

Homer Electric Association Members Forum

PO Box 3268 Homer, AK 66603

The HEA Members Forum sent the following questionnaire to 2017 Board Candidates. Answers provided are included below:

1. What strategies do you recommend to minimize the cost of electrical energy for HEA members?

Kate Veh (District 1):

1. For individuals – Switch to LEDs, use energy-efficient appliances, wear a sweater & turn the heat down, and live in & take pride in a small residence.
2. For businesses – Make sure the lights & equipment are on only when people are there, switch to LEDs, get an energy audit, invest in a programmable thermostat, print only when necessary.
3. For the HEA Board – For the present moment, look for the lowest cost of natural gas supplies, continue to encourage energy conservation, start the comprehensive planning process to figure out what the utility's future energy consumption will be & how the utility plans to meet those needs with viable renewable energy possibilities. Planning ahead saves money in the long-run.

Kelly Bookey (District 1):

No response

Dick Waisanen (District 2):

- To replace lights and appliances as needed with energy efficient products.
- Also recommend that our members borrow a tester from one of our offices to test their electrical usage from various sources within their home. This awareness has helped me personally cut our electrical usage by 20% over the last few years.
- Encourage using LED lights. I've been amazed at how much we saved by getting rid of any Christmas tree lights that were not LED.

Dan Furlong (District 2):

By efficiency controlling costs of both operations and management. Welcoming any opportunity for alternative sources of low cost fuels for generation, including hydro, wind, and tidal or better gas supply chain contracting practices.

Jim Levine (District 3):

I recommend reducing HEA's use of fossil fuels in generating electricity and start utilizing renewable energy sources such as solar, wind and tidal. HEA has a lot of money invested in their existing power plants but at some point the cost of natural gas will rise again so we should switch over to renewable sources as soon as we can so we can avoid that price spike! Energy conservation is also an important component for individuals to be able to minimize their costs by using as little energy as they can. Finally,

eliminating the use of fossil fuels is more than an economic decision, but also a moral one as climate change is probably the largest issue facing our generation.

Doug Stark (District 3):

Complete Snow River Diversion, install third generator (There is space at Bradley for a third generator but only two were installed because there was only enough water to utilize two), cooperate with other co-ops.

2. Do you support "central dispatch" agreements with other rail belt electric utilities?

Kelly Bookey (District 1):

No response

Kate Veh (District 1):

Tell you what . . . if I am elected, I will get all the training I possibly can about electrical issues. In the meantime, I am researching this on the web. This is the conclusion I have come to about working with other rail belt electric utilities:

The "Rail Belt" extends from Homer to Fairbanks. There are 4 interties along the system. The Golden Valley Electric Association intertie has a capacity of 238 MW, the Matanuska Electric Association intertie has a capacity of 146 MW, Anchorage Area Load has a capacity of 412 MW, & the Kenai Area Load has a capacity of 97MW. Notice which one has the smallest capacity? We do! That being said, HEA is in a Power Sales Agreement under the Alaska Energy Authority whereby Alaska state-owned Bradley Lake Hydroelectric Dam's energy is sent back up the interties to 5 electrical utilities. (Bradley Lake is in the Homer area.) Chugach Electric is supposed to receive 30.4%, Golden Valley is supposed to receive 16.9%, Anchorage is supposed to receive 25.9%, Matanuska is supposed to receive 13.8%, Seward is supposed to receive 1%, & HEA is supposed to receive 12%. According to Section 2.7 of Alaska Public Utilities Commission Power Pooling / Central Dispatch Planning Study Docket U-97-140 Final Report Appendices (<http://rca.alaska.gov/RCAWeb/Documents/Electric/PowerPooling.pdf>), this contract expires on October 1, 2037, with an option for renewal.

So, it seems as though we are in a contract with the other Rail Belt Utility coops and we are legally obligated to honor it. I'm not sure exactly how all this power is going to get through a 97MW line, but I'm sure it's all under control. It is my stance that we need to honor this contract.

With a 97MW intertie, I can understand how HEA decided to go independent. However, that still hasn't solved the problem of trying to expand our renewable energy portfolio. 90% of our electrical energy production comes from natural gas. Our wind potential is around 25%, not too great, I think. Tidal looks a bit tricky right now (too many huge ice chunks). It is my belief that we could achieve more with renewable energy production if we have a healthy interdependent Rail Belt system where we pool our power resources together. For example, maybe the wind energy potential is much greater along Turnigan Arm, perhaps solar has more potential in the interior, or maybe we could tap into geothermal power somewhere along the Rail Belt line. My point is, even if we see ourselves as in island, we need to

stay on good terms with utility systems along the Rail Belt, just as long as they agree to stay on good terms with us.

