campsites, scenic overlooks, hunting, fishing or boating access sites, trail corridors, or greenbelts along bodies of water or roadways.”

Per 11 AAC 55.222. Water Resources Land. Water resources land are lands “encompassing watersheds or portions of watersheds and is suitable for such uses as water supply, watershed protection, or hydropower sites.”

Conveyance of the subject parcel supports the management goals of the KEAP as the subject parcel will continue to be used for its primary intent, the management and operation of the Bradley Lake Hydroelectric Project.

Mineral Order

DNR proposes to close the subject parcel to new mineral entry in accordance with AS 38.05.185 and AS 38.05.300. This mineral closing order would not prevent the removal and/or use of rock, gravel, or sand resources as needed.¹⁶ There are no current mining claims located within the subject parcel. Closing the parcel to new mineral entry is consistent with the management intent of the KEAP and minimizes the potential for conflict between the land estate and mineral estate users. If approved by the Commissioner, Mineral Order 1340 will close the subject parcel to new mineral entry. If the Department approves the public and charitable conveyance, the mineral order will accompany the FFD. The approval of the mineral order is a separate action occurring concurrently with the FFD.

Mineral orders close an area to: mineral entry and new exploration and development of locatable minerals (e.g. gold, copper, platinum, etc.). Such mineral orders do not apply to leasable minerals (e.g. oil, gas, coal, etc.), or exploration licensing for such, nor do they preclude reasonable surface access to these resources. However, AS 38.05.130 (Damages and Posting of Bond) stipulates that the land estate owner will be compensated for damages resulting from mineral exploration and development.

Mining activity for locatable minerals would be incompatible with current and proposed land estate uses for land disposal. Allowing new mineral location within the boundary of the parcel encompassed by the decision could create conflict between land estate and mineral estate users. In general, areas or parcels scheduled for disposal will be closed to mineral entry prior to sale to minimize potential conflict between land estate and mineral estate users.

Local Planning

The Bradley Lake Hydroelectric Project is mentioned in 2019 Kenai Peninsula Comprehensive Plan; however, the parcel is not zoned. This plan does reference Bradley Lake activities and the power contribution to local communities from the hydroelectric facility.

Flood Risk

The subject parcel is within Federal Emergency Management Agency Flood Insurance Rate Map panels #0200124400A, 0200123975A, and 0200124375A (not printed). The subject parcel is outside of any defined flood zone. There is potential for seasonal flooding and erosion of parcels adjacent to water bodies, especially in low-lying areas.

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IX. Traditional Use Findings

The subject parcel is located within the Kenai Peninsula Borough, and a traditional use finding is not required per AS 38.05.830 in the Unorganized Borough. AEA has leased the majority of this parcel under AS 38.05.810(a) for 32 years for a hydroelectric project. There are no anticipated significant changes to traditional uses of the land and resources of this area as a result of the proposed action. Additional information on traditional use is welcome during the public comment period, and if this proposal is approved, DMLW will address the information received in a subsequent FFD, if one is issued. See **Section XVI. Submittal of Public Comments** and *Attachment B: Public Notice* for details on how to submit comments.

X. Access, Including Access To and Along Public and Navigable Water

Public Access

Legal and constructed access to the subject parcel is via watercraft in Kachemak Bay to the tideland lease (ADL 222657) and dock infrastructure, and associated access roads, or, via fixed wing aircraft and helicopter.

Access to and Along Public or Navigable Waters

In accordance with AS 38.05.127 Access to Navigable or Public Water, DNR will determine if a water body is navigable or public and establish easements or rights-of-way as necessary to ensure unobstructed access to and along the body of water. Regulations dictating the creation of easements or rights-of-way under this statute include 11 AAC 51.035 Determination of Navigable and Public Water, 11 AAC 51.045 Easements to and Along Navigable and Public Water, and 11 AAC 53.450 Buffer Strips, Reserved Areas, and Public Easements.

Bradley Lake has been determined to be navigable for title purposes per AS 38.04.062. Bradley Lake's current size is approximately 3,802 acres. The following waters are public water per AS 38.05.126 and AS 38.05.127 as defined in AS 38.05.965(21):

- Martin River
- Battle Creek
- Bradley River
- East Fork Martin River in Sections 35 & 36
- Unnamed stream with mouth in Section 9, T5S, R10W, SM;
- Unnamed tributary to Battle Creek in Section 10, T5S, R10W, SM

Easements and Setbacks

The subject parcel is subject to section line easements. A 50-foot section line easement on each side of surveyed or protracted section lines on State-owned land in accordance with AS 19.10.010 Dedication of Land for Public Highways. For section lines running through the subject parcel, 50 feet measured on each side of the section line, for a total width of 100 feet, will be reserved. No additional easements are known at this time within the subject parcel.

Building setback from Public Water: The KEAP requires a 50-foot building setback on all waters to protect public values, including public access, recreation, and water quality along all waterbodies.

Where appropriate, reservations and restrictions will be depicted on the plat and described in plat notes. Prior to conveyance, AEA will be required to complete the survey of the subject parcel to include all easements according to directions set forth in **Section XIII. Stipulations, Restrictions and Reservations**, and in *Attachment: Survey Determination*.

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XI. Reservation of Mineral Estate

In accordance with section 6(i) of the Alaska Statehood Act and AS 38.05.125 Reservation, the State, in this decision, reserves unto itself the mineral estate, including oil and gas, and the rights expressed in the reservation clause of the statute, that being the right to reasonable access to the surface for purposes of exploring for, developing and producing the reserved mineral resources. Exploration and development, if any, which could occur, would be consistent with AS 38.05.130 Damages and Posting of Bond, and other applicable statutes and regulations. The mineral estate reserved by the State does not include rock, gravel, or sand resources. Because the on-site-materials strategy depends on AEA control of sand and gravel, this disposal under AS 38.05.810, together with the materials authority under AS 38.05.565, conveys to AEA the materials needed for surface development and for those materials to be used by AEA.

XII. Hazardous Materials and Potential Contaminants

There is no known contamination of, or hazardous materials on, the subject parcel. For the life of the existing leases there has been no onsite waste generation at the site. DMLW has required that construction waste be removed from the site and disposed of at an appropriate facility. The applicant is expected to inspect the subject parcel to ascertain the quality and condition of the land. The State makes no representations and no warranties, expressed or implied, concerning the existence or absence of any hazardous substances, hazardous wastes, contaminants, or pollutants on the land proposed for conveyance to the applicant. The State does not assume any liability for the removal of hazardous wastes, contaminants, or pollutants, nor for the remediation of the site should such substances ever be identified.

The applicant will be required to sign an affidavit acknowledging the condition and history of the site prior to purchase and releasing the State from any liability in the future. This affidavit releases the State from liability for the removal of hazardous substances, hazardous wastes, contaminants, or pollutants and for the remediation of the site should such substances ever be identified. AEA recognizes that the subject parcel is conveyed on an “as is” basis and in the condition of the conveyance. See *Attachment D: Draft Affidavit Acknowledging Condition of Lands and Releasing the State from Related Liability*.

XIII. Stipulations, Restrictions and Reservations

Stipulations: If approved for conveyance, the applicant will be required to comply with the following stipulations to complete the land sale:

A. Conditions

1. As a condition of sale, the applicant must sign an affidavit acknowledging the condition of the land and releasing the State from related liability due to the presence of potential hazards.
2. A notice to proceed to survey will be issued if no requests for reconsideration are received, or when requests for reconsideration are resolved, after the issuance of the FFD. The applicant must hire a surveyor, and the surveyor must apply to DMLW's Survey Section for Survey Instructions. The applicant's survey must be approved by DMLW and the local platting authority, if any, as set forth in the Survey Instructions. Survey costs shall be borne by the applicant.
3. Upon approval of the survey, a notice to proceed to purchase will be issued to the applicant. The applicant must submit the following to DNR:

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- A signed and notarized affidavit acknowledging the condition of the land and releasing the State from related liability;
 - A completed and signed Declaration of Intent form;
 - Patent application and recordation fees are required. Fees are established under 11 AAC 05.100 Land Disposals and 11 AAC 05.200 Recorder's Office and are subject to change. Some fees have been reduced by Director's Order Number 3. A fee prescribed by 11 AAC 05.020(b) is waived for a federal, state, or municipal agency, except for recorder's office and uniform commercial code fees prescribed by 11 AAC 05.200 and 11 AAC 05.250, which are not waived.
4. Prior to the completion of the purchase and issuance of a State conveyance document, the applicant must remain in good standing with respect to all terms of the Contract for the Sale of Real Property throughout its term, if such a contract is issued. The applicant must also remain in compliance with all applicable State and local ordinances and regulations, including applicable taxes. Failure to do so may result in termination of the Contract for the Sale of Real Property, if such a contract is issued.

If extenuating circumstances delay any of the stipulations listed above, the applicant is responsible for notifying DMLW and receiving approval from DMLW for the delay with new timeframes for completion to be given. Failure to do this could result in the closure of the purchase application. The purchase cannot be completed until all the above stipulations have been satisfied.

B. Restrictions and Reservations

A conveyance document will be issued subject to the following restrictions and reservations:

1. A fifty (50) foot building setback from the ordinary high-water mark along Bradley Lake in accordance with the Kenai Area Plan, adopted January 2000.
2. Valid existing rights, including reservations, easements, and exceptions in the U.S. Patent, or other state or federal conveyance, and in acts authorizing the issue thereof; easements, rights-of-way, covenants, conditions, reservations, notes on the plat, and restrictions of record, if any.
3. Reservation of the mineral estate pursuant to Section 6(i) of the Alaska Statehood Act and AS 38.05.125 Reservation; and reservation of reasonably necessary access to the mineral estate in accordance with AS 38.05.130 Damages and Posting of Bond.
4. AS 38.05.810(g) Public and Charitable Use, states that the commissioner shall retain a reversionary interest on each sale or other disposal granted under AS 38.05.810(a) or (e) Public and Charitable Use unless the reversionary interest is waived. DNR will waive the reversionary interest for this parcel as allowed under AS 38.05.810(g) Public and Charitable Use. The authority to execute this waiver of reversionary interest has been delegated to the Director of the DMLW.
5. The Public Trust Doctrine provides that the State holds certain resources (such as wildlife, minerals, and waters rights) in trust for public use. Patent will be subject to RS 2477 rights-of-way, easements to and along public water under AS 38.05.127, and any other easements reserved and managed by DNR, which will be held in public trust.

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XIV. Survey

Preliminary Survey Determination #20265082 dated September 30, 2026, provided by DMLW Survey Section determined that there are areas within the subject parcel that have been surveyed, the areas that have not been surveyed, and the areas that will require a record of survey. Details are provided in *Attachment E: Preliminary Survey Determination*.

The subject parcel for the Bradley Lake Hydro Project is within the Kenai Peninsula Borough (KPB) Platting Authority. Alaska State Land Surveys (ASLS) will require KPB Platting Authority approval for conveyance.

VI. Compensation/Appraisal

As a political subdivision of the state, AEA is eligible for a public and charitable sale under 38.05.810(a) at no cost. This is justified in **Section VII. Background and Discussion, and Section XV. Decision**.

