

Chugach legislative agenda outlined

Chugach has set a 2010 legislative agenda that supports the creation of a regional generation & transmission corporation, attends to local issues and continues to monitor federal issues that could impact the rates paid by members.

Chugach leadership discussed its legislative agenda with decision makers and others at its annual legislative reception Dec. 8.

State issues

Cook Inlet resource management plan

During the 2009 legislative session, Chugach promoted the idea that the state needed to take an overarching view of the Cook Inlet natural gas basin. Chugach said the state should consider the natural gas in the basin as a valuable regional resource and develop an appropriate management plan for it. The administration has undertaken a Cook Inlet natural gas study. Chugach will continue to remain interested in Cook Inlet natural gas issues and the wise management of the resource.

Greater Railbelt Energy & Transmission Corporation

At the top of Chugach's state legislative agenda is support for legislation to create GRETC – the Greater Railbelt Energy & Transmission Corporation. GRETC would be a new privately owned, utility-gov-



erned, not-for-profit company with public responsibilities defined in law. Over time, it would take over the mission of providing for the generation & transmission needs of the six Railbelt electric utilities. Studies led by the Alaska Energy Authority have shown that consolidating G&T functions in an organization like GRETC would save money for regional ratepayers. Bills to create GRETC were introduced in both the House and Senate in 2009.

Electronic voting

Chugach will seek a change to the state statute covering electric and telephone cooperatives to allow members to vote electronically in the annual election for directors and proposed bylaw changes – if a utility's bylaws allow it. Members amended the Chugach bylaws some years ago to allow electronic voting in the event state law is changed. Other cooperatives also support the idea.

Federal issues

Carbon penalties

Different ideas are under discussion in Washington D.C. about penalizing carbon emissions. Ideas range from taxes to various cap-and-trade scenarios.

Renewable Energy Standards

These standards would mandate that a percentage of the power sold by utilities of a certain size come from qualifying renewable resources. While Chugach is in favor of renewable energy – and has adopted a vision of moving from a generation mix that

is 90 percent fossil fuel based and 10 percent renewable – it is not a case of renewables at any price. Rather, renewables need to make economic sense for customers.

Energy Efficiency Resource Standards

These standards are once again a mandate – a requirement that a utility must reduce the amount of energy sold over time or be penalized. Chugach is opposed to proposals that would raise the price of power without a concurrent benefit to ratepayers.

Local issues

Southcentral Power Project

Chugach and Anchorage Municipal Light & Power have joined in a project to build a new,



efficient, natural gas-fired, 183-megawatt, combined-cycle power plant known as the Southcentral Power Project. SPP will be built on land at Chugach. Construction is scheduled for 2010-2012 and commissioning in 2013. Some land issues require attention in 2010, including concluding the purchase of adjacent Anchorage Water & Wastewater Utility land for storage and a related sale of Chugach land at the Huffman Substation for an AWWU water tank. In addition, if the Assembly adopts a particular change to Title 21, Chugach will seek a zoning change from I-1 to I-2.

See *Legeslative agenda*, page 2

Members can help advance Chugach's legislative agenda

By Rebecca Logan,
Board Chair



As regular readers of the outlet are aware, Chugach is facing ever increasing difficulties in providing affordable, stable and environmentally responsive electricity to our members. Utilities across the nation and especially here in Alaska share these common challenges. The six Railbelt electric utilities have a unique opportunity to work together to solve our energy problems. Two years ago, Chugach recommended to Legislative committees that a unified entity be created to address growing regional energy problems. These include fuel supply, the development of alternative energy and financing. We suggested the State help the unified entity achieve its mission at the least cost, most-affordable manner.

We have worked diligently since that initial testimony to encourage participation by other Railbelt utilities, and worked cooperatively with the State administration on the enabling legislation introduced in the last legislative session. The legislation, as crafted would create an organization called GRETC – the Greater Railbelt Energy and Transmission Corporation. The entity would take on the difficult and costly task of developing an energy future that is not only less fossil fuel dependant but one that provides affordable electricity and creates energy conditions allowing our business community to grow and prosper.

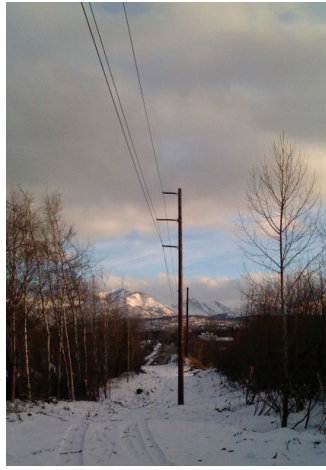
So what can you, a member of a cooperative association do to influence the outcome of our efforts? In the democratic process

See *Members*, page 2



O'Malley Road project energized

In late November Chugach energized a new section of 138-kilovolt transmission line constructed in 2009 along O'Malley Road between the Alaska Railroad track and Elmore Road. With that action, Chugach electrically connected the South Anchorage Loop – a series of projects begun 8 years earlier. The goal was to improve local and regional reliability by building a new transmission substation in South Anchorage and linking it to Chugach's two other Anchorage Bowl transmission substations. The work along O'Malley included converting existing overhead 12.5-kv distribution lines to underground facilities and installing a new segment of underground 34.5-kv subtransmission line.



