



SOUTHEAST ALASKA POWER AGENCY

Regular Board Meeting

December 3, 2025 AGENDA

Wednesday, December 3, 2025

8AM	Breakfast @ SEAPA Board Room
9AM	Meeting Starts
12NOON	Lunch @ SEAPA Board Room
5PM	Meeting Adjourns



****6PM Christmas Dinner @ The Eagles Nest**
(located at the lower level of Cape Fox Lodge)**
(Spouses/Significant Others welcome to join SEAPA staff,
Counsel, and Board Members)



Meeting held at:

SEAPA Headquarters
55 Don Finney Lane
Ketchikan, Alaska



Call-in Number for Telephonic participation via Zoom:
1.888.475.4499 | Meeting ID#: 873 7287 9195

- 1. Call to Order**
 - A. Roll Call
 - B. Communications/Lay on the Table Items
 - C. Disclosure of Conflicts of Interest
- 2. Approval of the Agenda**
- 3. Persons to be Heard**
- 4. Review and Approve Minutes**
 - A. August 19-20, 2025 - Regular Meeting
 - B. October 30, 2025 – Special Meeting
- 5. Financial Reports**
- 6. CEO Report**
- 7. New Business**

A.	Consideration of Change Order #4 Re Tyee 3rd Turbine Procurement Contract
B.	Consideration of Award of Audit Services
C.	Consideration of FY2026 Wholesale Power Rate
D.	Consideration of FY2026 SEAPA Budget
E.	Consideration of Cleveland Helipad Installation Contract
F.	Consideration of FY2026 Operations Plan
G.	Executive Session Re Personnel Matters and Financing Proposals
H.	Reserved for Possible Action Following Executive Session

8. Staff Reports

- A. Quarterly Operations Report (*Hammer*)
- B. Operations Manager Project Report (*Hammer*)
- C. Project Manager Report (*Hilson*)
- D. Electrical Controls Engineer Report (*Womack*)

9. Discuss Future Topics

- SEAPA Solar in the Fall
- Revisiting the Investment Policy in 2026
- Reservoir Management
- Financing SEAPA Projects

10. 2026 Meeting Dates

11. Director Comments

12. Adjourn

Southeast Alaska Power Agency Regular Meeting Minutes

Location: Petersburg, Alaska

Date/Time: August 19, 2025 (12pm-5pm)

August 20, 2025 (8:30am-10:30am)

Agenda Items

1) Call to Order

A. Roll Call.

Chairperson Lynn called the regular meeting to order at 12:00 p.m. AKDT on August 19, 2025. The following directors and alternates were present, thus establishing a quorum of the board:

Directors	Present Electronically (E) In Person (IP)	Alternates	Present Electronically (E) In Person (IP)	Representing	Community
Bob Sivertsen	E	Rodney Dial	IP	Swan Lake	Ketchikan
Lacey Simpson		Jeremy Bynum	IP	Swan Lake	Ketchikan
Dick Coose	IP	Peter Amylon	IP	Swan Lake	Ketchikan
Bob Lynn	IP	Karl Hagerman	IP	Tyee Lake	Petersburg
Mason Villarma	IP	Patricia Gilbert	IP	Tyee Lake	Wrangell

The following SEAPA staff and counsel were present for all or part of the meeting:

Staff	Present Electronically (E) In Person (IP)	Staff	Present Electronically (E) In Person (IP)	Staff / Counsel	Present Electronically (E) In Person (IP)
Robert Siedman, P.E., CEO	IP	Clay Hammer, Ops. Mgr.	IP	Tim Ross, Intern	IP
Mark Hilson, P.E., Proj. Mgr.	IP	Kay Key, Controller	IP	Sharon Thompson, EA/CA	IP
Kris Womack, Elec. Cont. Eng.		Marcy Graves, Ofc. Mgr.	IP	Joel Paisner, Counsel	E

B. Communications / Lay on the Table Items: None.

C. Disclosure of Conflicts of Interest: None.

2) Approval of the Agenda

Chairperson Lynn requested a motion to approve the Agenda.

➤ Motion

M/S (Sivertsen/Bynum) to approve the Agenda as presented. The motion was approved unanimously by polled vote.



Action
25-1181

3) Persons to be Heard: None

4) Consideration of Approval of Minutes

A. Minutes of June 25-26, 2025 Regular Meeting & July 18, 2025 Special Meeting

➤ Motion

M/S (Bynum/Coose) to approve the minutes of SEAPA's regular meeting held on June 25-26, 2025 and special meeting held on July 18, 2025. The motion was approved unanimously by polled vote.



Action
25-1182



5) Financial Reports

➤ Motion	M/S (Sivertsen/Bynum) to accept year-to-date financial statements through June 2025 and disbursements for June and July 2025 totaling \$1,191,079.17. Following Mr. Siedman's review and presentation of the financial statements, discussion of key financial data, and fielding director comments and questions, the motion was approved unanimously by polled vote.	✓ Action 25-1183
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6) CEO Report

Mr. Siedman discussed pertinent highlights of legislative activities and explained how SEAPA has supported strategic projects in Southeast Alaska to help streamline regulatory compliance and capitalize on funding opportunities for SEAPA projects. He reported it will be necessary to re-apply for grant funds for SEAPA's grid resiliency project under Round 18 of the Alaska Energy Authority's renewable energy fund and discussed his efforts to address the delays in the disbursement of federal grant funds awarded under Section 247 of the Infrastructure and Jobs Act. Mr. Siedman provided updates on SEAPA's contracts, RFPs, union negotiations, and progress of the various projects highlighted in SEAPA's five-year strategic plan. He announced that the Governor appointed him to serve a second term on the Alaska Energy Authority's Board of Directors which will expire in 2028, and provided an update on his activities as an Alaska Power Association board member. He also announced that Tyee's foreman, Nathan Stewart, submitted the winning photo in a first-ever SEAPA photo contest he initiated to enhance team engagement.

7) Staff Reports

A. Plant Operations Quarterly Report (Hammer)

Mr. Hammer provided a summary of the Swan and Tyee Lake Hydroelectric Project monthly inspections that take place at each facility noting work orders that have been completed, maintenance and repairs scheduled or completed, and provided an update on inspections at the substations and switchyards. He reported that in-house work that will take place at the Wrangell Switchyard includes replacement of a battery bank, charger, and inverter. He presented the highlights of staff safety training and discussed several photos of various projects that had taken place.

B. Operations Manager Projects Report (Hammer)

Mr. Hammer provided updates on renewal and replacement projects, brushing maintenance, and right-of-way clearing activities, and a culvert replacement at Tyee.

The meeting recessed at 1:35 p.m. and resumed at 2:00 p.m.

The Chair announced that Joy Merriner of BDO joined the meeting electronically, and that the agenda will advance accordingly to New Business Item 8.A. to allow Ms. Merriner to present the results of SEAPA's FY2024 Audited Financial Statements. He requested a motion for the audited financials.

➤ Motion	M/S (Bynum/Villarma) to accept the Audited Financial Statements of the Southeast Alaska Power Agency for the year ended December 31, 2024, as presented at the August 19-20, 2025 board meeting. Following Ms. Merriner's presentation of the audited financial statements, the motion was approved unanimously by polled vote.	✓ Action 25-1184
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The Chair announced that the meeting will resume with Agenda Item 7.C. to hear SEAPA's Project Manager's Report.

C. *Project Manager (Hilson)*

Mr. Hilson presented a PowerPoint slideshow to accompany his board report. He provided an overview of FERC and project-related activities, including Swan Lake drone mapping, the Tyee 3rd Turbine FERC capacity license amendment, Swan and Tyee FERC relicensing, and noted that a consultant will perform an audit following their field inspection of Swan Lake for SEAPA's Owner's Dam Safety Plan. He discussed photos of Swan Lake road work and water piping projects, and provided an overview of upcoming project activities.

D. *Electrical Controls Engineer Report (Womack)*

Mr. Siedman provided the progress of Mr. Womack's projects including the Tyee Station Service and 15kV Switchgear, Ketchikan Substation Design, and Tyee Third Turbine, and discussed photographs provided for each project.

The meeting recessed at 2:59 p.m. and resumed at 3:14 p.m. The Chair requested a motion for New Business Item 8.B. since Item 8.A had already been heard.

8) **New Business**

A. *Item 8A (FY2024 Audited Financial Statements) was heard earlier in the Agenda.*

B. *Consideration of SEAPA's NRECA 2026 Employee Group Benefit Plans*

Motion	M/S (Villarma/Bynum) to renew the NRECA 2026 employee group benefit plans as presented. Following a discussion of the proposed benefit plans, the motion was approved unanimously by polled vote.	✓ Action 25-1185
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C. *3rd Quarter Operations Plan Update*

Mr. Hammer reported that both Swan and Tyee Lakes had spilled in July following wetter-than-expected precipitation which accelerated snowpack runoff. He provided rainfall averages for the respective member communities and recited NOAA's three-month outlook through August for precipitation and temperature. He discussed the Agency's water management strategy and expressed confidence that the lakes will be full approaching winter and that staff will continue their efforts to balance lake elevations.

D. *Consideration of Tyee Relicensing Services Contract*

Motion	M/S (Sivertsen/Villarma) to authorize staff to enter into a contract with Kleinschmidt Associates, Inc. for SEAPA's Tyee Lake FERC Relicensing Services Contract. The motion was approved unanimously by polled vote.	✓ Action 25-1186
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E. *Consideration Sole Source Contract Re Tyee Crew House Renovation*

Motion	M/S (Villarma/Bynum) to authorize staff to enter into a sole source contract with H Construction LLC for SEAPA's Tyee Crew House #5 Renovation Project (RR25401) for the not-to-exceed value of \$286,005 and accordingly increase the project's budget by \$50,305. The motion was approved unanimously by polled vote.	✓ Action 25-1187
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The meeting recessed at 3:48 p.m. on August 19, 2025.

The meeting resumed on August 20, 2025 at 8:30 a.m. The Chair requested a roll call. The same directors that were present on August 19 either electronically or in person were in attendance. The Chair requested a motion to enter into executive session.

F. Executive Session

Motion	M/S (Bynum/Sivertsen) to recess into Executive Session to be conducted pursuant to SEAPA's Bylaws consistent with Alaska Statute 44.62.310 for discussions on union contract negotiations and cyber security issues, which are matters the immediate knowledge of which would clearly have an adverse effect on the finances of the Agency, the Projects, or any of the Member Utilities represented on the Board. The motion was approved unanimously by polled vote.	✓ Action 25-1188
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The meeting recessed for the executive session at 8:34 a.m. and resumed into regular session at 10:17 a.m.

The Chair announced that discussions took place during the executive session and no action was taken.

9) 2025 Meeting Dates

There were no objections to the special meeting scheduled for October 30, 2025 and regular board meeting scheduled for December 3, 2025 in Ketchikan.

10) Discuss Future Topics

Topics discussed for future discussions included SEAPA Solar in the fall, revisiting the investment policy in 2026, reservoir management, and financing of SEAPA projects.

11) Director Comments

Directors exchanged brief comments.

12) Adjourn

The Chair announced the meeting adjourned at 10:34 a.m. There were no objections.

Signed:

Attest:

Secretary/Treasurer

Chairperson

Southeast Alaska Power Agency Special Meeting Minutes

Location: SEAPA Headquarters, Ketchikan

Date: October 30, 2025

Time: 8:30 a.m. AKDT

Agenda Items

1) Call to Order

A. Roll Call

Chairperson Lynn called the meeting to order at 8:30 a.m. AKDT on October 30, 2025. The following directors and alternates were present, thus establishing a quorum of the board:

Directors	Present Electronically (E) In Person (IP)	Alternates	Present Electronically (E) In Person (IP)	Representing	Community
Bob Sivertsen	IP	Rodney Dial	IP	Swan Lake	Ketchikan
Lacey Simpson		Jeremy Bynum	IP	Swan Lake	Ketchikan
Dick Coose	IP	Peter Amylon	IP	Swan Lake	Ketchikan
Bob Lynn	IP	Karl Hagerman	IP	Tyee Lake	Petersburg
Mason Villarma	IP	Patricia Gilbert		Tyee Lake	Wrangell

Matt Schoenfeld of PFM Financial Advisors, LLC, a SEAPA consultant, introduced himself virtually.

The following SEAPA staff were present for all or part of the meeting:

Staff	Present Electronically (E) In Person (IP)	Staff/Counsel	Present Electronically (E) In Person (IP)
Robert Siedman, P.E., CEO	IP	Sharon Thompson, EA/CA	IP
Mark Hilson, P.E., Project Manager	IP	Marcy Graves, Office Manager	IP
Kris Womack, Electrical Cont. Eng.	IP	Tim Ross, Engineering Intern	IP
Kay Key, Controller	IP	Joel Paisner, Counsel	IP

B. Communications/Lay on the Table Items: None

C. Disclosure of Conflicts of Interest: None

2) Approval of the Agenda

Chairperson Lynn requested a motion to approve the Agenda.

➤ Motion	M/S (Sivertsen/Villarma) to approve the Agenda as presented. The Chair announced the agenda approved as presented after a round of ayes were heard.	✓	Action 25-1189
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3) Persons to be Heard: None



4) Financial Reports

➤ Motion	M/S (Dial/Villarma) to accept year-to-date financial statements through September 2025 and disbursements for August and September 2025 totaling \$2,750,029.31. Following Mr. Siedman's presentation of the financial statements and fielding directors comments and questions, the motion was approved unanimously by polled vote.	✓	Action 25-1190
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5) New Business

A. *Overview of Financing SEAPA Grid/Delivery Resiliency*

Mr. Siedman presented a handout introducing SEAPA's consultant, PFM Financial Advisors, LLC, and provided a high-level overview of the services PFM was engaged to provide in SEAPA's efforts to bridge financing options for the Tyee Lake Hydro project. PFM consultants, Thomas Toepfer and Matt Schoenfeld, introduced themselves virtually. Mr. Siedman explained that several lenders were engaged with to analyze various options to finance SEAPA's grid/delivery resiliency goals. The Chair announced that various lenders' financing proposals will need to be discussed in executive session.

B. *Executive Session 1: Presentation of Financing Proposals*

➤ Motion	M/S (Villarma/Sivertsen) to recess into executive session to be conducted pursuant to SEAPA's Bylaws consistent with Alaska Statute 44.62.310 for the presentation of financing proposals re grid/delivery resiliency. Such discussions may involve matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Agency, the Projects, or any of the Member Utilities represented on the Board. The motion was approved unanimously by polled vote.	✓	Action 25-1191
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The meeting recessed at 8:57 a.m. for the executive session. The meeting resumed into regular session at 10:14 a.m. The Chair announced that no decisions were made during the executive session.

C. *Reserved for Possible Action following Executive Session 1*

➤ Motion	M/S (Villarma/Bynum) to authorize SEAPA's CEO to seek financial proposals for a line of credit not-to-exceed twenty million dollars. The motion was approved unanimously by polled vote.	✓	Action 25-1192
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The Chair called a recess at 10:16 a.m. The meeting resumed at 10:32 a.m.

D. *Consideration of Change Orders Re Tyee 3rd Turbine Procurement*

➤ Motion	M/S (Sivertsen/Villarma) to authorize staff to enter into Change Order Nos. 2 and 3 to SEAPA's Contract No. 25021 with Canyon Industries, Inc. for the not-to-exceed value of \$250,020 for 5R and 5F Panels, and HPU Motor Starters for SEAPA's Tyee Lake Third Turbine, Generator and Transformer Procurement Project. The motion was approved unanimously by polled vote.	✓	Action 25-1193
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E. *Consideration of RR25410 and 25411 (Generator Air Cooler Replacements)*

➤ Motion	M/S (Sivertsen/Coose) to approve Generator Air Cooler project RR25410 for Swan Lake, in the amount of \$30,000, and RR25411 for Tyee Lake, in the amount of \$33,000. The motion was approved unanimously by polled vote.	✓	Action 25-1194
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F. *Review Preliminary Draft FY2026 Budget*

Mr. Siedman explained that it was prudent to present a preliminary draft of the Agency's FY2026 Budget for directors to have more time to review it prior to presentation of a final draft at SEAPA's December 3 regular meeting. Mr. Siedman presented the preliminary budget and fielded director questions and comments.

The meeting recessed at 11:45 a.m. for lunch and resumed at 12:45 p.m. The Chair gavelled the meeting back to order and requested a motion for the next order of business, an executive session.

G. *Executive Session 2: (Three Topics: Union Negotiations, Solar Strategy, and Personnel Matters)*

➤ Motion	M/S (Villarma/Sivertsen) to recess into Executive Session to be conducted pursuant to SEAPA's Bylaws consistent with Alaska Statute 44.62.310 for discussions relating to union contract negotiations, solar strategy, and personnel matters. Such discussions may involve subjects that tend to prejudice the reputation and character of a person, and may involve matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the Agency, the Projects, or any of the Member Utilities represented on the Board. The motion was approved unanimously by polled vote.	✓	Action 25-1195
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The meeting recessed at 1:00 p.m. for the Executive Session. The meeting resumed into regular session at 4:40 p.m. The Chair declared that discussions took place but no formal action was taken during the executive session.

H. *Reserved for Possible Action following Executive Session*

The Chair requested a motion regarding the union contract.

➤ Motion	M/S (Sivertsen/Bynum) to approve Resolution No. 2025-104 approving the Collective Bargaining Agreement between SEAPA and the International Brotherhood of Electrical Workers Local 1547 effective from January 1, 2026 through December 31, 2028, and authorize SEAPA's Chief Executive Officer to execute the Agreement. The motion was approved unanimously by polled vote.	✓	Action 25-1196
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The Chair announced motions related to solar feasibility may be heard.

➤ Motion	M/S (Bynum/Villarma) to increase the fiscal year 2025 budget for Solar Feasibility by \$85,000. The motion was approved unanimously by polled vote.	✓	Action 25-1197
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➤ Motion	M/S (Sivertsen/Villarma) to increase the fiscal year 2025 budget by \$100,000 for a new Wrangell 68kV Switchyard feasibility project. The motion was approved unanimously by polled vote.	✓	Action 25-1198
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6) Next Meeting Dates

There were no objections to SEAPA's next regular board meeting date of December 3, 2025 in Ketchikan.

7) Director Comments

Directors exchanged various comments.

8) Adjourn

The Chair requested a motion to adjourn.

> Motion	M/S (Sivertsen/Villarma) to adjourn the meeting. The Chair announced the meeting adjourned after no objections were heard.	✓	Action 25-1199
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The meeting adjourned at 4:50 p.m.

Signed:

Attest:

Secretary/Treasurer

Chairperson



SOUTHEAST ALASKA POWER AGENCY CEO FINANCIAL COVER MEMO

DATE: November 21, 2025

TO: SEAPA Board of Directors

FROM: Robert Siedman, P.E., Chief Executive Officer

SUBJECT: CEO Financial Cover Letter

SEAPA continues to maintain a strong and stable financial position. Through October 2025, year-to-date firm power sales totaled 141,202 MWh, and displaced sales totaled 5,556 MWh, reflecting a 5% decrease from budget, primarily due to above-average precipitation and resulting spill at both hydro facilities. Despite the reduced dispatch, SEAPA remains in a favorable financial position due to conservative budgeting, strong reserve levels, and non-operating revenue performance.

OPERATING REVENUE & FORECAST:

Year-to-date operating revenue through October is \$10.7 million, below the \$11.2 million budgeted level due to spill conditions. Looking ahead to FY2026, revenues are forecasted to increase compared to 2025 due to anticipated colder January–March conditions associated with La Niña and modest load growth in Ketchikan, Wrangell, and Petersburg. Revenue projections for early 2026 incorporate a 5% increase for the first quarter to account for expected weather-driven load increase.

OPERATING EXPENSES:

Operating expenses through October are \$6.19 million, which is 16% below budget and aligned with prior-year performance. Hydro O&M and transmission costs remain consistent, and G&A expenditures are tracking at 94% of budget.

RENEWAL & REPLACEMENT PROJECTS:

Capital investment continues across multiple major projects with year-to-date R&R spending of \$3.89 million. Significant activity includes the Tyee Station Service Switchgear replacement, FERC relicensing efforts, and the Third Turbine generator procurement. The Dedicated R&R and Construction Fund balances remain strong and positioned to meet long-term infrastructure needs.

REC REVENUE:

SEAPA earned \$86,954 in REC revenue year-to-date for 2025. Additional REC opportunities remain available as 2025 REC deliveries have yet to clear the market.

GRANTS:

Significant grant activity continues with DOE, AEA/REF, and other federal opportunities. A detailed status update is provided in the CEO report.

SEAPA remains operationally strong and financially resilient heading into 2026, with revenue forecasts improving and major capital programs progressing on schedule.



SOUTHEAST ALASKA POWER AGENCY CONTROLLER MEMO

SUGGESTED MOTION

I move to accept year-to-date financial statements through October 2025 and disbursements for October 2025 totaling \$3,214,683.23.

Year-to-Date Financial Reports in this packet include:

- Financial Snapshot
- Statement of Financial Position (Balance Sheet)
 - ✓ Fund Allocation Graph
- Statement of Activities (P&L)
 - ✓ MWH Sales Graph
- R&R Capital Expenditures Report
- Disbursements

Both of SEAPA's hydro facilities have spilled this year, and operating revenue includes an accrual for the Whitman True-up. Statistics related to the true-up are reported to Ketchikan each quarter and invoiced at year-end.

The FY2026 Draft Budget will be sent under separate cover.



