

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

March 24, 2010

ACTION REQUIRED

AGENDA ITEM NO. V.E.

 Information Only
 X **Motion**
 Resolution
 Executive Session
 Other

TOPIC

Southcentral Power Plant (SPP) – Purchase of Steam Turbine Generator

DISCUSSION

The Southcentral Power Project requires a 57 MW steam turbine generator consistent with the approved description of the plant. The steam turbine generator (STG) provides power utilizing steam generated from the waste heat of three (3) combustion turbine generators (CTG) already purchased for the Project.

Eight (8) manufacturers were pre-qualified by the Owner's Engineer and directly solicited with a Request for Proposal. Five (5) manufacturers submitted proposals within the due date and were evaluated on the basis of cost, quality assurance, availability of parts, service, training program, and their safety record. An evaluation team consisting of members from Chugach, ML&P, the SPP Owner's Engineer, and SPP Site Management from S&W met and determined the highest ranked manufacturer was Mitsubishi Power Systems Americas, Inc.

Negotiations were held in the month of February resulting in a form of contract with reasonable and suitable terms and conditions to Chugach and ML&P as Owners. The contract may be amended before signing but will be subject to no material change in terms and conditions.

On the March 3, 2010, Finance Committee Meeting, the Committee recommended that the Board authorize the Chief Executive Officer to approve a Steam Turbine Generator Purchase Contract for the Southcentral Power Plant (SPP) for an estimated cost as described in Executive Session.

MOTION

(Consent Agenda)