AEA releases integrated resource plan Regional plan seeks best energy options

In December the Alaska Energy Authority released the results of the Railbelt Integrated Resources Plan – a study of how best to meet regional energy needs for the next 50 years.

Study authors Black & Veatch concluded that the preferred resource plan includes a sequential series of steps and projects that include {28793} energy efficiency, landfill gas generation, Fire Island wind power, the Southcentral Power Project, the Glacier Fork hydro project, Nikiski-area wind power, simple-cycle turbine generation in Anchorage, combined-cycle

generation in Fairbanks, parallel pursuit of Chakachamna/Susitna/Glacier Fork hydro project feasibility, and multiple transmission projects to better link the region's generation sites to customers.

The study also concluded that the proposed Greater Railbelt Energy & Transmission Corporation could serve as the vehicle to finance and implement the plan on behalf of the Railbelt utilities and the customers they serve.

The draft RIRP report can be found at:
www.akenergyauthority.org

Upcoming election

Two directors will be elected to the Chugach board in the upcoming 2010 election. Call 762-4736 for more information.

Candidate applications may be found on Chugach's Web site at www.chugachelectric.com.

Legislative agenda (cont'd from page 1)

Dowling Substation land swap

When the Municipality proceeded with the extension of Dowling Road between Lake Otis Parkway and Elmore Road, it took part of the land that Chugach has under permit on the north edge of its Dowling Substation. A land swap for adjoining land to the west to compensate Chugach requires a vote of the people since it has been set aside as parkland. The issue could come before the voters in the April 2010 municipal election.

Overhead-to-underground conversions

Under an ordinance passed in 2005, utilities assess a charge to customers in the Municipality to raise funds to convert existing overhead lines to underground service. The 2 percent charge

raises about \$3 million per year from Chugach's Anchorage customers. The 2010 funds are earmarked for recent work along O'Malley Road and an upcoming Victor Road project.



Smart Power

Building upon prior efforts, Chugach launched the Smart Power program in 2008 to promote energy efficiency and conservation. In 2009, ML&P and Matanuska Electric Association joined in efforts to help customers purchase and use more efficient lighting. In 2010, the program will focus on education.

Members (cont'd from page 1)

you have an important voice and by using it you will make a difference. The two bills before the legislature are HB 182 and SB 143. I encourage you to read them and let your legislators know where you stand on the Railbelt utilities working together. Let your legislators know your feelings about the State helping the utilities create a better and affordable energy

future. For years, State energy assistance has been extended in many areas of Alaska and it is time to help on an equally weighted basis those citizens living in the Railbelt communities.

You can make a difference. You'll find bill and contact information at <http://w3.legis.state.ak.us/index.php>.

Member number hide-n-seek

Find your member number in the Outlet and get a \$100 credit on your electric bill.

Call Chugach's service center at 563-7366 to claim your prize.

Contact us

Main number 563-7494
Toll free (800) 478-7494
Member Services 563-7366
Member Services fax 762-4678
24-hour payment line 762-7803
Credit 563-5060
Power theft hotline 762-4731
Danger tree hotline 762-7227
Street light hotline 762-7676
Underground locates 278-3121
Regulatory Commission of AK (800) 390-2782
or 276-6222
To report a power outage
In Anchorage 762-7888
Outside Anchorage (800) 478-7494

Hours

Main office:
Monday - Friday
8 a.m. - 5 p.m.

Member Services lobby: 5601 Electron Drive
Monday - Friday
8 a.m. - 6 p.m.

Member Services phone:
Monday - Friday
8 a.m. - 6 p.m.

The Chugach Outlet

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Monthly residential service costs (based on 700 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.07181 x kwh =	\$50.27
Fuel \$0.04231 x kwh =	\$29.62
Purchased power \$0.00463 x kwh =	\$ 3.24
<small>(If approved by the RCA, anticipated fuel & purchased power adjustments effective 1/1/10 - 3/31/10)</small>	
Subtotal	\$ 91.13
2% MOA Underground Charge =	\$ 1.82
RCC charge \$0.000432 x kwh =	\$ 0.30
Total bill	\$93.25

Personnel policy

"It is a policy of Chugach Electric Association, Inc., to recruit, hire, train, compensate and promote persons without regard to race, color, religion, national origin, sex, marital status, pregnancy, parenthood, disability, veterans status, age or any other classification protected by applicable federal, state, or local law." Chugach is also an affirmative action employer."

Corporate Mission: Through superior service, safely provide reliable and competitively priced energy.

Corporate vision: Powering Alaska's future

CHUGACH
POWERING ALASKA'S FUTURE