OCTOBER 2025 YTD FINANCIAL SNAPSHOT

OPERATING REVENUE

	JAN-OCT Actual	JAN-OCT Budget	JAN-OCT Prior Yr
Ketchikan	\$ 5,299,736	\$ 6,021,484	\$ 6,855,721
Petersburg	2,667,965	2,867,823	2,753,376
Wrangell	2,340,056	2,353,884	2,323,189
Total Power Sales	\$ 10,307,757	\$ 11,243,191	\$ 11,932,286
Whitman Displaced Sales	405,631	0	0
Total kWh Revenue	\$10,713,388	\$11,243,191	\$11,932,286

-5% of YTD Budget

-10% actual to prior year

OPERATING EXPENSE

Hydro Facilities	\$ 1,858,867	\$ 2,129,519	\$ 1,972,831
Transmission	1,285,750	1,995,233	1,395,727
G&A	3,048,811	3,231,640	2,758,424
Total Operating Expense	\$ 6,193,428	\$ 7,356,392	\$ 6,126,981

-16% of YTD Budget

1% actual to prior year

NONOPERATING REVENUE/(EXPENSE)

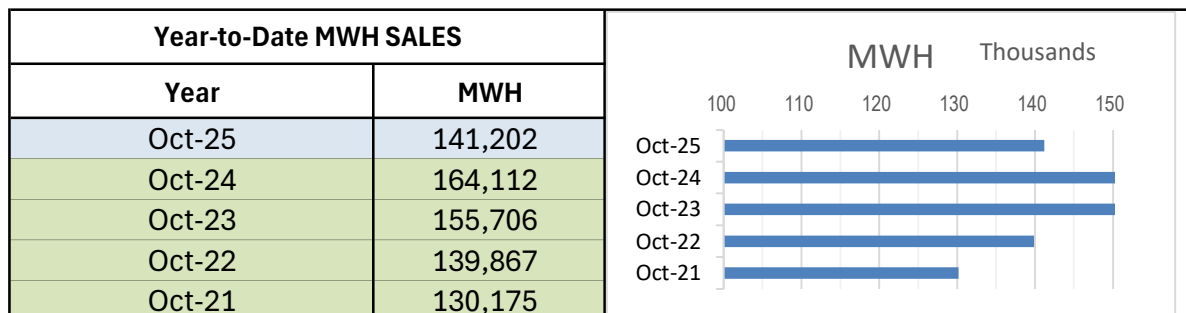
Nonoperating Revenue	\$ 1,320,995	\$ 729,269
Nonoperating Expense	5,111,144	5,169,907
Net NonOperating	\$ (3,790,149)	\$ (4,440,638)
CHANGE IN NET POSITION	\$729,811	\$1,364,668

R&R (CAPITAL)

Expenditures

JAN-OCT Actual	Annual Budget	Capitalized 2025
\$ 3,885,582	\$ 9,161,977	\$ 364,662

FIRM MWH TREND



STATEMENT OF FINANCIAL POSITION

Southeast Alaska Power Agency

as of **October 31, 2025**

	Year To Date 10/31/25	Prior Year To Date 10/31/24	% Change	\$ Change
ASSETS				
Current Assets				
Agency Funds				
Operating & Reserve Funds				
Operating Funds	13,923,794	20,798,392		
Reserve Funds	24,761,781	15,523,280		
Total Operating & Reserve Funds	38,685,575	36,321,672	7 %	\$2,363,903
Restricted Trustee Funds				
2015 Series Bond Funds	710,346	783,737		
2021 Series Bond Funds	1,051,517	992,691		
2022 Series Bond Funds	599,349	572,693		
Total Restricted Trustee Funds	2,361,212	2,349,122	1 %	\$12,090
Restricted Other Funds				
USFS CD - STI	22,649	22,223		
Required R&R Fund	-	1,001,812	...	Moved to Reserve Funds
Total Restricted Other Funds	22,649	1,024,035	(98) %	(\$1,001,386)
Total Agency Funds	41,069,436	39,694,829	3 %	\$1,374,607
Other Current Assets				
Accounts Receivable	1,870,159	2,071,235	(10) %	(\$201,077)
Accrued Interest Receivable	149,742	140,840	6 %	\$8,902
Prepaid Fees	49,091	55,661		
Inventory Assets, net amortization	2,092,106	1,986,780		
Total Other Current Assets	4,161,097	4,254,516		
TOTAL CURRENT ASSETS	45,230,533	43,949,344	3 %	\$1,281,188
Capital Assets				
R&R Construction in Progress	5,497,693	762,463	...	Station Service, 3rd Turbine, FERC Relicense
Capital Assets	204,877,489	204,419,617		
Accumulated Depreciation	(77,609,663)	(72,650,553)		
Total Capital Assets	132,765,519	132,531,528	0 %	\$233,992
Deferred Assets				
New Generation Integration	-	12,738		
Feasibility Solar	74,542	74,542		
Feasibility Ketchikan Substation	-	422,210	...	Transferred to RR25403
Feasibility TYL Capacity License Amendment	-	119,856	...	Tranferred to RR25407
Feasibility TYL Third Turbine Design Phase	-	339,322	...	Tranferred to RR25408
Feasibility PSG Potential XFMRs	19,132	-		
Total Deferred Assets	93,674	968,668	(90) %	(\$874,994)
TOTAL ASSETS	178,089,726	177,449,540	0 %	\$640,186

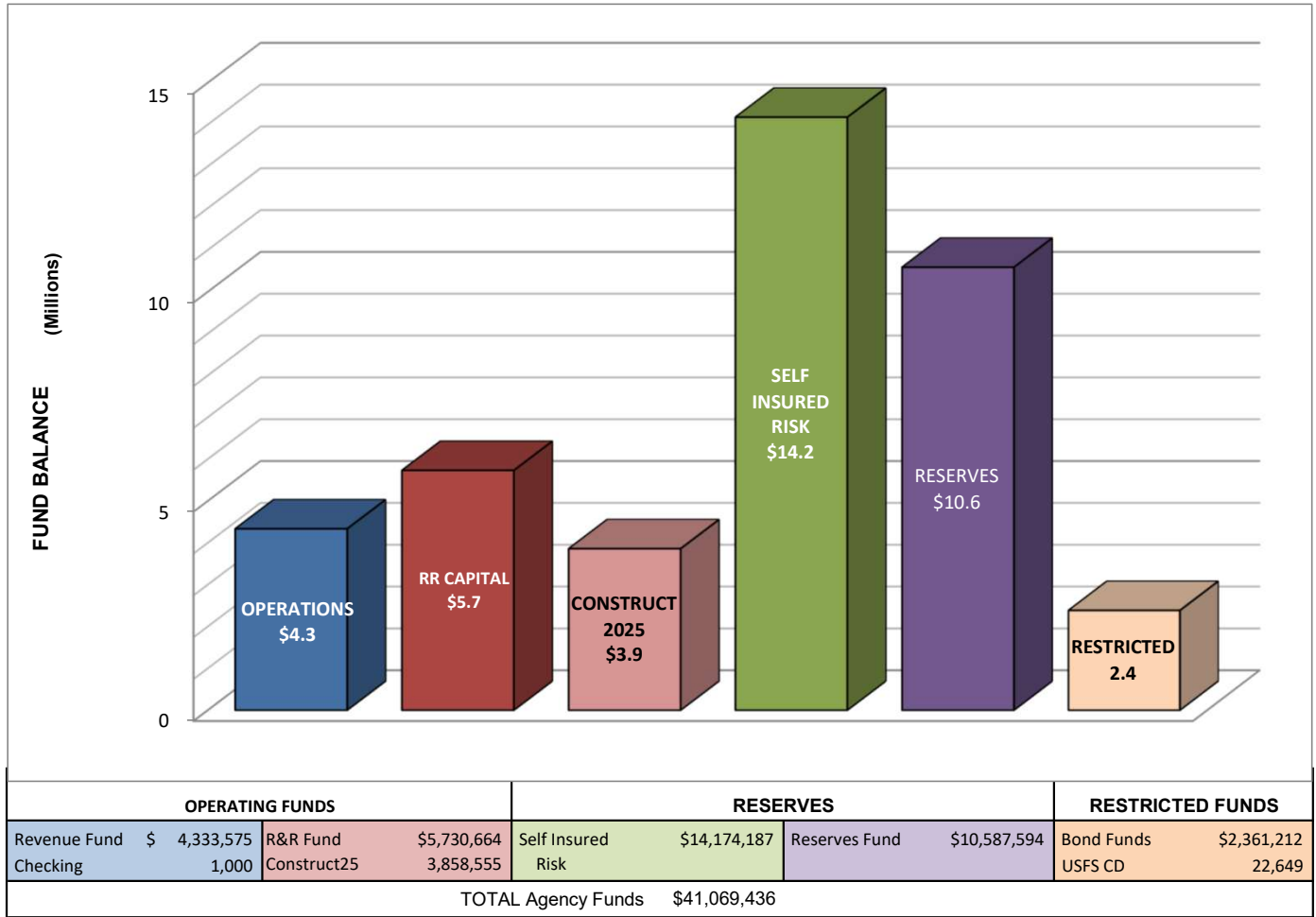
STATEMENT OF FINANCIAL POSITION

Southeast Alaska Power Agency

as of **October 31, 2025**

	Year To Date 10/31/25	Prior Year To Date 10/31/24	% Change	\$ Change
LIABILITIES & NET POSITION				
Current Liabilities				
Accounts Payable General	1,432,170	399,092		
Other Current Liabilities	64,155	21,222		
Bond Reserve Interest Payable	397,231	406,637		
Payroll Liabilities	200,305	321,886		
Total Current Liabilities	2,093,862	1,148,837	82 %	\$945,025
Long Term Liabilities				
PERS Unfunded Liability WRG	306,433	452,792		
Series 2015 Bonds	9,330,000	10,295,000		
Series 2021 Bonds	10,515,000	10,800,000		
Series 2022 Bonds	5,705,000	5,805,000		
Bond Issuance Premium/Discount, net	2,756,532	2,934,355		
Total Long Term Liabilities	28,612,965	30,287,147	(6) %	(\$1,674,181)
TOTAL LIABILITIES	30,706,827	31,435,983	(2) %	(\$729,156)
NET POSITION				
Net Investment Capital Assets	103,588,488	104,614,884		
Restricted for Debt Service	2,576,169	2,594,125		
Restricted by External Agreement	22,223	1,594,601		
Unrestricted	40,466,208	37,175,078		
Net Position Subtotal	146,653,088	145,978,688	0 %	\$674,400
NET INCOME	729,811	34,869		\$694,942
TOTAL NET POSITION	147,382,899	146,013,557	1 %	\$1,369,342
TOTAL LIABILITIES & NET POSITION	178,089,726	177,449,540	0 %	\$640,186

SEAPA FUND ALLOCATION GRAPH - SEPTEMBER 2025



OPERATING FUNDS

Checking: Monies are transferred from Revenue and RR Fund, as needed, to cover expenditures.

Revenue Fund: All SEAPA income is deposited to the Revenue Fund, as required by Bond Indentures.

R&R Fund: Dedicated to cover capital expenditures. Funded by an annual deposit of \$3.2MM, in the form of quarterly transfers from t Revenue Fund, as outlined in the 4R Plan.

Construction 2025: Funds withdrawn from Reserves and currently dedicated to RR25408 Third Turbine TYL.

RESERVES FUNDS

Self-Insured Risk Fund: Coverage for uninsured transmission lines, submarine cables and insurance deductibles.

Reserves Fund: Established under the board-approved Reserves Fund Policy for the purposes of Rate Stabilization, New Generation, additional capital reserves.

RESTRICTED (Legally or contractually restricted)

Bond Trustee Funds: Interest, Principal, and Reserve Funds established by SEAPA bond issuances (2015, 2021, 2022 Series).

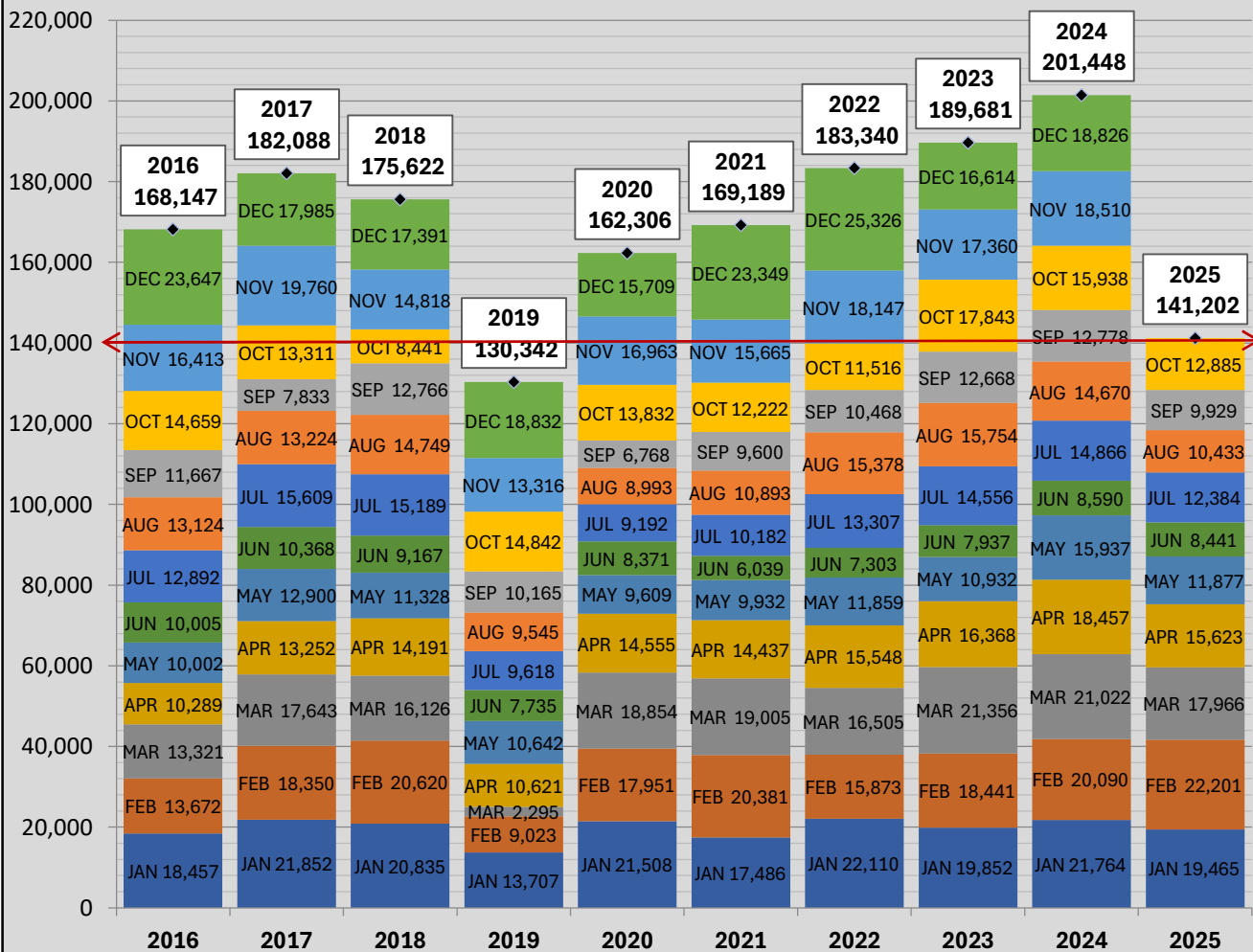
USFS: USFS Land Remediation Certificate of Deposit

Southeast Alaska Power Agency

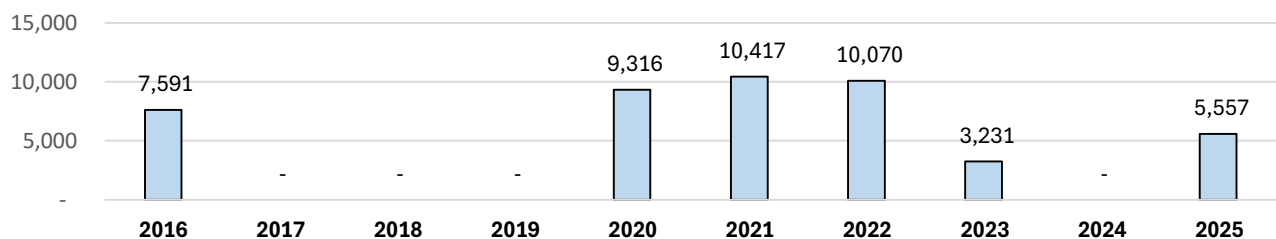
Pdf Page 17 of 92 pages.

kWh HYDROPOWER SALES	OCTOBER 2025		YTD		% of YTD Budget
	Actual	Budget	Actual	Budget	
Ketchikan Power Purchases*	6,282,328	8,278,599	72,599,128	82,486,080	88%
Petersburg Power Purchases	3,524,804	5,036,382	36,547,469	39,285,226	93%
Wrangell Power Purchases	3,077,880	3,225,196	32,055,560	32,244,972	99%
Total Power Purchases	12,885,012	16,540,177	141,202,157	154,016,278	92%

MWh Firm Power Sales YOY Comparison



MWh Displaced Sales - Whitman True-up



*YTD Ketchikan Power Purchases + True-up = 78,155,718. 2025 MWh + True-up = 146,758,747

R&R Capital Expenditures
as of **October 31, 2025**

Southeast Alaska Power Agency

	2025		PRIOR YRS EXPENDITURES	TOTAL EXPENDITURES	OVERALL BUDGET*	Placed in Service
	BUDGET	EXPENDITURES				
RR19307 - Helipads Cleveland	426,673	28,383	101,554	129,937	610,000	
RR22364 - 15kV Switchgear TYL	1,094,279	419,835	127,886	547,721	1,506,200	
RR22374 - Station Service Switchgear TYL	2,553,720	1,281,408	384,830	1,666,238	3,915,000	
RR23384 - FERC Relicensing SWL	670,000	300,858	53,966	354,824	3,017,000	
RR23385 - FERC Relicensing TYL	674,000	8,235	39,152	47,387	3,017,000	
RR23386 - Incinerator XFMR Panel-Controls SWL	18,903	16,235	17,096	33,331	36,000	Apr 2025
RR24397 - Road Work SWL	119,647	123,877	15,354	139,231	135,000	Aug 2025
RR24398 - Str194 Power Poles SWL	189,200	14,063	-	14,063	189,200	
RR25399 - Battery Bank WRG Switchyard	40,000	41,364	-	41,364	40,000	Aug 2025
RR25400 - Control Room SWL	25,000	5,339	-	5,339	25,000	
RR25401 - Crew House 5 Reno TYL	300,305	3,081	-	3,081	300,305	
RR25402 - EV Chevy Blazer KTN	43,600	47,720	-	47,720	43,600	Apr 2025
RR25403 - Ketchikan Substation	618,750	-	425,579	425,579	7,298,000	
¹ RR25404 - Lake Skiff SWL	49,900	34,930	-	34,930	49,900	
RR25405 - Plow Truck SWL	70,000	42,104	-	42,104	70,000	Feb 2025
RR25406 - Sidewalk KTN HQ	20,000	-	-	-	20,000	Expensed Jul
RR25407 - Third Turbine License Amendment TYL	149,000	80,017	197,555	277,572	339,720	
² RR25408 - Third Turbine-Generator TYL	1,740,000	1,169,628	552,993	1,722,621	24,112,000	
¹ RR25409 - Water Piping-Basket Strainer SWL	296,000	207,593	-	207,593	296,000	
RR25410 - Generator Air Cooler 2025 SWL	30,000	28,509	-	28,509	30,000	Oct 2025
RR25411 - Generator Air Cooler 2025 TYL	33,000	32,403	-	32,403	33,000	Oct 2025
Total All RR Projects	9,161,977	3,885,582	1,915,965	5,801,547	45,082,925	

¹ Lake Skiff SWL and Water Piping SWL are on schedule for completion in 2025.

*Overall Budget through 2030

² \$2.8MM payment is scheduled for December on the Third Turbine project at Tyee.

SOUTHEAST ALASKA POWER AGENCY

DISBURSEMENTS REPORT

OCTOBER - NOVEMBER 2025

\$3,214,683.23

		1,742,930.67	25,002.00	1,446,750.56
VENDOR	DESCRIPTION	REVENUE FUND	2025 CONSTRUCTION	R&R FUND
A&P		642.38	-	-
Acoustical Solutions LLC		-	-	974.62
Alaska Permanent Capital Inc		6,631.18	-	-
Amazon com		3,605.33	-	-
Anchorage Daily News LLC		-	-	104.81
Ascent Law Partners LLP		1,827.50	-	-
Automation Direct		-	-	124.00
Baker Tilly Advisory Group LP		3,042.00	-	-
Bay Company		541.51	-	-
Bernies		1,129.98	-	-
Bureau Veritas North America		4.00	-	-
Cambria Properties LLC		3,250.00	-	-
Canyon Industries Inc		-	25,002.00	-
Cascadia Law Group PLLC		-	-	468.75
Chase - Oct 2025		15,270.74	-	912.69
Chase - Sep 2025		7,771.52	-	-
City Market Inc		175.92	-	-
Commercial Industrial Supply		-	-	6,666.75
Computershare 1450		2,250.00	-	-
Computershare 2015 Interest	Bond Interest	107,288.00	-	-
Computershare 2021 Interest	Bond Interest	88,301.00	-	-
Computershare 2021 Principal	Bond Principal	273,710.00	-	-
Computershare 2022 Interest	Bond Interest	43,053.00	-	-
Computershare 2022 Principal	Bond Principal	95,770.00	-	-
Construction Machinery Industrial LLC		833.72	-	-
Core & Main LP		-	-	2,219.84
Daily Journal of Commerce		-	-	118.95
Electric Power Constructors Inc	RR22374 Station Service TYL	-	-	1,202,717.38
Employee Reimbursement		732.18	-	-
Engineered Process Controls LLC		-	-	9,687.55
G2 Risk Consulting		3,318.75	-	-
Grainger		4,492.85	-	-
Hammer & Wikan Inc		111.97	-	-
Johnsons Building Supply		7.44	-	-
Kelley Create Co		1,123.50	-	-
Ketchikan City of 334		442.79	-	-
Ketchikan City Port & Harbor		705.65	-	-
Ketchikan Daily News		254.45	-	533.25
Ketchikan Public Utilities Electric		4,158.38	-	-
Ketchikan Public Utilities Telecom		3,701.94	-	-
Kleinschmidt Associates	RR23384-85, RR25407 FERC License Ame	-	-	102,929.15
Landing Hotel		700.51	-	-
Les Schwab		839.45	-	-
LNM Services		247.03	-	-
Lynchburg Air Preheater Corporation	RR25410-411 Air Coolers	-	-	57,527.00
Madison Lumber & Hardware Inc		1,098.36	-	-
Marsh USA Inc	Insurance premiums	829,252.00	-	-
Massin Tool & Equipment Rentals		620.00	-	-

SOUTHEAST ALASKA POWER AGENCY

DISBURSEMENTS REPORT

OCTOBER - NOVEMBER 2025

\$3,214,683.23

		1,742,930.67	25,002.00	1,446,750.56
VENDOR	DESCRIPTION	REVENUE FUND	2025 CONSTRUCTION	R&R FUND
Misty Fjords Air & Outfitting LLC		11,345.00	-	1,350.00
Moss Adams LLP		26,250.00	-	-
MSC Industrial Supply Co		6,866.43	-	-
Newrose Enterprises LLC		480.00	-	-
Northern Sales Inc		69.91	-	-
NRECA Group Ins		26,747.12	-	-
NRECA Group Ins Admin		1,870.33	-	-
NRECA RSP Admin		1,084.91	-	-
NRECA RSP Trust Contrib		35,173.38	-	-
Omni Packing and Seal Company		46.67	-	-
Ottesens Ace Hardware		691.17	-	-
Pacific Pride of Alaska LLC		444.95	-	-
Pacific Printing LLC		84.50	-	-
Petro Marine Services KTN		590.17	-	-
Petro Marine Services WRG		1,784.15	-	-
Pilot Publishing Inc		132.00	-	148.50
Platt Electric Supply		533.97	-	-
Pool Engineering Inc		8,000.00	-	40,263.28
Qualitrol Company LLC		10,565.43	-	-
R&M Engineering Ketchikan Inc		3,349.31	-	-
Raindrop Janitorial Services LLC		1,700.00	-	-
Ray Matiashowski		8,000.00	-	-
Samson Tug & Barge		291.20	-	1,893.42
Satellite & Sound Inc		440.00	-	-
Schmolck Mechanical KTN		-	-	13,853.00
Schnabel Engineering LLC		1,861.13	-	-
Schweitzer Engineering Laboratories		7,547.27	-	-
SEL Engineering Services Inc		17,220.00	-	-
Sentry Hardware & Marine		231.44	-	-
Service Auto Parts		1,369.19	-	70.00
Siedman Robert		519.89	-	-
Southeast Auto & Marine Parts Inc		643.61	-	-
Sunrise Aviation Inc		9,870.00	-	750.00
Svensen Marine LLC		4,848.73	-	-
Temsco Helicopters Inc		9,278.03	-	3,105.14
TexRus LLC		12,159.34	-	-
Thompson Sharon		298.00	-	-
Tyler		2,676.81	-	219.98
Tyler Industrial Supply		379.99	-	-
White Rock Holding LLC		620.00	-	-
Wrangell City & Borough		16,594.11	-	-
Wrangell Sentinel		277.50	-	112.50
X2nSat		3,090.00	-	-



SOUTHEAST ALASKA POWER AGENCY CEO REPORT

DATE: November 21, 2025

TO: SEAPA Board of Directors

FROM: Robert Siedman, P.E., Chief Executive Officer

SUBJECT: CEO Report

SAFETY:

No work-related lost-time incidents have occurred since my last CEO report.

