



**CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA**

REGULAR BOARD OF DIRECTORS' MEETING

AGENDA

Bettina Chastain, Chair
Mark Wiggin, Vice Chair
Harold Hollis, Treasurer
Sam Cason, Secretary

Rachel Morse, Director
Sisi Cooper, Director
Vacant, Director

January 25, 2023

4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER (4:00 p.m.)
 - A. *Pledge of Allegiance*
 - B. *Roll Call*
 - C. *Safety Minute: What Does it Mean to be Safe (Freeman)*
 - D. *Electric Power Factoid: Integrating Renewable Generation (Skaling)*
- II. APPROVAL OF THE AGENDA* (4:10 p.m.)
- III. PERSONS TO BE HEARD (4:15 p.m.)
 - A. *Member Comments*
- IV. DIRECTOR REPORTS (4:20 p.m.)
 - A. *Alaska Power Association (APA) Report*
 - B. *Renewable Energy Alaska Project (REAP) Report*
 - C. *Board Committee Reports (Audit & Finance, Operations & Governance)*
 - D. *Other Meeting Reports*
- V. CONSENT AGENDA* (4:35 p.m.)
 - A. *Board Calendar*
 - B. *Training and Conferences*
 - 1. *NRECA PowerXchange, March 3-8, 2023, Nashville, TN*
 - C. *Minutes*
 - 1. *December 14, 2022, Regular Board of Directors' Meeting (Cacy)*
 - D. *Director Expenses*
- VI. CEO REPORTS AND CORRESPONDENCE (4:40 p.m.)
 - A. *October 2022 Variance Report and November 2022 Financial Update (Griffin) (4:40 p.m.)*

* *Denotes Action Items*

** *Denotes Possible Action Items*

1/20/2023 2:30:49 PM

- B. Mobile Radio Implementation (Murray) (5:00 p.m.)*
- C. Eklutna Project Update (Brodie) (5:20 p.m.)*
- D. Dixon Diversion – Economic Evaluation (Skaling) (5:40 p.m.)*
- E. Board Policy Scheduled Tasks/Reports (Board/Staff) (6:00 p.m.)*
- VII. UNFINISHED BUSINESS (*none*)
- VIII. NEW BUSINESS* (*scheduled*) (6:10 p.m.)
 - A. Board Vacancy (Clarkson) (6:10 p.m.)*
 - B. Adoption of Amended 457 (b) Plan* (Frison) (6:30 p.m.)*
 - C. RDI Contract Approval* (Travis) (6:40 p.m.)*
- IX. EXECUTIVE SESSION* (*scheduled*) (6:55 p.m.)
 - A. Personnel Matters*
- X. NEW BUSINESS (*none*)
- XI. DIRECTOR COMMENTS (7:45 p.m.)
- XII. ADJOURNMENT* (8:00 p.m.)

* *Denotes Action Items*

** *Denotes Possible Action Items*

WHAT DOES
IT MEAN TO
BE SAFE?

Regular Board of Directors' Meeting
January 25, 2023

SAFETY FIRST

**BE CAREFUL
BE AWARE
BE SAFE**



**BE SAFE.
DRIVE SMART.**

WHEN ASKED
MANY STRUGGLE
TO DEFINE WHAT IT
MEANS TO BE SAFE

About 7,880,000,000 results (0.74 seconds)

<https://www.scaledagileframework.com>

SAFe 5 for Lean Enterprises

Portfolio **SAFe** provides portfolio strategy and investment funding, Agile portfolio operations, and Lean governance. Overview, Essential **SAFe**, Large Solution ...

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Definition of *safe* (Entry 1 of 2)

1 : free from harm or risk : [UNHURT](#)

2 a : secure from threat of danger, harm, or loss

What does safe mean- what does Google Say?

WHAT is Safety?

What does it mean to be safe?

