



## **June 2010 Events**

### **EPC Contract**

In December 2009 a Request for Proposal (RFP 09-27) was issued by Chugach on behalf of the Participants (Chugach and ML&P) for the engineering, procurement, and construction of a new power plant. On April 16<sup>th</sup> one of those proposers, SNC-Lavalin Constructors, Inc., was invited to negotiate a contract with Chugach for this purpose. Negotiations continued until June 18<sup>th</sup> when the contract was executed with the approval of the Participants Committee, specifically ML&P, and the Chugach Board of Directors.

The initial phase of engineering began on June 18<sup>th</sup> in anticipation of meeting the first critical milestone of the project, excavation of the SPP site. This excavation is being done in order to prepare for the installation of permanent facilities in Spring 2011. Plan development is in progress for submission to the Municipality of Anchorage in order to obtain the necessary permitting.

With the arrival of this contract, the largest of the Southcentral Power Project, a new project baseline will be presented next month. This will change the format of the schedule and bring cost forecasts up to date.

### **OTSG Purchase**

A Request for Bid was issued to four major boiler manufacturers on June 15<sup>th</sup>. This purchase will complete those being handled directly by Chugach and ML&P as owners of the new power plant. The equipment specified was a once-through steam generator after much consideration by the project team and our Owners' Engineer, PB Power. In particular, the project team visited several sites where this type of boiler is installed and received strong, positive feedback from engineers and operators in support of this design.

Questions were due to Chugach from bidders on June 22<sup>nd</sup> and the final submissions were due on June 28<sup>th</sup>. A review of both technical and commercial aspects of responsive bids were still in progress at the end of the month. The evaluation will continue into July and a recommendation for purchase is expected by the end of next month.

### **Combustion Turbine Generators (CTGs)**

A change order was issued to GE Packaged Power (GEPP) in June allowing them to change the "Ready to Ship" dates of packages designated for SPP. According to the original schedule these units would begin shipment to Anchorage this summer. With the new arrangements GE's units will not arrive until March 2011. This change represented a net savings to the project.