GOVERNMENTAL AFFAIRS & EXTERNAL INDUSTRY ACTIVITIES:

The federal government shutdown, which began on October 1, 2025, after Congress failed to pass the necessary funding measures, lasted 43 days, making it the longest shutdown in U.S. history before the government reopened on November 12, 2025. Alaska experienced significant impacts due to its high concentration of more than 15,000 federal employees, many of whom were furloughed or worked without pay, creating strain on households and increasing demand on local aid organizations, such as food banks that reported record need during the shutdown.

The shutdown also disrupted critical federal functions in Alaska, including fisheries management, where delays in assessments and regulatory decisions generated uncertainty for the 2026 groundfish harvest levels, a key component of the state's commercial fishing sector. Nationally, the shutdown resulted in more than three million missed paychecks, widespread furloughs, and economic losses.

Federal agencies across the country scaled back operations, delaying services and benefits that millions rely on, further underscoring the broad-reaching consequences of the prolonged shutdown. While several federal agencies experienced temporary administrative delays, none directly affected SEAPA's permitting, funding, operations or project timelines. Communication with FERC and congressional offices has continued uninterrupted.

Federal Engagement Highlights

At the federal level, SEAPA has maintained a proactive advocacy and funding strategy to support strategic projects in Southeast Alaska:

- **Infrastructure Investment and Jobs Act – Section 247 (Grid Resilience in Remote/Rural Communities):** SEAPA submitted a major funding application for the Tyee Third Turbine Project and was awarded \$5MM (pending negotiations).
- **DOE's Grid Resilience Program under the IIJA (Section 40101(d)):** Our planning includes targeting upcoming rounds of both formula and competitive grant opportunities for transmission reliability and system hardening. SEAPA submitted a \$4.5MM grant application to AEA for the Ketchikan Substation and received notice of award in October. An additional \$20M is estimated for Alaska in 2026 and SEAPA anticipates applying in the final round. A list of other recipients is as follows:

AEA Preliminary Sub-Award Selections for Section 40101(D) Formula Grant Program		
Applicant Name	Project Name	Sub-Award Grant Amount
Matanuska Electric Association, Inc	Eklutna Transmission Line Upgrade Project (115kV)	\$ 6,239,125
Golden Valley Electric Association, Inc.	High-voltage Transmission Assets Rehabilitation and Replacement Project (69kV / 138kV)	\$ 7,022,619
Southeast Alaska Power Agency	Kethikan Substation Resilience Project (115kV)	\$ 4,528,819
Total		\$ 17,790,563

- **IRA & IIJA Transition Support:** SEAPA continues outreach through the National Hydropower Association (NHA) and direct agency feedback to DOE, FERC, and our Tax Consultant, focusing on ensuring SEAPA qualifies for investment tax credits (ITCs).
- **Maintaining and Enhancing Hydropower and River Restoration Act:** SEAPA has expressed support for this proposed legislation, monitoring its movement in Congress and engaging Senator Murkowski and Senator Sullivan to help establish long-term recognition and funding mechanisms for existing small hydro infrastructure.
- **S.1020 Extending time period on hydropower projects:** SEAPA supports S.1020 because extending commencement deadlines for hydropower licenses provides critical schedule flexibility for complex, remote-location hydro projects. In Southeast Alaska, major capital upgrades often require multi-season logistics, specialized contractor availability, marine or air access, and prolonged design and permitting windows. By allowing FERC to extend these timelines, S.1020 helps ensure that hydropower owners like SEAPA can retain their existing licenses while advancing modernization, reliability improvements, and climate-resilient infrastructure without the risk of license expiration solely due to unavoidable project-delivery constraints.

These federal strategies position SEAPA to streamline regulatory compliance and capitalize on emerging funding opportunities that align with Swan and Tyee Relicensing, Tyee Third Turbine, and the Ketchikan Substation, and to support workforce, economic, and climate resilience across Southeast Alaska.

Renewable Energy Fund (REF):

SEAPA has applied for Round 18 of the Renewable Energy Fund, building on lessons learned from the prior cycle and reinforcing the importance of a more predictable, better-aligned process for communities seeking long-term energy solutions.

Although FY26 appropriations were lower than in recent years, the Legislature again demonstrated bipartisan support for renewable energy infrastructure—particularly for high-cost regions like Southeast Alaska, where household energy burdens remain among the highest in the state.

In Round 17, SEAPA's Southeast Alaska Grid Resiliency (SEAGR) project was originally ranked #11 statewide, effectively moving to #5 after legislators funded the top six projects. Under the existing list, SEAPA's project would have required approximately \$7.3 million in FY27 for full funding. However, AEA has announced it will not continue down the current list and will instead re-score all projects in a new statewide ranking. This reset requires SEAPA and all other applicants to reapply, creating uncertainty despite SEAPA's strong position to rise in the updated list. Several higher-ranked projects may drop out due to eligibility constraints, lack of match, or inability to meet REF timelines, and SEAPA is refining its narrative and cost-effectiveness scoring in response.

SEAPA has also expressed concern about AEA's methodology for calculating regional energy costs under AS 42.45.045(d)(4). The statute requires evaluation of a project's potential to reduce total household energy costs, not just electricity rates. This distinction is especially important in Southeast, where:

- More than half of households primarily heat with oil.
- Heating fuel often exceeds \$5 per gallon.
- Member communities do not receive PCE.

Focusing solely on cents per kWh understates the true value REF projects provide in Southeast Alaska. I will continue to emphasize this broader cost-of-energy context during next year's legislative session.

SEAPA will continue advocating for full FY27 legislative funding, while remaining mindful of the Governor's line-item veto authority (noting that \$3.7 million was vetoed in FY25, though FY26 projects were preserved). Recognizing the structural challenges of the current process, applications in August, the Governor's budget in December, and REFAC meetings in January, I intend to advocate next session for a process that streamlines and

better synchronizes these steps. Aligning timelines will reduce administrative risk, improve transparency, and support more effective planning for communities and developers pursuing renewable energy projects across Alaska.

DOE Section 247: *The Maintaining and Enhancing Hydroelectricity Incentives*

SEAPA continues to actively engage with federal partners and industry allies to address delays in the disbursement of grant funds awarded under Section 247 of the Infrastructure Investment and Jobs Act. These grants, intended to improve electrical grid resiliency, were awarded over a year ago, yet remain unexecuted due to internal constraints at the Department of Energy (DOE).

Current Status

- No formal response has been received from DOE regarding the status of Alaska's Section 247 projects.
- SEAPA's \$5 million award remains fully obligated but unexecuted.

SEAPA submitted a formal letter to the U.S. Department of Energy and the National Energy Dominance Council (Attachment A) requesting urgent action on our pending grant, emphasizing the time-sensitive nature of SEAPA's projects and the potential regional impacts if delays continue. The letter outlines the critical path risks, reinforces our readiness to proceed, and requests expedited review and engagement from DOE staff. This communication was well received and ensures our concerns are formally documented at the federal level and demonstrates SEAPA's proactive approach to protecting project schedules and funding opportunities.

SEAPA will continue pressing DOE and congressional offices for resolution and will maintain coordination with AEL&P, CEA, Sitka, and industry allies. We are also prepared to engage directly with Water Power Technologies Office should a transition in program administration be approved.

Delays in Section 247 execution underscore the need for structural improvements in DOE grant administration and continued federal advocacy. SEAPA is committed to ensuring our project, those of our partner utilities, and move forward as intended under this vital energy security initiative.

SEAPA CONTRACTS and RFP's:

The following table is an overview of SEAPA Contracts and RFP's:

PROJECT	Publish Date	Bid Due Date	Board Mtg Date	Comments or Status	Complete?
Tyee 3rd Turbine, Generator & Transformer Procurement	11/15/2024	04/04/2025	06/25-26/2025	Change Order #4 to be considered at 12/03/2025 regular board meeting.	Ongoing
Swan Lake Cooling Piping Replacement	N/A	N/A	N/A	\$91K Contract issued to Schmolck Mechanical on 12/12/2024; project completed following arrival of parts.	✓
General Brushing/Cutting Support	N/A	N/A	N/A	Two separate contracts issued to D&D Tree Service for brushing and cutting. One for Mitkof (6 acres) signed on 11/26/2024 and one for general brushing/cutting support signed on 01/21/2025.	✓
Petersburg Substation PT Upgrade Project	N/A	N/A	N/A	Contract to prepare design drawings signed by SEL Engineering Services. Completed 09/30/2025.	✓
2025 Cleveland Brushing	02/05/2025	03/05/2025	03/27/2025	Contract awarded to Rock-N-Road Construction - complete	✓
2025 Woronkofski Island Brushing	02/05/2025	03/05/2025	03/27/2025	Contract awarded to Rock-N-Road Construction - completion by 12/31/25	Ongoing
Tyee Crew House #5 Renovation	N/A	N/A	08/19-20/2025	Sole Source Contract awarded to H Construction; completion date extended to January 31, 2026 due to long lead times for cabinets and countertops.	Ongoing
Tyee Lake FERC Relicensing Services	05/09/2025	07/10/2025	08/19-20/2025	Contract awarded to Kleinschmidt.	Ongoing
Helipads Cleveland Peninsula	10/01/2025	11/07/2025	12/03/2025	Staff seeks board's consideration of contract award to staff's recommended bidder at the upcoming board meeting.	Ongoing
Petersburg Substation 2025 Annual Maintenance	N/A	N/A	N/A	Contract for substation annual maintenance at Petersburg issued to Specialty Engineering. Contract open pending rescheduling of portion of work in 2026 due to equipment delays.	Ongoing
Wrangell 69kV Transformer & Mill Site Feasibility Design Project	N/A	N/A	N/A	McMillen, Inc. contracted with on 11/20/2025 to develop concept design for feasibility of installing new 5 MVA transformer in Wrangell.	Ongoing
Wrangell Solar Feasibility-Level Design & Procurement Specification Project	N/A	N/A	N/A	Commonwealth contracted with to complete the feasibility-level engineering phase of the Wrangell Solar Project. Kick-off meeting scheduled for November 25.	Ongoing

UNION NEGOTIATIONS:

I am pleased to report that SEAPA has successfully concluded union negotiations, resulting in a balanced agreement that reflects concessions from both sides and delivers a true win-win outcome. The final terms strengthen operational stability, support workforce retention, and maintain fiscal responsibility. Throughout the process, both SEAPA and union representatives remained focused on collaboration and long-term sustainability, ultimately reaching an agreement that aligns our organizational needs with fair and competitive support for our employees. This outcome positions SEAPA well for the coming years and reinforces our commitment to a constructive labor-management relationship.

5-YEAR STRATEGIC PLAN UPDATE:

During the September 28-29, 2023, Board Meeting in Petersburg, SEAPA's Board of Directors held a workshop to finalize the 2024-2028, 5-year strategic plan. Execution of the plan is underway. The following is an update on progress:

Phase 1: SEAGR – Southeast Alaska Grid Resiliency Project

The following is an updated timeline on current progress:

October 8, 2024: SEAPA filed a Draft Amendment Application (DAA) with FERC.

October 31, 2024: 100% procurement specifications completed.

November 1, 2024: The Federal Regulatory Commission (FERC) designated SEAPA as its non-federal representative for consultation purposes with Alaska SHPO, Alaska Indian tribes, U.S Fish and Wildlife Services, National Oceanic and Atmospheric Administration and other consulting parties (a.k.a. Stakeholders).

November 14, 2024: SEAPA held two public meetings with Stakeholders and received feedback that seemed to be largely non-impactful to the project or Agency.

November 15, 2024: SEAPA solicited Requests for Proposals (RFPs) for procurement of the Tyee Third Turbine generator, transformer and ancillary equipment.

December 9, 2024: SEAPA received the last and final stakeholder letter of support from the United States Department of the Interior, gaining total support from all Stakeholders to waive second-stage consultation per 18 CFR 4.38(e), setting the stage for an expedited and Final Application to FERC.

January 24, 2025: SEAPA filed the Final Application for license amendment with FERC.

June 18, 2025: Negotiated a lump-sum price for procurement.

July 18, 2025: Issued Notice to proceed to Canyon Hydro for procurement

July 28, 2025: Transferred \$1.1MM from Reserves to Construction Account

August 1, 2025: Down payment to Canyon Hydro for procurement

August 14, 2025: Meeting scheduled with AIDEA's Chief Lending Officer

September 16, 2025: Begin review of PFM Financial Advisors

October 2, 2025: Signed Engagement Letter with PFM Financial Advisors

October 30, 2025: Presentations on Financial Proposals

The Board approved a motion following executive session discussions on October 30 to authorize SEAPA's CEO to solicit financial proposals for a line of credit in an amount not to exceed \$20 million. This direction provides SEAPA with flexibility to evaluate financing options that support cash-flow stability, address upcoming capital needs, and ensure readiness for emerging project opportunities including the Tyee Third Turbine. Staff will return to the Board with the proposals received and a recommended path forward.

Persistent pursuit of funding for the SEAGR project is ongoing. The following is a synopsis of funding requests that are currently pending receipts:

DOE Section 247: \$5MM (awarded – pending negotiations)

REF Round 17: \$4MM (AEA reset list, re-applying)

ITC: \$12MM (IRS documents are currently being prepared by Moss Adams)

PFM: \$20MM (Solicited and awaiting proposals for a line of credit)

Investment Tax Credits (ITCs) have been evaluated and reauthorized under the Reconciliation Bill of 2025 through 2033. Funds will not be received until the following year after the project is complete. Funding part of the project with Tax Exempt Bonds would trigger a potential loss of 15% from ITCs under IRS tax code; confirmed by Moss Adams.

Phase 2: SEADR – Southeast Alaska Delivery Resiliency Project

The Ketchikan Substation Design is 100% complete and the project is nearly “shovel ready”. SEAPA's next milestone will be issuing an RFP for procuring the transformer which has over a 1-year lead time.

An “ideal” site next to KPU's Ward Cove substation was identified for this project. The site has a Utility Easement from the Ketchikan Gateway Borough to KPU that states “KPU shall have the right to transfer and assign this easement, in whole or part, so long as its use will remain as described herein”. A substation is clearly identified as an asset that can be constructed on this utility easement.

The following is an updated timeline on current progress:

October 30, 2024: 100% design complete.

January 23, 2025: SEAPA held a meeting with KPU stakeholders to discuss the existing KPU Utility Easement at the Ward Cove Substation and potential transfer of the easement from KPU to SEAPA.

August 4, 2025: SEAPA applied for a \$4.8MM grant through the Alaska Energy Authority (AEA) Grid Resiliency Grant Program. Notification(s) of awards should be received in the upcoming months.

October 13, 2025: SEAPA received notice of selection for a subaward from AEA under Section 40101(D) in the amount of \$4.53MM (Attachment B).

SEAPA received a preliminary sub-award selection from the Alaska Energy Authority (AEA) for \$4,528,819 under the Section 40101(d) Formula Grant Program for the Ketchikan Substation Resilience Project. This \$4.5 million award represents AEA's recognition of SEAPA's leadership in grid resilience, regional reliability, and long-term planning to reduce the cost of energy across Southeast Alaska. Only three utilities statewide, Matanuska Electric Association, Golden Valley Electric Association, and SEAPA, were selected for funding in this competitive round. With approximately \$17.7 million available, SEAPA's project ranked among the top three based on demonstrated community impact, resilience effectiveness, and the strength of leveraged partnerships.

The Ketchikan Substation Resilience Project will strengthen SEAPA's 115 kV transmission network, mitigate the risk of major outage events, and enhance reliability for our member communities. The project was recognized for its alignment with AEA and DOE priorities focused on climate resilience, extreme-weather preparedness, and modernization of Alaska's critical energy infrastructure.

This preliminary award is now under final review by the U.S. Department of Energy. AEA has also indicated a third and final 40101(d) funding round will occur in 2026, with an estimated \$20 million available. SEAPA's strong performance in this round positions us well for future funding opportunities.

Phase 3: SEACR – Southeast Alaska Capacity Resiliency Project

As outlined in the 5-Year Strategic Plan, the SEACR project is a new hydroelectric facility or alternative energy source. Although the need for additional hydro is likely more than 10 years away, as forecasted in the 2023 Load Forecast, I continue to pay special attention to opportunities, industry trends and potential alternative technologies. For example, the results of SEAPA's solar feasibility study presented during the June 26-27 Board Meeting demonstrated that Solar could be a good technology to bridge the energy gap between now and the day a new hydro facility is needed.

On October 30, The Board approved continuing the solar feasibility effort in the amount of \$85,000, and staff have now entered into a professional services contract to complete feasibility-level design, procurement specifications, and cost updates consistent with SEAPA's approved objectives.

This work includes development of conceptual one-line diagrams, preliminary equipment layouts, PV/BESS modeling, procurement specifications with domestic-content worksheets, and a Class 4–5 cost estimate to support a future Board investment decision.

As noted earlier, on August 7, 2025, the EPA—under Administrator Lee Zeldin—terminated the \$7 billion Solar for All program following repeal of the Greenhouse Gas Reduction Fund under the “One Big Beautiful Bill Act.” While that program is no longer available, Investment Tax Credits (ITCs) for solar remain viable through 2030, and SEAPA’s potential project can fully qualify if “begins construction” or safe harbor is achieved by July 2026. The continued feasibility study will inform the Board on the viability of a solar project and present sound fiscal data for the Board to make a prudent fiscal decision moving forward.

BEST PRACTICES & PROCESS IMPROVEMENTS:

AEA Board Member Update: Under AS 44.83.030, public members of the AEA Board appointed by the governor, serve for three-year terms, and any vacancies are filled by appointment for the remainder of the term. This is further affirmed in AEA’s bylaws, which state that the six public members “shall serve for three-year terms,” consistent with the statute.

When new terms were introduced, the legislature mandated staggered initial terms to establish rotation. The governor appointed:

- Two public members to one-year terms (expiring 2025),
- Two to two-year terms (expiring 2026),
- Two to three-year terms (expiring 2027)

When appointed to the AEA Board of Directors in 2024, I held a seat as a “public member”. My Board Seat expired in August 1, 2025.

I am pleased to announce, after re-application, the Governor appointed me for a second term that will now expire in 2028.

AEA recently completed its review of applications under the Section 40101(d) Grid Resilience Program and issued preliminary sub-award selections to three Alaska utilities, including SEAPA. AEA continues to coordinate closely with the U.S. Department of Energy on final approval of these awards and is preparing for a third and final RFA in 2026, anticipated to make roughly \$20 million available for statewide grid-resilience projects.

In addition, AEA is monitoring federal program changes following the repeal of the Greenhouse Gas Reduction Fund and the termination of the Solar for All program. AEA staff are actively evaluating impacts to Alaska’s clean-energy initiatives, federal funding alignment, and the remaining pathways for communities and utilities to leverage Investment Tax Credits and other incentives. I will continue to provide timely updates to

the SEAPA Board as AEA decisions or activities affect our programs, funding strategies, or long-term planning.

APA Board Member Update: APA continues to focus on federal policy engagement, particularly around transmission reliability, infrastructure funding programs, and regulatory actions affecting Alaska's rural and hydro-dependent utilities. Recent discussions have centered on the impacts of federal budget uncertainties, permitting reform, and opportunities for member utilities to access resilience and modernization grants.

APA is also preparing for its upcoming legislative outreach efforts, emphasizing affordable energy, workforce development, and the role of hydro resources in stabilizing regional grids. As Vice Chair of the Government Affairs Committee, I continue to help shape statewide policy positions on behalf of SEAPA and Alaska's utilities. The association's other committees are actively coordinating to ensure unified statewide messaging. I will continue to keep the SEAPA Board informed as APA decisions, initiatives, or advocacy priorities develop that may influence SEAPA's planning, funding strategies, or regulatory environment.

PERSONNEL RECRUITMENT & RETENTION:

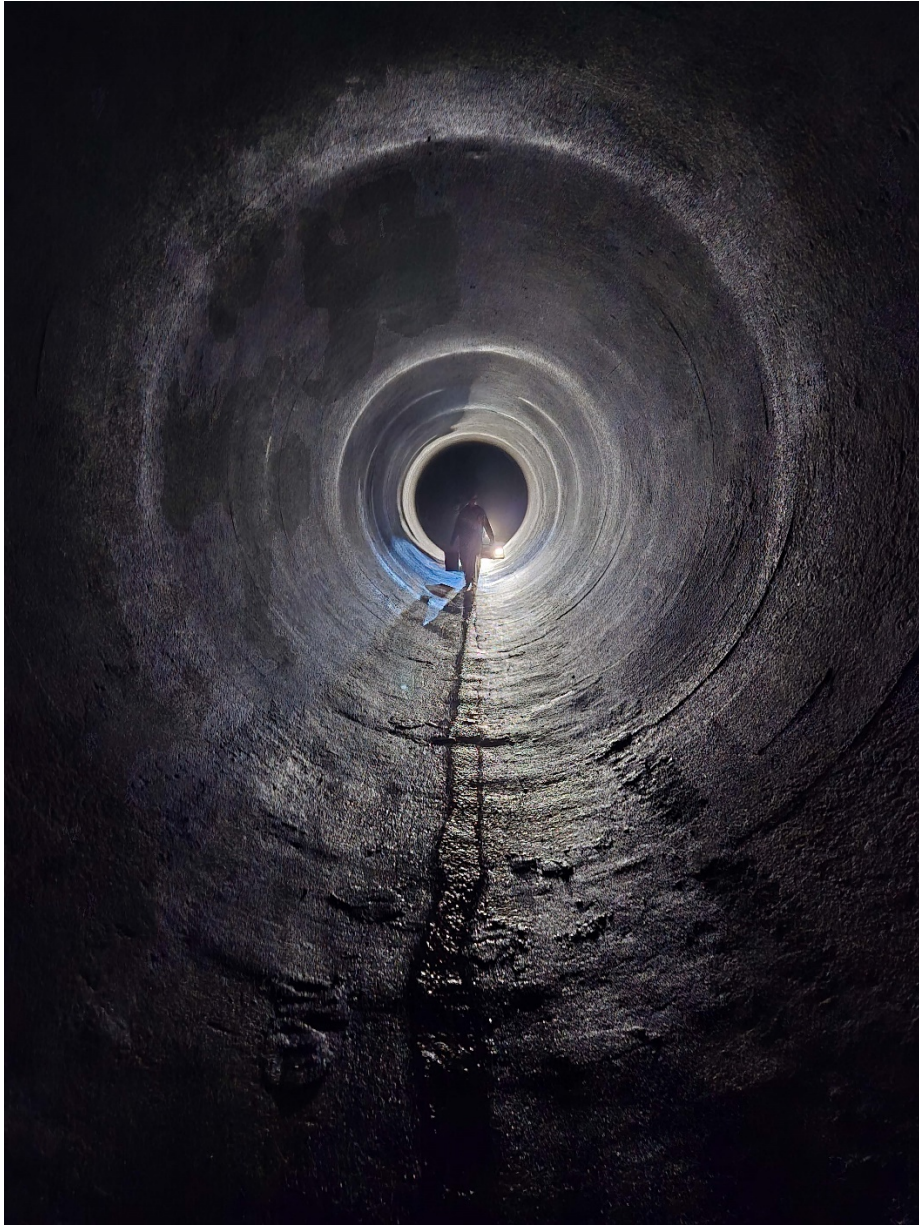
SEAPA is currently 100% staffed, and overall workforce stability remains strong. However, looking ahead, additional regulatory responsibilities associated with FERC relicensing and the potential construction of major capital assets, such as future hydro initiatives, may require strategic increases in staffing. It is also prudent to begin early discussions on succession planning, as several key staff members in critical roles are currently or will become retirement-eligible in the coming years. I continue to evaluate long-term organizational needs to ensure SEAPA is prepared for future operational, regulatory, and project demands.

