

Initial Study Report Meeting

Study 15.5 Regional Economic Evaluation

October 23, 2014

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Study 15.5 Objectives

- Describe the effects of the Project on the regional economy resulting from improvements in the reliability of the electrical power grid
- Describe the effects of the Project on the stability of electric prices over time
- Determine the economic effects of the Project's power over time

Study 15.5 Components

- Data Collection and Analysis (ISR Part A, Section 4.1; pg. 2)

Study 15.5 Variances

- None

Study 15.5 Summary of Results in ISR (ISR Study 15.5, Part A – Section 5)

- Information on current power generation, transmission, and demand in the Railbelt was obtained from the utilities or secondary sources.
- Data provided for each major Railbelt utility include the service area, installed capacity, and amount and cost of power sold.
- Progress was made in developing the REMI model assumptions for comparing future regional economic conditions with and without the Project.

Study 15.5 Summary of Results in ISR (ISR Study 15.5, Part A – Section 5)

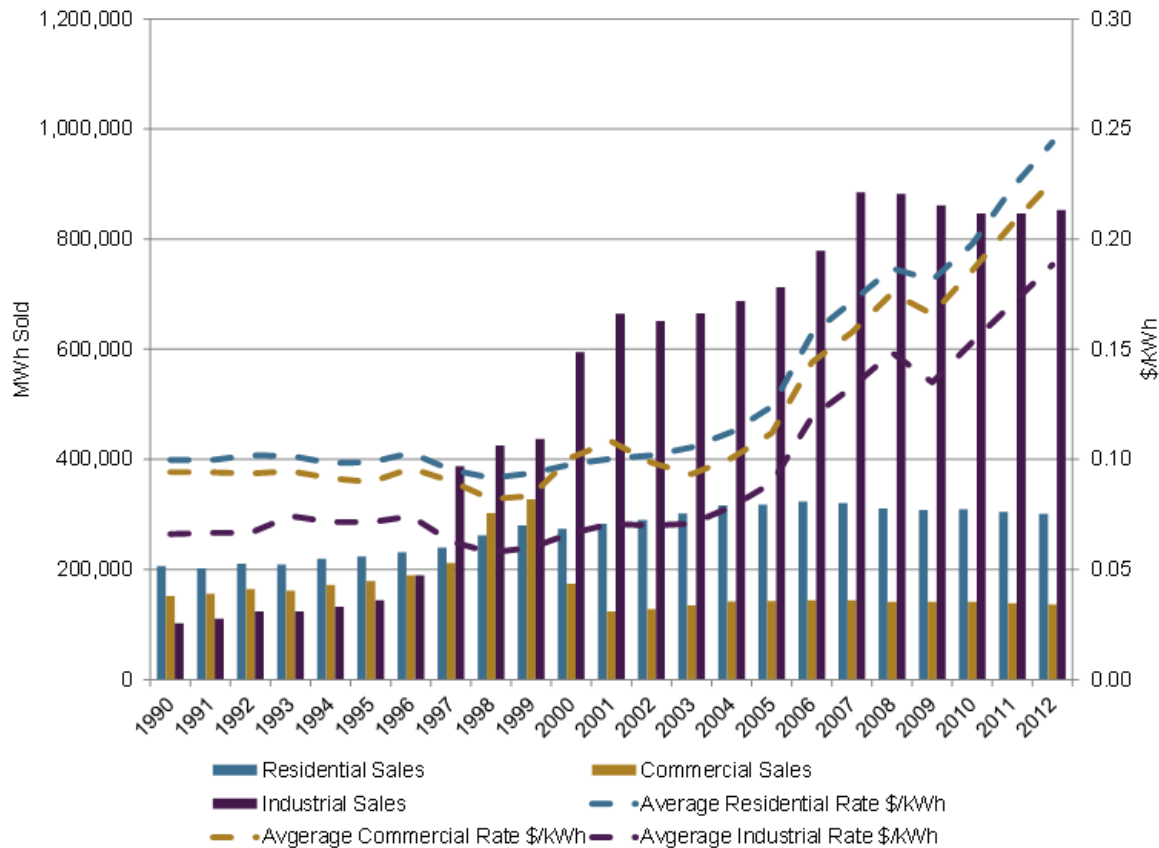


Figure 5.1.3-1. Amount and Cost of Power Sold by Golden Valley Electric Association

Source: U.S. Energy Information Administration (2013b)

Study 15.5 Summary of Results in ISR (ISR Study 15.5, Part A – Section 5)