XV. Decision

Under AS 38.05.810(a), DNR may convey land for no cost to a political subdivision. For DNR to convey the land described above for no cost to AEA under AS 38.05.810, DNR must find: (A) that AEA qualifies for a less than appraised value disposal under AS 38.05.810(a); (B) that the proposed disposal of this state land is in the public interest and for a public purpose; (C) a waiver of the reversionary interest is in the public interest; (D) the State has accounted for the reasonably foreseeable cumulative impacts resulting from the conveyance; (E) that DNR considered “the terms of the grant under which the land was acquired by the State; and (F) that in summation the proposed disposal is in the best interests of the State.

When DNR leased lands to AEA for this project, DNR made AS 38.05.810 findings. In doing so, DNR determined that no cost leases to AEA were in the best interests of the state and the lands would be used for a project that is in the public interest and serves a public purpose. Those prior decisions were not appealed.

Given that context, this AS 38.05.810 decision will: (1) convert the lands AEA currently leases under an AS 38.05.810 to an ownership interest; and (2) convey additional state lands for AEA’s future expansions of the Bradley Lake Project.

As the below outlines, DNR finds that AEA and this proposed conveyance qualifies for a no cost conveyance of the land, and further that AEA’s proposed use of the land serves a public purpose and is in the public interest. DNR also finds waiving the AS 38.05.810(g) reversionary interest is in the public interest. Lastly, while DNR recognizes there are impacts associated with this conveyance, the stipulations, conditions, and restrictions outlined in **Section XIII** mitigate those impacts.

A. AEA is eligible for a no cost disposal under AS 38.05.810(a).

Under AS 38.05.810(a), a no cost disposal of state land may be made to a “state or federal agency or political subdivision.” By AS 44.83.020, AEA is “a public corporation of the state in the Department of Commerce, Community, and Economic Development.”²⁰ By the expressed

²⁰ AS 44.83.020.

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language in AS 44.83.020, AEA is a political subdivision of the state and thus eligible for a no cost disposal under AS 38.05.810. This is supported by past DNR decisions²¹ which determined that AEA qualified for a land disposal under AS 38.05.810(a).

B. The Bradley Lake Project and AEA's proposed expansion of the current project, is in the public interest and serves a public purpose.

AEA's statutes confirm that its projects – and thus land acquisitions for those projects – are in the public interest and serve a public purpose. In creating AEA, the legislature recognized that its investments and development projects would serve the public interest and be for a public purpose. AS 44.83.070) ("The purpose of the authority is to promote, develop, and advance the general prosperity and economic welfare of the people of the state by providing a means of financing and operating power project sand facilities."). Because of this statutory directive, AEA is a political subdivision expressly tasked with undertaking development projects that serve the public interest and are for a public purpose.²²

The statutory language in AS 44.83.070 is confirmed by the nature of the Bradley Lake Project itself. According to the U.S. Department of Energy, Alaska bears one of the highest energy burdens in the nation.²³ This reality makes energy independence and affordability of key concern to the State. The Bradley Lake Project is a critical component of the Railbelt electric system, which has been in operation for over 30 years, producing approximately 10 percent of the annual power to Railbelt communities. According to AEA, the facility generates renewable power at some of the lowest cost in Alaska, which in turn benefits approximately 75 percent of Alaska's population.

It is also in the public interest and serves a public purpose for DNR to convey to AEA additional land needed to expand the Bradley Lake Project. The proposed conveyance will help facilitate an expansion project that AEA estimates will increase power production from the facility by 40 percent.²⁴ The proposed conveyance will also reduce administrative costs incurred by AEA by simplifying financing, licensing, and construction. This proposed conveyance will provide a tangible benefit to the public by providing reliable energy in Alaska.

Lastly, in leasing some of these lands to AEA for the Bradley Lake Project, DNR has already determined that under AS 38.05.810 the Bradley Lake Project serves a public purpose and is in the public interest. Nothing during DNR's review of AEA's application to acquire full title to these lands as well as acquiring additional lands to expand its project, suggests that DNR should deviate from its prior decisions here. To be clear, DNR has independently evaluated AEA's current application and finds it satisfies AS 38.05.810. However, in doing so, DNR also recognizes that the justifications to approve AEA's prior leases remain applicable here.

²¹ ADL 222656 and 222657; Preliminary decision dated February 18, 1986. Final finding dated April 28, 1986; Final Finding and Amended Final Finding dated January 10, 1994; Preliminary Decision (Amendment #1) dated May 17, 2017; Final Finding (Amendment #1) dated July 25, 2017.

²² 11 AAC 98.010 Public Purpose, as amended.

²³ U.S. Department of Energy (Low-Income Energy Affordability Data (LEAD) Tool).

²⁴ <https://www.akenergyauthority.org/What-We-Do/Railbelt-Energy/Bradley-Lake-Hydroelectric-Project>

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C. DNR finds that waiver of the statutory reversionary interest -- identified in AS 38.05.810(g) -- for this conveyance to AEA is in the public interest.

Under AS 38.05.810(g), DNR is required to “retain a reversionary interest on each” disposal it grants under AS 38.05.810. DNR “may waive the reversionary interest on a written determination that the waiver is in the public interest.” The reversionary interest exists to ensure the agency uses the land for a public purpose and in the public interest. DNR is not concerned about that with this conveyance.

That is because the FERC conditions in place ensure the land will only be used for a hydroelectric project. Including a reversionary interest would be superfluous because the FERC conditions require that the lands to be used for a hydroelectric purpose, a purpose that is in the public interest and for a public purpose.

DNR also understands that a reverter clause could impede AEA’s ability to freely use the lands for investment purposes needed for future development. This could prevent AEA from developing the project in the best manner in the future and thus undermine the very public interest and public purpose of this project.

Given the FERC conditions and wanting to ensure AEA has title that it can use for investment purposes, DNR finds it is in the public interest to waive AS 38.05.810(g)’s reversionary interest.

D. There will be cumulative impacts associated with conveying this parcel to AEA, but DNR finds those impacts can be mitigated.

In *Sullivan v. REDOIL*, the Alaska Supreme Court held “that consideration of cumulative impacts is constitutionally required [by DNR] throughout all phases of a project.”²⁵ A *REDOIL* review of a project’s cumulative impacts must be completed for all DNR disposals.²⁶ To comply with the Alaska Supreme Court’s direction in *REDOIL*, DNR must conduct a “whole-project analysis” that “takes into account all aspects of a project, considered as a whole *and its existing development context*.”²⁷ DNR’s *REDOIL* review does not need to consider future and speculative impacts.²⁸

The cumulative impacts associated with DNR conveying approximately 5,805 acres of land to AEA can be placed into two categories: (1) impacts associated with DNR conveying state lands to AEA that AEA already leases and uses for the Bradley Lake Project; and (2) impacts associated with DNR conveying additional state lands to AEA needed to expand the Bradley Lake Project. The impacts of the former are the impacts associated with converting AEA’s state land leases to quit claim deeds. The impacts of the latter can be informed by the impacts that DNR has seen from the Bradley Lake Project over the last 32 years of lease operation.

Given that context, the cumulative impacts from conveyance of the subject lands can reasonably be expected to include:

²⁵ *Sullivan v. REDOIL*, 311 P.3d 625, 634 (Alaska 2013).

²⁶ *ONC v. Boyle*, 579 P.3d 434, 439-440 (Alaska 2025)(quoting Alaska Const. art. VIII, §§ 1–2).

²⁷ *REDOIL*, 311 P.3d at 636 (quoting *Greenpeace, Inc. v. State Office of Management and Budget*, 79 P.3d 591, 893–94 (Alaska 2003)) (emphasis added)).

²⁸ *Id.*

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- Potential impacts on surface water resources resulting from new infrastructure development.
- Potential impacts on wildlife populations resulting from the loss of habitat.
- Reduced DNR oversight of the Bradley Lake Hydroelectric Project.

Through careful planning and coordination with state and federal agencies, potential impacts can be minimized or mitigated to offset any detrimental impacts that may occur, which includes the following:

- AEA will be subject to all applicable FERC regulatory requirements under FERC project number 8221, as well as applicable State permitting requirements.
- As discussed in **Section VII. Background and Discussion**, AEA has agreed to not further restrict public access if the proposed conveyance is finalized. This means there will be no change to public access as it currently stands under the existing lease authorization, therefore, no impacts to public access are perceived at this time for any of the lands AEA acquires under this decision.
- Further, the proposed conveyance will not close or vacate any legal easements or RS 2477 trails. Full or partial vacation of section-line easements, RS 2477s rights-of-way, easements “to and along public water” under AS 38.05.127, and any other easements reserved and managed by DNR will require a separate public process undertaken by both DNR’s Easement Unit and the Kenai Peninsula Platting Authority.
- AEA has coordinated with the Alaska Department of Fish and Game (ADF&G) on the proposed Dixon Diversion expansion and DMLW has notified ADF&G of the proposed conveyance. Additionally, ADF&G will be further consulted during the Agency Review of this Preliminary Decision.

DNR recognizes there are cumulative impacts associated with this project, but DNR has adopted stipulations, conditions, and restrictions – see **Section XIII** – to mitigate those impacts.

E. The State acquired the land by public land order and tentative approval, and thus this proposed conveyance will be subject to any Section 24 reservations.

On January 15, 1966, Public Land Order 3953, withdrew 10,146 acres for Bradley Lake Hydroelectric Project. Title to the existing lease parcel, which represents the bulk of requested conveyance, was received via multiple TAs and patents to the State (see **Section VI Title**).

The Federal Power Act (FPA) created FERC and established its legal authority. Section 24 of the FPA states that “any lands of the United States included in any proposed project under the provisions of this Part shall from the date of filing of application therefor be reserved from entry, location, or other disposal under the laws of the United States until otherwise directed by the Commission or by Congress.”²⁹ Therefore, disposal of the requested parcel to AEA will be subject to any Section 24 reservations.

F. To conclude, DNR finds that disposal of the identified state lands to AEA for no cost is in the best interests of the state.

DNR finds that conveying the lands identified in **Section V** for no cost to AEA for the Bradley Lake Project is in the best interests of the state and in doing so that the conveyance serves a public purpose and is in the public interest.

²⁹ 16 U.S.C. § 818 (Section 24 of the Federal Power Act).

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AEA is a state public corporation directed by the legislature to develop energy projects throughout the State. By statute, those energy projects inherently serve a public purpose and thus are in the public interest.³⁰ AEA has leased state lands and developed the Bradley Lake Project for more than thirty years. If approved, this conveyance would grant AEA title to the lands it currently leases as well as title to the lands it needs to expand the project in the future. Title to these lands will provide AEA with the flexibility and fiscal certainty it needs to operate this important project in the coming years.

As referenced above, past lease decisions for the majority of these lands show that DNR has previously determined that a no cost disposal of land to AEA for the Bradley Lake Project meets a public purpose and is in the public interest. DNR similarly finds that AEA obtaining an ownership interest in the lands they currently lease will provide AEA fiscal flexibility and thus improve the long-term viability of the Bradley Lake Project, which is in the public interest and serves a public purpose.

