

State of Alaska

Bill Walker, Governor

Office of Management and Budget

PO Box 110020

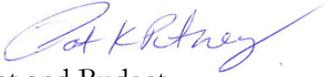
Juneau AK 99811-0020

(907) 465-4660, fax 465-3008

MEMORANDUM

Date: July 6, 2015

To: Sara Fisher-Goad, Executive Director
Alaska Energy Authority

From: Pat Pitney, Director 
Office of Management and Budget

Subject: Susitna Watana Hydroelectric Project – Administrative Order 271

On December 26, 2014, the Governor issued Administrative Order 271. With regards to the Susitna-Watana Hydroelectric Project (Project), the Governor directed the Alaska Energy Authority (Authority) to cease all discretionary spending, and not to incur new or additional expenses or obligations or entering into or amending existing contracts. The administrative order also directed the Authority not to spend unobligated or unencumbered funds, and to submit a status report of the project to the Office of Management and Budget.

Based upon our review of this project, we concur that non-discretionary expenditures would include those necessary to advance the Project to complete and preserve the value of Federal Energy Regulatory Commission (FERC) required studies; including those that are in process provided they are within existing appropriations. Incrementally advancing the project toward the FERC study plan determination is deemed non-discretionary activity. The Authority may utilize the remaining \$6.6 million of the original \$192 million appropriation to continue to move the project through 2017, at which time the project will be revisited in the context of the fiscal environment and other competing major capital projects.

I appreciate the time that you and your staff have devoted to this project. Please feel free to call me to discuss further.

Cc: Fred Parady, Deputy Commissioner, Department of Commerce Community and Economic Development

Arnold Liebelt, OMB Policy Analyst, Office of Management and Budget