As part of our commitment to developing internal talent, I have been actively mentoring our engineering intern, who is expected to graduate at the end of 2026. This provides an opportunity to build future engineering capacity from within the organization and meet future staffing needs. In parallel, we will be conducting a comprehensive compensation study next year to ensure SEAPA remains competitive in both recruitment and retention.

To support a positive and engaging workplace culture, SEAPA launched its first-ever photo contest this year. Participation was excellent, and the event generated strong enthusiasm across the Agency. I am pleased to announce that Nathan Stewart (Tyee Lake Foreman) won this year's contest. His photo has been displayed at the SEAPA office.

Based on this success, SEAPA will continue the photo contest next year and is also establishing a new Employee of the Year Award, which will be nominated and voted on by peers to further enhance recognition and morale.

Staff will continue strengthening recruitment, retention, and employee-engagement initiatives while preparing SEAPA for future workforce and succession needs.



2025 Photo Contest: Swan Lake Tunnel Repair



Southeast Alaska Power Agency Urgent Request for Action



September 24, 2025

Department of Energy Leadership Team and National Energy Dominance Council
Chris Wright | Carl Coe | Joe Alexander | Lou Hrkman | Matt Grosso | Jarrod Agen
1000 Independence Ave., SW
Washington, DC 20585

**Re: Urgent Request to prioritize Department of Energy resources to fund
Section 247: Maintaining and Enhancing Hydroelectricity Incentives Program**

Dear DOE and NEDC Leadership Team,

On behalf of the Southeast Alaska Power Agency (SEAPA), I write to express concern with the pace of implementation of our Section 247 award. SEAPA received a Notice of Award in the amount of \$5 million over a year ago for a new hydroelectric generator to meet the urgent need for additional dispatchable generation in Southeast Alaska. To date, however, no progress has been made by DOE and no funds have been released.

This delay poses a serious risk to project success. SEAPA has programmed this federal award into our project financing package, coordinated state and local cost share, initiated licensing and environmental review actions and began manufacturing. Without timely DOE action, we risk lost construction seasons, escalating costs in Southeast Alaska's high-cost environment, and erosion of public confidence in federal support.

Alaska projects warrant prioritization. Remote hydroelectric systems in Southeast Alaska represent the sole alternative to barged diesel fuel, which is prohibitively expensive. The resilience of these hydro resources directly impacts national energy security and affordability in one of the most energy-challenged and isolated regions of the United States.

We urge the DOE to act in alignment with recent Executive Orders issued by President Trump directing agencies to prioritize domestic energy infrastructure, reduce permitting delays, strengthen rural energy resilience and unleash Alaska's energy potential. SEAPA's project embodies those objectives: it is shovel-ready, highly leveraged by state and local commitments, and essential to ensuring long-term grid stability and affordable clean power for Alaskans.

Accordingly, we respectfully request:

1. Expedited finalization of SEAPA's award agreement and release of obligated funds.
2. Priority processing for Alaska Section 247 projects given their outsized impact on energy affordability, resilience, and national energy independence.
3. A clear schedule of remaining DOE actions so SEAPA can align its project delivery with federal requirements.



Southeast Alaska Power Agency Urgent Request for Action



Given the critical role this funding plays in supporting energy projects in Alaska, the delays in the negotiation and approval process have created significant challenges for Alaskans relying on these resources. Below is a timeline of key events highlighting the stalled progress:

- **November 15, 2021** – IIJA signed into law
- **September 5, 2024** – Notice of Award from DOE (pending negotiations)
- **October 3, 2024** – Negotiation Materials submitted
- **December 19, 2024** – DOE update to SEAPA (“anticipate January”)
- **January 29, 2025** – Federal Funding Freeze
- **March 2025** – Section 243 Thawed (Unfroze)
- **September 2025** – No progress or update from DOE on Section 247 (1-year later)

It is evident that the timeline has been disrupted by multiple delays, including the federal funding freeze earlier this year. However, even as other sections such as Section 243 have resumed, Section 247 remains in limbo. This uncertainty is causing unnecessary setbacks for important projects across Alaska.

SEAPA has invested heavily in planning and development for future energy projects based on the expectation of DOE support. Many of these efforts are also tied to regulatory timelines with the Federal Energy Regulatory Commission (FERC). Delays in DOE support can undermine our ability to meet financing requirements, comply with federal deadlines, or qualify for licensing amendments, all of which could halt or drastically delay implementation and further increase the cost of energy in Alaska.

Southeast Alaska endures some of the highest household energy costs in the nation, with families paying over 300% more for home heating than Anchorage and far above the U.S. average. The primary driver is reliance on barged fuel oil, which more than 50 percent of households still use for space heating. Fuel oil costs often exceed \$5–6 per gallon, translating to \$36–40 per MMBtu, several times the cost of electricity from SEAPA’s hydro system. As heating costs have become unmanageable, many households are converting to electric heat pumps and resistance heating, a transition that is unsustainable by SEAPA without significant investment in capacity and stability.

Without DOE’s timely support under Section 247 for SEAPA’s new hydroelectric generation project, beneficial electrification will become “non-beneficial”. Our communities will be forced onto diesel-fired generation at ten times the cost, defeating the purpose of federal clean energy investments and rural energy resilience in Alaska.

Thank you for your time, consideration and commitment to serving our nation and Alaska!

Robert Siedman, P.E.

Chief Executive Officer

Southeast Alaska Power Agency

55 Don Finney Lane | Ketchikan, AK 99901

P 907.228.2281 | C 509.540.9174 | F 907.225.2287





Southeast Alaska Power Agency Urgent Request for Action



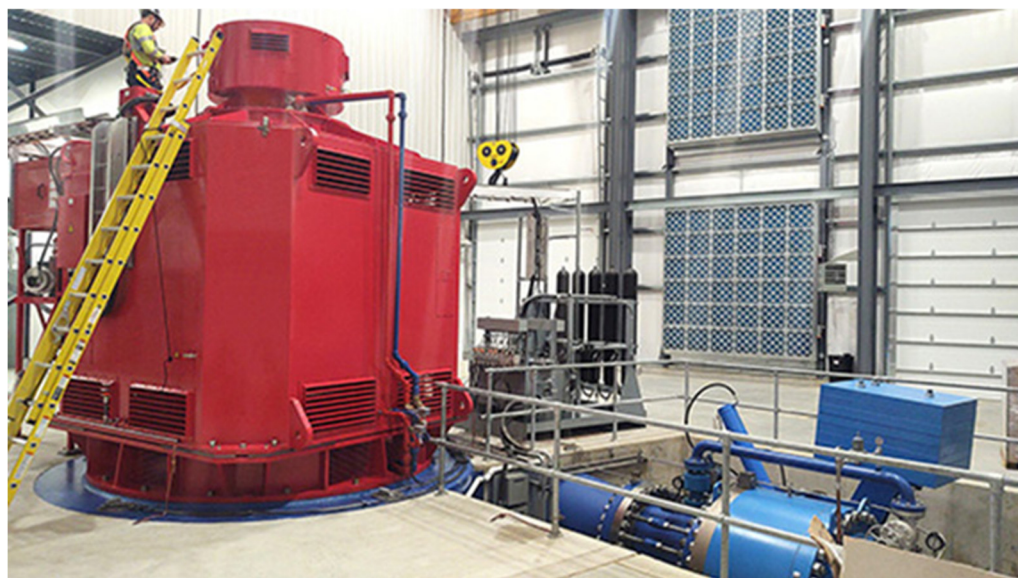
**Expanding
the Southeast
Alaskan electrical
grid requires
investment in
infrastructure**



**Timely action by
public entities
ensures that
plentiful green
energy powers
our vital future**



The SEAPA Electrical Grid Resiliency project will increase electric generating capacity at the Tyee Lake hydro facility for the benefit of customers in Ketchikan, Petersburg and Wrangell. The project will also enable the region's wholesale power producer to link to Metlakatla and potentially Kake.





October 13, 2025

Dear Applicants,

Alaska Energy Authority (AEA) would like to express its sincere appreciation for all applicants who submitted an application to AEA's Request for Applications (RFA) for sub-awards under the Section 40101(D) Formula Grant Program, as established under the Infrastructure Investment and Jobs Act.

As of the August 4th, 2025 deadline for applications, AEA received five applications for an aggregate sub-award request of \$42.7 million, in excess of the \$17.7 million available for award under the RFA. Upon receipt of the five applications, AEA's initiated its review and evaluation of those five applications submitted. All applications were reviewed and evaluated according to those criteria as stated in the RFA, as noted below.

- Population Impacted
- Risk Reduction / Resilience Effectiveness
- Extreme Weather, Wildfire, or Natural Disaster Event Adaptation
- Data Sources
- Implementation Measures
- Community Engagement
- Leveraging Partnerships

Upon conclusion of AEA's thorough review and evaluation of those applications submitted, AEA has made preliminary selections for three of the five applications for sub-award, inclusive of a partial award which was agreed to by the applicant, owing to limited funds available for award. The below selections for sub-award are preliminary and have been submitted to the U.S. Department of Energy (DOE) for their required review and approval.

AEA Preliminary Sub-Award Selections for Section 40101(D) Formula Grant Program		
Applicant Name	Project Name	Sub-Award Grant Amount
Matanuska Electric Association, Inc	Eklutna Transmission Line Upgrade Project (115kV)	\$ 6,239,125
Golden Valley Electric Association, Inc.	High-voltage Transmission Assets Rehabilitation and Replacement Project (69kV / 138kV)	\$ 7,022,619
Southeast Alaska Power Agency	Kethikan Substation Resilience Project (115kV)	\$ 4,528,819
Total		\$ 17,790,563

For those applicants not selected for sub-award in this second round, please note that AEA plans to issue a third and final RFA for Section 40101(D) funding in calendar year 2026, with an estimated \$20 million available for sub-award. The timing and actual amount to be made available for award are subject to change at DOE's discretion. Please continue to visit AEA's website on the [Section 40101\(D\) Formula Grant Program](#) for more information.

Sincerely,

Malakai Erskine

Malakai Erskine
Grants Manager, AEA



SOUTHEAST ALASKA POWER AGENCY

Date: November 20, 2025

To: Robert Siedman, P.E., CEO

From: Kris Womack, Electrical Controls Engineer

Subject: Tyee 3rd Turbine, Generator & Transformer Procurement Contract (RR25408)

At its October 30, 2025 special meeting the board approved Change Order (CO) Nos. 2 and 3 to Canyon Industries, Inc.'s contract for SEAPA's Tyee Third Turbine, Generator & Transformer Procurement Project (RR25408). The contract was for \$11,417,618 plus a 5% contingency of \$570,881. Approved COs to date total \$222,378. During the October 30 meeting, staff advised that CO No. 4 for a Unit Control Cabinet (efficiency and overall project benefit) was under negotiation. Change Order No. 4 for the cabinet was negotiated for \$117,880.

By installing a remote I/O rack in the control room rather than routing all field wiring directly to the operating room, the project will realize measurable installation and commissioning cost savings. This configuration significantly reduces conduit runs, cable lengths, and associated labor that would have otherwise been required under the original approach. Canyon Hydro has also confirmed that the only additional I/O needed relates to the SEL annunciator DO/DI points and that they are covering the cost of this added I/O. As a result, the revised architecture provides a net reduction in installation effort and overall project cost without increasing the automation scope.

Staff will elaborate further on the benefits to the overall project during the board meeting if the board considers approval of this CO. SEAPA's procurement policy mandates that competitive bidding is required for projects exceeding \$200,000; however, Section 8.10 of the policy provides that competitive bidding is not required:

When additional improvements beyond the scope of an existing contract can be obtained by change order to the contract; provided, however, that the existing contract was awarded through the competitive bidding process, and that the change order for each additional improvement does not exceed fifteen percent (15%) of the original bid price.

The total of CO No. 4 is approximately 1.03% of the original bid price. Staff recommends approval of CO No. 4 and solicits the board's consideration of the following suggested motion:

SUGGESTED MOTION

I move to authorize staff to enter into Change Order No. 4 to SEAPA's Contract No. 25021 with Canyon Industries, Inc. for the not-to-exceed value of \$117,880 for a Unit Control Cabinet for the SEAPA's Tyee Lake Third Turbine, Generator, and Transformer Procurement Project.



SOUTHEAST ALASKA POWER AGENCY

AWARD OF AUDIT SERVICES

On November 12, SEAPA issued a Request for Proposals (RFP) for professional financial auditing services for fiscal years 2025, 2026 and 2027 from BDO USA, LLP and Teuscher Walpole, LLC and requested responses by December 1. The RFP responses will be forwarded to the Board as soon as they both become available and no later than the December 3 board meeting.

SUGGESTED MOTION
I move to authorize staff to engage with _____ for professional auditing services for the fiscal years 2025, 2026, and 2027.



SOUTHEAST ALASKA POWER AGENCY

Date: November 20, 2025
To: SEAPA Board of Directors
From: Robert Siedman, P.E., Chief Executive Officer
Subject: Wholesale Power Rate

Please consider the following suggested motion:

SUGGESTED MOTION
I move to approve setting SEAPA's wholesale power rate at 7.3 cents per kWh for the period January 1, 2026 through December 31, 2026.

The fiscal year 2026 budget presented for the Board's consideration is premised on a Wholesale Power Rate (WPR) of \$0.073 (7.3¢) per kWh, which is the same rate approved for the FY2025 budget. Staff does not recommend an increase to the WPR for the FY2026 budget. If approved, the rate will be effective on January 1, 2026.

AGENDA ITEM 7D

FY2026 Draft Budget

(Draft distributed to Directors under separate cover)



SOUTHEAST ALASKA POWER AGENCY

Date: November 21, 2025
To: Robert Siedman, P.E., CEO
From: Mark Hilson, P.E., Project Manager
Subject: 2026 Cleveland Helipad Installation Contract (RR19307)

Staff solicited bids for the installation of six new aluminum and one steep-slope, owner-supplied, helicopter landing pads on the Cleveland Peninsula on October 1, 2025. Results of the responsive bids timely received on November 7, 2025 are as follows:

Proposer	Location	Bid Amount
H Construction, LLC	Palmer, Alaska	\$415,001
Dawson Construction, LLC	Bellingham, Washington	\$472,435
Marble Construction	Ketchikan, Alaska	\$645,000

Each response was evaluated on experience with Alaska generally and SE Alaska in particular in carrying out similar projects, pricing, safety program/record, general approach to the work, schedule and capacity to timely/efficiently respond to the required work, completeness and quality of bid documents, and the contractor's warranty.

Following independent reviews of the bids received, H Construction, LLC received the highest score for the proposed work and most competitive price for the project. The overall budget of \$679,300 for RR19307 is included in the FY2026 budget and includes \$485,022 for 2026 construction, installation, and project management. Pending contract approval, this project is scheduled for completion by July 31, 2026.

Staff recommends award of the 2026 Cleveland Helipad Installation Contract to H Construction, LLC.

Please consider the following suggested motion:

SUGGESTED MOTION
I move to authorize staff to enter into a Contract with H Construction, LLC for SEAPA's 2026 Cleveland Helipad Installation project for the lump-sum value of \$415,001, plus a 5% contingency of \$20,750, for a total not-to-exceed amount of \$435,751.

Date: November 21, 2025
To: SEAPA Board of Directors
From: Robert Siedman, P.E., Chief Executive Officer

SEAPA 2026 Operations Plan

Every year SEAPA presents the Operations Plan (Ops Plan) for Board approval in accordance with Section 5 of the Power Sales Agreement¹ (PSA). The annual plan forecasts expected reservoir levels for Tye Lake and Swan Lake for the upcoming year by maximizing output from SEAPA facilities and optimizing water resources. Pursuant to the PSA, the Ops Plan gives first priority to the dedicated Firm Power Requirements of each Utility and optimizes Additional Dedicated Output as a second priority for additional power requirements. Optimization of water resources is achieved by an algorithmic math model as represented in Figure 1.

1.0 Water Resource Algorithmic Math Model Process

Step 1: Current lake levels

Step 2: Inflow Forecasts

1. NOAA
2. USGS
3. NINO3.4

Step 3: Load Forecast

1. Temperature Forecasts
2. Scheduled Maintenance
3. STICS/Historic Loads

Step 4: Iterative Math Model

1. Case Reservoir Plots
2. Optimized Water Resources

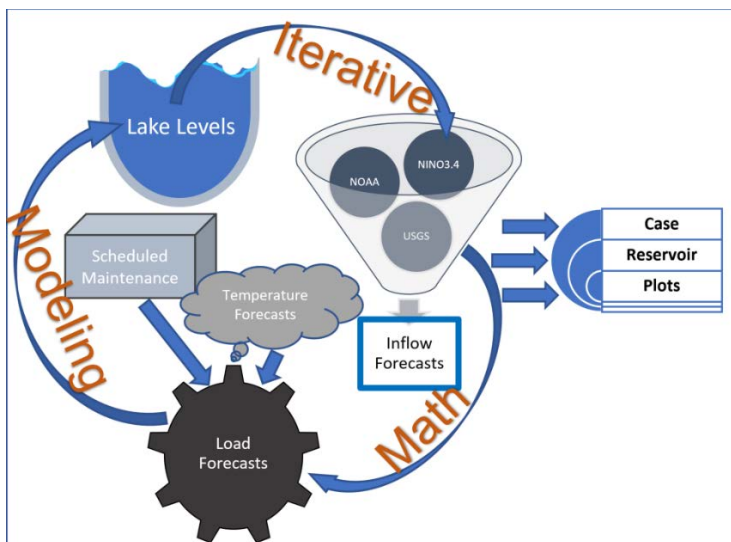


Figure 1: Math Modeling: Optimizing Water Resources

¹ Section 5 of the Power Sales Agreement states that SEAPA shall prepare annually an Operations Plan to estimate the Firm Power Requirements of the Purchasing Utilities and identify Dedicated Output to maximize utilization and optimize output at each facility.

The iterative process utilized in the algorithm to optimize water resources was applied to a variety of cases. Each case was further analyzed, and curves were developed. Special consideration was made to ensure optimization of water resources without risking dedicated Firm Power Requirements of the Purchasing Utilities. The process, assumptions, and results are discussed below.

2.0 Current Lake Levels

The lake levels as of November 2025 are at full capacity. This is contributed to by above-average precipitation in 2025, in addition to both lakes being nearly full in January to start the season.

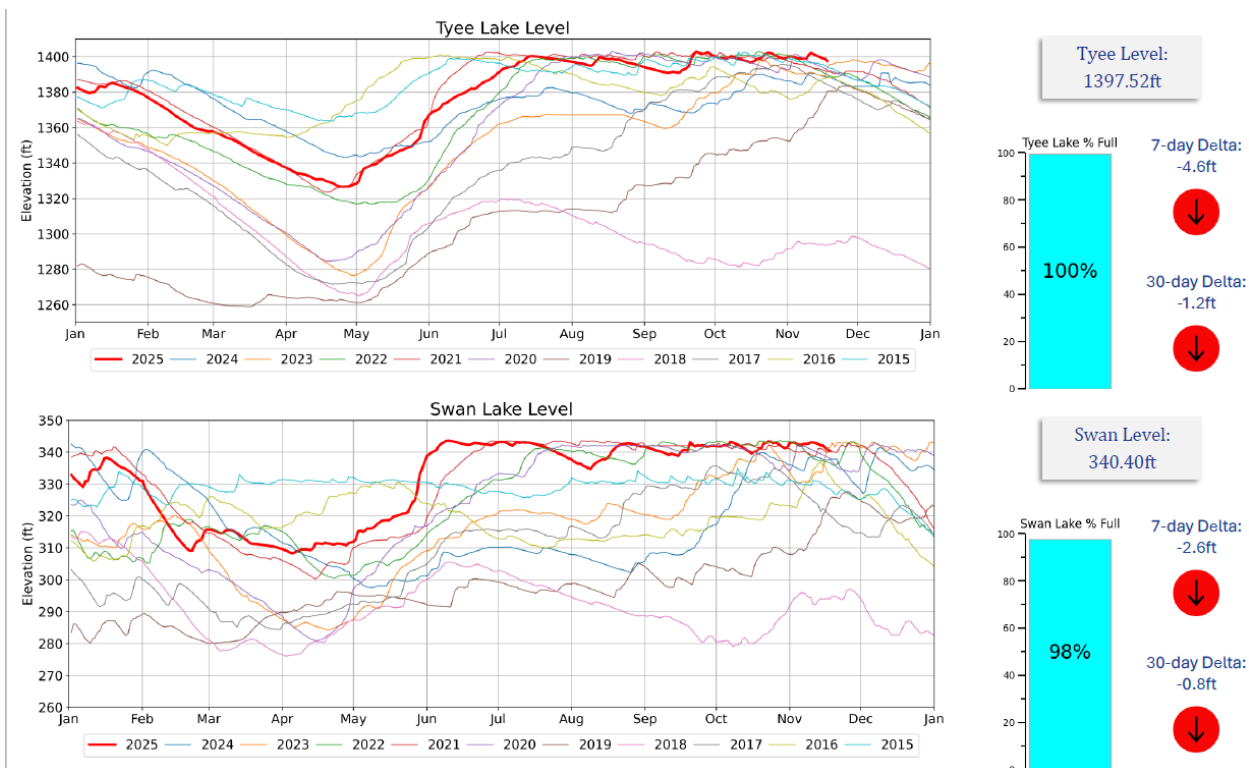


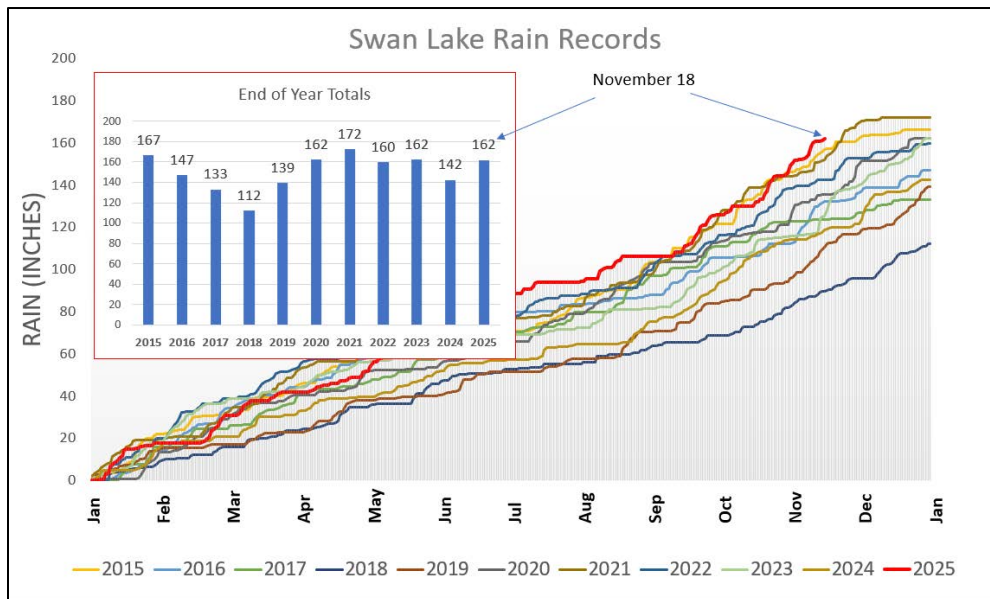
Figure 2: SEAPA lake levels 2025

Snow surveys conducted in 2025 indicated below-average snowpack levels, with Swan Lake measuring 78% of its year-to-year average and Tyee Lake measuring 71%. Despite the low snowpack, inflows were significantly boosted by an exceptional precipitation event in May, when Swan Lake recorded 29.7 inches of rainfall; 476% of the previous 10-year average for the month.