- ▶ You have **awareness of the risks/hazards** associated with the work you are doing and understand the safe work practices to follow to keep you safe.
- ▶ **You follow** the appropriate safe work practices.

4



**SAFETY
FIRST**

Year-end Injury Summary

Business Unit	2021 Year End	2022 Year End
Line Operations	9	6
Power Generation	2	5
Office and Administrative	1	0
Total	12	11

	2021 Year End	2022 Year End
OSHA Rate	2.77 (12 cases)	2.71
Lost Time Rate	1.1	0.98
Lost Workdays	384 (5 cases)	179 (4 cases)

Energy Factoid – Integration of Renewable Energy

Chugach Electric Association, Inc.

Board of Directors

January 25, 2023



Integrating Renewables

- Not as simple as just building the renewable project and taking the energy
- At least two major system impact studies are required for large projects
 - **Interconnection study:** Evaluation of the physical impacts of a proposed project (static and dynamic modeling)
 - **Integration study:** Evaluation of the economic and operational impacts of a proposed project
- Other supporting studies:
 - Regulation study: What resources can respond as renewables vary output
 - Forecasting studies (wind) and resource studies (hydro)

Key Challenges: Interconnection

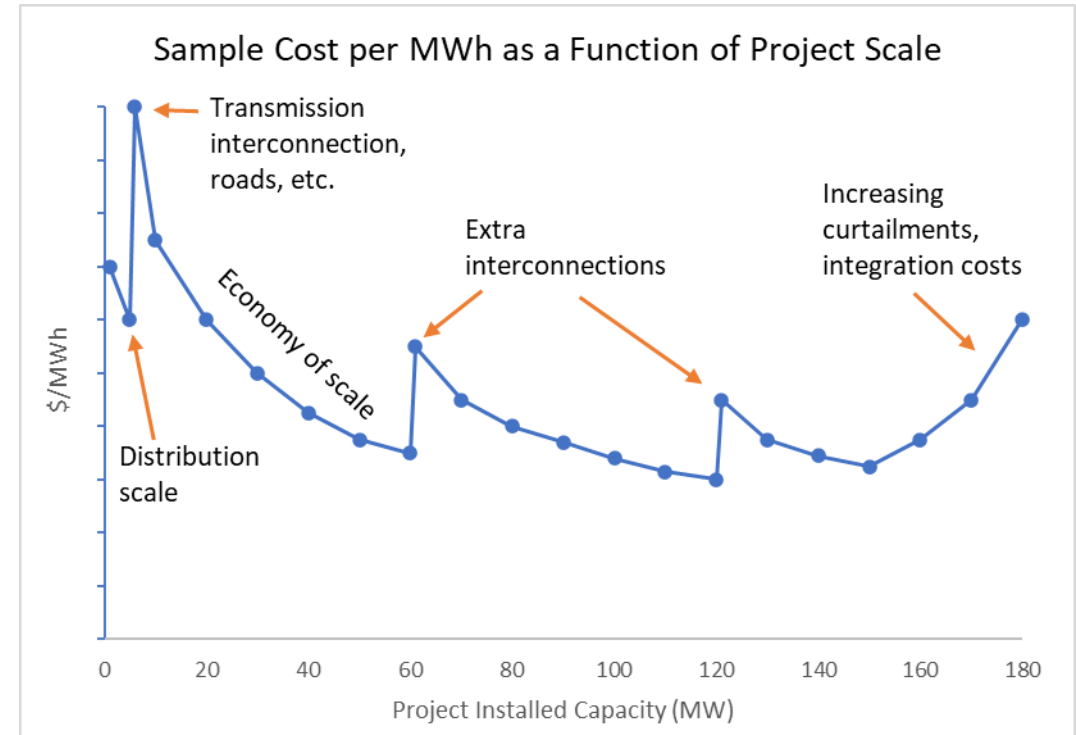
Interconnection Challenges

- The cost of interconnecting is in addition to the project cost
 - Building substation, transmission to grid, etc.
- Existing transmission system capacity limits and lack of redundancy
- Planning for all possible scenarios to ensure system stability, including the unexpected disconnection of the new renewable generators
 - Adds to interconnection cost for large renewable projects