DNR also finds that conveying the additional lands AEA needs to expand the Bradley Lake Project in the future – thus lands AEA does not currently lease – is also in the public interest and serves a public purpose. These additional lands will ensure the long-term viability of the Bradley Lake Project that is estimated to increase power production by 40 percent.³¹

In the alternative, DNR could continue to lease the subject lands to AEA under existing lease ADL 222656 and amend ADL 222656 to increase the leased lands to include lands AEA needs for its proposed expansion project. Under this option, the State generates no revenue from the lease while DNR incurs management costs and administrative costs related to the lease. AEA still would not hold title to the lands, and without title AEA would lack the financial flexibility to embrace funding opportunities that will aid the continued and future operation of this project. Given what the Bradley Lake Project provides the community and Alaska in general, this alternative is not in the best interest of the State and is not preferred.

XVIII. DMLW and Agency Review

Agency review is being conducted concurrently with the public notice of this preliminary decision. Agency comments will be addressed in the Final Finding and Decision along with public comment.

XIX. Submittal of Public Comments

See *Attachment B: Public Notice* for specific dates and conditions.

Pursuant to AS 38.05.945 Notice, DMLW is issuing public notice inviting comment on this PD and draft Mineral Order 1340.

In accordance with AS 38.05.946(a) Hearings, a municipality or corporation entitled to receive notice under AS 38.05.945(c) may hold a hearing within 30 days after receipt of the notice. If a hearing is held, the Commissioner (or representative) shall attend the hearing. The Commissioner has discretion whether or not to hold a public hearing.

³⁰ AS 44.83.070.

³¹ <https://www.akenergyauthority.org/What-We-Do/Railbelt-Energy/Bradley-Lake-Hydroelectric-Project>

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DMLW will consider all timely, written comments received. If analysis of such comments indicates the need for significant changes to the PD or draft mineral order, additional public notice for the affected lands will be given. Reducing the amount of land offered and making minor changes to any of the proposals will not be considered significant changes requiring additional public notice.

If the proposal is approved and no significant change is required, the PD and draft mineral order, including any deletions, minor changes, and summary of comments and DMLW responses, will be issued as a subsequent FFD and Mineral Order 1340 without further notice. The mineral order will be developed separately. However, approval of any action is dependent upon one another. One action will not proceed without approval of all actions.

Only persons from whom DMLW receives timely, written comment during the identified comment period will be eligible to file a request for reconsideration of the FFD and Mineral Order 1340. Upon approval and issuance of an FFD and related actions, a copy of the decision and all related actions will be made available online at <http://landsales.alaska.gov/> and sent with an explanation of the reconsideration process to any party who provides timely written comment.

DNR is prepared to accommodate individuals with disabilities by providing auxiliary aids, services, or special modifications in order to participate in this review. Individuals who may need such assistance should contact DNR's Public Information Center. For more information refer to *Attachment B: Public Notice*.

**DEADLINE TO SUBMIT WRITTEN COMMENT IS
5:00 PM, TUESDAY, NOVEMBER 3, 2026**

Signature Page Follows

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XV. Recommendation and Preliminary Decision

This PD for the proposed disposal of State lands described throughout this document and its attachments are consistent with the overall management intent for state-owned land and consistent with the requirements of AS 38.05.810(a)(1) Public and Charitable Use. This conveyance provides the maximum and best use of state land and is in the best interest of the public. Conveyance of the subject parcel will allow AEA, a corporation of the State of Alaska, to continue utilizing the Bradley Lake Hydroelectric Project for the public purpose of providing local renewable power to multiple communities. Conveyance of this land to AEA will help AEA streamline the FERC licensing and development process which will reduce the overall burden of management of the Bradley Lake Hydroelectric Project, which will in turn provide a tangible benefit to the State's power grid and local communities.

This is a PD, and analysis of subsequent public review may result in changes to the preferred alternative of the proposed disposal of state lands and Mineral Order 1340. A Final Finding and Decision will address any significant issues or concerns during the public review process.

The Preliminary Decision described above, as represented by the preferred alternative (Alternative 1), has been reviewed and considered. I find that the recommended action may be in the best interest of the State and that it is hereby approved to proceed to public notice.



for Approved by: Christy Colles
Director
Division of Mining, Land and Water
Alaska Department of Natural Resources
State of Alaska

October 2, 2026

Date of Signature

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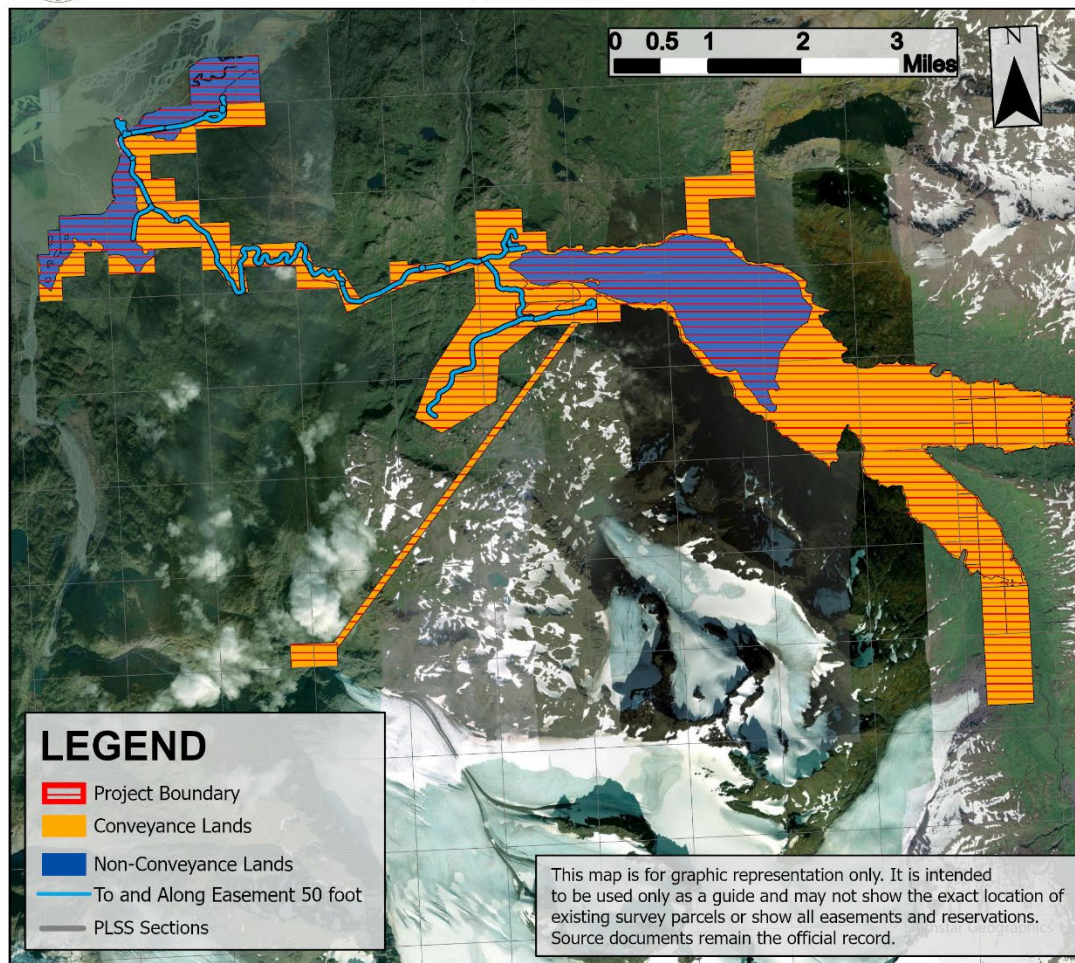
Attachment A Vicinity Map

DNR Southcentral Region

PROPOSED CONVEYANCE LANDS



Alaska Energy Authority Bradley Lake Hydroelectric Project ADL 234892

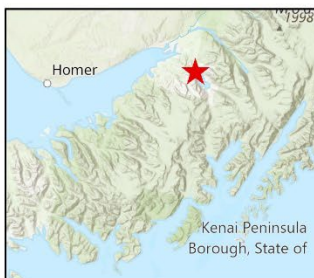


Township 5 South, Range 8 West, Seward Meridian, Sections 6, 19, 20, 29, 30, 31 and Township 5 South, Range 9 West, Seward Meridian, Sections 22, 25, 26, 36

USGS Quad 1:63,360 Seldovia C-2, C-3, D-2, D-3

For more information contact:

Department of Natural Resources
Division of Mining, Land and Water
Land Conveyance Section
Phone: 907-269-8594
Email: dnr.noncompland@alaska.gov



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**Attachment B
Public Notice**

**Requesting Input for Proposed Noncompetitive Sale to
Public and Charitable Applicant - ADL 234892**

AS 38.05.035(e), AS 38.05.810(a)(1)

RELATED ACTIONS:

Proposed Mineral Order 1340 (Closing)

AS 38.05.185 and AS 38.05.300

**PUBLIC AND AGENCY COMMENT PERIOD ENDS 5:00 PM, TUESDAY, NOVEMBER 3,
2026**

The Alaska Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Land Conveyance Section (LCS) is conducting a concurrent public notice and agency review for a noncompetitive land sale of 5,805 acres, more or less, located on the east side of Kachemak Bay, approximately 23 miles northeast of Homer within the Kenai Peninsula Borough. Please see Attachment B of the Preliminary Decision for the legal description.

To obtain the notice, Preliminary Decision (PD), Draft Mineral Order, or instructions on submitting comment, go to <https://landsales.alaska.gov/public-notice/> or <https://aws.state.ak.us/OnlinePublicNotices/>. For assistance in obtaining the documents by an alternative method, to request auxiliary aids, services, or special accommodations, contact DNR's Public Information Centers on State work days, Monday through Friday, between 8:30 AM and 4:00 PM in Anchorage at (907) 269-8400 or Fairbanks at (907) 451-2705 or the Southeast Land Office in Juneau at (907) 465-3400 or TTY: 711 for Alaska Relay or 1-800-770-8973 or go to <https://dnr.alaska.gov/commis/pic/> for additional contact information. Individuals who require special assistance must request assistance from the Public Information Center in Anchorage no later than 4:00 PM, October 27, 2026.

Pursuant to AS 38.05.945 Notice, the public is invited to submit comments on the Preliminary Decision and/or Draft Mineral Order. **The deadline for public and agency comment is 5:00 PM, TUESDAY, NOVEMBER 3, 2026.** Only persons from whom DNR DMLW LCS receives timely written comment during the identified comment period will be eligible to file an appeal of the Final Finding and Decision (FFD) and/or Draft Mineral Order. Written comments may be received by fax, email, or postal mail. To submit comments or for direct inquiries, contact the Land Conveyance Section by mail at 550 West 7th Ave, Suite 640, Anchorage, AK 99501 or by fax at (907) 269-8916 or by email at dnr.noncompland@alaska.gov. If you have questions, call 907-269-8594.

If no significant change is required, the PD and Draft Mineral Order, including any minor changes and a summary of comments and responses, will be issued as the FFD and Mineral Order, without further notice. A copy of the FFD and Mineral Order will be sent to any persons who commented timely on the PD and Draft Mineral Order.

DNR reserves the right to waive technical defects in this notice.

