

Susitna-Watana studies continue

Crews have been in the field this summer compiling information to complete dozens of studies on the Susitna-Watana Hydroelectric Project.

Susitna-Watana Hydro is a planned major new generation resource for the Railbelt. The Alaska Energy Authority – with support from legislators and the Governor – is leading the multi-year effort to advance the project.

Susitna-Watana is being planned to generate 2.8 million megawatt-hours of energy per year. That's equivalent to Chugach's 2013 power sales. The Susitna-Watana project would annually provide about

half of the electric energy used by customers in the Railbelt.

Like Bradley Lake and other hydro projects, Susitna-Watana is expected to help stabilize electric power prices. It would reduce the amount of natural gas Chugach would otherwise have to purchase at fluctuating prices. In 2013, 87 percent of the power Chugach sold came from burning natural gas, 11 percent from hydro and 2 percent from wind. Offsetting natural gas purchases with hydropower from the Susitna-Watana project would create a more-balanced generation mix.

While they remain productive for more than 100 years,

major hydroelectric projects do take time to permit and construct. The 58 studies will support a license application AEA envisions filing in 2016 with the Federal Energy Regulatory Commission. A determination on the license could take a couple of years. If granted, construction would follow, with the project becoming operational in 2025.



A dam on the Susitna River at a narrow spot 184 river miles upstream from Cook Inlet would create the reservoir for the Susitna-Watana Hydroelectric Project.



Transmission lines from the Susitna-Watana Hydroelectric Project will connect to the Alaska Intertie, a transmission line owned by AEA that runs between Willow and Healy.

Chugach has supported the efforts of AEA to move the project toward licensing. Like other Railbelt utilities, Chugach is a potential purchaser of

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Bradley Lake hydro project turns 23

The Bradley Lake Hydroelectric Project turns 23 this month. The 120-megawatt project near the head of Kachemak Bay outside Homer began commercial operations on Sept. 1, 1991.

For much of the past 23 years, the State-owned project has provided customers throughout the Railbelt with

some of the most economical energy on the grid. Utilities value hydropower for both its economy and its predictability. Hydropower is “dispatchable” – meaning utilities can schedule its use in advance.

The State used an effective model to finance the \$350 million Bradley Lake project. The State made an equity contribution of half the cost and bonded for the other half. Railbelt utilities signed up for shares of the output equal to their percentage of the load

at the time, agreeing to pay a concurrent amount of the annual cost of the bonds.

Each of the six electric utilities in the Railbelt takes a share of the project. Chugach takes 30.4 percent of the annual energy produced by the project for its retail customers and pays 30.4 percent of the yearly debt service. Payments continue to the State even after the bonds are retired, in recognition of its early equity contribution. {150096}

Bradley Lake is owned by the Alaska Energy Authority, and managed by a committee that includes representatives of the Railbelt electric utilities.



The Bradley Lake Hydroelectric Project reservoir supplies the water for a powerhouse on the shore of Kachemak Bay.

About AEA

The Alaska Energy Authority is a public corporation of the State, within the Department of Commerce, Community and Economic Development. AEA's mission is to reduce the cost of energy in Alaska. The board of directors of the Alaska Industrial Development and Export Authority also serves as the board of AEA.

In addition to managing a range of programs, AEA has developed several significant projects. AEA built and owns two key pieces of Railbelt electric infrastructure – the Alaska Intertie between Willow and Healy, and the Bradley Lake Hydroelectric Project near Homer.

MEA may remain a customer a while longer

Matanuska Electric Association may continue to buy power from Chugach for at least part of 2015. Purchases had been scheduled to stop at the end of the year, when MEA planned to generate its own power at a plant now under construction. However, construction delays mean the plant will not be available on Jan. 1.

MEA provides retail electric service from Eagle River north and east into the Susitna and Matanuska valleys.

MEA has been a wholesale customer of Chugach for decades, but several years ago gave notice that it did not intend to continue that relation-

ship when its current contract expires at the end of 2014. Instead, it set out to secure its own natural gas supply and build a 171-megawatt gas-fired power plant at Eklutna to meet the needs of its members. The Eklutna Generation Station project broke ground in June 2012.

MEA management notified the Regulatory Commission of Alaska at an Aug. 13 meeting that it would not complete its plant by the end of the year as planned. Instead, MEA said it would seek to continue to buy power from Chugach into 2015 while the plant was finished.

Volunteers needed

Chugach is looking for members to serve on its annual meeting committees. A successful meeting depends upon volunteers who staff the Nominating, Bylaws and Election

committees. For more information call 762-4177, or visit Chugach's website at www.chugachelectric.com. Applications are due Oct. 30.

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energy from the project. However, power sales agreements cannot be developed until more is known about how the project will be financed and operated. Currently the project has an estimated cost of \$5.2 billion. AEA has hired a financial advisor to help evaluate

alternative means of financing and the impact on the price of power that will ultimately be paid by utility customers.

For more on the project, go to <http://www.susitna-watana-hydro.org/>.

Member appreciation week

This October Chugach will host its inaugural Member Appreciation Week.

When:
October 20 – 24, 2014

Why:
To extend thanks and appreciation to all Chugach members

Where:
Chugach Electric Office Headquarters- 5601 Electron Drive, Anchorage.

Throughout the week, members are invited to join Chugach staff in discussing various topics including: energy efficiency, public safety, member billing and payment options, and much more. Mark your calendar and stay tuned for more details about Chugach's Member Appreciation event! We hope to see you there.



New Chuitna crossing

Chugach crews built new structures on either side of the Chuitna River in August. The structures support a portion of a 25-kilovolt distribution line that runs from Chugach's Beluga power plant to Tyonek and on to Granite Point.

Flooding on the river after heavy rains in September 2012 eroded away original pole placements, necessitating temporary repairs. Funding from the Federal Emergency Management Agency allowed Chugach to create an improved crossing over the river.

In all, six new poles were set, three on each side of the river.

Due to wet conditions, it was a multi-step construction process. During the winter, crews drove to the site and

dug the holes for the new poles. Culverts were installed vertically and secured by filling the space around them with gravel. That provided foundations that were ready when a heavy-lift helicopter became available. The new poles were flown in and set into the culverts by helicopter. Crews then backfilled the space between the poles and culverts with gravel stockpiled on site in the winter before attaching the conductors to the new structures.



A helicopter was used to set the poles for a new distribution line crossing at the Chuitna River.

The Chugach Outlet

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

Corporate vision: Powering Alaska's future

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 equal opportunity/affirmative action employer. Current openings are posted on the employment page at <http://chugachelectric applicantpro.com>. Chugach only accepts applications for open vacancies.



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Monthly residential service costs (based on 650 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.09415 x kwh =	\$61.20
Fuel \$0.04920 x kwh =	\$31.98
Purchased power \$0.00520 x kwh =	\$3.38
FIW renewable energy adj. \$0.00163 x kwh =	\$1.06
<small>(Fuel, Purchased power and FIW renewable energy adjustment factors effective July 1, 2014)</small>	
Subtotal	105.62
2% MOA Undergrounding Charge =	\$ 2.11
Regulatory Cost Charge \$0.000754 x kwh =	\$ 0.49
Total bill	\$108.22

Member number hide-n-seek

Find your member number (in brackets) in the Outlet and get a \$100 credit on your electric bill. Call Chugach's service center at 563-7366 to claim your prize.