Key Challenges: Integration

Integration Challenges

- The cost of integration is in addition to the project cost
- Ability to regulate variable renewables on a large scale
 - Restricted fuel dispatching capability
 - Small “light” grid, low system inertia
- How will Inverter-Based Resources (IBR) help or hinder system stability
- Determining the optimal project size: economy of scale vs. additional costs for larger projects



Regulating Variable Renewables

- What assets can regulate variable renewables to precisely fill the gap between customer demand and renewable output **every instant**?
 - **Hydroelectric power**: Highly valuable; limited by capacity and other constraints
 - **Natural gas turbines**: Capable of regulating, but gas supply is constrained by day-ahead fuel schedules; considering gas storage to un-constrain
 - **Battery**: Fast-response, expensive if used to regulate a large load
 - **Economic curtailments**
 - **Sales of excess power**
 - **Demand response**

Questions?





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** *Denotes Possible Action Items*

January 2023

January 2023

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February 2023

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jan 1, 23	2 New Year's Day (Holiday Observed) - Connie Owens	3	4 3:00pm Juneau Reception Discussion (Chastain/Wiggin) (Microsoft Teams Meeting/Boardroom) -	5	6 9:00am Prep Meeting (Chugach Boardroom/Te 10:30am Review Governance Packet W/ Call-in	7
8	9 10:30am FW: Invitation: 1030 Railbelt Energy Issue mtg Chugach Electric Sen Bishop @ Mon Jan 9,	10	11 8:00am Meeting with DNR 10:00am FW: Invitation: Chugach 4:00pm Governance Committee	12 6:00pm REAP Cook Inlet Energy Forum (Anchorage Museum)	13 11:00am REAP Annual Meeting (ACS Business 4:00pm Operations Committee Agenda	14
15	16	17	18 7:45am Prep Meeting (Board Room CR) - Ashton 5:00pm FW: Chugach Member Advisory	19 9:30am FW: Invitation: Chugach Southcentral 2:30pm FW: Invitation: Chugach Southcentral	20 8:00am Review Board Packet (Board Room CR) - Ashton Doyle	21
22	23 1:00pm FW: Invitation: Chugach Electric w Rep. Calvin Schrage @ Mon Jan 23, 2023 1pm - 1:30pm	24	25 9:00am REAP Public Policy Committee Meeting (Via 4:00pm Regular Board of Directors Meeting	26	27	28
29	30	31 8:00am NRECA Director Training (Juneau, AK) - 5:30pm Chugach Railbelt Electric Utility Reception	Feb 1	2	3	4

February 2023

February 2023

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March 2023

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jan 29	30	31	Feb 1 8:00am APA 2023 State Legisl	2 5:00pm	3 9:30am Review Operations Meeting Packet (Board Room CR) - Ashton Doyle	4
5	6	7	8 9:00am REAP Public Policy Committee Meeting (Via 4:00pm Operations Committee Meeting	9	10	11
12	13	14	15	16 3:30pm FW: Cooper Landing community meeting / 6 to 7:30 pm (Chastain/Cooper) (Cooper	17 9:30am Review Board Packet (CEO's Office) - Arden Quezon	18
19	20	21	22 9:00am REAP Public Policy Committee Meeting (Via 4:00pm Regular Board of Directors Meeting	23	24	25
26	27	28	Mar 1	2	3	4

