

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

March 14, 2007

ACTION REQUIRED

AGENDA ITEM NO. IX.B.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

AREA – Joint Action Agency

DISCUSSION

Discussion was held at the Board Operations Committee meeting on February 7, and the February 21, 2007, board meeting. The board recommendation was to authorize the CEO to negotiate goals, projects, and the readmission of Chugach, including the costs, to the AREA JAA, and bring that information to the Board of Directors for approval at the March board meeting. Attached is that additional information as requested.

MOTION

Motion: Move that the Board of Directors approve the attached resolution authorizing the CEO to enter into an agreement to join the AREA Joint Action Agency.

Resolution in Support of Joining the AREA Joint Action Agency

WHEREAS, the 23rd Alaska Legislature formed the Alaska Energy Policy Task Force to develop a long-term energy plan to efficiently enhance Alaska's economic future;

WHEREAS, the Alaska Energy Policy Task Force was directed to review and analyze the State's current and long-term energy needs, and consider how to best incorporate state-owned Railbelt energy assets as part of the solution for the Railbelt's current and long-term electrical needs.

WHEREAS, the Energy Policy Task Force recommended the formation of a Unified System Operator for the Railbelt utilities;

WHEREAS, the Railbelt was incorporated in the Alaska Energy Policy Task Force analysis that determined that the Railbelt utilities should continue joint planning on a regional basis to provide the most reliable and economic power supply to the Railbelt Region;

WHEREAS, the Railbelt utilities consist of a mixture of municipalities and cooperatives;

WHEREAS, continued cooperation and development of new ways of cooperating in planning, building, owning, and operating power supply systems is essential to the physical and economic wellbeing of the citizens of the Alaska Railbelt region;

WHEREAS, the parties see great potential benefit in establishing the structure of a cooperative business relationship in advance of undertaking specific joint actions; and

WHEREAS, Golden Valley Electric Association and Anchorage Municipal Light and Power have formed a joint action agency, the AREA JAA, to jointly facilitate such projects;

NOW THEREFORE BE IT RESOLVED that the Board of Directors authorizes CEO Stewart to enter into an agreement to join the AREA JAA.

NOW THEREFORE BE IT FURTHER RESOLVED that the parties should take rigorous and appropriate steps to jointly develop specific projects that management believes are in the best interests of electric power consumers of the Railbelt. Management shall identify those projects appropriate for inclusion as JAA activities and present them for review and approval by the governing boards of the participating utilities.

I, Jim Nordlund, do hereby certify that I am that I am Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 14th day of March, 2007; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 14th day of March, 2007.



**ALASKA RAILBELT
ENERGY AUTHORITY**



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Vacant, Vice-Chair

Jim Posey, Secretary-
Treasurer
Municipal Light and Power

Russell Nogg, Alternate
Municipal Light and Power

Steve Haagenson, Alternate
*Golden Valley Electric
Association*

March 5, 2007

Mr. William Stewart, CEO
Chugach Electric Association, Inc.
5601 Electron Drive
Anchorage, AK 99518

Dear Bill:

The Alaska Railbelt Energy Authority (AREA), a Joint Action Agency, proposes Chugach Electric Association (CEA) consider joining AREA as a member with the following ideas in mind:

CEA's portion of membership fees will be \$44,100 for the calendar year 2007, as outlined in the previously provided AREA budget for 2007, which excludes project expenditures.

CEA will join AREA under the terms and conditions of the First Amended and Restated Joint Action Agency Agreement relating to The Alaska Railbelt Energy Authority, dated August 1, 2005 and the Bylaws of The Alaska Railbelt Energy Authority, as previously presented to CEA.

AREA will assume the duties of CEA as to the Fire Island project, including funding, making decisions, project promotion and development, with at least ML&P, GVEA and CEA as participants in the project until it is developed or terminated. It is understood that project funding will be in addition to the membership fees in the AREA budget.

AREA will develop a Joint Dispatch Center project with at least ML&P and CEA as project participants with the understanding that it is likely GVEA may participate in the project. It is understood that project funding will be in addition to the membership fees in the AREA budget.

We would appreciate your presenting this proposal to the CEA board of directors at its March 14, 2007 meeting.

Sincerely,



James M. Posey
Secretary

cc: Jeff Lipscomb