Attachment C

AEA Application for Public and Charitable Use Purchase of State Land

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AEA Application for Public and Charitable Use Purchase of State Land
Attachment A –Bradley Lake Hydroelectric Project Lands

Background

The Alaska Energy Authority (AEA) is the original licensee and owner of the Bradley Lake Hydroelectric Project, licensed under the Federal Energy Regulatory Commission (FERC) as Project No. 8221. The original hydroelectric project was constructed and began operations in 1991. In 2016, AEA obtained a FERC license amendment for the West Fork Upper Battle Creek (WFUBC) Diversion to divert water from the Battle Glacier to Bradley Lake. The WFUBC Diversion began operations in July 2020. In 2022, AEA initiated the process to amend its FERC license for the Bradley Lake Expansion Project which includes the construction of a diversion dam near the terminus of Dixon Glacier, a tunnel to convey the water from the diversion to Bradley Lake, an access road to the tunnel outlet, and modifications of the existing Bradley Lake Dam to increase the storage capacity of the lake and increase annual energy production by nearly 40 percent.

The current and proposed FERC Project boundary for the Bradley Lake Expansion Project is wholly located on land owned by the State of Alaska. AEA has authorizations for use of the lands for the Bradley Lake Project through land lease ADL 222656, as amended, tidelands lease ADL 222657, and easement ADL 223192 for the transmission line right-of-way (ROW).

Through this application, AEA is seeking ownership of the FERC Project boundary lands (approximately 5,805 acres) that lie outside of the original Bradley Lake, Kachemak Bay Oil and Gas Closure Area, Fox River Flats Critical Habitat Area and Kachemak Bay Critical Habitat Area for which use is authorized under ADL 222656, as amended for the WFUBC Diversion (See green area shown in Figure A 1), and additional state lands to support the proposed Bradley Lake Expansion Project development (see pink areas shown in Figure A 1).

Legal Description

Table A 1 provides a legal description of the lands and AEA's authorized use through lease ADL 222656 or lands necessary for the development of the proposed Bradley Lake Expansion Project. Additional information regarding the development and use of the lands can be found in the case files associated with ADL 222656 and ADL 222657. A preliminary replat was provided by the DNR to the Kenai Peninsula Borough on March 11, 2026 for the WFUBC Diversion (KPB File No. 2026-024); the land description and acreage shown in Table A 1 associated with the ADL 222656 Battle Creek Amendment are based on the Alaska State Land Survey No. 2021-11. The land description and acreage associated with the Bradley Lake Expansion Project are based on GIS data. Surveys will be conducted in these areas after completion of the proposed project.

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AEA Application for Public and Charitable Use Purchase of State Land
Attachment A –Bradley Lake Hydroelectric Project Lands

**Table A 1 Legal description of lands within the FERC Bradley Lake Hydroelectric Project
(FERC No. 8221) boundary requested for conveyance within and adjacent to
Alaska DNR lease ADL 222656 (Seward Meridian).**

Township	Range	Section	Tract (if subdivided)	Acres	Lease Area
T5S	R8W	Section 19	SE1/4	160.00	ADL 222656
		Section 19	Lot3	31.65	ADL 222656
		Section 19	Tract B	33.11	ADL 222656
		Section 19	Tract D	28.03	ADL 222656
		Section 19	Tract F	0.58	ADL 222656
		Section 19	Tract H	26.96	ADL 222656
		Section 19	Tract I	77.67	ADL 222656
		Section 19	Tract K	30.74	ADL 222656
		Section 19		3.73	Bradley Lake Expansion Project
		Section 20	Tract B	1.18	ADL 222656
		Section 20	Tract C	0.11	ADL 222656
		Section 20	Tract E	92.34	ADL 222656
		Section 20		5.34	Bradley Lake Expansion Project
		Section 29	Tract B	6.04	ADL 222656
		Section 29		2.68	Bradley Lake Expansion Project
		Section 30	Lot4	32.17	ADL 222656
		Section 30	Tract A	18.05	ADL 222656
		Section 30	Tract C	1.44	ADL 222656
		Section 30	Tract E	1.93	ADL 222656
		Section 30	Tract H	7.54	ADL 222656
		Section 30	Tract J	0.90	ADL 222656
		Section 30	Tract L	45.61	ADL 222656
		Section 30	Tract N	31.76	ADL 222656
		Section 30		5.46	Bradley Lake Expansion Project
		Section 31	Tract B	39.37	ADL 222656
		Section 31	Tract C	0.87	ADL 222656
		Section 31	Tract D	0.56	ADL 222656
		Section 31	Tract E	63.24	ADL 222656
		Section 31	Tract F	16.28	ADL 222656
		Section 31	Tract G	0.48	ADL 222656
		Section 31	Tract H	27.72	ADL 222656
		Section 31	Tract J	7.72	ADL 222656
		Section 31	Tract L	0.02	ADL 222656
		Section 31	Tract M	79.98	ADL 222656
		Section 31	Tract N	0.39	ADL 222656
		Section 31	Tract O	2.29	ADL 222656
		Section 31	Tract P	77.32	ADL 222656
		Section 31		7.74	Bradley Lake Expansion Project
		TOTAL		969.00	

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AEA Application for Public and Charitable Use Purchase of State Land
Attachment A –Bradley Lake Hydroelectric Project Lands

**Table A 2 Legal description of lands within the FERC Bradley Lake Hydroelectric Project
(FERC No. 8221) boundary requested for conveyance within and adjacent to
Alaska DNR lease ADL 222656 (Seward Meridian) (continued).**

Township	Range	Section	Tract (if subdivided)	Acres	Lease Area
T5S	R9W				
		Section 10	Tract A	210.59	ADL 222656
		Section 10		2.11	Bradley Lake Expansion Project
		Section 11	Tract B	5.67	ADL 222656
		Section 11		0.69	Bradley Lake Expansion Project
		Section 14	Tract B	168.73	ADL 222656
		Section 14		2.99	Bradley Lake Expansion Project
		Section 15	Tract A	32.38	ADL 222656
		Section 15		2.12	Bradley Lake Expansion Project
		Section 16	Tract A	69.45	ADL 222656
		Section 16	Tract C	21.29	ADL 222656
		Section 16	Tract D	1.93	ADL 222656
		Section 16		41.51	Bradley Lake Expansion Project
		Section 17	Tract B-1	291.51	ADL 222656 Battle Creek Amendment
		Section 17	Tract A	15.87	ADL 222656
		Section 17	Tract D	7.90	ADL 222656
		Section 17	Tract E	7.75	ADL 222656
		Section 17	Tract C	84.35	ADL 222656
		Section 17		1.95	Bradley Lake Expansion Project
		Section 18	Tract A-1	164.06	ADL 222656 Battle Creek Amendment
		Section 18	Tract B	3.97	ADL 222656
		Section 19	Tract 19-A	208.00	ADL 222656 Battle Creek Amendment
		Section 19		1.34	Bradley Lake Expansion Project
		Section 20	Tract 20-A	27.81	ADL 222656 Battle Creek Amendment
		Section 20		2.59	Bradley Lake Expansion Project
		Section 22	Tract A	66.32	ADL 222656
		Section 22		2.44	Bradley Lake Expansion Project
		Section 23	Tract B	513.20	ADL 222656
		Section 23		2.59	Bradley Lake Expansion Project
		Section 24	Tract B	558.08	ADL 222656
		Section 24		4.56	Bradley Lake Expansion Project
		Section 25	Tract A	0.14	ADL 222656
		Section 25	Tract C	372.53	ADL 222656
		Section 25		16.43	Bradley Lake Expansion Project
		Section 26	Tract B	0.54	ADL 222656
		Section 26	Tract C	14.53	ADL 222656
		Section 26		1.58	Bradley Lake Expansion Project
		Section 3	SE1/4SE1/4	40.00	ADL 222656
		Section 30		3.16	Bradley Lake Expansion Project
		Section 36	Tract A	15.46	ADL 222656
		Section 36		8.54	Bradley Lake Expansion Project
		Section 6	Tract B	5.64	ADL 222656

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Attachment A –Bradley Lake Hydroelectric Project Lands

**Table A 3 Legal description of lands within the FERC Bradley Lake Hydroelectric Project
(FERC No. 8221) boundary requested for conveyance within and adjacent to
Alaska DNR lease ADL 222656 (Seward Meridian) (continued).**

Township	Range	Section	Tract (if subdivided)	Acres	Lease Area
T5S	R9W	(continued)			
		Section 7	Tract B	21.45	ADL 222656
		Section 7	Tract D	99.67	ADL 222656
		Section 8	Tract B	267.30	ADL 222656
		Section 8		0.59	Bradley Lake Expansion Project
		Section 9	Tract B	29.21	ADL 222656
		Section 9		1.82	Bradley Lake Expansion Project
		TOTAL		3422.32	
T5S	R10W	Section 1	Tract B	26.81	ADL 222656
		Section 2	Tract B	103.84	ADL 222656
		Section 2	Tract D	9.02	ADL 222656
		Section 3	Tract A	204.27	ADL 222656
		Section 9	Lot 1	21.23	ADL 222656
		Tract A	Tract A1	71.15	ADL 222656
		Section 10	Tract A	262.60	ADL 222656
		Section 11	Tract B	222.79	ADL 222656
		Section 11		20.83	Bradley Lake Expansion Project
		Section 12	Tract B	64.41	ADL 222656
		Section 12		39.68	Bradley Lake Expansion Project
		Section 13	Tract B	41.59	ADL 222656
		Section 14	Tract B	1.56	ADL 222656
		Section 25		0.77	Bradley Lake Expansion Project
		Section 35	SE1/4SE1/4	40.00	Bradley Lake Expansion Project
		Section 36	SW1/4SW1/4	40.00	Bradley Lake Expansion Project
		Section 36		2.94	Bradley Lake Expansion Project
		TOTAL		1173.49	
T6S	R8W	Section 6	W1/2NE1/4	80.00	ADL 222656
		Section 6	NW1/4SE1/4	40.00	ADL 222656
		Section 6	NE1/4SW1/4	40.00	ADL 222656
		Section 6	E1/2NW1/4	80.00	ADL 222656
		TOTAL		240.00	