March 2023

March 2023

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April 2023

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Feb 26	27	28	Mar 1	2	3	4
				NRECA PowerXchange (3/3-3/8) (Nashville, TN)		
5	6	7	8	9	10	11
NRECA PowerXchange (3/3-3/8) (Nashville, TN)			9:00am REAP Public Policy Committee Meeting (Via Zoom) - CCBOD			
12	13	14	15	16	17	18
					9:30am Review Board Packet (CEO's Office) - Arden Quezon	
19	20	21	22	23	24	25
			9:00am REAP Public Policy Committee Meeting (Via Zoom) 4:00pm Regular Board of Directors Meeting			
26	27	28	29	30	31	Apr 1
	9:00am Audit & Finance Committee Meeting Packet Review (Sherri's Office) - Arden Quezon		4:00pm Audit & Finance Committee Meeting (Board Room CR) - Arden Quezon			

April 2023

April 2023

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May 2023

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Mar 26	27	28	29	30	31	Apr 1
2	3	4 5:00pm Member Advisory Council (MAC) Meeting (Board Room CR) - Arden	5 9:00am REAP Public Policy Committee Meeting (Via Zoom) - CCBOD	6	7 9:00am Operations Committee 10:00am Governance Committee	8
9	10	11	12 4:00pm Governance Committee Meeting Followed by Operations	13 4:00pm Chugach Candidate Forum (Board Room CR) - Arden Quezon	14	15
16	17	18	19 9:00am REAP Public Policy Committee Meeting (Via Zoom) - CCBOD	20	21 9:30am Review Board Packet (CEO's Office) - Arden Quezon	22
23	24 11:00am REAP Quarterly Board Meeting (Alaska Communicatio	25	26 4:00pm Regular Board of Directors Meeting (Board Room CR) - Arden	27	28 10:30am Operations Committee Meeting Packet Review (Board Room	29
30	May 1	2	3	4	5	6

May 2023

May 2023

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June 2023

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Apr 30	May 1	2	3 9:00am REAP Public Policy Committee Meeting (Via 4:00pm Operations Committee Meeting	4	5	6
7	8	9	10	11	12	13
14	15	16 5:30pm Chugach Election Committee Meeting (Board Room CR) - Arden Quezon	17 9:00am REAP Public Policy Committee Meeting (Via Zoom) - CCBOD	18	19 9:30am Review Board Packet 3:00pm TENTATIVE: 6:00pm TENTATIVE: 7:00pm TENTATIVE:	20
21	22	23	24 4:00pm Regular Board of Directors Meeting (Board Room CR) - Arden Quezon	25	26	27
28	29 Memorial Day	30	31 4:00pm FW: Audit & Finance Committee Meeting (Board Room CR) - Arden Quezon	Jun 1	2	3

June 2023

June 2023							July 2023						
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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
May 28	29	30	31	Jun 1	2 9:00am Governance Committee Packet Review (CEO's Office) - Arden Quezon	3
4	5	6	7 4:00pm Governance Committee Meeting (Board Room CR) - Arden Quezon	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23 9:00am Board Packet Review (CEO's Office) - Arden Quezon	24
25	26	27	28 4:00pm Regular Board of Directors Meeting (Board Room CR) - Arden Quezon	29	30	Jul 1

July 2023

July 2023							August 2023						
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30	31												

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 25	26	27	28	29	30	Jul 1
2	3	4 Independence Day	5	6	7 9:00am Operations Committee Packet Review (CEO's Office) - Arden	8
9	10	11	12 4:00pm Operations Committee Meeting (Board Room CR) - Arden	13	14	15
16	17	18	19 5:00pm Member Advisory Council (MAC) Meeting (Board Room CR) - CCBOD	20	21 9:30am Review Board Packet (CEO's Office) - Arden Quezon	22
23	24	25	26 4:00pm Regular Board of Directors Meeting (Board Room CR) - Arden	27	28	29
30	31	Aug 1	2	3	4	5

August 2023

August 2023

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September 2023

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jul 30	31	Aug 1	2	3	4	5
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13	14	15	16	17	18 9:30am Review Board Packet (CEO's Office)	19
20	21	22	23 4:00pm Regular Board of Directors Meeting (Board Room CR) - CCBOD	24	25	26
27	28	29	30 4:00pm FW: Audit & Finance Committee Meeting (Board Room CR) - Arden Quezon	31	Sep 1	2