Dick Waisanen (District 2):

At this time no plan has passed the "smell test" as to the savings that are claimed by these plans. Recently the "tight pool" agreement between CEA, MEA, & MP&L which claimed \$15 million in yearly savings did not result in a rate reduction. Also, they were already operating this way and they just finally put it into a written agreement. This was a bit of a deception, in my opinion, about their cost savings. We now buy and sell power as the need arises with the other railbelt utilities resulting in savings for our members without any written agreement.

A "central dispatch" would result in more administrative costs without providing any additional savings on our rates. Until someone can show me hard numbers that would change this, I will resist adding another level of bureaucracy with its additional costs.

Dan Furlong (District 2):

Not at this time.

Jim Levine (District 3):

That would depend on the specifics of the agreement. I agree that central dispatch would be a more efficient system than we have now. However, it is imperative that the dispatch be done with providing the best interests of all the utilities at the fore front and not to the advantage of any particular utility.

Doug Stark (District 3):

Yes

3. Do you favor continued economic oversight of HEA by the Regulatory Commission of Alaska? Do you support deregulating AEEC?

Kelly Bookey (District 1):

No response

Kate Veh (District 1):

Yes, I favor continued economic oversight of HEA by the RCA. No, I do not support deregulating AEEC.

As a side note, I don't think you have anything to worry about. (People keep asking me this question.) On Dec. 20, 2016, HEA announced 4,853 people voted "no" on deregulation, 2,041 people voted "yes". The people have spoken. This election is over & done.

Dick Waisanen (District 2):

Our members have spoken regarding their desire to remain regulated by the Anchorage RCA Commission. As a director, I will honor their choice. I will continue to inform our members of HEA's expenses each year to gain approval from the RCA on a number of issues. In my 6 years on the board, HEA has spent in excess of \$6 million presenting the issues they have requested or issues we have brought before them which all have been approved with a few minor changes or none at all. Recently

HEA was able to convince the RCA to reject the requested increase in the pipeline tariff that only benefits the Anchorage area. This is one of the reasons our rates went down on April 1st. Unfortunately, since this has an impact on the commissioners personal electric rates, I suspect they qualified this ruling as "Temporary." My guess is they will revisit this issue and once again rule in favor of the Anchorage utilities.

To me, deregulation was a way to save money for our members. RCA employs 50 people with each commissioner having an attorney. Since we must hire attorneys for this process, it really adds up for our membership. Among the board, it was a budget issue, and for the most part in all the years dealing with the RCA, everything we've asked for has been approved by them with only minor changes.

Dan Furlong (District 2):

Yes, I currently support RCA regulating our utility, as well as regulatory oversight of our AEEC operations.

Jim Levine (District 3):

I favor RCA oversight of HEA and AEEC. Independent third party oversight is important although RCA does not always seem to be impartial.

Doug Stark (District 3):

Yes. No.

4. What would your position be if a development like Snow River were brought to the HEA board?

Kelly Bookey (District 1):

No response

Kate Veh (District 1):

If elected, my position would be to allow & invite plenty of public input to the Federal Energy Regulatory Commission & the HEA Board, many years of environmental studies, & the petitioning process to take place. This is what is done under the current regulations. I would do my best to listen to all sides of the issue.

My personal position on hydroelectric power is that once the dam is built, it's a reliable & inexpensive form of energy which (although it doesn't do great things for fisheries) helps to offset the environmental costs of burning fossil fuels to create our electrical power. We all know this trade-off & we need to take this knowledge into conscious consideration.

In the long run, this is the perfect time to decide what our long-term objectives will be. Do we want to build dams all over the Kenai Peninsula or do we want to start planning out how we're going to tap into wind, solar, tidal, & energy storage systems? What is the forecast for these technologies? If our wind generation potential is at 25%, what is the likelihood that a wind turbine of the future will be able to generate power from this (future) machine? If Cook Inlet freezes every winter & pushes ice boulders in & out with the tides and is home for beluga whales & salt & silt, how exactly would a turbine last in these types of conditions? In 10 years, will viable & affordable renewable energy technologies be available for northern climates? How much help & leadership can we count on at a national & state level from our state & US representatives as well as the president? What kinds of investments will we

make in training alternative energy engineers & electricians? Will the USA be a leader in renewable technology, a follower, or just opt out all-together? How about Alaska as a northern state? Seeing as how we're such an "energy" state, will we be leaders in renewable energy technologies? Ultimately, these questions need to be answered & vocalized by you, the citizen.

