



CHUGACH ELECTRIC ASSOCIATION, INC.  
ANCHORAGE, ALASKA

OPERATIONS COMMITTEE MEETING

AGENDA

Stuart Parks, Chair  
Harold Hollis, Vice Chair

Susan Reeves  
Harry Crawford  
Bettina Chastain

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**December 9, 2019**

**4:00 p.m.**

**Chugach Board Room**

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- I. CALL TO ORDER (4:00 p.m.)
  - A. Roll Call
- II. APPROVAL OF THE AGENDA\*
- III. APPROVAL OF THE MINUTES\*
  - A. October 7, 2019 (Quezon)
- IV. PERSONS TO BE HEARD
  - A. Member Comments
- V. NEW BUSINESS (none)
- VI. EXECUTIVE SESSION\* (scheduled) (4:10 p.m.)
  - A. IMO Update (4:15 p.m.)
  - B. Senate Bill 123 Discussion (4:25 p.m.)
  - C. Adoption of Green Energy Program (continue discussion) (4:40 p.m.)
  - D. 2020-2022 Strategic Plan Update (5:40 p.m.)
  - E. 2020 (May 1, 2020 – April 30, 2021) Chief Executive Officer Key Performance Indicators Discussion (6:40 p.m.)
- VII. NEW BUSINESS\* (scheduled) (7:40 p.m.)
  - A. Recommendation on Adoption of the Green Energy Program\*\* (Miller) (7:40 p.m.)
  - B. Recommendation to Approve the 2020-2022 Strategic Plan\* (Miller/Thibert) (7:45 p.m.)
- VIII. DIRECTOR COMMENTS (7:50 p.m.)
- IX. ADJOURNMENT\* (8:00 p.m.)

\* Denotes Action Items

\*\* Denotes Possible Action Items

12/6/2019 1:45:13 PM

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**October 7, 2019**  
**Monday**  
**5:00 p.m.**

**OPERATIONS COMMITTEE MEETING**

Recording Secretary: Arden Quezon

**I. CALL TO ORDER**

Chair Parks called the Operations Committee meeting to order at 5:00 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

*A. Roll Call*

*Committee Members Present:*

Stuart Parks, Chair

Harold Hollis, Vice Chair

Susan Reeves, Director (*via teleconference*)

Harry Crawford, Director

Bettina Chastain, Director (*via teleconference @ 5:10 p.m.*)

*Other Board Member Present:*

Jim Henderson, Director (*via teleconference*)

Rachel Morse, Director

*Guests and Staff in Attendance:*

Lee Thibert

Sherri Highers

Mike Brodie

Brian Hickey

Pete Smithson

Todd McCarty

Matthew Clarkson

Connie Owens

Tom Schulman

Paul Risse

Josh Resnick

Don Edwards, Outside

Arthur Miller

Andrew Laughlin

Regulatory Consultant

Mark Fouts

Julie Hasquet

(*via teleconference*)

**II. APPROVAL OF THE AGENDA**

Director Crawford moved and Director Hollis seconded the motion to approve the agenda. The motion passed unanimously.

*Director Chastain was not present at the time of the vote.*

**III. APPROVAL OF THE MINUTES**

Director Hollis moved and Director Crawford seconded the motion to approve the July 10, 2019, Operations Committee Meeting minutes. The motion passed unanimously.

*Director Chastain was not present at the time of the vote.*

#### **IV. PERSONS TO BE HEARD**

- A. *Member Comments*  
None

Chair Parks called for a recess. No objections were made.

*Meeting resumed and time was not noted.*

#### **V. NEW BUSINESS**

- A. *Eklutna Unit 2 Major Maintenance Update (Risse)*  
Paul Risse, Executive VP, Power Production introduced Mike Brodie, Plant Manager, Peaking Hydro. Mr. Risse and Mr. Brodie discussed the Eklutna Unit 2 Major Maintenance Update and responded to questions from the Committee.

*Director Chastain joined via teleconference at 5:10 p.m.*

#### **VI. EXECUTIVE SESSION**

- A. *Quartz Creek Transmission Line*  
B. *Update on RRC MOU*  
C. *ML&P Acquisition Update*
  1. *IMO Update*
  2. *ML&P Acquisition RCA Filing Update*
  3. *BRU Correspondence*

At 5:20 p.m., Director Crawford moved and Director Hollis seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (3) the Board of Directors' Operations Committee go into executive session to: 1) discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and, 2) discuss legal matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

*The meeting reconvened in open session at 7:38 p.m.*

#### **VII. DIRECTOR COMMENTS**

Director comments were made at this time.

*Director Chastain was not present during Director comments.*

#### **VIII. ADJOURNMENT**

At 7:45 p.m., Director Hollis moved and Director Crawford seconded the motion to adjourn. The motion passed unanimously.