September 2023

September 2023

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October 2023

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Aug 27	28	29	30	31	Sep 1	2
3	4 Labor Day	5	6	7	8	9
10	11	12	13 4:00pm Governance Committee Meeting (Board Room CR) - Arden Quezon	14	15	16
17	18	19	20	21	22 9:30am Review Board Packet (CEO's Office) - Arden Quezon	23
24	25	26	27 TENTATIVE: Strategic Planning Session (9/27-9/29) (TBD) 4:00pm Regular Board of Directors Meeting (Board Room CR) - Arden Quezon	28	29	30

October 2023

October 2023

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November 2023

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Oct 1	2	3	4 5:00pm Member Advisory Council (MAC) Meeting (TBD) - CCBOD	5	6	7
8	9	10	11 4:00pm Operations Committee Meeting (Board Room CR) - Arden Quezon	12	13	14
15	16	17	18	19	20 9:30am Review Board Packet (CEO's Office) - Arden Quezon	21
22	23	24	25 4:00pm Regular Board of Directors Meeting (Board Room CR) - Arden Quezon	26	27	28
29	30	31	Nov 1	2	3	4

November 2023

November 2023

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December 2023

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Oct 29	30	31	Nov 1	2	3	4
5	6 9:30am Audit & Finance Packet Review (Sherri's Office) - Arden Quezon	7	8 4:00pm FW: Audit & Finance Committee (Budget) (Board Room CR) - Arden Quezon	9	10 9:30am Board Packet Review (CEO's Office) - Arden Quezon	11
12	13	14	15 4:00pm Regular Board of Directors Meeting (Board Room CR) - Arden Quezon	16	17	18
19	20	21	22	23 Thanksgiving Holiday	24	25
26	27 9:00am Audit & Finance Packet Review (Sherri's Office) - Arden Quezon	28	29 4:00pm Audit & Finance Committee Meeting (Board Room CR) - Arden Quezon	30	Dec 1	2

December 2023

December 2023

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January 2024

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Nov 26	27	28	29	30	Dec 1 9:00am Governance Packet Review (Arthur's Office) - Arden Quezon	2
3	4	5	6 4:00pm Governance Committee Meeting (Board Room CR) - Arden	7	8 9:00am Review Board Packet (CEO's Office) - Arden Quezon	9
10	11	12	13 4:00pm Regular Board of Directors Meeting (Board Room CR) - Arden	14	15	16
17	18	19	20	21	22 Christmas Eve Holiday Observed	23
24	25 Christmas Day	26	27	28	29 New Years Eve Holiday Observed	30
31	Jan 1, 24	2	3	4	5	6

NRECA PowerXchange

Nashville, TN | March 3 - 8, 2023

Schedule

Subject to change. All times are local to the event location.

FRI. 03/03

8:00am - 4:00pm	Pre-Conference 2600 Education: Director Duties and Liabilities (CCD)
8:00am - 4:00pm	Pre-Conference Education: 2610 Understanding the Electric Business (CCD)
8:00am - 4:00pm	Pre-Conference Education: 901.1 Rules and Procedures for Effective Board Meetings (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 935.1 Appraising and Compensating the CEO (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 944.1 Giving and Receiving Effective Feedback (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 952.1 Increasing Influence and Building Board Consensus (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 955.1 Your Board's Culture: Its Impact on Effectiveness (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 957.1 How to Evaluate and Improve Board Performance (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 975.1 Capital Credits Issues and Decisions (BLC, DGC)

SAT. 03/04

8:00am - 4:00pm	Pre-Conference Education: 2620 Board Operations and Process (CCD)
8:00am - 4:00pm	Pre-Conference Education: 2640 Financial Decision Making (CCD)
8:00am - 4:00pm	Pre-Conference Education: 903.1 The Role of the Board Chair in Conducting Effective Meetings (BLC, DGC)

