

February 28, 2017

TARIFF ADVICE LETTER NO. 434-8

Regulatory Commission of Alaska 701 W. 8th Avenue, Suite 300 Anchorage, AK 99501

Commissioners:

The tariff filing described below is hereby transmitted to you for filing in compliance with the Alaska Public Utilities Commission Act and Sections 3 AAC 48.200 - 3 AAC 48.430 of the Alaska Administrative Code. The purpose of this filing is to update Chugach Electric Association, Inc.'s (Chugach) operating tariff to reflect 2016 operating results for net metering installations on the Chugach retail distribution system.

| <u>TARIFF SHE</u> <u>ORIGINAL</u> | | <u>CANCELS SHEE</u> <u>ORIGINAL</u> | | SCHEDULE OR <u>RULE NUMBER</u> |
|--------------------------------------|--------------|--|--------------|-----------------------------------|
| 89.3.3 | 8th Revision | 89.3.3 | 7th Revision | Net Metering Service |

Section 3 AAC 50.910(d) of the Alaska Administrative Code requires electric utilities to file a tariff advice letter on or before March 1 of each year to update the number of kilowatts equivalent to 1.5 percent of the average retail demand for the previous calendar year-end and the total nameplate capacity of consumer generation systems participating in the net metering program.

Chugach has updated Tariff Sheet No. 89.3.3 in conformance with the net metering regulations. For calendar-year 2016, Chugach's retail sales totaled 1,133,020 MWh. Chugach's average retail demand was 126.7 MW, a 2.1 percent decrease from 2015 levels. The total maximum allowed nameplate capacity of all net metered installations on the retail distribution system is 1.901 MW (1,901 kW). Chugach currently has 72 net metered customers (69 photovoltaic and 3 wind) that collectively own 184.21 kW of renewable generation based on nameplate capacity.

Description of Tariff Changes

Tariff Sheet No. 89.3.3: Average retail demand, maximum allowed nameplate capacity, and nameplate capacity of all net metered customers on the Chugach system have been updated to reflect 2016 operating results.

The proposed changes in this filing do not conflict with any other schedule or rate, and do not otherwise adversely impact customers on the system. Please contact Nick Horras, Manager of Business Development and Key Accounts, at 762-4336 if additional information is needed.

Sincerely,

CHUGACH ELECTRIC ASSOCIATION, INC.

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Arthur W. Miller Executive Manager, Regulatory and External Affairs P.O. Box 196300 Anchorage, Alaska 99519-6300 Telephone: 907-762-4758 Facsimile: 907-762-4191 Arthur Miller@chugachelectric.com

Attachment

| RCA No.: | 8 | 8 th Revision | Sheet No.: | 89.3.3 |
|----------|---|--------------------------|------------|--------|
| | | Canceling | | |
| | | 7 th Revision | Sheet No.: | 89.3.3 |
| | | | | |

Chugach Electric Association, Inc.

NET METERING SERVICE (CONTINUED)

(Applicable to Eligible On-Site Generation Systems 25 kW or Less)

Conditions (Continued)

- 8) Chugach may request by tariff advice letter to adjust the limit on total nameplate capacity of eligible consumer generation systems participating in the net metering program above 1.5 percent of the electric utility's average retail demand.
- 9) Chugach reserves the right to limit net metering installations in portions of its distribution system that are reasonably necessary to address system stability constraints or other operational issues. Chugach shall notify the Commission no later than 30 days after refusal to interconnect with a consumer requesting net metering service.
- 10) Chugach may require the installation of additional metering equipment for net metering consumers, including the metering of individual generating facilities. For these installations, Chugach is responsible for all costs related to the purchase, installation, and maintenance of the additional metering equipment and the customer shall not be assessed any recurring charges for the additional metering equipment.
- 11) Chugach expects net metering customers to acquire liability insurance to cover any damages caused to the Chugach system by the consumer generation system, if that coverage is available at a reasonable cost to the consumer.
- 12) Pursuant to 3 AAC 50.910 (d), below is a summary of Chugach's average retail demand, maximum allowed nameplate capacity of eligible net metered generation facilities on the system, and total nameplate capacity of net metered customers:

| a. | Average retail demand (Calendar-Year 2016): 126.7 MW | Т |
|----|--|--|
| b. | Maximum allowed nameplate capacity of net metered generation facilities (1.5 percent of Chugach's average retail system demand): 1.90 MW | Т |
| c. | Nameplate capacity of all net metered customers receiving service on Chugach's distribution system as of December 31, 2016: 184.21 kW | Т |
| | | |
| | b. | b. Maximum allowed nameplate capacity of net metered generation facilities (1.5 percent of Chugach's average retail system demand): 1.90 MW c. Nameplate capacity of all net metered customers receiving service on Chugach's |

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Effective: April 15, 2017

Issued by:

Chugach Electric Association, Inc. P.O. Box 196300, Anchorage, Alaska 99519-6300

By:

Lee D. Thibert

Title: Chief Executive Officer