*Director Chastain was not present at the time of the vote.*

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**OPERATIONS COMMITTEE MEETING**  
**AGENDA ITEM SUMMARY**

**December 9, 2019**

**ACTION REQUIRED**

**AGENDA ITEM NO. VII.A.**

<u>    </u>	<b>Information Only</b>
<u>  X  </u>	<b>Motion</b>
<u>  X  </u>	<b>Resolution</b>
<u>    </u>	<b>Executive Session</b>
<u>    </u>	<b>Other</b>

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**TOPIC**

Adoption of Green Energy Program

**DISCUSSION**

Chugach Electric Association, Inc.'s (Chugach) 2019 strategic goals include the establishment of a Green Energy Program whereby certified Renewable Energy Certificates (REC) are offered to members on a voluntary basis in support of renewable generation.

Under the program, Chugach members are provided the opportunity to purchase RECs on a voluntary basis which provides the member with certified renewable energy which allows them to claim the environmental benefits associated with the renewable energy certificates that were purchased. In addition, a portion of the proceeds from the Green Energy Program will be used to fund the development of renewable energy projects in support of non-profit organizations and schools within Chugach's certificated service area. Determination of project grant awards will be made by committee. Based on a 0.7 percent retail participation rate, funding for grants would total approximately \$9,500 per year.

The program will be offered through a partnership with a third-party vendor whereby RECs can be purchased through a separate web portal in which members can purchase RECs on an on-going or one-time basis. As structured, the costs of the program will be funded through program participation and will not impact rates for electric service. Program participation and the amount of RECs purchased will be determined by each participant on a voluntary basis. Initially, the price will be \$0.006 per kWh (\$6.00 per REC) for all classes of service (residential, small commercial, large commercial, and lighting). Based on a residential customer using 550 kWh per month, the monthly cost would be \$3.30. Green Energy Program prices will be adjusted as needed based on cost and market conditions. Changes in prices are expected to be infrequent.

The structure of the program is consistent with the requirements of the Regulatory Commission of Alaska. Program activity (revenue and cost) will be separately tracked, member electric bills will not be used for billing purposes, and Chugach will inform members that the program is not an electric utility service and that the Commission does not regulate, condone or oversee the program.

Chugach will provide annual reports to the Chugach Board of Directors on the program, including program participation, funding levels, and grants issued.

**MOTION**

Move that the Operations Committee recommend the Board of Directors approve the attached resolution authorizing the Chief Executive Officer to implement the Green Energy Program.



## **RESOLUTION**

### **Green Energy Program Adoption**

WHEREAS, the Chugach Electric Association, Inc. (Chugach) Board of Directors adopted sustainability as a core business philosophy by which financial, environmental and social measures are expressly considered in its overall performance;

WHEREAS, investments in renewable generation are desirable for the long-term transformation towards a sustainable energy future;

WHEREAS, the Chugach Board of Directors and management have identified a strategic goal to implement a Green Energy Program to provide additional voluntary energy options to retail members in support of renewable generation;

WHEREAS, based on survey results from Chugach's membership, retail members have expressed support for Chugach providing additional renewable energy options, including over 50 percent of respondents stating they would be willing to pay at least \$1 more per month for renewable energy and, based on members willing to pay more, the average amount was in excess of \$9 dollars per month;

WHEREAS, adoption of a Green Energy Program is consistent with Chugach's sustainability business philosophy and is responsive to member requests for additional renewable energy options;

WHEREAS, a key element of a Green Energy Program is the purchase of renewable energy certificates which provides the member with certified renewable energy which allows them to claim the environmental benefits associated with the renewable energy that was purchased;

WHEREAS, a second key element of Chugach's Green Energy Program is the funding of new local renewable energy projects with a portion of the proceeds used to fund select renewable energy projects at non-profit organizations and schools in Chugach's certificated service area, as selected by a review committee;

WHEREAS, the initial price under the Green Energy Program shall be \$0.006 per kWh (\$6.00 per renewable energy certificate) for all retail member participants and, based on this, the average residential member who elects to participate in the program would pay \$3.30 per month for 100 percent renewable energy;

WHEREAS, Green Energy Program prices shall be adjusted periodically based on cost and market conditions; and,



WHEREAS, the Green Energy Program shall be consistent with requirements from the Regulatory Commission of Alaska, including that program activity (revenue and cost) will be separately tracked, member electric bills will not be used for billing purposes, and that Chugach will inform members that the program is not an electric utility service and that the Commission does not regulate, condone or oversee the program.

NOW, THEREFORE, BE IT RESOLVED, the Chugach Electric Association, Inc. Board of Directors authorizes the Chief Executive Officer to implement a Green Energy Program for the sale of renewable energy certificates and the distribution of a portion of the proceeds for renewable energy grants to non-profit organizations and schools within Chugach's certificated service area, with grant decisions made by a review committee.

#### CERTIFICATION

I, Stuart Parks, 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 9<sup>th</sup> day of Decemberr 2019; 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 on the 9<sup>th</sup> day of December 2019.

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Secretary

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**OPERATIONS COMMITTEE MEETING**  
**AGENDA ITEM SUMMARY**

**December 9, 2019**

**ACTION REQUIRED**

**AGENDA ITEM NO. VII.B.**

- Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other
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**TOPIC**

Chugach Electric Association, Inc.'s 2020 - 2022 Strategic Plan

**DISCUSSION**

As discussed in Executive Session.

**MOTION**

Move that the Operations Committee recommend the Board of Directors approve Chugach Electric Association, Inc.'s 2020 – 2022 Strategic Plan.