8:00am - 4:00pm	Pre-Conference Education: 913.1 Cooperative Fundamentals, Legacy and Economic Impact (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 921.1 Risk Oversight—The Board's Role in Risk Management (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 925.1 Co-op Bylaws—Guiding Principles & Current Issues (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 943.1 Conversation Skills Outside the Boardroom (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 959.1 Boardroom Challenges—Connecting Theory to Action (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 971.1 Governance Challenges of the Evolving Distribution Cooperative (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 974.1 Rate Making Strategies and Policy Decisions for Electric Cooperative Boards (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 985.1 Considering Broadband: The Due Diligence Process (BLC, DGC)

SUN. 03/05

8:00am - 4:00pm	Pre-Conference Education: 2630 Strategic Planning (CCD)
8:00am - 4:00pm	Pre-Conference Education: 914.1 Cooperative Communications and Public Opinion (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 919.1 Cooperative Structure: A Strategic Advantage (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 927.1 Cybersecurity: The Board's Oversight Role (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 937.1 Applying Emotional Intelligence in the Boardroom (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 958.1 Succession Planning: Developing the Purpose-Driven Organization (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 961.1 The Evolution of Electric Cooperative Power Supply (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 965.1 Electric Vehicles: Strategy and Policy Considerations (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 977.1 Equity Management and Boardroom

Decision Making (BLC, DGC)

8:30am - 5:00pm	Pre-Conference CEO & Staff Education: Leading Today—Human-Centered Leadership
9:00am - 6:00pm	NRECA Registration
4:00pm - 5:00pm	Proposed Resolutions Forum
5:00pm - 6:00pm	Welcome Happy Hour (sponsored by CoBank)

MON. 03/06

7:00am - 7:00pm	NRECA Registration
9:00am - 10:45am	General Session 1
11:00am - 12:00pm	Breakout Sessions
12:15pm - 1:45pm	It Starts With Power: International Lunch
2:00pm - 3:00pm	Breakout Sessions
3:30pm - 4:30pm	Breakout Sessions
4:30pm - 7:00pm	TechAdvantage® Expo Grand Opening Reception

TUE. 03/07

7:00am - 8:30am	Annual ACRE® Meeting & Breakfast
7:00am - 7:00pm	NRECA Registration
9:00am - 10:45am	General Session 2
11:00am - 12:00pm	NRECA Annual Member Business Meeting
11:00am - 5:00pm	TechAdvantage® Expo Open
1:15pm - 2:15pm	Breakout and Interactive Sessions
2:45pm - 3:45pm	Breakout and Interactive Sessions
7:30pm - 8:30pm	Entertainment Night With Comedian Nate Bargatze

WED. 03/08

7:00am - 1:00pm NRECA Registration

9:00am - 10:30am General Session 3

10:30am - 1:00pm TechAdvantage® Expo Open

Save the Dates!

March 3 - 8, 2023



In-Person
Nashville, TN

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

December 14, 2022
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Sandra Cacy

I. CALL TO ORDER

Chair Chastain called the Regular Board of Directors' meeting to order at 4:02 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Pledge of Allegiance

Chair Chastain led the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Bettina Chastain, Chair
Mark Wiggin, Vice Chair
Harold Hollis, Treasurer
Sam Cason, Secretary
Erin Whitney, Director
Rachel Morse, Director
Sisi Cooper, Director

Staff and Guests in Attendance:

Present:

Arthur Miller	Sherri Highers	Kate Ayers
Matthew Clarkson	Jean Kornmuller	Dustin Higher
Eugene Ori	Todd McCarty	Crystal Enkvist, APA
Marty Freeman	Sean Skaling	Karen Griffin
Andrew Laughlin	Kyle Wooly	Brandy Richards
Dustin Highers	Bart Armfield,	Nathaniel Herz,
Bernie Smith, Member	Consultant	Northern Journal
Harry Crawford, Member	Scarlett Masten	David Caye
Shaina Kilcoyne,	Nathan Golab	Mark Henspeter
Member	Barry Piser	Julie Hasquet