As a result of these conditions, neither project approached its Board-approved draft limit during the year. These hydrologic conditions demonstrate that, despite reduced snowpack, the substantial May precipitation provided enough inflow to maintain reservoir levels well above expected thresholds throughout 2025.

3.0 Rainfall – Inflows for 2025

Precipitation for 2025 from January through October was well above the 10-year average (141%).



The chart on the left (Figure 3) illustrates a 10-year graph of precipitation recorded at Swan Lake. As evidenced in this chart, precipitation in 2025 was well above average by November this year. With a sum of 162 inches of rain to date, this year was the highest recorded in ten years for total precipitation, with the month of December not yet accounted for.

Figure 3: 10-Year Historical Rainfall: Swan Lake

4.0 Inflow Forecasts

Inflow predictions for calendar year 2026 were developed using updated NOAA Niño 3.4 data, current ENSO outlooks, Pacific Decadal Oscillation (PDO) trends, and historic USGS inflow records. NOAA's most recent 3-month outlook for November–December–January now shows an increased likelihood of below-normal temperatures across Southeast Alaska, paired with an equal chance of above-, near-, or below-normal precipitation, indicating no strong precipitation signal entering winter.

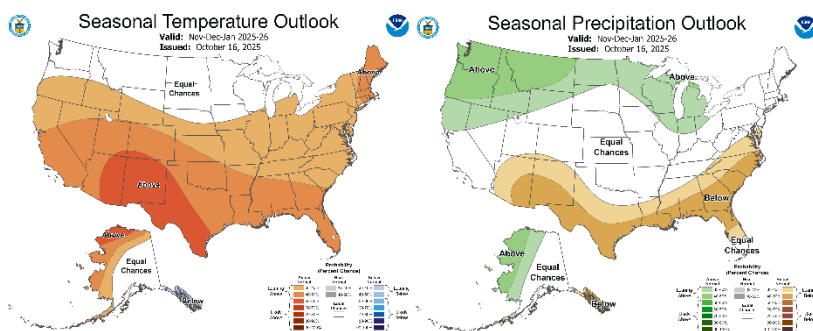


Figure 4: NOAA Nov-Dec-Jan Outlook

NOAA is predicting La Nina conditions for the first half of 2026. The models demonstrate a climate pattern similar to 2022, which would indicate a higher chance of an above-average snowpack.

There are dozens of institutions that have developed El Nino Southern Oscillation models (ENSO). Oceanographic temperature models such as ENSO's are used by NOAA.

The latest ENSO models show that we are currently in La-Nina conditions with Ocean temperatures currently below historically average levels. Colder Southern Ocean temperatures typically correlate to colder weather and lower precipitation rates in the Northwest hemisphere.

Figure 5 illustrates the International Research Institute (IRI) and Climate Prediction Centers (CPC) ENSO model. Apparent to all participating institute forecasts is a continued below-average ocean temperature. The models indicate that Ocean Temperatures should begin to rise through 2026 reaching an ENSO-Neutral status by August.

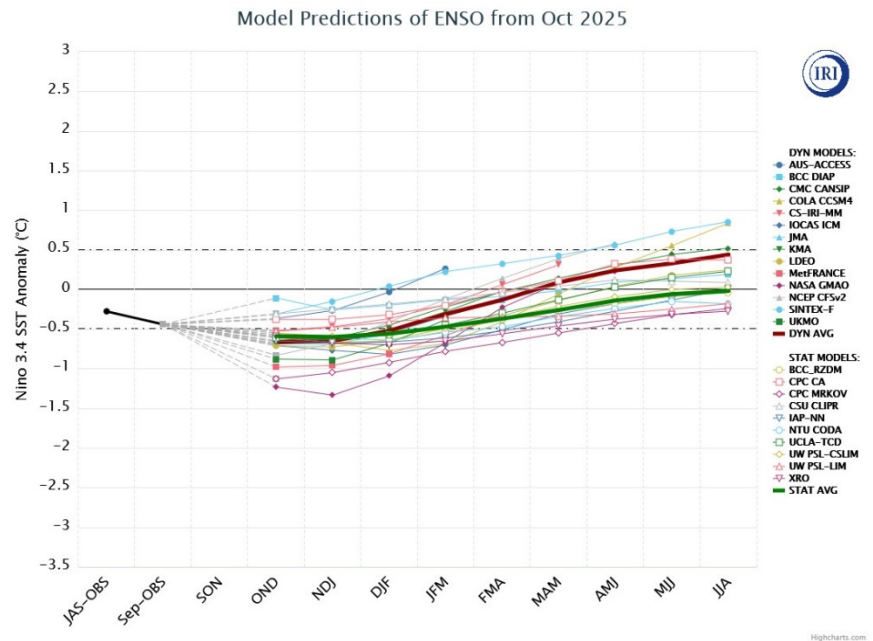


Figure 5: 2026 ENSO Model

Inflow seasons are cyclical and have a close correlation with ocean temperatures. El Nino and La Nina conditions impact precipitation in Southeast Alaska, however, a second oscillation discovered by scientist Steven Hare in 1996 called the Pacific Decadal Oscillation (PDO) also has an impact. In general, an El Nino will cause an increase in precipitation and a La Nina will cause a decrease in precipitation for Southeast Alaska. ENSOs (El Nino's and La Nina's) appear to impact the standard deviation of precipitation from average, and the PDO appears to shift the precipitation average up and down.

As shown in Figure 6 below, in a Cold Phase (PDO), the average precipitation is approximately 160 inches whereas in a Warm Phase (PDO), the average precipitation is 125 inches. After superimposing Ketchikan rain data onto PDO and ENSO charts, data suggests that we may be entering into a Warm Pacific Decadal Oscillation Phase, although Ketchikan has been oscillating above and below average recently.

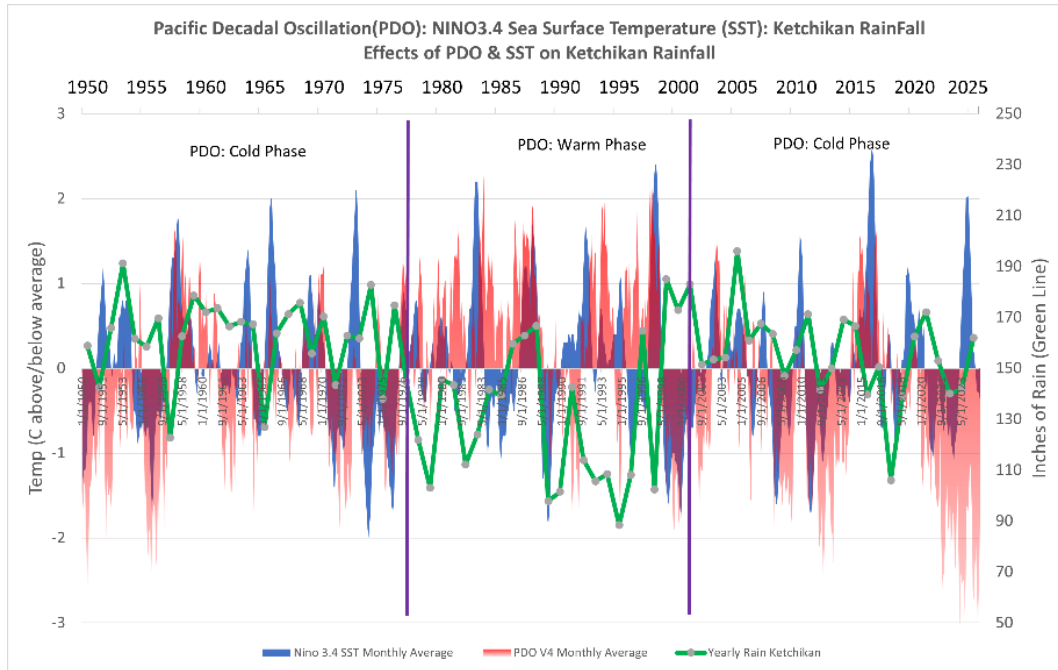


Figure 6: PDO Shifting of Average Rainfalls on 20-Year Cycle

If predictions from the PDO/ENSO models and historical trends hold true, inflows will fluctuate up and down approximately 22% below the previous 20-year averages. Figure 6 in the PDO/ENSO records also explain with a certain degree of confidence the reason for the 2018 and first half of 2019 low inflows (drought conditions). 2023-2024 had below-average inflows whereas 2024-2025 had above-average inflows. It is prudent for SEAPA to consider inflow cases that are reflective of a Warm PDO phase (below-average inflows) for developing sales and curtailment curves.

Case Month	(2018) SWL Low Inflow (avg day cfs)	(2013-2017) SWL Avg Inflow (avg day cfs)	(2018) TYL Low Inflow (avg day cfs)	(2013-2017) TYL Avg Inflow (avg day cfs)
jan	256.3	316.5	38.8	95.6
feb	12.5	157.5	26.7	65.2
mar	156.4	133.0	20.4	53.3
apr	462.8	427.3	72.1	117.1
may	702.3	670.3	308.4	277.3
jun	358.9	560.8	160.0	266.3
jul	98.2	367.0	99.3	195.5
aug	99.2	295.9	74.1	162.8
sep	176.3	473.9	79.4	191.4
oct	440.8	410.9	132.0	186.0
nov	650.1	446.4	146.3	83.9
dec	364.8	387.8	120.3	76.1
Average Annual	314.9	387.3	106.5	147.5

4.1 Average Inflow (2013-2017) Cases (left table)

The table (left) 1 illustrates SEAPA's predicted inflow cases that were used for the Swan and Tye Lake reservoir level models, which were selected based on NOAA and PDO predictions for 2026. The average annual cfs for this inflow case at Swan Lake was 387.3 cfs and the average annual cfs for Tye Lake was 147.5 cfs.

4.2 Low Inflow (2018) Cases (left table)

The low (2018) inflow case for Swan Lake was inserted into the model with an average annual cfs value of 314.9 cfs. Low inflows were based on 2018 inflows. The low (2018) inflow case used in the model for Tye Lake was 106.5 cfs. These inflow cases were selected based on possible reoccurrence of 2018 (low probability) and developing sales/curtailment curves.

5.0 Load Forecasts

Load forecasts and projected SEAPA deliveries for calendar year 2026 were developed using NOAA's latest January–February–March outlook, which indicates below-normal temperatures consistent with ongoing La Niña conditions. In response to the expected colder winter pattern, SEAPA has budgeted January through March loads 5% higher than 2025 actual loads to reflect increased electric heat demand. Whitman generation was included in the 2026 planning process and is fully accounted for within SEAPA's load forecasting. Consistent with the 2023 Load Growth Study, Ketchikan, Petersburg and Wrangell loads were biased 0.5% higher than 2025 actuals for the remainder of the season, reflecting expected regional electric heat adoption and normal system growth trends.

The forecasted Firm Power Requirements for the respective utilities, based on average loads, are as follows:

Swan Lake Expected Generation: **74,597 MWh (Dedicated Output)**

Ketchikan Loads: **103,303 MWh (Firm Power Requirements)**

Tyee Lake Expected Generation: **124,245 MWh**

PTG & WRG Loads: **87,076 MWh (Firm Power Requirements and Dedicated Output)**

Table 2 illustrates the Load Forecast for 2026 (starting in January) which demonstrates the anticipated transfer of energy across the STI. Section 5 of the PSA discusses development of the Operations Plan on an annual basis with a caveat for the plan to be reviewed periodically as needed. SEAPA will continue to review lake levels weekly and discuss the Operations Plan every Tuesday during Operation Meetings.

	KTN			Swan Lake		STI		WRG-PSG			Tyee Lake	
	Expected	Required	Required	Expected Gen	Expected Gen	STI Expected	STI Expected	Expected	Required	Required	Tyee Expect	Tyee Expected
	Delivery	Generation	Generation	from Inflow	from Inflow	(balance)	(balance)	Delivery	Generation	Generation	Generation	Generation
	MWh	MWh	Avg MW	Avg MW	MWh	MWh	Avg MW	MWh	MWh	Avg MW	Avg MW	MWh
JAN	11397.8	11967.7	16.1	10.1	7503.7	4464.0	6.0	10005.9	10406.2	14.0	20.0	14870.2
FEB	13528.2	14204.6	21.1	15.7	10575.8	3628.8	5.4	10202.7	10610.8	15.8	21.2	14239.6
MAR	10828.1	11369.5	15.3	9.9	7351.9	4017.6	5.4	8739.7	9089.3	12.2	17.6	13106.9
APR	9363.4	9831.5	13.7	8.4	6015.5	3816.0	5.3	7111.2	7395.7	10.3	15.6	11211.7
MAY	7083.6	7437.8	10.0	4.0	2973.8	4464.0	6.0	5785.9	6017.3	8.1	14.1	10481.3
JUN	4497.6	4722.5	6.6	6.6	4722.5	0.0	0.0	4152.9	4319.1	6.0	6.0	4319.1
JUL	6600.0	6930.0	9.3	6.3	4698.0	2232.0	3.0	6694.2	6961.9	9.4	12.4	9193.9
AUG	5685.5	5969.7	8.0	5.0	3737.7	2232.0	3.0	5502.3	5722.4	7.7	10.7	7954.4
SEP	5561.1	5839.1	8.1	6.1	4399.1	1440.0	2.0	5356.1	5570.4	7.7	9.7	7010.4
OCT	7132.6	7489.2	10.1	8.1	6001.2	1488.0	2.0	6635.7	6901.1	9.3	11.3	8389.1
NOV	9261.2	9724.3	13.5	11.5	8284.3	1440.0	2.0	7164.6	7451.2	10.3	12.3	8891.2
DEC	12363.8	12982.0	17.4	11.4	8332.8	4464.0	6.0	9724.5	10113.5	13.6	19.6	14577.5
Total	103302.8	108467.9	-	-	74596.3	33686.4	-	87075.8	90558.8	-	-	124245.2

Table 2: SEAPA 2026 Load Forecast

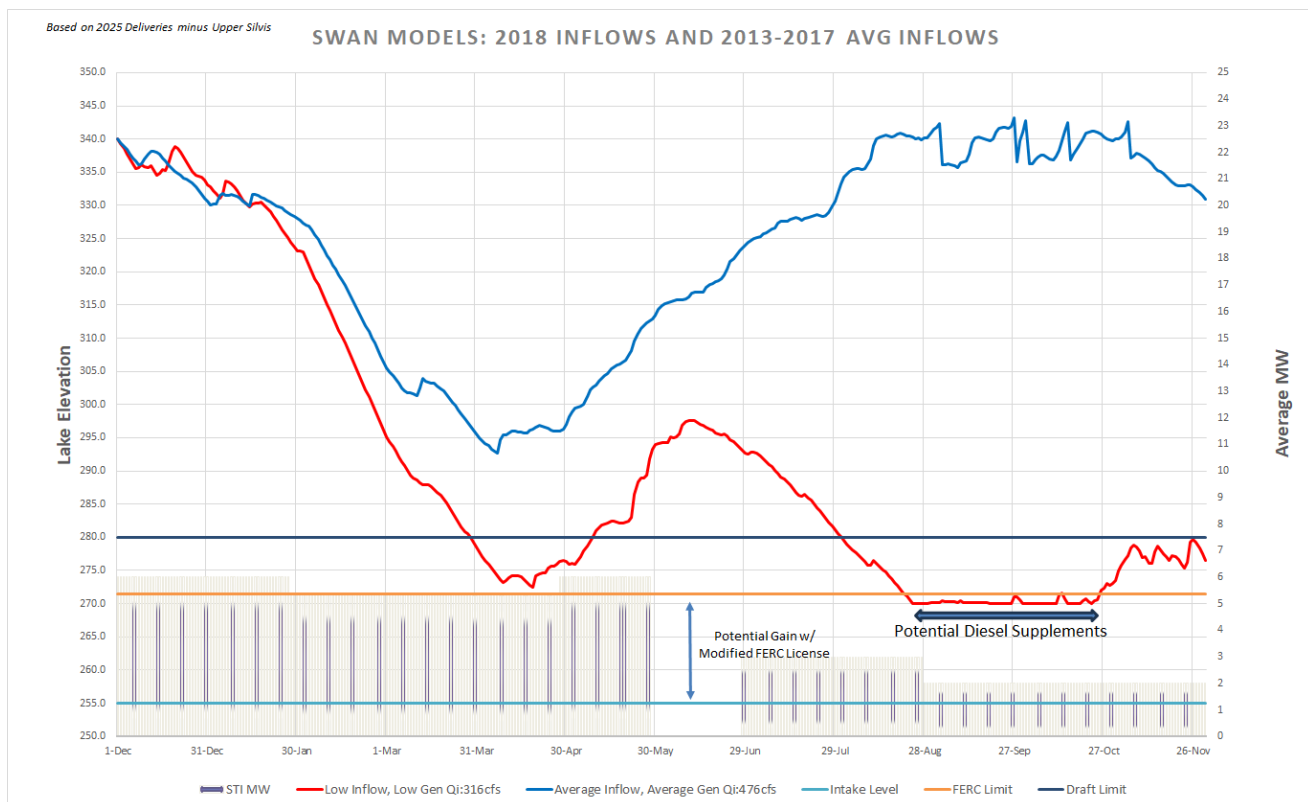
5.1 Scheduled Maintenance

SEAPA does not anticipate any extended outages during the calendar year 2026. Typical line maintenance, generator unit annual maintenance, and substation maintenance were considered when developing the load forecasts. Tyee's 480V Station Service Switchgear and 15kV Switchgear projects will be commissioned in 2026. However, neither project will have a major impact on operations. SEAPA does not anticipate these projects will influence load profiles.

6.0 Iterative Math Model

The Tyee and Swan Lake models used to predict lake levels involve iterating through inflow scenarios and generation load sequences. Lake level data was entered at Tyee (less 10ft) and Swan (less 5ft) of actual lake levels on the day the models ran. Once the inflow predictions were developed, adjustments to generation inputs were performed to maximize utilization of the outputs for Tyee and Swan. Adjusting the amount of Additional Dedicated Output across the STI as illustrated in Table 2 changes draft rates and subsequent maximum drafts at each lake. The curves illustrated below demonstrate a band of operation that SEAPA predicts for Swan lake levels, utilizing Additional Dedicated Output from Tyee.

6.1 Swan Lake Reservoir Plot (Low & Average Inflows)



The 2026 Swan Lake reservoir model in Figure 7 above illustrates the two case scenarios discussed in preceding sections. Both scenarios illustrate recovery scenarios, draft rates and maximum drafts for Swan Lake utilizing Additional Dedicated Output from Tyee Lake across the STI. Modeling inflows using average inflows (2013-2017 averages) (blue line) illustrate that Swan Lake will moderately draft and nearly fully recover in November. In the case of 2018 average inflows (worst case scenario), Swan Lake could potentially drop below the draft limit of 280ft in 2026. Additional Dedicated Output from Tyee is illustrated in the bar graphs (33,686 MWh). If the Tyee Lake level is above the curtailment curve after July 1, 2026, Additional Dedicated Output from Tyee will be increased to allow Swan Lake to recover.

6.2 Coordination of KPU Supplemental Diesel Generation

Ketchikan's Firm Power Requirements are typically provided by SEAPA in accordance with the PSA by utilizing Swan Lake's Dedicated Output and Tyee Lake's Additional Dedicated Output. However, considering the 2018-2019 drought, Tyee may not have Additional Dedicated Output available if the drought returns. It is therefore prudent to formalize integration of KPU Supplemental Diesel Generation to ensure compliance with the Power Sales Agreement.

It is well known from historical lake levels and Ketchikan load profiles, prior to the installation of the STI transmission line, that Swan Lake does not have the capacity to meet the Firm Power Requirements of Ketchikan without Additional Dedicated Output from Tyee. On a typical year, Tyee Lake has the capacity to provide Additional Dedicated Output. Pursuant to the PSA and with consideration of possible drought conditions, SEAPA coordinated with KPU to minimize overall use of diesel, maximize utilization of Swan Lake's output, and avoid future spill in lower water years. The outcome of coordinating KPU Supplemental Diesel Generation is discussed below with reference to the figure below.

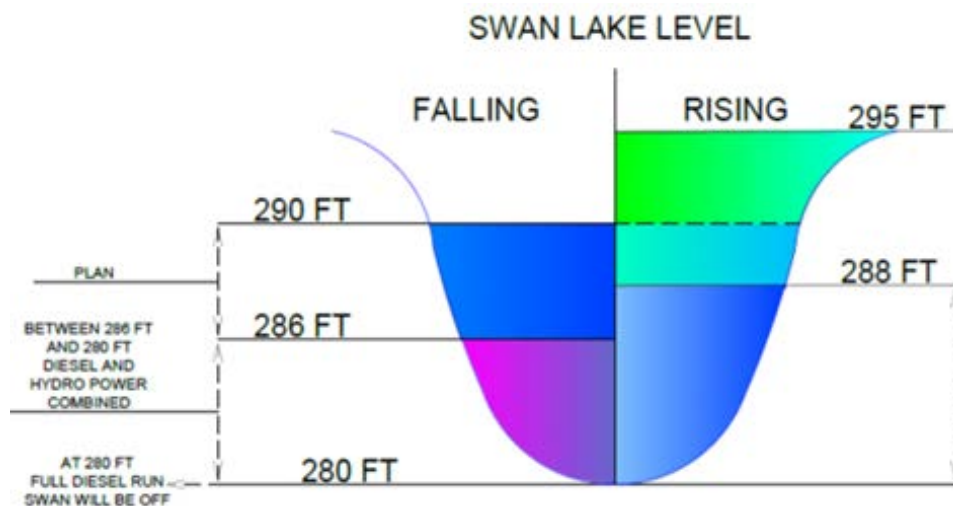


Figure 8: KPU Swan Diesel Ops Plan

During a drafting period of Swan Lake (typically early Spring), at an elevation of 286ft, KPU may utilize supplemental diesel generation to slow the draft rate at Swan Lake until the Draft Limit of 280ft is reached. Once the Draft Limit of 280ft has been reached, Swan Lake generators may remain off and KPU may utilize full diesel generation to meet Ketchikan's Full Power Requirements until an elevation of 288ft is reached.

During a rising recovery period, KPU diesel generation should be terminated at elevation 288ft and Swan Lake should be utilized to meet the Firm Power Requirements of Ketchikan if Swan Lake has the generating capacity to do so. Upon approval of this plan, the Swan Lake draft limit can be lowered without Board approval by way of a written request to SEAPA from KPU. Lowering the draft limit would lower the KPU Swan Diesel Ops Plan proportionally for all elevations in Figure 8.

6.3 Tyee Lake Reservoir Plot (Operations Plan)

The 2026 Tyee Lake reservoir model (Figure 9) demonstrates two case scenarios, a Guide/Curtailment Curve, and a Sales Curve. All models represent Petersburg/Wrangell loads and Additional Dedicated Output as illustrated in Table 2, with two inflow cases. The Tyee 2018 inflow case (minus 10ft) with average loads represents the Guide Curve and will be considered as a Curtailment Curve (red line). If Tyee Lake elevations fall below this curve, Additional Dedicated Output will be considered unavailable and net sales from Tyee to Ketchikan will be curtailed. Tyee will remain curtailed until Tyee Lake levels have reached the Sales Curve (green line). The area between the Sales curve and Curtailment curve is considered the Tyee Operations Band. Once the elevation of Tyee Lake has reached the Sales Curve (green line), Additional Dedicated Output will be made available to Ketchikan for as long as Tyee Lake levels remain above the Curtailment Curve (red line).

The Balancing Lakes section discusses optimizing Swan Lake efficiencies during curtailment periods, where Tyee may be used to provide frequency support under certain conditions. This Operations Plan is conservative, using 2018 low inflow data minus 10ft and will maintain 10 feet in Tyee Lake (at the Draft Limit) for the Sales and Curtailment curves.

