

**RESOLUTION****Transmission-only Utility (TRANSCO) Certificate of Public and Convenience Filing (CPCN)**

WHEREAS, Chugach has a large investment in transmission facilities and further investment is needed to upgrade Railbelt transmission infrastructure; and

WHEREAS, Chugach supports the establishment of an owner-governed transmission-only utility (TRANSCO) with responsibility for financing, constructing, operating and maintaining the Railbelt transmission Grid; and

WHEREAS, the Chugach Board of Directors desires to be proactive and take a leadership role in developing a Railbelt model that protects Chugach's investment in transmission and prudently plans for transmission expansion; and

WHEREAS, a Railbelt transmission model that would benefit Chugach's members, the other Railbelt utilities, and other stakeholders would include these attributes:

- Non-discriminatory open access.
- Maximizing the use of all assets from all transmission providers for joint use with full cost recovery for all providers.
- A universal transmission charge based on system load that will encourage the economic transfer of generation across the network.
- Regional planning of all future transmission infrastructure investments.
- A Certificate of Public Convenience and Necessity (CPCN) with a mandate to operate maintain and improve the regional transmission grid

WHEREAS, In January of 2017, the Chugach Board of Directors authorized the Chief Executive Officer to develop a business plan for a Railbelt-wide Transco; and

WHEREAS, Chugach has completed significant analysis of TRANSCO, business models and determined that the establishment of a transmission-only utility for the Railbelt is in the best interests of the Chugach membership as well as the Railbelt region. Further that, analysis of the business structure of this organization finds that an owner-governed TRANSCO with governance and terms substantially similar to those described in the August 20, 2018 Transco Term Sheet provides the highest value at the lowest incremental cost for the Chugach membership.

WHEREAS, the Chugach Board values the cooperative business model and yet recognizes the need for unity amongst the Railbelt Utilities.

NOW, THEREFORE, BE IT RESOLVED, that the Chugach Board of Directors urges the TRANSCO participants to fully consider the implications of introducing an Investor Owned Utility into the Railbelt, however authorizes the Chief Executive Officer to participate with the other Railbelt Utilities in filing a CPCN for a transmission-only utility for the Railbelt region. The business and structural organization of this entity will be substantially similar to those reflected in the TRANSCO Term Sheet dated August 20, 2018.

The CEO will inform the Board of any definitive agreements or significant changes. The CEO will report to the Board not later than January 31, 2019 on the status of this effort. And, subsequently, will submit to the Board, for the Board's review and approval, any documents or finalized term sheets related to this effort.

#### 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 27<sup>th</sup> day of September, 2018; 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 27<sup>th</sup> day of September, 2018.



Secretary