Via Teleconference:

Arden Quezon	Rachel Christenson,	Aurora Roth,
Curtis Sims	Member	Non-member
Josh Travis	Matt Perkins,	Chis Rose, REAP
Teresa Kurka	Member	Sydney Bidwell,
Mitchell Roth, Member	Antony Scott, Member	Non-member

- C. *Safety Minute*
Marty Freeman, Senior Manager, HSE, discussed “*Ice Safety*” and *November’s Safety Statistics*.
- D. *Electric Power Factoid: Balance Sheet*
Karen Griffin, VP, Finance and Accounting, presented an overview on Balance Sheet and responded to questions from the Board.

II. APPROVAL OF AGENDA

Director Morse moved and Director Wiggin seconded the motion to approve the agenda. The motion passed unanimously.

III. PERSONS TO BE HEARD

A. *Member Comments*

Bernie Smith, Chugach member and Member Advisory Council (MAC) member, addressed the Board about the MAC and how they bring value to Chugach. He also thanked Julie Hasquet, Sr. Manager Corporate Communications, for all her hard work, and Arthur Miller, Chief Executive Officer (CEO), for his attendance at the MAC meetings.

Shaina Kilcoyne, member, addressed the Board about the Hydrogen workshop in Girdwood she attended and included that Director Whitney, and Dustin Highers, VP, Corporate Programs were also in attendance.

Antony Scott, member, addressed the Board in regard to legislative matters being discussed in Executive Session.

Sydney Bidwell, a college student outside of Alaska, spoke to the Board about her desire to see more Alaskan utilities such as Chugach, moving forward with more renewables.

IV. DIRECTOR REPORTS

A. *Alaska Power Association (APA) Report*

Director Hollis introduced Crystal Enkvist, Executive Director, APA, who provided an update on APA activities and upcoming events. Ms. Enkvist congratulated Director Hollis on becoming the VP of the APA Board,

B. *Renewable Energy Alaska Project (REAP) Report*

Director Whitney introduced Chris Rose, Executive Director, REAP, who reported on REAP activities and upcoming events and responded to questions from the Board.

Director Whitney also stated that Chugach submitted a nomination form for a seat in the REAP Board.

C. *Board Committee Reports (Audit and Finance, Operations & Governance)*

Director Hollis reported on the November 30, 2022 Audit & Finance Meeting and that the next meeting would be March 29, 2023.

Director Hollis reported on the December 7, 2022, Operations Committee meeting.

Director Cason reported on the December 5, 2022 Governance Committee meeting.

D. Other Meeting Reports

Director Whitney reported on the Hydrogen Workshop that she and Dustin Highers, VP, Corporate Programs attended. Mr. Highers also commented on the meeting and mentioned that it might be a good topic for an upcoming Operations Committee meeting.

V. CONSENT AGENDA

A. Board Calendar

1. Excused Absence for Director Cooper – November 28, 2022, Regular Board of Directors' Meeting

B. Trainings and Conferences

1. NRECA PowerXchange, March 3-8, 2023, Nashville, TN

C. Minutes

1. November 28, 2022, Regular Board of Directors' Meeting (Doyle)

D. Director Expenses

E. Pre-Approval for FY2022 Audit Services

F. Appointments to 2023 Member Advisory Council (MAC)

G. Appointments to 2023 Bylaws Committee

H. Appointments to 2023 Election Committee

I. Appointments to 2023 Nominating Committee

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

VI. CEO REPORTS AND CORRESPONDENCE

A. Enterprise Resource Planning (ERP) Project Update (Travis/McCarty)

Arthur Miller, CEO, and Todd McCarty, VP, Information Services, provided an update on the Enterprise Resources Planning project and responded to questions from the Board.