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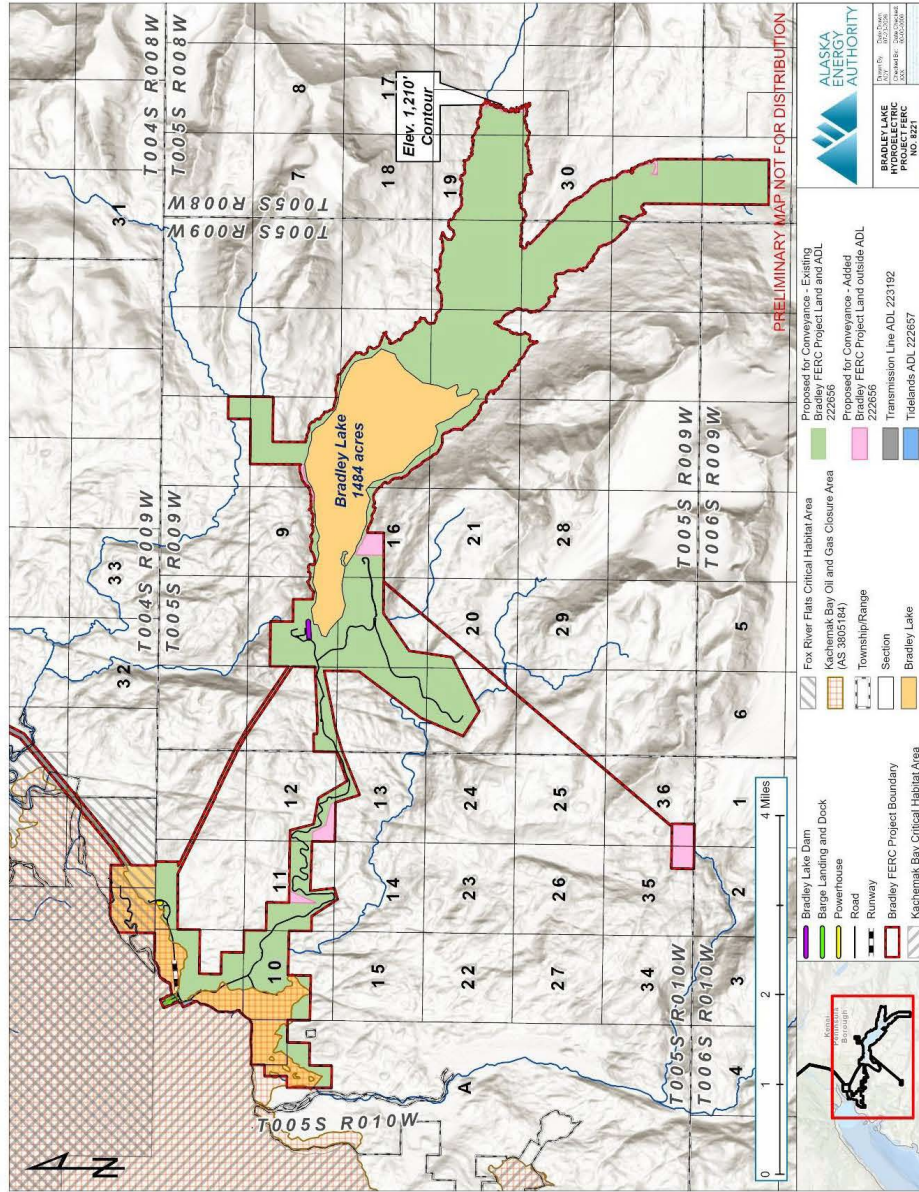


Figure A 1 Bradley Lake Hydroelectric Project boundary showing land lease ADL 222656 (as amended), tidelands lease ADL 222657, and easement ADL 223192 areas. Lands subject to this Alaska Energy Authority application are shown in green (currently within lease area ADL 222656) and pink (outside of leased areas).

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Attachment B – Draft Development Plan for Proposed Bradley Lake Expansion Project

Project Purpose

The purpose of the Bradley Lake Expansion Project is to increase the Bradley Lake storage capacity by modifying the Bradley Lake spillway/dam to raise the normal full pool by 16 feet and to divert water from the Dixon Glacier drainage and convey it to Bradley Lake to supplement the power generating capacity of the Bradley Lake Hydroelectric Project (FERC Project No. 8221). The additional water from the Dixon Glacier drainage would increase power production at this hydroelectric facility by about 40 percent without changing the generation capacity.

Project Description

The site of the proposed Bradley Expansion Project is located on the south end of the Kenai Peninsula at the Bradley Lake Hydroelectric Project. Site development features would include modifications to the existing Bradley spillway and dam to raise the normal maximum pool elevation of the lake by 16 feet; construction of a diversion dam and intake structure near the toe of the Dixon Glacier in the headwaters of the Martin River; a 4.6-mile long, 16-foot diameter lined underground tunnel and an open outlet channel to convey water from the diversion to Bradley Lake; and a 1-mile-long 16-foot-wide gravel access road extending from the existing road to the diversion tunnel outlet (Figure B 1 and Figure B 2). The diversion dam and intake structure (Figure B 5) would direct water from the Dixon Glacier watershed into the tunnel (Figure B 6), which would then convey the diverted water past the existing East Fork Upper Battle Creek (EFUBC) Diversion Dike, and then on to Bradley Lake through improved open channel conveyance features (Figures B 7 and A 8). The proposed access road would be constructed to provide access to the project features for operations and maintenance purposes (Figure B 9).

Prior to construction of the Bradley Expansion Project, AEA intends to upgrade the existing single phase power line that runs within the existing road from the powerhouse to Bradley Dam to a three-phase power line. This work would occur in 2027, with vegetation clearing occurring during the fall of 2026 to avoid nesting migratory birds. Construction of the Bradley Expansion Project is anticipated to occur 2028 through 2031, with clearing of vegetation during the fall of 2027 to avoid nesting migratory birds. Operations are anticipated to begin in 2031. The proposed Dixon Diversion Dam would operate from May through November of each year, as flows allow. During this operational window, the Project would divert up to 1,650 cubic feet per second (cfs) from the Dixon Glacier watershed (East Fork Martin River) to Bradley Lake after meeting the minimum instream flow releases in accordance with the to-be-issued Federal Energy Regulatory Commission (FERC) Order amending the license. Flow releases to the East Fork Martin River (EFMR) would vary by month based on the minimum instream flow requirements, flushing of

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sediment from behind the diversion dam, channel maintenance flow requirements, and flows in excess of the 1,650 cfs tunnel capacity.

The existing Bradley Lake Hydroelectric Project lies within lease ADL 222656, tideland lease ADL 222657, and right-of-way easement ADL 223192. Modifications to the Bradley Dam, the proposed new access road and tunnel outlet, and most of the Bradley Lake pool raise are within the ADL 222656 lease area (Figure B 1 and Figure B 2), as are the temporary worker camp, staging areas, potential borrow sites, and spoils deposition area. The proposed Dixon Diversion Dam and facility, 12.5 feet on either side of the underground diversion tunnel alignment, land adjacent to the east side of the new access road and tunnel outlet channel, land encompassing the 16-foot pool raise around Bradley Lake, and a couple of parcels along the existing Bradley Lake road that would allow for operations and maintenance of the existing road are outside of any leased area (Figure B 1 and Figure B 2).

Project Components

Bradley Lake Pool Raise

Major elements of the existing Bradley Lake Project include a concrete faced rockfill dam, an ungated spillway having a discharge capacity of 23,800 cfs, a diversion tunnel which also serves as a low level outlet, a submerged intake leading to the power tunnel which, including the vertical shaft, is 19,152 feet long, a surface powerhouse located on the shore of Kachemak Bay, and a tailrace channel into the bay.

Bradley Lake Dam currently impounds Bradley Lake to a full pool elevation of 1,180 feet with a surface area of 3,802 acres and a usable storage capacity of approximately 280,000 acre-feet. Under the Bradley Lake Pool Raise, the lake level of Bradley Lake would be increased by 16 feet to elevation (El.) 1,196 feet (elevations reference the Bradley Lake Vertical Datum [BLVD], unless otherwise specified). This would result in an increase in the total surface area to 4,033 surface acres and an increase in usable storage capacity to approximately 342,000 acre-feet. The pool raise would be achieved through a combination of raising the concrete spillway crest elevation, adding spillway crest gates, and raising the embankment dam crest. The dam crest would be raised approximately 13 feet through a combination of increased rockfill, extending the upstream concrete facing, and reconstruction of the concrete parapet wall. The operating net head of the Bradley Lake Project, which is currently 917 feet, would increase to 933 feet with the Bradley Lake Pool Raise.

Modifications to Bradley Lake Dam

Modifications to Bradley Lake dam would include demolition of the existing concrete crest and parapet wall, placing rockfill on the downstream slope to raise the embankment crest to El.

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1,202.9 feet, extending the concrete face to match the existing slope, and reconstructing a new 4-foot parapet wall (top of wall El. 1,206.9 feet) and cap at the dam crest (Figures B 3 and B 4). Rockfill would be initially placed at the downstream toe of the embankment and built in lifts extending to the new top of dam. Approximately four feet of freeboard is proposed above the estimated preliminary Probable Maximum Flood (PMF) elevation (El 1202.9) to the top of the parapet.

Earth fill would be placed on the left abutment to maintain continuity of the top of dam elevation to the exposed rock outcrop on the left abutment. The design would accommodate vehicle access to the dam crest, downstream toe, and the existing control buildings for the power tunnel and diversion works. It is assumed that the concrete parapet wall would be extended across the left side into the rock face to create a hydraulic barrier that is continuous from the concrete face of the embankment to the left abutment with a ramp from the existing access road over the parapet wall. The length of the dam would increase by 230 feet to a total of 830 feet.

On the right abutment, between the embankment and spillway, a combination of earth fill and concrete retaining walls will be constructed to maintain the proposed dam-crest elevation. A vehicle turnaround area and a ramp to the existing outlet works control building would be maintained. Near the downstream toe of the dam, a new access road would be constructed to extend across the embankment to provide access to the diversion tunnel outlet portal building and toe of the dam. To avoid covering the outlet portal building, a retaining wall would be constructed to retain the embankment fill and provide access to the building.

An extended staircase to the new crest elevation would provide access to the downstream side of the spillway and gallery. An extension of the existing grout curtain is planned to occur across the area between the spillway and the embankment, in addition to an extension of the grout curtain.

For the raised embankment, approximately 100,000 cubic yards of rockfill material is estimated. The raised section would also include filter (transition) materials placed behind the reinforced concrete face with a similar gradation to the existing materials. A drill and blast rock quarry would be developed in several borrow areas identified close to the dam site to generate the required fill materials for constructing the embankment raise.

Modifications to Bradley Lake Spillway

Modifications to the Bradley Lake Spillway include adding 8.5 feet of fixed concrete crest to El. 1,188.5 feet with a 7.5-ft high crest gate on top to El. 1,196.0 feet as shown in Figure B 3 It is proposed that the spillway mass would be expanded upstream to meet stability requirements. The non-overflow abutments would also be raised in a similar fashion. This approach would maintain the current centerline for continuity with the adjacent embankment (that would also be raised).

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The spillway geometry is planned to maintain a 3H:10V¹ upstream face and an 8H:10V downstream face. Spillway discharge at the preliminary PMF would be approximately 42,500 cfs at a lake level of El 1,202.9. It was assumed that the expanded spillway would be reinforced on the upstream face, with the upstream rebar drilled and grouted into the rock. This includes a new grout curtain installed under the proposed heel of the spillway and redrilling of the existing foundation drains.

Micro-Hydro Turbine

AEA is proposing to install a 0.3 MW micro-hydro turbine on one of Bradley Lake's fishwater release valves. Developed by InPipe Energy, Inc., the HydroXS is a modular, turnkey, digitally enabled energy recovery system that replicates the functionality of control valves and manages and controls flow and pressure in a pipeline to efficiently generate electricity from the pressure without impacting the delivery of water. The system would be installed in a bypass at Bradley Lake's eastern fishwater release valves manifold. The housing would be situated at an elevation of approximately 1,075 feet, located 12 feet above the fishwater release valves site (elevation 1,063 feet). The micro turbine would be variable speed and is designed to continuously adjust rotational speed to maintain constant downstream pressure, optimizing turbine efficiency across changing flows. The turbine's minimum operating head pressure is 15 pounds per square inch differential. Under conditions where Bradley Lake elevation falls below operative head pressure level (approximately mid-April to end of June), the micro-hydro turbine would be offline.