I'm not saying these technologies are impossible. I'm just giving you a realistic view of the obstacles that we currently face. Since man-kind mastered flight, landed on the moon, wiped out polio, & knocked down the Berlin Wall, there is no doubt in my mind that we will master a renewable energy future. I know I will see this in my life-time.

Dick Waisanen (District 2):

This is Chugach Electric Association's project and I have very limited knowledge of this project other than news reports or opinion pieces I have read. It sounds like a massive project that would definitely be at odds with prudent stewardship of our environment. Chugach should be looking more at investing in positive alternative energy resources rather than a dam that could potentially seriously threaten fish habitat in particular. New technology is constantly coming out and my hope would be that Chugach will look at other sources. They have the largest number of meters in our state, so, they do need to look to the future for potential sources.

HEA has enough systems in place that when we are what is called "islanded," electricity continues to flow. We have the potential now as an Independent Light utility to provide enough energy far into the future. However, we, too, are looking at alternative energy potential. There are big things happening such as tidal energy which is still developing; particularly in Europe. We may be able to look at that for the future.

Dan Furlong (District 2):

I am opposed to any development on the Snow River drainage.

Jim Levine (District 3):

I am not familiar with Snow River.

Doug Stark (District 3):

Support

5. Would you support offering members a special rate for off-peak Electric Vehicle Charging?

Kelly Bookey (District 1):

No response

Kate Veh (District 1):

HEA generates 90% of its power with natural gas, a non-renewable fossil fuel. In order to answer this question, I would have to know what is more fuel efficient with the current technology that we have. Is it truly "green" to feed an electric car with natural gas powered electricity (bearing in mind what the conversion is) or is it actually more efficient to simply use a fuel efficient gas-powered car? Which method is going to melt the Polar Ice Caps faster? You do realize (I hope), that at the current time, even

if a person plugs their electric car into an HEA outlet overnight, 90% of that energy is still coming from natural gas. (Just sayin'.)

This is an interesting concept, though, and I would be interested in hearing members' opinions about this.

Dick Waisanen (District 2):

So far, we have been informed that our studies have shown that HEA does not have a down time consistent enough to make off-peak rates a viable option. Limiting off-peak rates to only Electric Vehicle charging might be viable. Not sure this would get RCA approval as they continually say, "you have to treat every member the same."

Dan Furlong (District 2):

I would support a special "off peak" electrical vehicle rate at the wholesale rate of energy.

Jim Levine (District 3):

I personally would support that or any other off peak use. However, you can not discriminate between classes of members so you can only offer special rates proportional to the actual cost savings that HEA would experience by doing members to off peak usage. From what I have seen, the cost difference at HEA is not that great between peak and off peak to provide much incentive.

Doug Stark (District 3):

Yes

6. Do you think net metering should be enhanced to encourage more members to participate?

Kelly Bookey (District 1):

No response

Kate Veh (District 1):

Yes!!!!

Just make sure that your solar energy system is up-&-running & that you're able to keep up with the maintenance!

Dick Waisanen (District 2):

Possibly the way to go would be to insure our members are informed as to the benefits of our present system as a way to increase participation in the program.

If members take the time to attend area or board meetings, they have an opportunity to learn more about the cooperative's net metering presently in place and ask questions about potential ways to make the system work for them.

Dan Furlong (District 2):

I believe net metering should be an individual member choice, and credited at the current wholesale rate of energy and available to all members.

Jim Levine (District 3):

I totally agree that net metering should encourage more members to participate. I have been trying for several years to allow members to participate in an HEA small solar system where members can purchase shares in a solar array that is operated and maintained by HEA staff. However, RCA will need to agree to some revisions to the net metering requirements in order to make this happen.

Doug Stark (District 3):

Yes.

7. Do you support offering low interest loans to HEA members to purchase and install alternative energy and net metered systems?

Kelly Bookey (District 1):

No response

Kate Veh (District 1):

Yes, I would support it if it was mirrored after the HEA Line of Credit Program, meaning that active HEA members with a good payment history would be eligible. HEA would need to provide a pre-approved list of local retailers, eligible renewable merchandise, & eligible services (including delivery, installation, repair, sales tax, & shipping).

Dick Waisanen (District 2):

We currently have our "Line of credit " for certain appliances and we might be able to get RCA approval to add "alternative energy and net metered systems."

