

# Seward Electric Utility Governance Update

A photograph of a utility worker on a wooden pole in a snowy mountain landscape. A bucket truck is parked on the left, and a road is visible on the right. The sky is blue with some clouds.

Where we have come — and what is before the community

# Why this process began

---

The City determined that the current organizational structure — an electric utility operating as a department under the City Council, Mayor, and City Manager — is not well-suited to meet the changing energy environment in Alaska and the U.S. more broadly.

**The City is committed to an open, transparent, community-advised process before choosing a path forward.**

## Core question

How should Seward organize ownership, governance, financing, operations, and community voice so the utility can provide safe, reliable, cost-effective power while supporting long-term economic opportunity?

# Community survey: a strong basis for discussion

---

**422**

responses from Seward electric  
utility users

**±4.42%**

margin of error

**95%**

confidence interval

**Email**

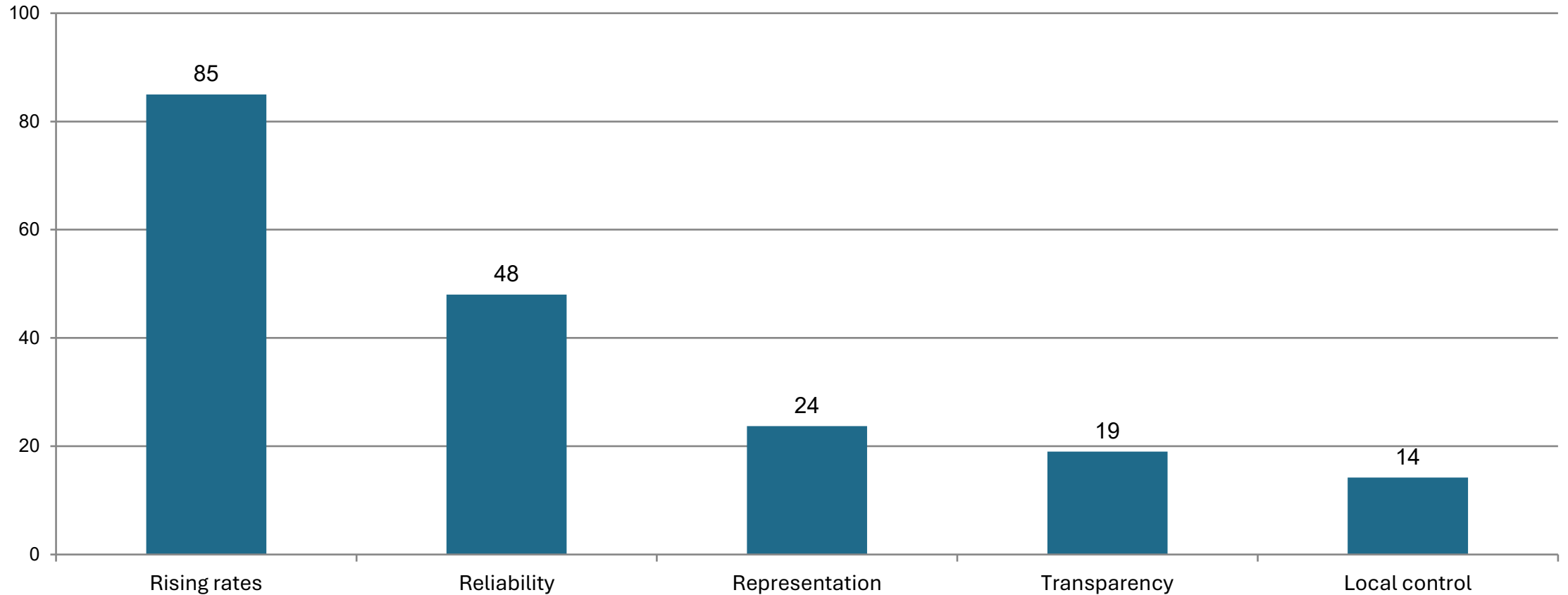
web survey solicited via email

Plus: Two focus groups to flesh-out details and opinions

- Rates and reliability are foremost in electric consumers minds
- Respondents want a robust, open, and transparent process.
- Many do not yet have enough information to form an informed opinion.
- Most respondents inside and outside city limits believe all users should have a voice in utility decisions.