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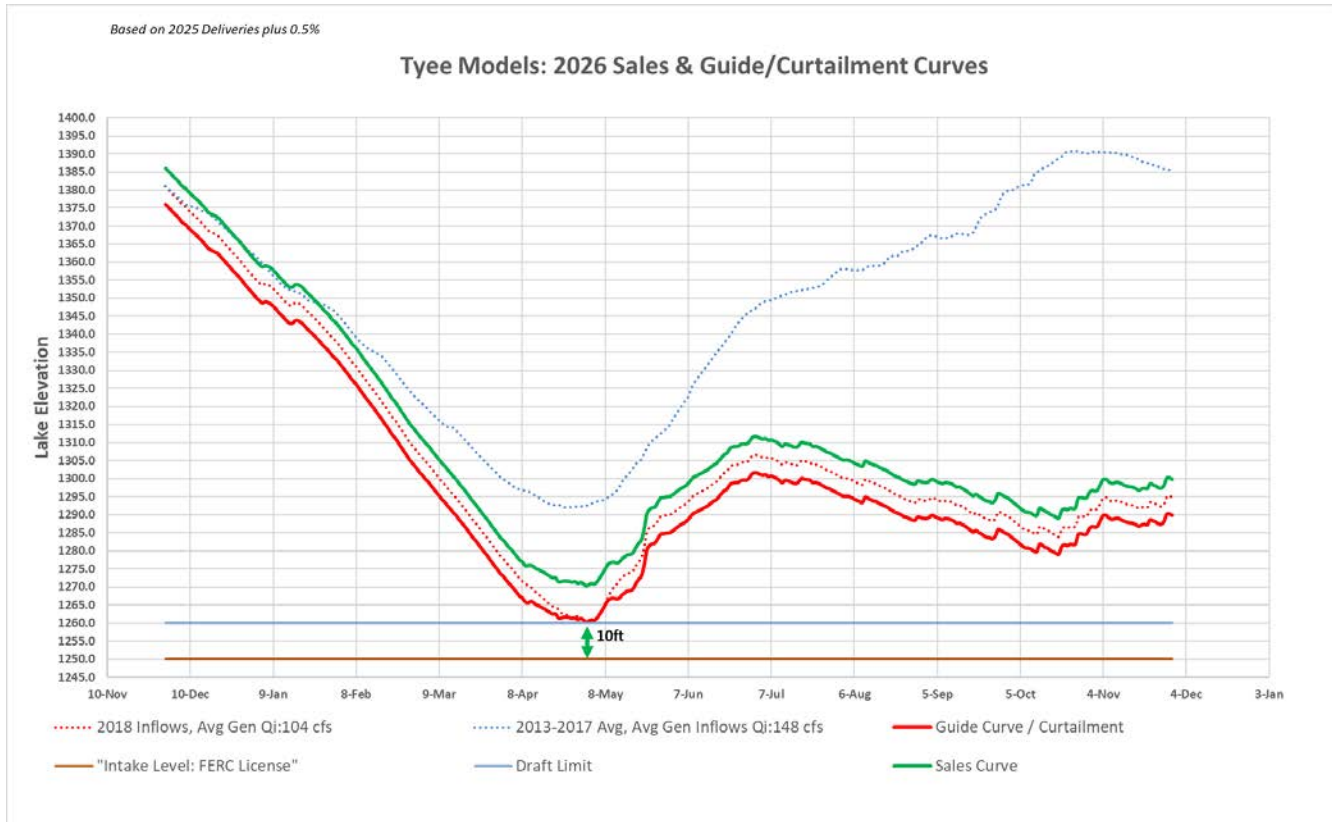


Figure 9: Tyee Lake Reservoir Plots

6.4 Coordination of Petersburg & Wrangell Supplemental Diesel Generation

Petersburg and Wrangell's Firm Power Requirements are typically provided by SEAPA in accordance with the PSA by utilizing Tyee Lake's Dedicated Output. However, with consideration of the 2018-2019 drought, Tyee could possibly exhaust Additional Dedicated Output and all available Dedicated Output if the drought returns. It is therefore prudent to formalize integration of Petersburg and Wrangell Supplemental Diesel Generation to ensure compliance with the Power Sales Agreement.

It is well known from historical lake levels and Petersburg/Wrangell load profiles prior to the installation of the STI transmission line that Tyee typically has the capacity to meet the Firm Power Requirements of Petersburg and Wrangell. On a typical year, Tyee Lake has capacity to provide Dedicated Output plus Additional Dedicated Output. If however, inflows are significantly less than the 2018 inflow season, Tyee could draft to the Draft Limit, without any sales to Ketchikan (even under curtailment). Coordination of Petersburg and Wrangell Supplemental Diesel Generation is discussed below with reference to the figure below.

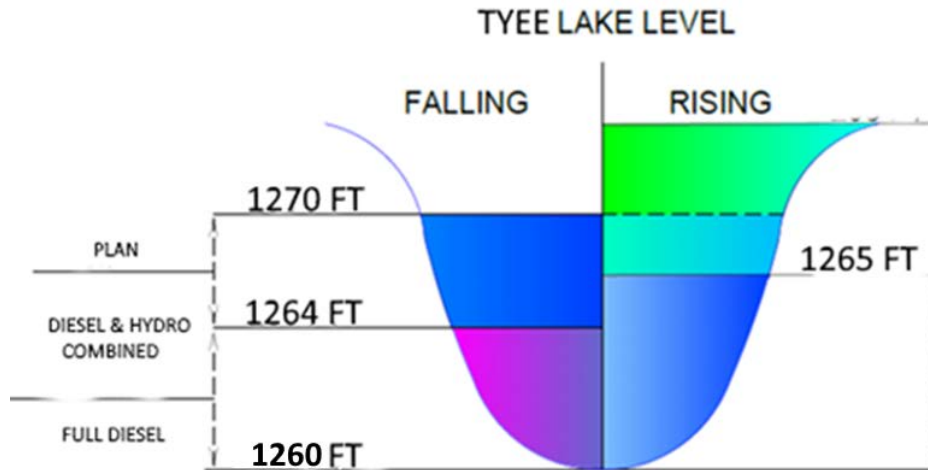


Figure 10: PTG & WRG Tyee Diesel Ops Plan

During a drafting period of Tyee Lake (typically early Spring), at an elevation of 1264ft, Petersburg and Wrangell may utilize supplemental diesel generation to slow the draft rate at Tyee Lake until the Draft Limit of 1260ft is reached. Once the Draft Limit of 1260ft has been reached, Tyee Lake generators may remain off and Petersburg and Wrangell may utilize full diesel generation to meet Petersburg and Wrangell's Full Power Requirements until an elevation of 1265ft is reached. During a rising recovery period, Petersburg and Wrangell diesel generation should be terminated at elevation 1265ft and Tyee Lake should be utilized to meet the Firm Power Requirements of Petersburg and Wrangell if Tyee Lake has generating capacity to do so. At elevations above the curtailment curve (once the sales curve is reached) in Figure 9 (red line), SEAPA may utilize Tyee Lake for Additional Dedicated Output to maximize utilization by sending power from Tyee Lake, across the STI, to Ketchikan (see Balancing Lakes section for further details). Upon approval of this plan, the Tyee Lake draft limit can be lowered without Board approval by way of a written request to SEAPA from both PMP&L and WML&P. Lowering the draft limit would lower the PTG & WRG Diesel Ops Plan proportionally for all elevations in Figure 8.

7.0 Balancing Lakes

The Power Sales Agreement requires SEAPA to maximize utilization and optimize output of Tyee Lake and Swan Lake facilities through the use of water management and other efficient dispatch procedures adopted by the Agency. Water management and efficient dispatch is referred to by the Agency as balancing lakes. The following sections discuss how the Agency uses load tables, efficient dispatch and generation plans for balancing lakes to maximize utilization and optimize output of Tyee and Swan.

7.1 Load Tables

Operations Table					
	STCS MW	S1	S2	T1	T2
1	4.00	0.00	0.00	2.00	2.00
2	10.00	0.00	0.00	5.00	5.00
3	12.00	5.00	0.00	3.50	3.50
4	14.00	6.00	0.00	4.00	4.00
5	15.00	7.00	0.00	4.00	4.00
6	16.00	8.00	0.00	4.00	4.00
7	17.00	9.00	0.00	4.00	4.00
8	18.00	9.00	0.00	4.50	4.50
9	19.00	9.00	0.00	5.00	5.00
10	20.00	9.00	0.00	5.50	5.50
11	22.00	9.00	0.00	6.50	6.50
12	24.00	9.00	0.00	7.50	7.50
13	26.00	9.00	0.00	8.50	8.50
14	28.00	10.00	0.00	9.00	9.00
15	29.00	10.00	0.00	9.50	9.50
16	30.00	10.00	0.00	10.00	10.00
17	31.00	11.00	0.00	10.00	10.00
18	32.00	11.00	0.00	10.50	10.50
19	33.00	11.00	0.00	11.00	11.00
20	34.00	11.00	0.00	11.50	11.50

Figure 11: STCS Load Table

The Swan-Tyee Control System (STCS) is used by the Agency to automate Swan Lake generators for maximizing efficiency, delivering Firm Power Requirements and balancing lake levels. STCS is an automated Real Time Automation Controller (RTAC) that utilizes Load Tables (Figure 11) to input Swan Lake generation setpoints into the governors at specific total SEAPA system loads. Load tables are developed on a weekly basis. Changing Swan Lake generator setpoints in the load tables allows SEAPA to draft Swan and Tyee lakes at increased or decreased rates, to follow guide/sales curves and stay above curtailment curves if possible.

Load Tables are developed weekly based on lake levels, draft rates, load forecasts, weather forecasts and efficiency curves (Figure 12 and Figure 13). SEAPA forecasts total system loads weekly by using historical data from the previous week and adjusting according to new loads (fish loads etc.) to include temperature corrections for the upcoming week. On average, SEAPA total system loads change in the winter months as a function of temperature at a rate of 0.67% per degree-day Fahrenheit. Adjusting load tables change the draft rates however if load table adjustments do not slow the draft rate at Tyee and the curtailment curve is reached, net sales from Tyee to Ketchikan will be curtailed. To maximize efficiency at Swan and Tyee during a curtailment period, transfer of energy across the STI will be balanced daily, with zero net sales. The overall sum of energy transferred across the STI (continuously summed and recorded weekly) will be maintained at zero total megawatts. During a curtailment period, Tyee will be used exclusively for Petersburg and Wrangell Firm Power Requirements and for maximizing efficiencies.

7.

7.2 Efficiency Curves

Swan Lake generators have Francis, reaction-type turbines designed specifically for full load operation in a range from approximately 270 feet to 350 feet of net head. Figure 12 (below) illustrates the efficiency curves for the Swan Lake turbines at various lake elevations. As seen from the figure below, efficiency of the Swan Lake turbines drops off significantly as loads are reduced below 9.5MW. If for example

Swan Lake was operated at 5MW at elevation 290 feet, the efficiency of the turbine would be at 83%. The turbine efficiency curves below do not include penstock losses, generator windage losses, I²R losses and all other stray losses that can reduce the efficiency by another 5-10%. By operating the Swan Lake generators in the efficiency zone, 92-94% turbine efficiencies can be achieved, thereby saving over 10% of wasted water (for a 5MW target). For SEAPA to operate Swan Lake turbines in their efficiency zones, cycling the units on-and-off (once a day or every few days) may be required to meet target MW and manage lake levels.

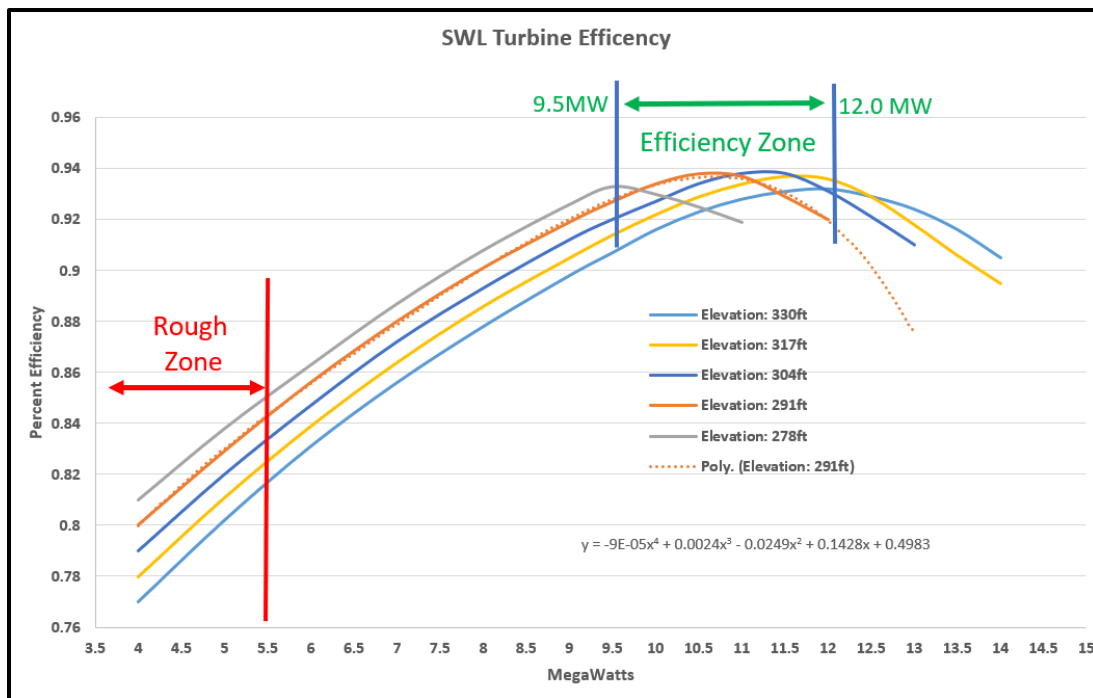


Figure 12: Swan Lake Turbine Efficiency Curves

Swan Lake generators begin to vibrate significantly as the turbines cavitate in the rough zone. The rough zone for Swan Lake generators is approximately between 2.5MW and 5.5MW. Rough zone operation causes abnormal wear and tear due to vibration and cavitation. Maintenance costs are greatly increased by operation in this zone to include increased cavitation repair, bearing damage, fatigue cracking, electrical generator winding damage and much more. Due to increased maintenance, operation in the rough zone will also reduce availability while making repairs. For reasons as stated above, SEAPA will not operate Swan Lake generators in the rough zone for extended periods of time.

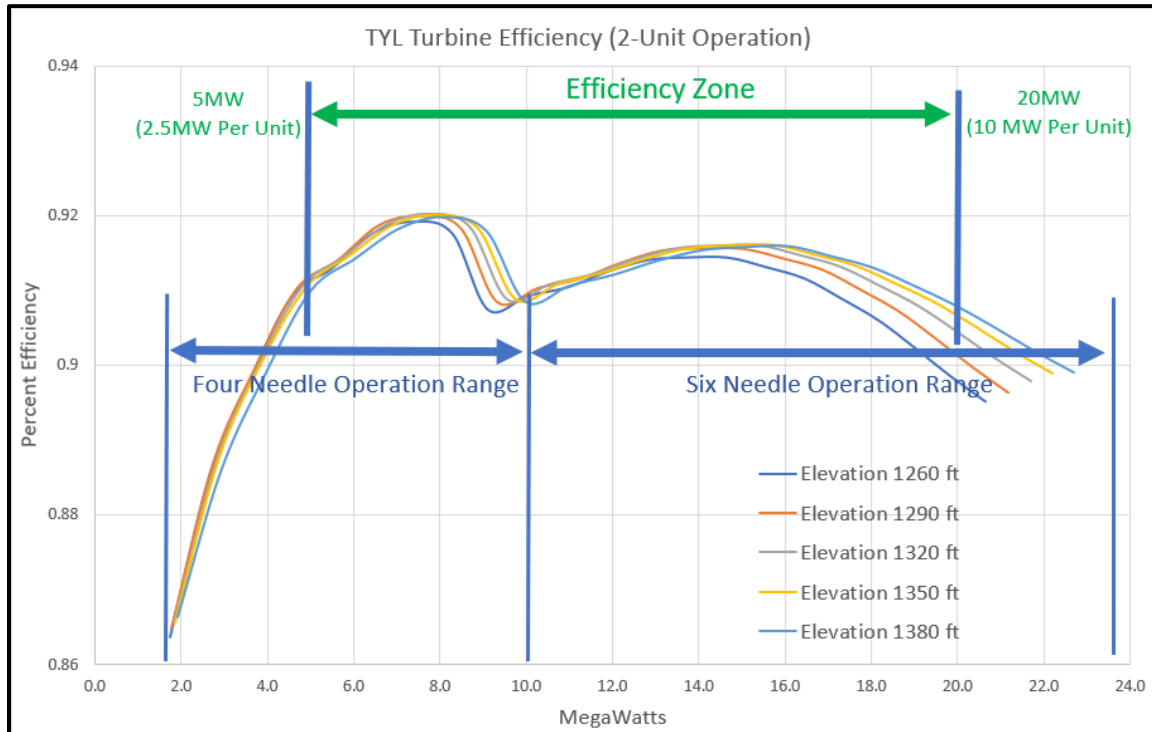


Figure 13: Tyee Lake Turbine Efficiency Curves'

Tyee lake generators have Pelton, impulse type turbines designed specifically to operate in a range from 1250 feet to 1398 feet net head. Figure 13 (above) illustrates the efficiency curves for the Tyee Lake turbines at various lake elevations. As shown in the figure above, operation of the Tyee Lake turbines has a very broad efficiency range. Impulse machines generally have a much flatter/broader range for efficiency compared to reaction machines, which allow them to operate at lower MW and remain in their efficiency zone. What is also evident is the efficiency gains achieved in the governors at Tyee by sequencing the needle valves from 6-valves to 4-valves at specific cfs ranges.

7.3 Optimizing Output

The Swan Lake Load Forecast (Table 2) illustrates that for the lake to maintain levels above the Draft Limit (in Figure 7), an average of 3.7MW to 10.4MW will likely be required throughout the year. Operating Swan Lake below 8MW will cause the machine(s) to run extremely inefficiently (upwards of 20% of the water could be wasted in turbine efficiency losses at 2MW loads). To maximize Swan Lake efficiency, the generators will be operated using load tables or fixed generation points inside the efficiency zone as much as practicable. When isochronous support is requested by KPU during curtailment periods, Tyee will be used for isochronous support only. Megawatt-hours sent to the South for isochronous frequency support from Tyee during a curtailment period will be summed up daily and returned to the North from Swan on a daily or multi-day basis. The net transfer of energy during curtailment periods will be zero (recorded at the Tyee ST-11 breaker) and reported weekly during the Tuesday Operations meetings.

7.3.1 Example: Optimizing Output by Increasing Efficiency

Start Date of Operations Plan: January 1

Swan Lake Elevation (on start date): 290ft

Average Inflows: 288cfs

Average MW to match Inflows: 5MW

For the above numbers, where Swan Lake is at elevation 290 feet and the inflows due to precipitation are an average of 288 cfs, Swan Lake can be operated at an average of 5MW to maintain a lake elevation of 290 feet. If Swan Lake is operated continuously at this rate for 10-months as an example, the total number of megawatt-hours produced would be approximately 36,000MWh.

Operating Swan Lake generators at 5MW continuously would cause the average turbine efficiency of the Swan Lake generator(s) to be 83% (see Figure 12). To maximize efficiency of the generators, the unit(s) could be operated 50% of the time at 10MW (at a turbine efficiency of 93%), thereby gaining over 10% in efficiency. Over the same 10-month period, the 10% gains in efficiency (for this example) would equate to 3,600 MWh or 1 more month of operations for the same amount of water.

Under normal operating circumstances for this example, KPU would operate isochronous diesel generators 50% of the time when the Swan Lake unit is off to provide for the frequency support that the Swan Lake generator(s) provide when in service. Under circumstances where isochronous diesel generator support is not available from KPU due to mechanical or ADEC time/fuel limitations, the STI would be utilized and Tyee generators would provide isochronous frequency support. Operating Swan Lake at 10MW greatly increases efficiency in this case. For Tyee isochronous support periods, 5MW of the 10MW total generation from Swan Lake would be sent to the North 50% of the time (half-day). When Swan Lake is turned off (the other 50% or half-day), 5MW would then be sent from Tyee to the South. The result would be a net of zero megawatt-hours transferred across the STI (or used from Tyee for support) and an increase of 3,600 MWh of Swan Lake outputs due to efficiency gains for the 10-month period. This example is a way SEAPA may operate facilities by balancing lakes through the use of water management and efficient dispatch to optimize outputs.

7.4 Maximizing Utilization

Precipitation in Southeast Alaska has historically had large swings from year-to-year. For example, in 1996, the precipitation was recorded at 108 inches. The next year, in 1997, precipitation increased to 165 inches. The third year, in 1998, precipitation was recorded at a record low of 102 inches, 63-inches less than 1997. Year-over-year, precipitation swings of as much as 60-inches have been recorded. On average (depending on saturation and lake levels), an inch of rain is equal to over two feet of water in Tyee lake and approximately one foot of water in Swan Lake. To equate that to lake levels, Tyee would have had nearly 120 more feet of water in 1997 than in 1996.

To maximize utilization of both Tyee and Swan, as an example for this three-year period, would require drafting Tyee and Swan as much as possible in 1996 to capture the high inflows in 1997 and use the stored energy from 1997 to make it through the drought in 1998. On average, Petersburg and Wrangell use approximately 200 feet of lake from Tyee per year as Dedicated Output to meet Firm Power Requirements. In 1997, the amount of inflows (160 inches) would have equated to approximately 320 feet of water in Tyee lake. Without the STI, Tyee would have spilled approximately 120 feet of water from the lake under 2018 load requirements. For reference, 120 feet of water in Tyee lake is approximately 51,600 MWh.

Drafting Tyee substantially enough to capture potential spilled energy requires dispatch of Additional Dedicated Output from Tyee to Ketchikan. Without Additional Dedicated Output, Tyee would spill excessively. However, maximizing utilization has inherent risk as it pertains to Dedicated Output.

7.4.1 Draft Limits

A Swan Lake Draft Limit was informally adopted by KPU prior to the installation of the STI to maintain contingency for diesel generators when lake levels were low. If a KPU diesel generator failed, water in Swan Lake could have been used for a limited number of contingency days until necessary repairs could be made. A Tyee Draft Limit was not taken into consideration prior to the STI because Tyee at the time was a stranded asset, with more than twice the lake capacity required to meet the Firm Power Requirements of Petersburg and Wrangell.

The Power Sales Agreement signed in 2009 did not take into consideration Draft Limits because it would have been contradictory to the term “maximum utilization.” For example, when a Draft Limit is reached and hydro generation is displaced by diesel generation, maximum utilization is reduced by the lesser of the amount of energy available from water in the lake below the Draft Limit (to the FERC limit) or the amount of energy from diesel generation that displaced hydro generation.

SEAPA's member communities have a direct financial interest in ensuring the maximum practicable sales of capacity and energy from SEAPA's hydropower facilities. This direct financial interest was recently realized when a submarine cable was replaced by SEAPA after it failed. Maximizing utilization of outputs can be more fully achieved by lowering or removing draft limits. While understanding its member utilities generation and operational constraints, SEAPA maintains its recommendation to lower or remove draft limits to facilitate this overall objective.

Since the installation of the STI, contingency for diesel generation has continued to be a concern. In 2019, members of all three communities began discussing utilizing diesel generators from other communities (dispatched through SEAPA transmission lines) as contingency. Using diesel generators for diesel contingency (instead of SEAPA hydro) would be prudent and would improve SEAPA utilization of both Tyee and Swan Lake reservoirs. SEAPA encourages its Member Utilities to engage in discussions on diesel-for-diesel contingency solutions and research methods to maximize SEAPA hydro.