Dixon Diversion

AEA is proposing a new water diversion system (Dixon Diversion) to divert flows from Dixon Glacier, located at the headwaters of East Fork Martin River (EFMR), to Bradley Lake via an underground tunnel conveyance system. The proposed Dixon Diversion development consists of the diversion dam, diversion tunnel intake, a forebay berm, a dike/sediment guide wall, a tunnel discharge channel to Bradley Lake, and a new access road to the proposed tunnel exit. A maintenance building would also be constructed at the Dixon Diversion facility. The Dixon Diversion would be operated from spring thaw until winter freeze May through November as flows allow after meeting the FERC-required East Fork Martin River minimum instream flow (MIF) releases and would have capacity to divert a maximum of 1,650 cubic feet per second (cfs) from the EFMR basin to Bradley Lake.

Diversion Dam, Head Works, and Conveyance Details

The Dixon Diversion dam (59.6932° North/ 150.9180° West) would be constructed on state-owned land near the terminus of the Dixon Glacier, approximately 5.9 miles south of the existing Bradley Lake Project powerhouse (Figure B 5). AEA anticipates that the diversion dam would be

¹ 3 units of horizontal distance: 10 units of vertical distance.

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a combination of a concrete weir wall approximately 21 feet high by 135 feet long, with two gated openings and a spillway crest elevation at 1,276 feet El.

Water control features of the Dixon Diversion include:

- A motor-operated slide gate (tentatively 6-foot wide by 6-foot high) to regulate minimum instream flow through the diversion.
- A motor-operated slide gate (tentatively 6-foot wide by 6-foot high) at the diversion dam to provide a low-level outlet to maintain flow through the diversion dam during maintenance operations.
- Two “overshot” crest gates (Obermeyer gates) approximately 30-foot wide by 20-foot tall.
- A sediment guide wall would extend off the dike to direct flow and sediment towards the diversion and Obermeyer gates.
- The forebay berm would divide the diversion pool from the forebay pool that leads to the tunnel intake.

Flood Flow Capacity of Diversion

Control to Bradley Lake would consist of maintaining a MIF to the EFMR canyon through the MIF bypass gate, with the remaining flow, up to the tunnel capacity, diverted to Bradley Lake. Excess flow greater than the capacity of the tunnel would spill over the gates to the EFMR canyon. The diversion pool is currently estimated to have a storage capacity of approximately 37 acre-feet at El. 1,276 feet (top of gate and overflow section crest elevation) with a surface area of approximately 3.5 acres.

The diversion dam and tunnel inlet are designed to operate passively such that at headwater levels up to the spillway crest (El. 1,276 feet), the tunnel headworks would capture all flows except for the minimum instream flow. The capacity of the tunnel is 1,650 cfs at headwater levels at and above El. 1,275.5 feet. When inflow is greater than 1,750 cfs (tunnel capacity plus MIF), the portion of the flow greater than the capacity of the tunnel would pass over the top of the overshot gates and/or the diversion gates would be lowered.

Dixon Diversion Tunnel

A tunnel would be bored to convey water northeast from the diversion to Bradley Lake. As proposed, diverted water would flow from the diversion pool through a 4.6-mile-long underground concrete-lined tunnel with an inside diameter of 14 feet (Figure B 6). The tunnel would be constructed using a tunnel boring machine advancing from the downstream portal to the upstream portal near the proposed diversion dam. A segmental concrete system is proposed for the finished tunnel lining. Tunnel muck would be removed from the downstream end and disposed in an approximately 40.6-acre area near the tunnel outlet as shown in Exhibit E. When completed, water from the diversion would exit from this tunnel into a new tunnel discharge

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channel and flow into Bradley Lake. The invert of the tunnel entrance would be approximately at El. 1,262.0 feet, and the invert at the outlet would be at approximately El. 1,185.0 feet.

Diversion Tunnel Exit Portal Features

A 1,100-foot-long channel with a 16-foot-bottom width would be constructed to convey the diverted flows into Bradley Lake (Figures B 7 and B 8).

Exit Portal Access Road

The proposed new access road would extend east from the existing West Fork Upper Battle Creek road near the EFUBC dike to the diversion tunnel outlet (Figure B 9). Power and communication cable would be buried in a trench in the road from the road start to the proposed tunnel outlet.

The road would be built nominally 16 feet wide and 1 mile long. A materials site would not be constructed along the access road since the volume of rock cuts will be approximately the same as the fill volume. The road would be partially located on top of the tunnel muck spoil disposal area.

Legal Description

The FERC Project boundary is shown in Figure B 1 and Figure B 2. Table B 1 provides a legal description of the land within the FERC Project boundary requested to be conveyed to AEA, including lands within the ADL 222656 lease area as well as lands outside the lease area that are necessary for the Bradley Lake Expansion Project. The acreages are approximate as they were developed from ADL 222656 and GIS. Final acreage would be determined through survey. Table B 1 does not include areas within ADL 222656 that lie within the original Bradley Lake (1,485.6 acres), Kachemak Bay Critical Habitat Area, Fox River Flats Critical Habitat Area, or the Kachemak Bay Oil and Gas Closure Area as these are not being requested to be conveyed to AEA.

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AEA completed a wetland assessment and will submit a Clean Water Act Section 404 permit to the U.S. Army Corps of Engineers prior to construction. Based on the preliminary design, up to 4.6 acres of wetlands and 2.24 acres of wetlands or waters would be directly impacted by construction of the project on lands within the current ADL 222656 lease boundary and outside the leased area, respectively (Table B 1). In addition, up to 5.47 acres of L1UBH or L2UBH wetlands would be periodically inundated during operations at Bradley Lake water surface elevations between 1,180 feet and 1,196 feet BLVD. Nearly all of the wetlands that would be periodically inundated are contained within the current ADL 222656 lease boundary.

Table B 4 Potential impacts to wetlands and waters from construction of the Bradley Lake Expansion Project.

Project Impact	Cowardin Types	Acres
Within Current ADL 222656 Lease Boundary		
Bradley Lake Dam (Bradley River downstream of existing dam)	R3UBH	0.67
Material sites (borrow sites and spoils areas)	L1UBH, PEM1B, PEM1C, PEM1E, PSS1B, PUBH, R2UBH, R3UBH, R3UBJ	0.35
1-mile-long new access road	PEM1C, R4SBC	0.08
Dixon Diversion tunnel outlet and tunnel discharge channel	L2UBH, PUBH, R3UBH, PSS1B, PSS1C	3.50
Total Potential Wetland Impact within Current ADL 222656 Boundary		4.60
Outside Leased Area		
Dixon Diversion dam, tunnel intake and appurtenant facilities	isolated pond (PUBH)	0.03
	1,673 linear feet of the East Fork Martin River (R3UBC, R3UBH, and R4SBC)	2.21
Total Potential Wetland and Waters Impact outside Leased Area		2.24

Access

Permanent access to the diversion tunnel outlet will be via the proposed new access road extending from the existing WFUBC road, all located within the current land lease ADL 222656 boundary. The Dixon Diversion site will be accessible from helicopter; no road to the diversion site is proposed. Equipment for construction will be flown or barged in from Homer, Alaska and driven up the existing road or flown to the Dixon Diversion site via helicopter.

Buildings and Structures

The permanent buildings and structures are described above under Project Components based on the preliminary design. Final design drawings will be submitted to FERC for approval prior to

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construction in 2028 and as-builts will be provided after construction is completed in 2031. During construction, a temporary worker camp would be established at the former site of the temporary worker camp that was set up for construction of the West Fork Upper Battle Creek Diversion and the original Bradley Project, located within the current ADL 222656 lease area along the existing road near Battle Creek.

Power Source

Underground 3-phase power cable will be run along and within the proposed new access road from the Bradley Lake Dam to the proposed diversion tunnel outlet and then up through the new tunnel to the proposed Dixon Diversion Dam facility to operate gates that control water released into the East Fork Martin River.

Waste types, sources and disposal methods

Construction worker camp waste would be incinerated and construction waste would be removed from the site and disposed of at an appropriate facility. No other onsite waste generation is anticipated in the future.

Hazardous Substances

Hazardous materials may be stored in the staging areas, at the Bradley Dam construction site, along the proposed access road or diversion tunnel outlet channel where construction activities are actively occurring, or near the Dixon Diversion structure and diversion tunnel inlet. Bulk storage of hazardous materials shall only be permitted in staging areas and only minimal quantities required for active work shall be permitted elsewhere.

The following construction practices and control measures shall be employed for the storage and security of potentially hazardous materials on-site:

- Fuels and oils for vehicles or equipment shall not be stored near water or sensitive habitats.
- Construction materials will not be stockpiled within 100 feet or on the bank of any waterway or wetland.
- Hazardous substances shall be stored in waterproof containers and should not be placed directly on the ground, if practicable.
- Underground storage of hazardous materials shall not be permitted.
- Storage areas shall be secured so that hazardous substances are inaccessible by the general public or wildlife.
- Storage containers shall display labels that identify the container's contents and whether the substance is hazardous.
- Hazardous materials will be completely used up prior to disposing of the container.

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- Waste containers shall not be allowed to overfill such that materials are not protected from rainfall or storm water.
- Hazardous materials shall be stored in a manner that prevents damage or deterioration of the container.
- Hazardous materials shall not be stored on site during winter shutdown, if applicable.
- Hazardous materials shall be evaluated prior to arrival on site for their ability to react with other materials. Incompatible materials shall be stored separately from one another by distance, physical partitions, or secondary containment.
- Storage containers shall be chemically inert and appropriate for the type of hazardous substance they contain.
- Materials that may result in hazardous gases, fumes, or vapors shall not be stored in areas where employees or wildlife may be exposed.
- Oil pads shall be placed underneath equipment while parked on site.

Water Supply

No potable water will be used onsite, nor will there be any wastewater disposal associated with the permanent development. Potable water will be provided to construction workers at the temporary camp and waste will be disposed of as required by the DEC in the permit obtained for the camp.

Parking and Storage Areas

Parking and storage will be in designated areas on land within the existing land lease boundary. There will be a maintenance building at the Dixon Diversion site for storing equipment and supplies.

Number of Users

There will be no employees permanently stationed within the boundary of the land requested in this land lease amendment. AEA staff, facility operator, and contractors will enter the property during construction and temporarily to inspect, adjust and assure structures are working properly.

Maintenance and Operations

The proposed facilities would be maintained routinely to ensure proper function and structural integrity. Maintenance and inspection would occur prior to spring opening and winter shutdown. Maintenance activities may include grading the new access road and sediment removal from the forebay pool upriver of the Dixon Diversion.

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Closure/Reclamation Plans

The existing project and proposed expansion are expected to have an operating life greater than 100 years. However, when the Project is to be decommissioned, the ends of the WFUBC pipeline and Dixon Diversion tunnel would be sealed and material placed to cover sealed ends. Native vegetation and local talus would be placed on the road. The diversion dams would be breached and material disposed.