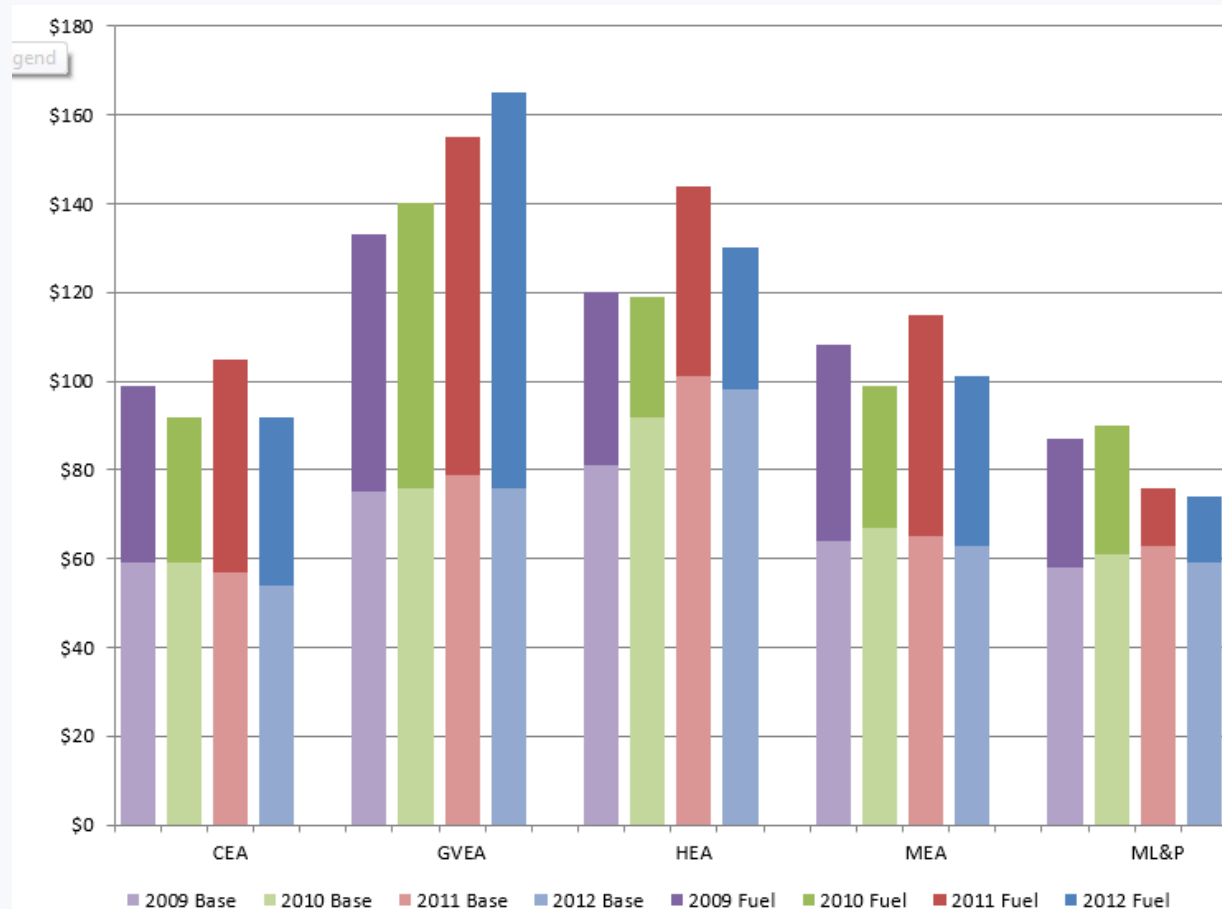


Figure 5.1-3. Base Rate and Fuel and Purchased Power Components of a Residential Electrical Bill by Railbelt Utility, Fourth Quarter 2009-2012

Source: Chugach Electric Association ([2009](#); [2010](#); [2011](#); [2012](#))

Study 15.5 Summary of Results since ISR

- Obtained information on planned generation for each of the Railbelt utilities.
- Work continued on production cost modeling.

AEA Proposed Modifications to Study 15.5 in ISR (ISR Study 15.5, Part C – Section 7.1.2)

- No modifications to the Study Plan are needed to complete the study and meet the Study Plan Objectives

Current Status and Steps to Complete Study 15.5

- Awaiting the engineering design-related information as this is a key component of the REMI analysis.
- Next steps will encompass:
 - Complete model inputs for Without Project Alternative
 - Develop model inputs for With Project Alternative and review with engineering consultant and AEA.

Steps to Complete Study 15.5 (ISR Study 15.5, Part C – Section 7.1)

AEA will continue to implement this study in 2014 and 2015, with no modifications to the FERC-approved Study Plan. Such efforts will include completing the REMI modeling exercise and conducting associated executive interviews with business interests in the Railbelt region. In 2014 additional executive interviews will be undertaken and the REMI model will be further developed.

Licensing Participants Proposed Modifications to Study 15.5?

- Agencies
- CIRWG members and Ahtna
- Public