Additional utilization at Swan Lake can be achieved by revisiting the licensed FERC limit. Swan Lake has a FERC draft limit of 271.5 feet. The top of the intake at Swan Lake is 251 feet. Swan Lake has the potential to provide upwards of 20 additional feet of capacity.

7.4.2 Tyee Lake Draft

Optimizing water resources is important for maximizing resource outputs as required by the Power Sales Agreement (Section 5: Operations Plan) and insuring FERC licensed limits are retained. It is however also SEAPA's mission to ensure Dedicated Outputs are delivered to meet the Firm Power Requirements of the Purchasing Utilities. In February and March of 2019, continued drought conditions in conjunction with a cold front (Polar Vortex) caused increased loads and reduced inflows at Tyee. As a result, Tyee Lake approached the Draft Limit constituting a diesel campaign in Petersburg and Wrangell.

The curtailment curve in Figure 9 illustrates utilizing a worst-case scenario (a repeat of 2018). For this inflow case, Tyee will have 10 feet of water in the lake at maximum draft. 10 feet in Tyee lakes is approximately equivalent to 4,150 MWh of available capacity.

7.4.3 Swan Lake Spill

The maximum Swan Lake reservoir height was raised from elevation 330 ft to elevation 345 ft at the end of 2016. Calendar year 2017 was the first year that the benefits of this effort were realized. In October 2023, Swan Lake reached an elevation of 343.5 ft. This added 5,400 MWh of energy captured, that would have otherwise been lost to spill. With recent water conditions, the energy captured in 2023 has already and will in the future continue to displace Diesel Generation (up to the maximum energy captured). SEAPA plans to operate Swan Lake above elevation 330 ft. in the following manner:

- Elevations 330 ft. to 341 ft. - Both generating units will be fully available and the vertical gate will be operable. Water will be stored for future use.
- Elevations 341 ft. to 343 ft. – SEAPA Operations will monitor lake levels and alarms. The gate should automatically open at elevation 343 to begin spill.
- At elevation 345 ft. both generating units at Swan Lake will be at maximum capacity with the gate 100% open until elevation 343 ft is reached.

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7.4.4 Tyee Dedicated Output

As stated in preceding sections, Petersburg and Wrangell typically require approximately 200 feet of water from Tyee Lake a year to meet their Firm Power Requirements for that respective year. Tyee Lake has a capacity to only hold 148.3 feet of water (Elevation 1250ft to 1398.3ft) before it spills. Because Petersburg and Wrangell require more water from Tyee Lake to meet their Firm Power Requirements than the lake has capacity for, any sales to Ketchikan could potentially be Dedicated Output. For example, consider the following scenario:

Tyee has a lake level elevation of 1398.3 feet. The lake is completely full whereas a single inch of rain would cause it to spill. If SEAPA dispatches one MWh from Tyee to Ketchikan and there is no rain for the rest of the year, that one MWh would have been dispatched as Dedicated Output and not Additional Dedicated Output.

On an average year, Tyee Lake receives between 250 feet and 350 feet of water from precipitation in a water cycle (year). Without dispatch of Tyee to Ketchikan, all inflows (water) in the lake greater than 200 feet would be spilled (lost energy). As a result, SEAPA sales could be greatly reduced and reinvestment in SEAPA infrastructure such as generators, transformers, transmission lines and submarine cables would be reduced. Maximum utilization is required for reinvestment to maintain reliable power.

Dispatch of Tyee Additional Dedicated Output benefits all three Member Utilities and allows the Agency (in part) to maintain the lowest Wholesale Rate possible. For reasons as stated above, there are risks associated with dispatch of Tyee to the South on both ends of the spectrum. Under-dispatch of Tyee could cause the lake to spill. Over-dispatch of Tyee could cause the Northern Communities to burn diesel that would have been avoided by use of Tyee's Dedicated Output that was dispatched to the South. In theory, ideal dispatch of Tyee Lake's Additional Dedicated Output occurs if Tyee Lake reaches the Draft Limit at maximum draft and Petersburg and Wrangell are not required to burn diesel unnecessarily.

When Additional Dedicated Output from Tyee is dispatched to the South, it either reduces the draft rate or increases the recovery rate of Swan Lake. In either case, water levels in Swan Lake (over a discreet time interval) are directly impacted (increased) by the amount of Additional Dedicated Output sent South from Tyee.

8.0 Emergency Operations Plan Deviation

Deviation from this Operations Plan by SEAPA or a Member Utility shall not be permitted except under the following circumstances:

- Safety concerns whereas any human life is at risk of injury or death
- Declaration of an emergency by a Member Utility whereas immediate action is required
- A Member Utility provides a written request to lower the draft limit for the purpose of utilizing Dedicated Outputs from their respective facility
- Equipment damage concerns in which immediate action is required to prevent damage to SEAPA or Member Utility equipment or assets
- Supermajority vote of the Board of Directors dictates otherwise



In the event of a deviation, a Special Board Meeting shall be held as soon as practicable to discuss necessary actions. If a non-emergency deviation is requested by SEAPA or Member Utility, a Special Board Meeting shall be held for approval prior to any deviation.

9.0 Communication

SEAPA's Operations Manager is the primary point of contact for SEAPA operations. In the event that the Operations Manager is not available, a designee will be assigned. For the purposes of Tuesday Operations Calls and disseminating information with regard to SEAPA operations to respective Member Utility communities and prominent leaders, each respective Member Utility shall assign a primary point of contact. The primary point of contact or designee shall be provided to SEAPA. All SEAPA communications regarding Operations shall be routed through each Member Utility's established point of contact or designee. The Member Utilities primary contact will be responsible for disseminating information to the Tuesday Operations Call group and any other respective community leader as each Member Utility deems appropriate.

10.0 SEAPA Peak Load Limits

SEAPA peak winter loads have been increasing by nearly 5% every year for the past 5 years. This is likely due to conversions from oil-furnace heat to electric heat. In 2021 & 2022, SEAPA reached maximum capacity and had to curtail outputs, which caused the member utilities to perform peak load shaving with local generation.

Load limits at Swan and Tyee directly correlate to lake levels. For hydrogenerators, MWs are a function of head (pressure) and flow (cfs). With fixed sized penstocks, maximum flow (cfs) is constrained. Therefore, when head pressure decreases (lake levels drop), maximum outputs (MW) decrease.

Tyee generators are less impacted by lake levels than Swan because Tyee lake is nearly 5 times higher in elevation. Table 3 (below) represents SEAPA's Peak Load Limits as a function of lake levels. The table illustrates 5 Swan Lake level conditions based on whether Tyee is above or below 1300ft.

Petersburg & Wrangell:

The table illustrates Load Limits for Petersburg & Wrangell based on MWs across circuit switcher ST10. When SEAPA loads reach the MW threshold in the Start Load Limit column, SEAPA will curtail additional outputs above that threshold until loads reach the MW threshold in the End Load Limit column.

Ketchikan

The table illustrates Load Limits for Ketchikan based on SEAPA's total MWs. When SEAPA total loads reach the MW threshold in the Start Load Limit column, SEAPA will curtail additional outputs above that threshold until SEAPA total loads reach the MW threshold in the End Load Limit column.

SEAPA Peak Load Limits						
Tyee Lake > 1300 feet						
Swan Lake Level (Greater than ft)	Tyee Units (MW each)	PTG & WRG Start Load Limit (MW @ ST10)	PTG & WRG End Load Limit (MW @ ST10)	Swan Units (MW each)	KTN Start Load Limit MW Total SEAPA Load	KTN End Load Limit Total SEAPA Load
330	11	23.5	21.5	12.5	47	45
320	11	23.5	21.5	12.5	47	45
310	11	23	21	11.5	45	43
300	11	23	21	11.5	45	43
290	11	22.5	20.5	11	44	42
280	11	22	20	11	44	42
270	11	21.5	19.5	10	42	40
Tyee Lake < 1300 feet						
Swan Lake Level (Greater than ft)	Tyee Units (MW each)	PTG & WRG Start Load Limit (MW @ ST10)	PTG & WRG End Load Limit (MW @ ST10)	Swan Units (MW each)	KTN Start Load Limit MW Total SEAPA Load	KTN End Load Limit Total SEAPA Load
330	10	23	21	12.5	45	43
320	10	23	21	12.5	45	43
310	10	22.5	20.5	11.5	43	41
300	10	22.5	20.5	11.5	43	41
290	10	22	20	11	42	40
280	10	21.5	19.5	11	42	40
270	10	21	19	10	40	38

Table 3: SEAPA Load Limits

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11.0 2026 Operations Plan Summary

Section 5 of the Long-Term Power Sales Agreement provides the following:

Operations Plan Development. ... The objectives of the Operating Plan shall include maximizing the utilization of the output of the Agency Facilities and optimizing the output of the Agency Facilities in order to serve the Purchasing Utilities' Firm Power Requirements as set forth pursuant to this Agreement, through the use of water management and other efficient dispatch procedures adopted by the Agency, subject to Dedicated Parties' priority access to Dedicated Output. ... [Emphasis added]

For the reasons demonstrated in the proposed Operations Plan and pursuant to the Power Sales Agreement, SEAPA staff proposes Guide/Curtailment Curve elevations be used by the scheduling group as guides. If lake levels fall below the Guide/Curtailment curves, SEAPA will manage water resources, in consideration of current conditions, with an overall objective of restoring lake levels to their respective Guide/Curtailment curves. As lake levels approach the annual minimum Board approved draft limits (Tyee: 1260 ft. and Swan: 280 ft.), SEAPA and the dedicated resource holder(s) will enter into discussions as to whether draft limits should be adjusted. Guide/Curtailment Curve elevations and minimum draft limits for Swan Lake and Tyee Lake are listed in Figure 7 and Figure 9 and correspond with the table below.

SEAPA 2026 Operations Plan Guide Curve Values

Mth/Day	12/1	1/3	2/3	3/3	4/4	5/3	6/3	7/3	8/3	9/3	10/3	11/3	11/30
SWL Guide Curve Elevation (ft)	340.0	331.7	321.0	293.6	275.9	276.0	294.3	292.6	278.5	270.4	270.0	276.6	276.5
TYL Guide/Curtailment Curve Elevation (ft)	1376.0	1350.0	1330.9	1300.8	1270.3	1260.0	1286.5	1301.2	1295.2	1289.8	1283.1	1288.3	1289.8

For reference, past Operations Plan minimum draft limits are listed below. With the predicted inflows for CY2026, the 2026 Operations Plan proposes that Swan Lake and Tyee Lake draft limits be 280ft and 1260ft respectively.

SEAPA Historical Draft Limits									
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Swan Lake	273 ft	273 ft	280 ft	280 ft	280 ft	280 ft	280 ft	280 ft	280 ft
Tyee Lake	1261 ft	1261 ft	1260 ft	1260 ft	1260 ft	1260 ft	1260 ft	1260 ft	1260 ft

Please consider the following suggested motion:

SUGGESTED MOTION
I move to approve the 2026 SEAPA Operations Plan as presented in the December 3, 2025 Board packet.

MEMORANDUM
ATTORNEY-CLIENT COMMUNICATIONS

TO: Chairperson Bob Lynn
Southeast Alaska Power Agency

FROM: Joel R. Paisner, Ascent Law Partners, LLP, Counsel to SEAPA

DATE: November 20, 2025

RE: Suggested Motion for Executive Session

The Board of Directors may conduct an executive session during its Regular Board Meeting to be held on December 3, 2025 to discuss personnel matters and financing proposals. If it is determined during the meeting that an executive session is necessary, I recommend the following motion be made:

I move to recess into Executive Session to be conducted pursuant to SEAPA's Bylaws consistent with Alaska Statute 44.62.310 for discussions relating to Agency personnel matters and financing proposals. Such discussions may involve subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion, and matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Agency, the Projects, or any of the Member Utilities represented on the Board.

AGENDA ITEM 7H

*Reserved for possible action following
the Executive Session*



SOUTHEAST ALASKA POWER AGENCY

Date: November 17, 2025
To: Robert Siedman, CEO
From: Clay Hammer, Operations Manager
Re: Quarterly Report for December 2025 Board Meeting

Plant Operations Quarterly Report

This report is provided to the Board as a summary of the inspections that take place each month at SEAPA's Swan and Tyee Hydroelectric Plants. Each detailed inspection is documented with site-specific inspection forms. A full day is reserved to perform these and they provide a monthly baseline of the overall health and condition of each plant. The 4th quarter is typically focused on wrapping up outside maintenance work and prepping for Winter. This includes road and grounds maintenance and any field work that needs to be done. This season has been especially busy with site work and contractors at both locations.

SWAN LAKE PLANT

Swan inspections were performed with plant foreman, Andy Cowan, or Shift Lead Operator John Stanley. On each occasion the plant was neat and orderly with no major safety concerns noted. Inspections started with Main Unit generators followed by station service, substation, Plant buildings and grounds, and closed with an inspection of the Dam and related ancillary equipment.

Findings

All weekly and monthly Work Orders (WOs) were up-to-date and complete. All outstanding WO's are done and all scheduled Annual Maintenance items have been completed. Unusually high rains did contribute to record spill through the FWG gate this quarter. The gate operated as designed and other than a temporary wet switch malfunction, no concerns were reported.

The following is an overview of noted maintenance and repairs scheduled or completed over the quarter:

Generators

- Light bulbs replaced in Unit S-2 Air Cooler compartment
- Air Cooler replaced in Unit S-1 Air Cooler compartment

Station Service and Substation

- Swan/Bailey B-phase neutral bushing connection continues to show an elevated surface temperature. That condition is currently stable with temperatures monitored weekly. The plan is to continue to monitor until the annual maintenance outage in 2026 when the bushing can be pulled and the connections cleaned and retorqued.

Grounds/Camp/Dock

- Continued ditch cleaning along roads

Dam/Reservoir/Gate

- Continued wood debris removal from lake
- Diagnosed failed FWG control wet switch

Notable Maintenance and Repairs Completed

- AEGIS Insurance site inspection
- Replace failed FWG control wet switch
- Tuned and adjusted air induction control S-2 draft tube
- Lawn mowing and grounds keeping
- Plant Fire Service Inspection
- Adjust Unit S-1 Stuffing Box
- Replace Unit S-1 Air Cooler
- Replace High Bay lighting in Power House with LED
- Swan Lake Snow Pillow removed and brought to camp

TYEE LAKE PLANT

Tyee inspections are performed with plant foreman, Nathan Stewart, or plant lead, Ashley Goyne. Inspections started with main Unit Generators T1 and T2, followed by station service and the substation, then closed with the grounds, dock, penstock tunnel, and airstrip. The plant was clean and orderly with no safety concerns noted.

Findings

All weekly, monthly and annual Work Orders (WOs) are up-to-date. There were no forced outages this quarter. It is worth noting that there was a large-scale system outage that took down most of the service to the member utilities. This was the result of a storm related event at the south end of KPU's service area. Tyee Lake did stay online though and was able to keep service going for part of Wrangell. The ability to stay online expedited the re-energizing process and power was soon restored to all affected areas.

The following is a highlight of noted repairs scheduled or completed:

Generators

- Investigation into generator braking system indicated failed actuator seals. Replacement parts received and actuators rebuilt.
- Replaced Air Cooler Tyee unit T-2

Station Service/Substation

- No significant maintenance items noted

Grounds/Dock/Penstock Tunnel/Airstrip

- Road grading and ditch cleaning

Notable Maintenance and Repairs Completed

- AEGIS Insurance inspector site visit
- Burnett Peak site visit, power service upgrade, and battery removal
- Burnett Peak communication repairs, antenna replaced, and marine terminal radios rebooted
- Tyee Snow Pillow removal
- Monthly and quarterly work orders in Wrangell and Petersburg completed
- Mowing, weed eating, and continued groundskeeping around plant and camp area
- Wrangell Switchyard battery bank and charger replaced; DC inverter added for critical communications
- Plant Fire Service Inspections
- Filter oil, Petersburg Sub Tap Changer Compartment

Substations and Switchyards

Reviews were also performed on SEAPA assets in Ketchikan's Bailey Substation, the Wrangell Switchyard and Substation, as well as the Petersburg Substation. Items inspected include, but are not limited to, the following:

- Yard and vegetation conditions
- SF-6 and nitrogen gas levels in transformers and switches
- Oil levels, temperatures in transformers and other oil-filled equipment
- Switch positions to verify whether they were fully engaged or open
- Condition of insulators, conductor connections, and line hardware

- Related Communications Buildings - checked for active annunciator alarms and relay flags, overall cleanliness, and building condition

Wrangell Switchyard

Replacement of the old battery bank and dated battery charger were completed this quarter. A DC to AC power inverter was added to support critical SCADA and control comms. This was the last of the switchyard and substation battery projects. At this time all SEAPA battery systems of this type have been recently replaced and are expected to bring a service life of at least 25 years or more.

Petersburg Substation

Routine oil sampling of the tap changer compartment on the Petersburg Substation transformer showed elevated levels of dissolved gases suspended in the transformer oil. These gases are a normal byproduct of the arcing that takes place inside the tap changer compartment as it changes from one setting to another to maintain service voltage. The samples indicated that the levels of acetylene, hydrogen and other gases were starting to reach critical levels where they could eventually become hazardous.

Typically this requires an expensive power outage and oil change to resolve but staff was able to locate oil processing equipment that could clean the oil and remove the hazardous gases. A rental unit was shipped by barge from the Seattle area and pressed into service. The filtration unit was connected to the tap changer compartment, the oil heated, filtered, and recirculated under a vacuum to remove all impurities and unwanted gas. After 8 hours of treatment it was calculated that all 600 gallons of oil had been treated 4 times over and good for service. Oil samples will validate the effectiveness of the treatment. If the tests come back favorable the Agency may consider purchasing one for future situations like this.

Thermal imaging inspections show an elevated temp reading at the buss connection on the A-phase service side of breaker T-62. This has been documented and the connection point shared with the Petersburg line crew. This is most likely a poor connection that will need to be serviced during the next maintenance outage. It will continue to be monitored for change until then.

Swan/Bailey Substation

Swan/Bailey B-phase neutral bushing connection continues to show an elevated surface temperature. That condition is currently stable with temps monitored weekly with thermal imaging equipment. The plan is to continue to monitor until the annual maintenance outage in 2026 when the bushing can be pulled and the connections cleaned and retorqued.

Safety Training:

SEAPA continues to use an online HR platform for Safety and Skills training. In the 4th quarter to date the crews received the following training:

- ✓ ***FERC Emergency Action Plan Training***
- ✓ ***Accident Causes and Prevention***
- ✓ ***HAZWOPER 8 Hour Refresher***
- ✓ ***Head Protection***
- ✓ ***Hearing Protection***
- ✓ ***OSHA Hearing Safety***
- ✓ ***PPE Hand and Face Protection***
- ✓ ***Post Storm Electric Response***



Left:

TEMSCO pilot Wally O' Brocta delivering a "Super Sack" of battery and rack components from SEAPA's Burnett Peak Voice and Marine Terminal Communications Repeater on Etolin Island to the back of the SEAPA 1-ton in Wrangell.

PHOTOS



Tyee Electrician and Plant Foreman Nathan Stewart Wiring up new Batteries and Charger for Wrangell Switchyard



New Switchyard Comms Battery Bank

Petersburg Sub Tap Changer Filtration Project:



Eric Yancey from Wrangell delivers transformer oil to Banana Point.



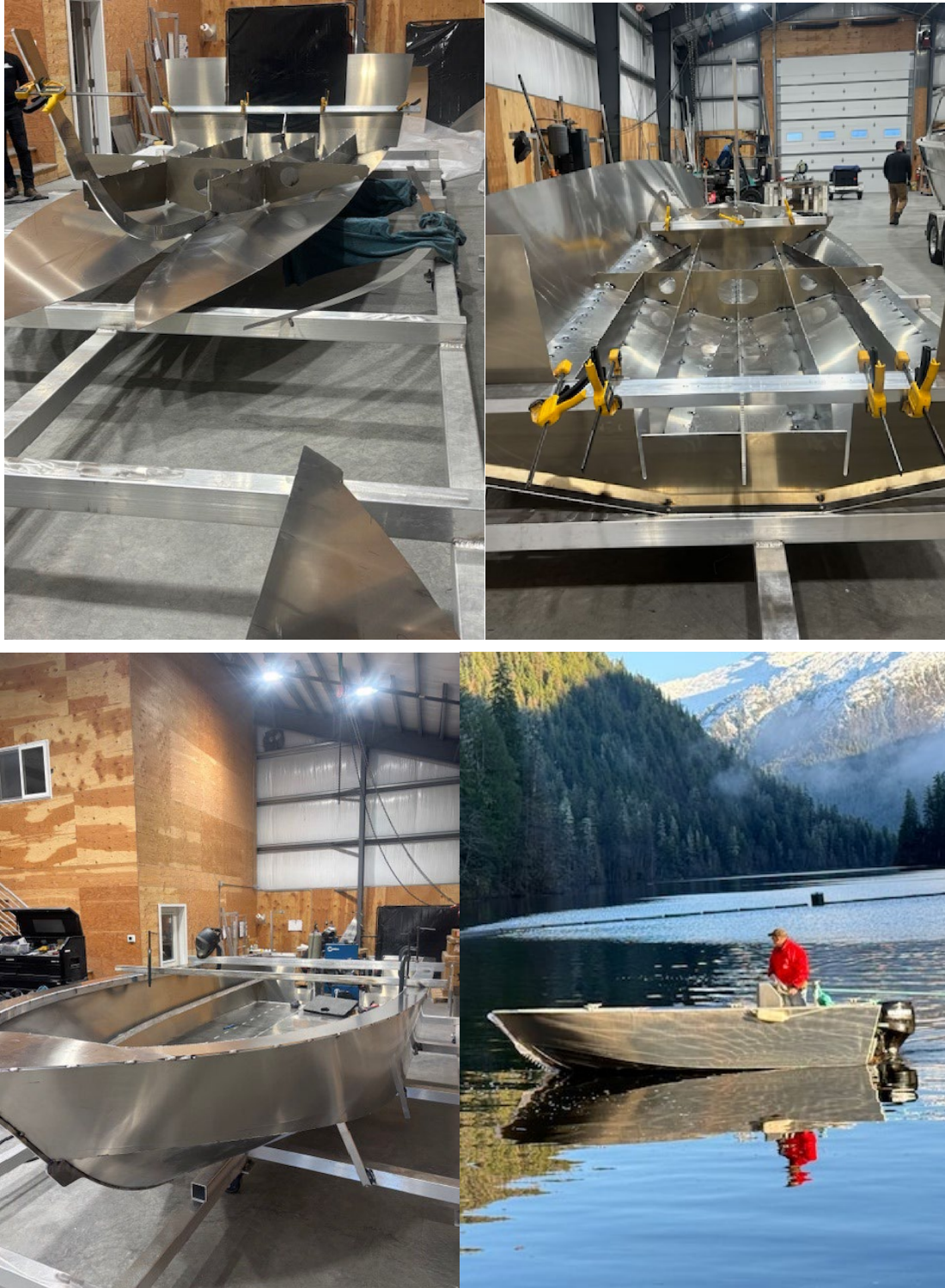
Petersburg's Rock-N-Road generator warming up to provide 480 volt power.



Tyee Electrician, Ashley Goynes, and Equipment Rep, Justine Lane, hooking up the Unit.



Thermal imaging view of filter station in service.