Supplemental Information

The additional water from the Dixon Diversion and the added storage capacity of Bradley Lake have several substantial benefits to Alaska. This project will increase the amount of energy generated at the facility by nearly 40 percent. The additional water generation would provide lower cost energy to all Railbelt energy consumers for the expected life of the Project, which is in excess of 100 years. In addition, during times of cold weather along the Railbelt the additional hydroelectric energy enables electric utilities to switch generation from natural gas to hydroelectric reducing the stress on the natural gas transmission network and allowing more gas for home heating.

This project is currently undergoing the FERC license amendment process based on the preliminary design. AEA initiated the process in 2022, carried out environmental studies, and submitted its final license amendment application to FERC on June 30, 2026. Both Federal (US Fish & Wildlife Service, and National Marine Fisheries Service) and State agencies (Department of Fish & Game and Department of Natural Resources), public, and tribal organizations have had multiple opportunities for comment throughout the licensing process. AEA has received a water rights permit for this project (LAS 33602) from the DNR.

The proposed project includes implementation of protection, mitigation and enhancement measures as outlined in the FERC license amendment application, including but not limited to: Erosion and Sediment Control Plan; Fuel and Hazardous Substances Plan; Wildlife Life Monitoring Plan including a bear safety plan; Martin River Fish, Habitat and Geomorphology Monitoring Plan, nesting raptor and goat disturbance avoidance measures, timing windows to avoid nesting migratory birds, and minimum instream flow releases to the Martin River. An Environmental Compliance Monitor will be on-site during construction to ensure permit compliance.

Project Schedule

Below is the tentative project schedule based on FERC issuing a license amendment order in June 2027. The schedule presented below (Table B 2) is subject to change.

Table B 5 Preliminary Bradley Expansion Project Schedule.

Timeframe	Project Milestone
June 2027	FERC issues License Amendment Order

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Timeframe	Project Milestone
April 2027	Bidding Documents Completed for Issuance
May-June 2027	Advertise for Bids
July 2027	Pre-Bid Site Visit and Pre-Bid Conference
August 2027	Bid Opening
October 2027	Award Bid
October 2027	Notice to Proceed
April 2028	Begin Construction, Including Camp Mobilization
April 2028-July 2031	Construction Period
July 2031	Project Completion, Including Demobilization

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**AEA Application for Public and Charitable Use Purchase of State Land
Attachment B – Draft Development Plan for Proposed Bradley Lake Expansion Project**

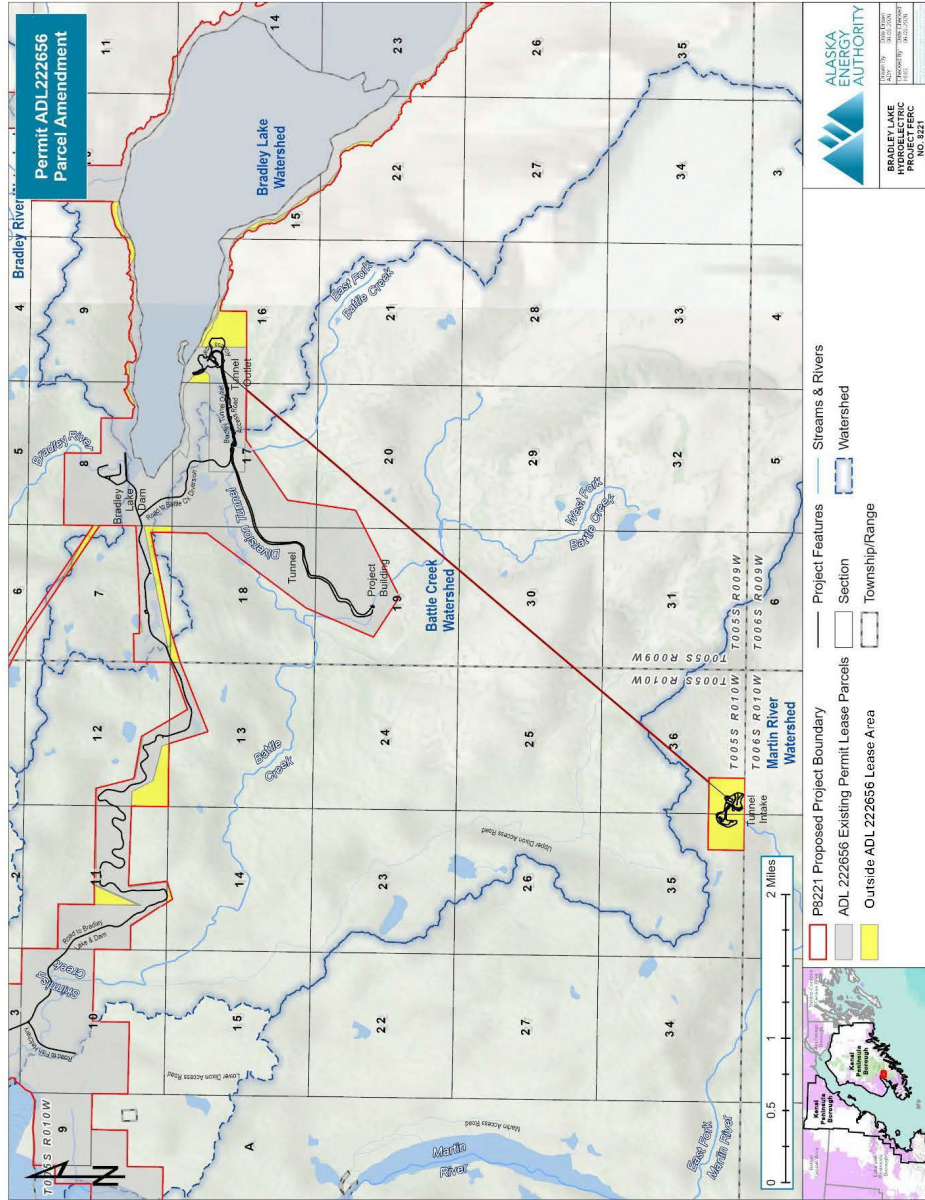


Figure B 2 Bradley Lake Hydroelectric Project Lands outside lease ADL 222656 area detail.

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AEA Application for Public and Charitable Use Purchase of State Land
Attachment B – Draft Development Plan for Proposed Bradley Lake Expansion Project



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Attachment D
Draft Affidavit Acknowledging Conditions of Land and Releasing the
State from Related Liability

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
550 West 7th Avenue, Suite 640
Anchorage, Alaska 99501

AFFIDAVIT ACKNOWLEDGING CONDITION OF LANDS AND
RELEASING THE STATE FROM RELATED LIABILITY
ADL 234892

We, Alaska Energy Authority (AEA), whose address is 813 W Northern Lights Blvd, Anchorage, AK 99503, being first duly sworn under oath, state and declare as follows:

1) We are the fee simple, Patent purchasers of state-owned lands from the State of Alaska, Department of Natural Resources (DNR). The current legal description of the land (hereinafter “the acquired property”) is as follows:

Legal description details provided in ***Attachment E: Preliminary Survey Determination***

The legal description of the land will be updated after the required Alaska State Land Survey is completed.

2) We accept full responsibility for any claim, cause of action, liability, required remedial action, or required or response action arising in connection with potential contamination. In the event of any such claim or action we agree to hold the State of Alaska and DNR harmless. Further, we release the State of Alaska and DNR from any liability arising in connection with any contamination.

Sworn and Affirmed this ____ day of _____, 202__, in _____, Alaska.

Printed Name	Signature	Date
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Signature of Signing authority for Alaska Energy Authority

STATE OF ALASKA)
) ss.
____ Judicial District)

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THIS IS TO CERTIFY that on the _____ day of _____, 202__, before me personally appeared _____ known to me to be the person executing this affidavit and acknowledged voluntarily signing the same.

Notary Public in and for the State of Alaska
My Commission Expires: _____

STATE BUSINESS - NO CHARGE

RETURN TO:

**Land Conveyance Section
DNR Division of Mining, Land and Water
550 W, 7th Ave. Suite 640
Anchorage, AK 99501**

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Attachment E

Preliminary Survey Determination

SUBJECT: Preliminary Survey Determination/SURV 20265082 AMENDED - 2

ADL 234892 is under consideration for a Public and Charitable land sale to Alaska Energy Authority.

Comments:

The following legal description is not based on the standard DMLW Survey Section guidance. However, due to the number of individual parcels, the BLM standard format provides more clarity.

The areas for Surveyed parcels are based on platted information and for Unsurveyed parcels are based on information supplied by the applicant.

The Platting Authority with jurisdiction is the Kenai Peninsula Borough (KPB).

ADL 234892 is a proposed Public and Charitable use sale to the Alaska Energy Authority and is located within townships 4,5 & 6 South, Ranges 8, 9 & 10 West, Seward Meridian. Associated ADL's: 222656 and 222657.

The following conveyance documents are associated with the parcels: Patent No.'s 50-91-0088 and, 50-90-0677, Tentative Authorization No.'s 1989-0003, 1995-0059, and 2018-0007. The Tentative Authorizations has exclusions, exceptions, and reservations referring to Power Project No. 8221, AA58747. Refer to the official Title Report for land estate information.

Legal access is by navigable water, air, or section line easement.

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The following described lands are determined by the Survey Section to be SURVEYED:

TOWNSHIP 5 SOUTH, RANGE 8 WEST, SEWARD MERIDIAN, ALASKA

SECTION 19: TRACTS B, D, F, H, I AND K, LOT 3 AND SE1/4, CONTAINING 388.74 ACRES MORE OR LESS.

SECTION 20: TRACTS B, C AND E, CONTAINING 93.63 ACRES MORE OR LESS.

SECTION 29: TRACT B, CONTAINING 6.04 ACRES MORE OR LESS.

SECTION 30: TRACTS A, C, E, H, J, L & N, AND LOT 4, CONTAINING 139.40 ACRES MORE OR LESS.

SECTION 31: TRACTS B, C, D, E, F, G, H, J, L, M, N, O AND P, CONTAINING 316.24 ACRES MORE OR LESS.

AGGREGATING 944.05 ACRES MORE OR LESS

TOWNSHIP 5 SOUTH, RANGE 9 WEST, SEWARD MERIDIAN, ALASKA

SECTION 3: SE1/4SE1/4, CONTAINING 40.00 ACRES MORE OR LESS.

SECTION 6: TRACT B, CONTAINING 5.64 ACRES MORE OR LESS.

SECTION 7: TRACTS B & D, CONTAINING 121.12 ACRES MORE OR LESS.

SECTION 8: TRACT B, CONTAINING 267.30 ACRES MORE OR LESS.

SECTION 9: TRACT B, CONTAINING 29.21 ACRES MORE OR LESS.

SECTION 10: TRACT A, CONTAINING 210.59 ACRES MORE OR LESS.

SECTION 11: TRACT B, CONTAINING 5.67 ACRES MORE OR LESS.

SECTION 14: TRACT B, CONTAINING 168.73 ACRES MORE OR LESS.

SECTION 15: TRACT A, CONTAINING 32.38 ACRES MORE OR LESS.

SECTION 16: TRACTS A, C, AND D, CONTAINING 92.67 ACRES MORE OR LESS.

