

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

November 12, 2008

ACTION REQUIRED

AGENDA ITEM NO. XIII.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Resolution – Cook Inlet Coal to Liquids

DISCUSSION

Given the significant rise in the cost of Cook Inlet natural gas, it is critical for Chugach to move to a portfolio of alternate electric generation techniques. Coal to Liquids with carbon dioxide sequestration is a sustainable, clean electric generation technique that could potentially allow another 350 mW of clean, low emission electric energy to be quickly brought on line at a low cost to our members. As such, it should be considered as a potential part of our future electric generation architecture. Note that the same chemical processes for converting coal to liquids (synthetic diesel) can also be used to convert biomass to liquids and natural gas to liquids.

We should consider supporting this endeavor as it is yet another opportunity to move from a complete dependence on Cook Inlet natural gas to a portfolio of clean, sustainable energy generation techniques.

MOTION

Move that the Operations Committee recommend to the Board of Directors to support the development of coal to liquids with carbon dioxide sequestration with the following resolution.

RESOLUTION

RESOLUTION IN SUPPORT OF COOK INLET COAL TO LIQUIDS

WHEREAS, development of coal to liquids promotes diversified sustainable economic development;

WHEREAS, jobs and the long-term economic growth of the State of Alaska are fostered by using environmentally friendly, emission-free energy resources;

WHEREAS, a single coal to liquids plan in Cook Inlet could demonstrate the economic viability of coal to liquids with carbon dioxide sequestration in Alaska and have the potential to reduce the high cost of home heating, electric energy generation, and overall energy costs in the Bush;

WHEREAS, the public would benefit by reducing reliance on Cook Inlet natural gas supplies;

WHEREAS, it is in the economic interest of the general membership to pursue a portfolio of future electric generation technologies that will help stabilize and eventually reduce the cost of electrical power in South Central Alaska despite increasing cost of Cook Inlet natural gas;

WHEREAS, the State of Alaska is conducting an analysis of future electric power production options for the State of Alaska:

WHEREAS, similar techniques for converting coal to liquids could be used for proposed biomass to liquids and gas to liquids;

NOW, THEREFORE BE IT RESOLVED that Chugach Electric Association, Inc. supports the continued evaluation of all potential electric generation techniques so that we can eliminate our dependence on Cook Inlet natural gas by the year 2020;

BE IT FURTHER RESOLVED that The Chugach Board of Directors support the permitting and continued study of a Cook Inlet coal to liquids facility.

I, Alex Girmac, do hereby certify that I am the 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 12th day of November, 2008; 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 12th day of November, 2008.

Secretary