# What the public said: rates and reliability lead

Top concerns from the community survey.



**Implication: the governance model should be evaluated against both near-term rate impacts and long-term rate impacts and capability — reliability, local voice, workforce, technical capacity, and financial capacity.**

# Five objectives now frame the alternatives

---

- 1 Cost-effective, long-term provision of safe, reliable, cost-effective electric service.
- 2 Use low-cost, reliable, resilient energy as a driver of sustainable local economic growth.
- 3 Give each electric consumer a voice, regardless of geographic location.
- 4 Attract and retain skilled employees and build the workforce needed to execute.
- 5 Retain local influence or control, to the extent practical and consistent with reliability and cost.

# Outreach to date

---

## Community survey

Captured ratepayer priorities inside and outside city limits.

## Town Hall #1

Small seaboard Alaska cooperatives: Cordova, Copper Valley, Kodiak.

## Town Hall #2

Railbelt utility CEOs and senior managers described missions, values, and accomplishments.

## Town Hall #3

Former U.S. Senator and Anchorage Mayor Mark Begich discussed ATU and the MUA model.

## Focus groups

Two in-depth groups of resident ratepayers helped refine governance concerns and evaluation themes.

**The result: four governance options were identified for deeper evaluation.**

# Four alternatives under evaluation

These options bound the practical range of paths available to the community.

Alternative	Basic structure	Strategic role
Franchise Cooperative	Local cooperative operates the utility under a long-term franchise while City retains assets.	Preserves ownership while testing cooperative operation.
Asset Transfer Cooperative	New local electric cooperative purchases the City's utility assets.	Maximizes local cooperative ownership and member governance.
Municipal Utility Authority	Creates a separate municipal utility authority or agency.	Closest to existing structure while improving focus and governance.
Sale to Existing Railbelt Cooperative	City sells utility assets to an established Railbelt cooperative.	Simplest transition, but local control and resource benefits may be diluted.

**The MUA is closest to the existing structure; sale is the opposite end of the spectrum; the two cooperative models fill the space between.**

# Other alternatives considered

The current analysis focuses on the alternatives most likely to meet the transition objectives.

---

## Other possible structures include:

- Sale to an investor-owned utility, similar to Juneau's model
- Operating franchise with another Railbelt cooperative
- Charter changes to grant special rights to outside-city customers short of annexation
- Other hybrid or contractual structures

## Why they are not the primary focus:

**They appear less likely to meet the objectives because of cost, implementation risk, regulatory or institutional complexity, or weaker alignment with community priorities.**

# Decision frame for Council and the community

The alternatives are not just organizational choices — they reflect different long-term strategies.

## Local control & increased opportunity

Retain ability to develop local resources such as G4J.  
Use rates and resource value to support local economic growth.  
Maintain stronger local influence over governance and priorities.  
Requires sustained community commitment, technical capacity, and governance development.

## Sale- Scale, simplicity & perceived safety

Become part of a larger utility organization.  
Potentially simplify operations and reduce transition burden.  
May gain scale and established systems.  
Likely reduces local control and dilutes Seward's influence and future resource benefits.

**Key point: the community is deciding how much strategic control, financial responsibility, operational complexity, and future economic upside it wants to retain.**

## Near-term path

---

### Town Hall #4

- Compare alternatives against the five objectives.
- Evaluate rate impacts, reliability, workforce capability, access to capital, and regulatory feasibility.
- Clarify how each option treats G4J, future local resource development, and the value of local control.

### Later this year

- Continue public engagement so ratepayers understand tradeoffs before a final decision is made.
- Rerun the Survey to gauge successes and identify gaps
- Focus group/visioning session to discover and align vision of the future

**The goal is not to preordain an outcome; it is to make the choice visible, understandable, and aligned with Seward's long-term interests.**

Thoughts?  
Questions?  
Request for Further Information?

Decision before the community

**Retain and strengthen local control over Seward's energy future, or for peace of mind, moderately lower near-term rates or to facilitate redirection efforts elsewhere, transfer that responsibility and much of the associated opportunity to a larger outside organization.**