18' "Orca" Swan Lake Skiff during different phases of construction and in service on Swan Lake. Built locally by Homestead Skiff in Ketchikan, this craft is ideal for debris handling and boom maintenance at the Lake. Craftsmanship was superb and crew reports that that it pushes a 3-foot diameter spruce tree 60-feet long at 8 knots.



SEAPA Electrical Controls Engineer, Kris Womak, and Tye Electrician, Ashley Goyne, disassemble Battery Bank at Burnett Peak.



Amazing view from Burnett Peak

A Group Effort ...
New Air Cooler installation on Swan Lake's Unit S-1:



Swan electrician, John Stanley, positions the crane for removal of the old cooler



Engineer, Mark Hilson, helps with removal and prepping for the pick.



Swan Mechanic, Brett Blasingame, helps position new cooler over access hatch while Electrician, Chris Barnett, operates the Crane to lower it in place. Mark Hilson looks on to help make sure all goes smoothly.



New E-Gen delivery to Tye Lake. Part of the new Station Service Project, these are the two new Generators that will be mounted outside the Tye Plant to provide automatic emergency standby power in the event of a full plant outage.



Swan Lake Snow Pillow off the mountain for service and upgrades



Rare photo of Robert "The Boss" Siedman getting some time out in the field!
Robert is assisting with replacement of a failed marine terminal radio antenna at Burnett Peak.

End of Report



SOUTHEAST ALASKA POWER AGENCY

Date: November 18, 2025
To: Robert Siedman, P.E., CEO
From: Clay Hammer, Operations Manager
Re: Projects Report for December, 2025 Board Meeting

The following is an update on special projects and contract work assigned to the Operations Manager for FY25:

RR24398, Structure #194 - #195 Replacement Swan/Bailey Line

Field testing confirming the need for pole change outs at Structures # 194 and #195 on the Swan/Bailey Line is complete. This is located in the White River area and reasonably close to the road system. Lack of a local heavy lift helicopter has made access a challenge, but estimates have been solicited for temporary roads to each tower.

RR25399, Battery Bank Inverter Project Wrangell Switchyard

This project is complete. Tyee electricians were able mob to town in August for a few days and replace the batteries and charger and add an DC to AC inverter creating what is essentially a very large UPS for support of critical SCADA and control comms.

RR25401, Tyee Crew House #5 Interior Renovation

H Construction from Palmer, Alaska was awarded the contract for this project. It was originally scheduled for completion at the end of this month; however, unusually long lead times for cabinets and countertops have kicked this project back to the first part of January. It is expected that all material will be ready for delivery on site at that time and work completed by the end of January 2026.

RR25405, Swan Lake Plow Truck

This is complete. A low-mileage 2020 crew cab Ford F-350 4x4 1-ton Flatbed in excellent condition was purchased in Washington state and delivered to Ketchikan. A mount for a snow plow was attached to it and the truck is now at Swan Lake. Judging from the snow on the mountains -- not a moment too soon!

RR-25404, Swan Lake Skiff

This project is complete. Homestead Skiff of Ketchikan did an amazing job of assembling the self-bailing Specmar 18 Orca kit and getting the engine package installed. Outfitted with a center console, tow post, removable log dog for the bow, and a side davit for boom maintenance, this skiff is perfect for the required lake work at the Swan Plant. The boat has been delivered and is already in service.



New Swan Lake Work Skiff being Rigged with Picking Harness prior to launching in the Lake

FY25 Brushing Maintenance

This work is complete. Don Stevens Jr. of D&D Tree Service in Petersburg had the contract for clearing towers, helipads, and minor ROW work. That work is done for the season, and staff is satisfied with the results.

FY25 Contract Right-of-Way Clearing Contract

At this time Petersburg contractor, Rock-N-Road Construction has 27 acres to complete on Woronkofski Island. All other work is complete. They intend to start on this right after the Thanksgiving Holiday with a large crew mobbing out of Wrangell daily to make short work of it. The ground is comparatively flat for this section of work and is expected to progress quickly. The completion date is anticipated to be on or before December 15, 2025.

End of Report



SOUTHEAST ALASKA POWER AGENCY

Date: December 19, 2025
To: Robert Siedman, P.E., CEO
From: Mark Hilson, P.E., Project Manager
Subject: SEAPA Board Report

I will have a PowerPoint presentation for the December Board Meeting to supplement and elaborate on this Board report:

Federal Energy Regulatory Commission (FERC) License-Related Activities

Swan Lake Drone Mapping and Geologic Data Collection Report

The need for additional geologic investigation of the left rock abutment was identified in the Part 12D Periodic Inspection Report.

Progress:

- Report completed and submitted to FERC for review
- Identified another rock joint set, "D"

Next Steps:

- Update structural stability analysis to include joint set D.

Tyee 3rd Turbine FERC Capacity License Amendment

The License Amendment Application (LAA) was submitted January 27, 2025. FERC published the Public Notice accepting the License Amendment for filing, its intention to waive stage I and II consultations, and soliciting comments, motions to intervene, and protests. The LAA was advertised without any additional terms and conditions from FERC. The deadline for stakeholder and agency comments expired without comments. FERC is completing its Environmental Assessment which is due by January 22, 2026. After expiration of a 30-day comment period, and absent comments to the contrary, the License Amendment will be ripe to issue.

Swan Lake FERC Relicensing

Contractor: Kleinschmidt Associates

Start Date: November 6, 2024

Cost in 2024 dollars: \$3M

Completion: June 2030

Progress:

- Continued drafting drawdown study plan scope of work for FERC review
- Consulted FERC on reducing License area by removing the Swan-to-Bailey Line from License area

Next Steps:

- Conduct early stakeholder engagement for reducing License area
- Complete drawdown study plan scope of work
- Scope 2026 studies in preparation for 2026 Study execution
- Continue stakeholder engagement
- Final License Application due June 30, 2028

Tyee Lake FERC Relicensing

Cost in 2024 dollars: \$3M

Completion: July 2031

Progress:

- Finalized Contract with Kleinschmidt
- Began early Agency engagement
- Like Swan Lake Relicensing, consulted FERC on reducing License area by removing the transmission line to Petersburg from the License area

Next Steps:

- Submit Project Boundary Amendment Application (February/March)
- Prepare Pre-Application Document and Notice of Intent (planned for April).
- Implement Studies - Hidden Creek flow & Tailrace sediment monitoring April through December
- Joint Agency Meeting July/August

Project Related Activities

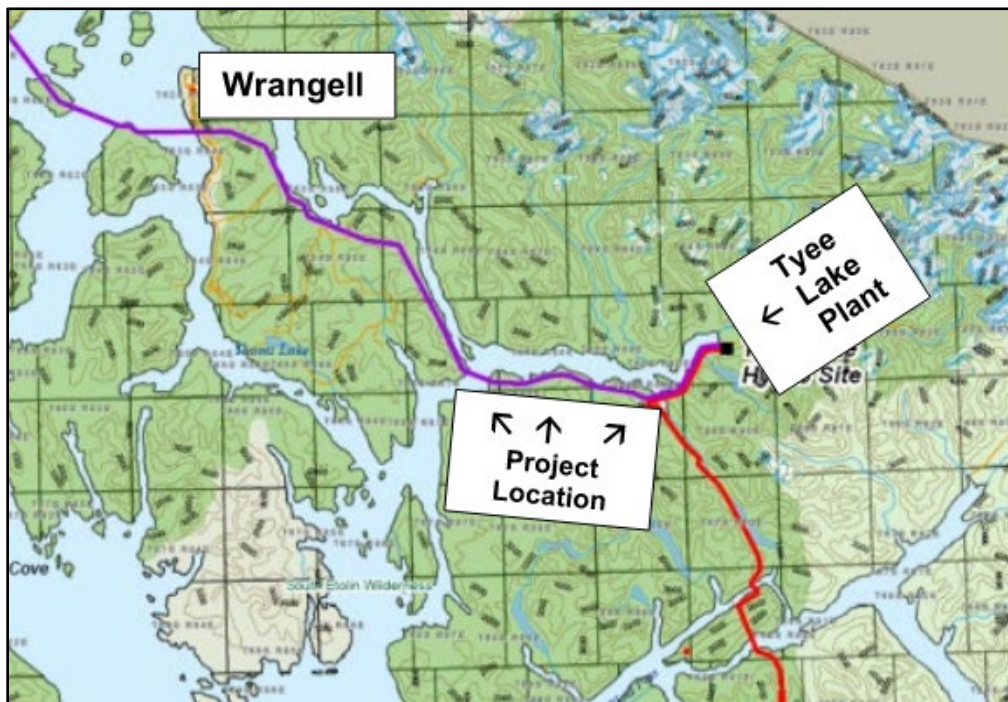
Cleveland Peninsula Helipad Replacement

Progress:

- Received 3 responsive Bids.

Next Steps:

- Board considering award at upcoming December 3rd meeting
- Work would take place April/May/June 2026



Project location Map

End of Report



SOUTHEAST ALASKA POWER AGENCY

Date: November 13, 2025
To: Robert Siedman, P.E., CEO
From: Kris Womack, Electrical Controls Engineer
Re: Projects Report for December 3, 2025 Board Meeting

Tyee Station Service & 15kV Switchgear

The Tyee Lake Station Service Switchgear is nearing 40 years of age and approaching the end of its useful life. A design was completed and a construction contract awarded to replace the equipment. This project will provide construction of a new Station 480V double-ended Station Service Switchgear, breakers, feeder and sub-feeder cables, fiber optic ARC Flash protected busbars, ARMS, Operations Manuals and Training. The new Station Switchgear is designed with redundancy and isolation in metal-clad rated gear to provide reliability, redundancy, and increased safety to onsite personnel with reduced incident energy levels (Arc Flash). This project also includes procurement and installation of new 15kV main generator switchgear and 15kV cables. A construction contract was awarded to Electric Power Constructors (EPC) on June 28, 2024, and construction began in April 2025.

Progress Report:

- Conducted a site visit in August 2024
- EPC equipment procurement in progress
- Construction began in April 2025. EPC completed the following:
 - Outdoor conduits to EDG
 - Concrete pad for EDG
 - Installed 480V panel boards
 - Installed conduit runs inside powerhouse
 - Ran some of the feeders in preparation for next year.
- Emergency Generators delivered to site

Upcoming Schedule:

- January/February 2026: EPC will return to install cable tray and conduit, and continue to run feeders.
- May-August 2026: Construction will continue. Removal and installation of the 480V switchgear will take place. All other remaining equipment will be installed followed by testing and commissioning. Training will be provided for operation and maintenance of the new equipment.



Ketchikan Substation Design

SEAPA's five-year Strategic Plan identified the need for a Third Turbine at its Tyee Hydroelectric Project to meet the horsepower demands of Ketchikan, Petersburg, and Wrangell. Additional horsepower will require delivery capacity (a substation) in Ketchikan. The intent of this project is to develop a design with a construction cost estimate for a substation in Ketchikan that is sized and designed to service the load growth needs in Ketchikan.

The scope of work is for the design of a new remotely-controlled 115/34.5 kV substation located adjacent to SEAPA's 115 kV line from SEAPA's Swan Lake Hydroelectric Facility. Location 1 has been selected.

The new station will be served from an existing 115 kV transmission line owned by SEAPA. The design of two short transmission lines to bring power to (115kV) and from (34.5kVA) the substation via overhead lines are included in the scope of work.

Progress Report:

- 35% design was submitted on May 24, 2024.
- 65% design was submitted on September 05, 2024.
- 100% design was submitted on October 28, 2024. Final package includes drawings, specifications, calculations, load flow study, grounding study, lightning study, short circuit study, coordination study, updated models, and a cost estimate for construction (~6.89MM).
- Drafted procurement specifications. RFP document is pending federal and state funding sources to solidify before soliciting for bids and awarding the contract.

Next Steps:

- Procure land by easement transfer from KPU
- Site Topographic Survey (including resistivity testing)
- Site Geotechnical Survey
- Incorporate survey information into design

Tyee Third Turbine

Tyee Third Turbine Design

SEAPA's five-year Strategic Plan identified the need for a Third Turbine at its Tyee Hydroelectric Facility to meet the horsepower demands of Ketchikan, Petersburg, and Wrangell. This design contract will result in a shovel-ready design to include maximum horsepower criteria and construction cost estimates for the Tyee Third Turbine. SEAPA is in the process of seeking an amendment of its FERC license to add a third turbine. Design will additionally determine what capacity will be requested from FERC. At its April 26, 2024 special meeting, the board awarded the contract to McMillen, Inc.

Design Progress Report:

- 30% design was submitted on August 15, 2024.
- 90% design completion (November 2025)
- 100% design completion

Tyee Third Turbine Procurement (Canyon)

McMillen and SEAPA coordinated procurement specifications for all major components, including Turbine, Generator, GSU Transformer, Exciter, Governor, cooling water systems, switchgear, TIV valves and HPU controls. The RFP issued on November 15, 2024 and on May 29, 2025 the board authorized contract negotiations with Canyon Industries, Inc. A formal

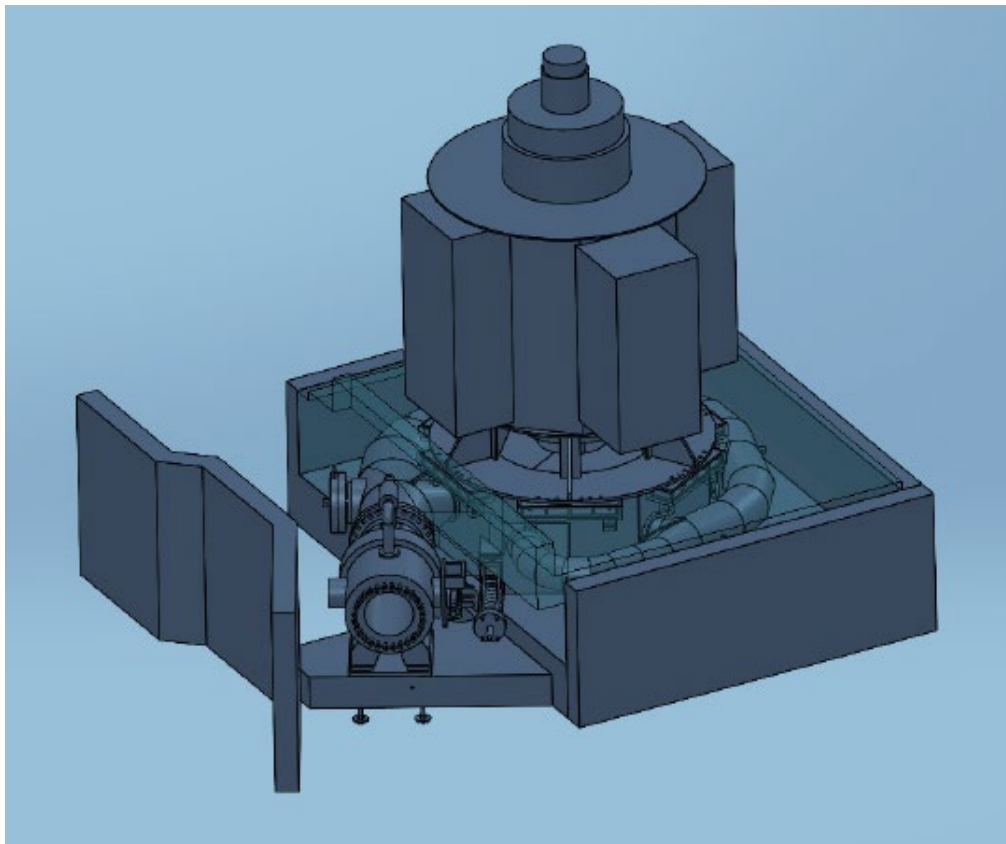
contract with Canyon was entered into on July 15, 2025, and three Change Orders have issued to date as discussed at the recent October 30, 2025 board meeting.

Progress Report:

- Issued Notice of Award to Canyon Industries on 07/03/2025
- Issued a Notice to Proceed on 07/18/2025
- Site visit to Tyee with Canyon, L&S, McMillen on 07/29/2025
- Submittal 1- included major aspects of the project
- Transformer Submittal
- Flow data collected for hydraulic characteristic verification, which will be used in the Turbine modeling.

Next Steps:

- Construction RFP to issue (February 2026)
- Nozzle and deflector machining (January-March 2026)
- Canyon starts Turbine manufacturing (March 2026)
- More Submittals
- Factory Acceptance Testing for HPU, TIV, Powerhouse electrical (July-December 2026)





AGENDA ITEM 9

Discuss Future Topics:

- SEAPA Solar in the Fall
- Revisiting Investment Policy in 2026
- Reservoir Management
- Financing SEAPA Projects



SEAPA 2026 BOARD MEETING DATES

Date(s)	Weekday(s)	Location or Format	Comments
January 22	Thursday	Electronic	2PM Special Meeting: Introductions of New Board Members and Election of Officers
March 26	Thursday	Ketchikan	9-5PM Regular Meeting
May 28-29	Thurs-Fri	Wrangell	28 th : 1-5PM; 29 th : 9AM-1PM Regular Meeting
August 27-28	Thurs-Fri	Petersburg	27 th : 1-5PM; 28 th : 9AM-1PM Regular Meeting
October 29	Thursday	Ketchikan	2PM Special Meeting: In person in executive session for evaluation of Agency's CEO
December 2	Wednesday	Ketchikan	9-5PM Regular Meeting

2026 Calendar

(SEAPA Board Meeting dates highlighted in yellow)

January						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February						
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22	23	24	25	26	27	28

March						
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29	30	31				

April						
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26	27	28	29	30		

May						
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June						
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July						
S	M	T	W	T	F	S
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26	27	28	29	30	31	

August						
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30	31					

September						
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27	28	29	30			

October						
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November						
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29	30					

December						
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

(See attached for additional information on 2026 meeting dates and events)

2026

MEETING DATES / EVENTS

(Updated 11/20/2025)

JANUARY

Date	Organization / Event	Location
1 (Th)	SEAPA Holiday (New Year's Day)	N/A
2	KTN Council Mtg	KTN
5	PSG Assembly Mtg	PSG
13	WRG Assembly Mtg	WRG
15	KTN Council Mtg	KTN
19	PSG Assembly Mtg	PSG
22 (Th)	SEAPA Special (Annual) Bd Mtg 2-5PM	Electronic
27	WRG Assembly Mtg	WRG

FEBRUARY

Date	Organization / Event	Location
2	PSG Assembly Mtg	PSG
4-5	APA Legislative Conference	Juneau
5	KTN Council Mtg	KTN
10	WRG Assembly Mtg	WRG
10-12	SE Conference-Mid Session Summit	Juneau
16	PSG Assembly Mtg	PSG
16 (M)	SEAPA HOLIDAY (President's Day)	N/A
17-19	AML Winter Legislative Conference	JNO
19	Ketchikan Council Meeting	KTN
23-26	NWHA Annual Conference	Seattle
24	WRG Assembly Mtg	WRG

MARCH

Date	Organization / Event	Location
2	PSG Assembly Mtg	PSG
5	KTN City Council Mtg	KTN
10	WRG Assembly Mtg	WRG
11-13	NHA Waterpower Week	Wash DC
16	PSG Assembly Mtg	PSG
19	KTN Council Mtg	KTN
24	WRG Assembly Mtg	WRG
26 (Th)	SEAPA Regular Board Mtg	KTN

APRIL

Date	Organization / Event	Location
2	KTN Council Mtg	KTN
6	PSG Assembly Mtg	PSG
14	WRG Assembly Mtg	WRG
16	KTN Council Mtg	KTN
20	PSG Assembly Mtg	PSG
28	WRG Assembly Mtg	WRG
29-30	NWHA Technical Workshop	Winatchee, Washington

MAY

Date	Organization / Event	Location
TBD	NWHA Technical Workshop	Kennewick WA
4	PSG Assembly Mtg	PSG
7	KTN City Council Mtg	KTN
12	WRG Assembly Mtg	WRG
18	PSG Assembly Mtg	PSG
21	KTN Council Mtg	KTN
25 (M)	SEAPA Holiday (Memorial Day)	N/A
26	WRG Assembly Mtg	WRG
28 (Th)	SEAPA Regular Bd Mtg 1PM-5PM	WRG
29 (Fri)	SEAPA Regular Bd Mtg 9AM-1PM	WRG

JUNE

Date	Organization / Event	Location
All Month	SEAPA Hydro Plants Shutdown	SWL/TYL/STI
1	PSG Assembly Mtg	PSG
2-4	APA Federal Legislative Conf	Wash DC
4	KTN Council Mtg	KTN
9	WRG Assembly Mtg	WRG
15	PSG Assembly Mtg	PSG
18	KTN Council Mtg	KTN
23	WRG Assembly Mtg	WRG

JULY

Date	Organization / Event	Location
2	KTN Council Mtg	KTN
3 (Fr)	SEAPA Holiday (Independence Day)	N/A
6	PSG Assembly Mtg	PSG
13-16	AEGIS Policy Holders Conference	Calgary
15	KTN Council Mtg	KTN
20	PSG Assembly Mtg	PSG
28	WRG Assembly Mtg	WRG

AUGUST

Date	Organization / Event	Location
3	PSG Assembly Mtg	PSG
6	KTN Council Mtg	KTN
17	PSG Assembly Mtg	PSG
20	KTN Council Mtg	KTN
25	WRG Assembly Mtg	WRG
27 (Th)	SEAPA Regular Board Mtg 1PM-5PM	PSG
28 (F)	SEAPA Regular Board Mtg 9AM-1PM	PSG

2026 MEETING DATES / EVENTS

SEPTEMBER

Date	Organization / Event	Location
3	KTN Council Mtg	KTN
7 (M)	SEAPA Holiday (Labor Day)	N/A
8	PSG Assembly Mtg	PSG
8	WRG Assembly Mtg	WRG
17	KTN Council Mtg	KTN
21	PSG Assembly Mtg	PSG
22	WRG Assembly Mtg	WRG
29-2nd Oct	APA Annual Meeting	ANC

OCTOBER

Date	Organization / Event	Location
1	KTN Council Mtg	KTN
2	APA Annual Mtg	ANC
5	PSG Assembly Mtg	PSG
13	WRG Assembly Mtg	WRG
15	KTN Council Mtg	KTN
19	PSG Assembly Mtg	PSG
27	WRG Assembly Mtg	WRG
29 (Th)	SEAPA Special Board Mtg 9AM-5PM	KTN

NOVEMBER

Date	Organization / Event	Location
2	PSG Assembly Mtg	PSG
5	KTN Council Mtg	KTN
10	WRG Assembly Mtg	WRG
11 (W)	SEAPA Holiday (Veteran's Day)	N/A
16	PSG Assembly Mtg	PSG
19	KTN Council Mtg	KTN
24	WRG Assembly Mtg	WRG
26 (Th)	SEAPA Holiday (Thanksgiving)	N/A
27 (F)	SEAPA Holiday (Day After)	N/A

DECEMBER

Date	Organization / Event	Location
2 (W)	SEAPA Regular Board Mtg 9AM-5PM	KTN
3	KTN Council Mtg	KTN
7	PSG Assembly Mtg	PSG
8	WRG Assembly Mtg	WRG
17	KTN Council Mtg	KTN
21	PSG Assembly Mtg	PSG
24 (Th)	SEAPA Holiday (Christmas Eve)	N/A
25 (F)	SEAPA Holiday (Christmas Day)	N/A

SEAPA Board Meetings noted on the above calendar are scheduled around the following:

Petersburg Borough Assembly Meetings	1st & 3rd Monday every month
City and Borough of Wrangell Meetings	2nd & 4th Tuesday every month, except only one meeting held in July, August, and December: July & August: <u>only 4th Tuesday mtg held</u> December: <u>only 2nd mtg held</u>
Ketchikan City Council Meetings	1st & 3rd Thursday every month