SECTION 17: TRACTS A, C, D, AND E, CONTAINING 115.87 ACRES MORE OR LESS.

SECTION 18: TRACT B, CONTAINING 3.97 ACRES MORE OR LESS.

SECTION 22: TRACT A, CONTAINING 66.32 ACRES MORE OR LESS.

SECTION 23: TRACT B, CONTAINING 513.20 ACRES MORE OR LESS.

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SECTION 24: TRACT B, CONTAINING 558.08 ACRES MORE OR LESS

SECTION 25: TRACTS A AND C, CONTAINING 372.67 ACRES MORE OR LESS.

SECTION 26: TRACTS B AND C, CONTAINING 15.07 ACRES MORE OR LESS.

SECTION 36: TRACT A, CONTAINING 15.46 ACRES MORE OR LESS.

AGGREGATING 2633.95 ACRES MORE OR LESS.

TOWNSHIP 5 SOUTH, RANGE 10 WEST, SEWARD MERIDIAN, ALASKA

SECTION 1: TRACT B, CONTAINING 26.81 ACRES MORE OR LESS.

SECTION 2: TRACT D, CONTAINING 9.02 ACRES MORE OR LESS.

SECTION 11: TRACT B, CONTAINING 222.79 ACRES MORE OR LESS.

SECTION 12: TRACTS B AND C, CONTAINING 101.12 ACRES MORE OR LESS.

SECTION 13: TRACT B, CONTAINING 41.59 ACRES MORE OR LESS.

SECTION 14: TRACT B, CONTAINING 1.56 ACRES MORE OR LESS.

AGGREGATING 402.89 ACRES MORE OR LESS.

TOWNSHIP 6 SOUTH, RANGE 8 WEST, SEWARD MERIDIAN, ALASKA

SECTION 6: W1/2 NE1/4, NW1/4 SE1/4, NE1/4 SW1/4, AND E1/2 NW1/4, CONTAINING 240 ACRES MORE OR LESS.

OF ALASKA STATE LAND SURVEY 91-38, ACCORDING TO THE PLAT FILED IN THE HOMER RECORDING DISTRICT ON NOVEMBER 4, 1992 AS PLAT NUMBER 92-46.

FOR ALASKA STATE LAND SURVEY 91-38:

AGGREGATING A TOTAL OF 4220.89 ACRES MORE OR LESS.

TRACTS A AND B OF ALASKA TIDE LAND SURVEY NO. 1418, ACCORDING TO THE PLAT FILED IN THE HOMER RECORDING DISTRICT ON JULY 13, 1992, AS PLAT NUMBER 92-29, CONTAINING 15.76 ACRES MORE OR LESS.

FOR ALASKA STATE LAND SURVEY 91-38 AND ALASKA TIDE LAND SURVEY NO. 1418:
AGGREGATING A TOTAL SURVEYED AREA OF 4236.65 ACRES MORE OR LESS.

TOWNSHIP 5 SOUTH, RANGE 9 WEST, SEWARD MERIDIAN, ALASKA

SECTION 17: TRACT B-1, CONTAINING 285.99 ACRES MORE OR LESS.

SECTION 18: TRACT A-1, CONTAINING 163.83 ACRES MORE OR LESS.

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SECTION 19: TRACT 19-A, CONTAINING 207.84 ACRES MORE OR LESS.

SECTION 20: TRACT 20-A, CONTAINING 27.90 ACRES MORE OR LESS.

OF ALASKA STATE LAND SURVEY NO. 2021-11, AGGREGATING 685.56 ACRES MORE OR LESS.

CAUTION: ASLS NO. 2021-11 **HAS NOT** BEEN RECORDED. Per the Surveyor, the plat is in the final stages of completion at the Kenai Peninsula Borough as of September 2026. If ASLS No. 2021-11 is not recorded, the associated parcels will require survey and a new description.

AGGREGATING A TOTAL SURVEYED AREA OF 4922.21 ACRES MORE OR LESS.

The following described lands are determined by the Survey Section to be UNSURVEYED:

Township 5 South, Range 8 West, Seward Meridian, Alaska

Section 19: A portion of Tract A, containing 3.73 Acres more or less.

Section 20: Portions of Tracts A and D, containing 5.34 Acres more or less.

Section 29: A portion of Tract A, containing 2.68 Acres more or less.

Section 30: Portions of Tracts G, I, K, M, containing 5.46 Acres more or less.

Section 31: A portion of Tract A, containing 7.74 Acres more or less.

of Alaska State Land Survey 91-38, according to the plat filed in the Homer Recording District on November 4, 1992 as plat number 92-46, aggregating 24.95 Acres more or less.

Township 5 South, Range 9 West, Seward Meridian, Alaska

Section 8: A portion of Tract A, containing 0.59 Acres more or less.

Section 9: A portion of Tract A, containing 1.82 Acres more or less.

Section 10: Portions of Tracts B and C, containing 2.11 Acres more or less.

Section 11: A portion of Tract A, containing 0.69 Acres more or less.

Section 14: A portion of Tract A, containing 2.99 Acres more or less.

Section 15: A portion of Tract B, containing 2.12 Acres more or less.

Section 16: A portion of Tract B, containing 41.51 Acres more or less.

Section 22: A portion of Tract B, containing 2.44 Acres more or less.

Section 23: Portions of Tracts C and D, containing 2.59 Acres more or less.

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Section 24: Portions of Tracts A, C, and D, containing 4.56 Acres more or less.

Section 25: Portions of Tracts B, D, and E, containing 16.43 Acres more or less.

Section 26: A portion of Tract A, containing 1.58 Acres more or less.

Section 36: A portion of Tract B, containing 8.54 Acres more or less.

of Alaska State Land Survey 91-38, according to the plat filed in the Homer Recording District on November 4, 1992 as plat number 92-46, aggregating 87.97 Acres more or less

Section 17: A portion of Tract B-2, containing 1.95 Acres more or less.

Section 19: A portion of Tract 19-B, containing 1.34 Acres more or less.

Section 20: A portion of Tract 20-B, containing 2.59 Acres more or less.

of Alaska State Land Survey No. 2021-11, aggregating 5.88 acres more or less. *See CAUTION note on Page 4.

A portion of Section 30, according to the plat accepted by the United States Department of the Interior, Bureau of Land Management in Anchorage, Alaska on June 22, 1990, containing 3.16 acres, more or less.

For Township 5 South, Range 9 West, Seward Meridian, Alaska:
Aggregating 97.01 acres more or less.

Township 5 South, Range 10 West, Seward Meridian, Alaska

Section 2: Portion of Tract B, Containing 103.84 Acres more or less.

Section 3: Portion of Tract A, Containing 204.27 Acres more or less.

Section 9: Portion of Lot 1, Containing 21.23 Acres more or less.

Tract A: Portion of Tract A1, Containing 71.15 Acres more or less.

Section 10: Portion of Tract A, Containing 262.60 Acres more or less.

Section 11: A portion of Tract A, containing 20.83 Acres more or less.

of Alaska State Land Survey 91-38, according to the plat filed in the Homer recording district on November 4, 1992 as plat number 92-46, aggregating 683.92 Acres more or less.

Section 25: Portion of Section 25, containing 0.77 Acres more or less.

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Section 35: SE1/4 SE1/4, containing 40 Acres more or less.

Section 36, SW1/4 SW1/4, containing 42.94 Acres more or less.

according to the plat accepted by the United States Department of the Interior, Bureau of Land Management in Anchorage, Alaska on June 22, 1990, aggregating 83.71 acres, more or less.

For Township 5 South, Range 10 West, Seward Meridian, Alaska:
Aggregating 767.63 acres more or less.

Unsurveyed: Aggregating 889.59 acres, more or less

SURVEYED AREA: AGGREGATING 4922.21 ACRES MORE OR LESS.

Surveyed and Unsurveyed Area: Aggregating 5811.80 Acres, more or less.

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**Attachment F
Draft Mineral Order (Closing) MO 1340**

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER

DRAFT MINERAL ORDER No. 1340

 X **Closing Lands to Mineral Entry** Opening Lands to Mineral Entry

I. Name of Mineral Order: Alaska Energy Association Preference Right Noncompetitive Conveyance – ADL 234892

II. Reason for Mineral Order: This Mineral Order is based upon the attached *Commissioner's Administrative Finding*, applicable statutes, and the written justification contained in the following:

- Kenai Area Plan (adopted January 2000);
- Preliminary Decision, Proposed Noncompetitive Sale to Preference Right Applicant – ADL 234892, October 2, 2026.

III. Authority: AS 38.05.185 Generally and AS 38.05.300 Classification of Land.

IV. Location and Legal Description: Located within DNR's Southcentral Region, approximately 23 miles north of the Homer in the Kenai Peninsula Borough, more specifically described as:

Legal description details provided in **Attachment E: Preliminary Survey Determination**

V. Mineral Order: This order is subject to valid existing rights and is issued under the authority granted by AS 38.05.185 – AS 38.05.275 and AS 38.05.300 to the Alaska Department of Natural Resources. In accordance with AS 38.05.185(a), I find that the best interests of the State of Alaska and its residents are served by the closure of the lands described in this mineral order to entry under mineral location and mining laws of the State of Alaska. The above-described lands are hereby **closed** to entry under the locatable mineral and mining laws of the State of Alaska.

Concur:

Christianna Colles, Director
Division of Mining, Land and Water
Department of Natural Resources

Date

Approved:

John Crowther, Commissioner
Department of Natural Resources

Date

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STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER

ADMINISTRATIVE FINDING
MINERAL ORDER NO. 1340
Closing Lands to Mineral Entry

Alaska Energy Authority Preference Right Noncompetitive Sale

Pursuant to AS 38.05.035 Powers and Duties of the Director, the State of Alaska, Department of Natural Resources, Division of Mining, Land and Water (DMLW) proposes to issue a Final Finding and Decision to convey State-owned land into private ownership within the Alaska Energy Authority Preference Right Noncompetitive Sale (ADL 234892). As noted in the Preliminary Decision - Proposed Noncompetitive Sale to Public and Charitable Applicant, issued October 2, 2026, the subject parcel is within Unit 195 of the Kenai *Area Plan*. In accordance with the area plan, DMLW proposes to close the entirety of the subject parcel to mineral entry. The attached mineral order includes the legal description of the area to be closed to mineral entry.

DMLW requests the mineral estate of approximately 5,805 acres, identified in the attached mineral order, be closed to mineral entry and location in accordance with AS 38.05.300 Classification of Land, for land disposal. Mining activity on the subject parcel would be incompatible with the current and proposed land estate use. The land contains no known mineral deposits and was not selected for mineral values. There are no mining claims on the land.

Public notice of the comment period for the proposed mineral order was conducted in accordance with AS 38.05.945 Notice. Review of comments will be addressed in the final documents.

In accordance with AS 38.05.185(a) Generally, and AS 38.05.300 Classification of Land, I find that the best interests of the State of Alaska and its residents are served by the closure of the lands to entry under the mineral location and mining laws of the State of Alaska as described by Mineral Order (Closing) No. 1340.

Approved:

John Crowther, Commissioner
Department of Natural Resources

Date