Dan Furlong (District 2):

No.

Jim Levine (District 3):

This program is already in existence.

Doug Stark (District 3):

Yes, with conditions to ensure repayment. Circa 1980 Chugach offered loans to members to convert from all-electric because all-electric was uneconomic. A recession followed and a number of borrowers defaulted. Stupid.

8. Do you support collective bargaining with HEA employees? Are HEA employees paid fairly?

Kelly Bookey (District 1):

No response

Kate Veh (District 1):

Yes, I support collective bargaining with HEA employees. When professionals are paid fairly & with respect & gratitude, the chances of powerlines accidentally being cut are greatly reduced.

I hope HEA employees are paid fairly, but I have yet to meet one who has actually revealed how much s/he makes. I did google the HEA Board Policies & found in the 700 section policies addressing how the board addresses bargaining unit agreements, new employee relocation expenses, confidentiality & employee privacy rights, wage & salary for non-bargaining employees, benefits packages for non-bargaining employees, employee training, annual leave, holidays, jury & witness duty, hiring, safety, control & disclosure of related party transactions, & code of ethics. If I were elected, I would be obligated to follow these policies, unless if they were rescinded.

Dick Waisanen (District 2):

Yes, I believe the current system works fairly. Currently with collective bargaining, our wages are consistent with the Pacific Northwest for most of our non-managerial employees.

Dan Furlong (District 2):

Yes, I support collective bargaining as it relates to HEA's existing contracts and personnel. Yes, believe HEA has some of the best qualified in their fields and are compensated fairly.

Jim Levine (District 3):

I support collective bargaining with HEA employees and I do think that they are paid fairly.

Doug Stark (District 3):

Yes. Yes.

9. In your view, what is the relationship between the HEA board, HEA members, and the General Manager? Does the HEA Board serve HEA management, or does it serve the HEA membership?

Kelly Bookey (District 1):

No response

Kate Veh (District 1):

I have great respect for the HEA Board & the General Manager. I think they have done a terrific job, and I think that leadership is challenging in this day & age. After speaking with HEA members, however, I think there needs to be a personal bridge extended out to HEA membership. My feeling is that people in fields of technology & engineering tend to speak in jargon & do a certain amount of lecturing to the Average Joe. This tends to lead to a feeling of disillusionment, and I know for a fact that people who

don't quite understand a concept tend to stay quiet rather than speaking up & asking a question or submitting an idea. (Of course, this is my opinion, & you may have a different one!)

The obvious solution to this is to get into some kind of a personal (yet professional) relationship with the HEA Members. This is the responsibility of the Board Members, the General Manager, & the HEA Members. Here are some free ideas:

1. For the Board: Be approachable, listen, write down members ideas, make room in the agenda for one joke for each board meeting, have integrity, be a trustful person (people can sense this). And, PLEASE wear different colored shirts for your HEA Board of Directors pictures, so you don't look like you're all related.
2. For HEA Members: Approach Board Members with an attitude of gratitude (this softens them up), and then just tell them what's on your mind. Be proactive about what you want your electric utility to look like now & in the future. You can contact your board members through this website address: <http://www.homerelectric.com/contact-us/>
3. For the General Manager: Provide good information to the Board, be good to your employees, listen to HEA members.
4. For everyone: Please remember that although political correctness may be out of fashion, politeness & manners are always in style.

Dick Waisanen (District 2):

The HEA Board acts as the body that gives direction to the GM to carry out the business of the Cooperative. We are elected to serve the membership, but sometimes it appears we serve the management because of the information we have at our disposal.

Dan Furlong (District 2):

Members of the Board are responsible to all of the HEA members, and individually to the HEA members of their respective districts. The General Manager reports to the Board of Directors.

Jim Levine (District 3):

The relationship between the board and members seems to be distant as seen by the deregulation vote where the board was in favor and the membership pretty overwhelmingly opposed the idea. The relationship between the

General Manager and the members depends on the members and the issue at hand.

The relationship between the board and the general manager is cordial. Most items that are brought before the board are approved, although not all and the board seems to do a good job of questioning the requests of management. It is always difficult on a board to be able to tell when you are being given all the information and when just the information that supports the request, but in general I think the board receives the pertinent information it needs. Ideally the board serves the members and so does management, but it does not always appear that way! I do think that the management and the staff at HEA usually keeps the best interests of the members at the fore front.

Doug Stark (District 3):

Manager works for Board; Board works for membership..