B. 4th Quarter 2022 Railbelt Bill Comparison (Richards)

Brandy Richards, Economy and Finance Regulatory Analyst, reported on the 4th Quarter Railbelt Bill comparison and responded to questions from the Board.

C. Board Policies Scheduled Tasks (Staff/Board)

The Board Policy Scheduled Tasks were provided in the meeting packet.

Arthur Miller, CEO, discussed the CEO Reports and Correspondence contents and responded to questions from the Board.

VII. UNFINISHED BUSINESS

None.

VIII. NEW BUSINESS

- A. *Decarbonization Program Update (D. Highers)*
Dustin Highers, VP, Corporate Programs, updated the board on the Decarbonization Program and responded to questions from the Board.
- B. *Community Solar Project Update (Skaling)*
Sean Skaling, Sr. Manager, Business and Sustainable Programs and Development, updated the board on the Community Solar Project and responded to questions from the Board.

IX. EXECUTIVE SESSION

- A. *Legislative Matters on Renewable and Clean Energy (Ayers/Skaling)*
- B. *2023-2027 Strategic Plan (Ayers/Skaling/Richards)*
- C. *Chugach – Hilcorp Alaska, LLC Shared Services Agreement (Armfield)*
- D. *Railbelt Reliability Council – status and Project Impacts (Clarkson)*
- E. *2023 Operating and Capital Budget Review (S. Highers)*

At 5:44 p.m., Director Hollis moved and Director Morse seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (4) the Board of Directors 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 with its attorneys legal matters, 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 7:52 p.m.

X. NEW BUSINESS

- A. *Approve One Campus Plan (Resnick/S. Highers)*
Director Cooper moved, and Director Wiggin seconded the motion that the Board of Directors approve the attached resolution authorizing the Chief Executive Officer to move forward with the One Campus Plan. The motion passed unanimously.
- B. *Approve 2023 Operating and Capital Budget (S. Highers)*
Director Hollis moved, and Director Cason seconded the motion that the Board of Directors approve the 2023 Operating and Capital Budget which is expected to produce margins of \$8.4 million, MFI/I ratio of 1.20, TIER ratio of 1.22 and Equity to Total Capitalization ratio of 16.3%. These results are based on a Total Cost of Service of \$347.4 million, Total revenue of \$355.0 million, Non-Operating Margins of \$0.8 million, and a capital expenditure cash requirement of \$154.5 million. The motion passed unanimously.
- C. *Approve 2023-2027 Strategic Plan (Ayers/Skaling/Richards)*
Director Wiggin moved and Director Morse seconded the motion that the Board of Directors approve the 2023 – 2027 Strategic Plan as discussed in executive Session.

Director Whitney requested a friendly amendment to the 2023 – 2027 Strategic Plan on page 13 to state, "greater than or equal to 40% by 2030" and "greater than or equal to

50% by 2035” consistent with information provided. The motion failed with a 5 to 2 votes.

Director Whitney – yes
Director Cason – yes
Director Chastain – no
Director Wiggin – no
Director Morse – no
Director Hollis – no
Director Cooper – no

Chair Chastain called for a vote to approve the 2023 – 2027 Strategic Plan as discussed in Executive Session and the motion passed with a 5 to 2 votes.

Director Whitney – no
Director Cason – no
Director Chastain – yes
Director Wiggin – yes
Director Morse – yes
Director Hollis – yes
Director Cooper – yes

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 8:07 p.m., Director Wiggin moved and Director Cason seconded the motion to adjourn. The motion passed unanimously.

Samuel Cason, Secretary
Date Approved: January 25, 2023

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

January 25, 2023

ACTION REQUIRED

AGENDA ITEM NO. V.D.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Director Expenses

DISCUSSION

The Directors' expenses will be submitted for approval at the board meeting.

MOTION

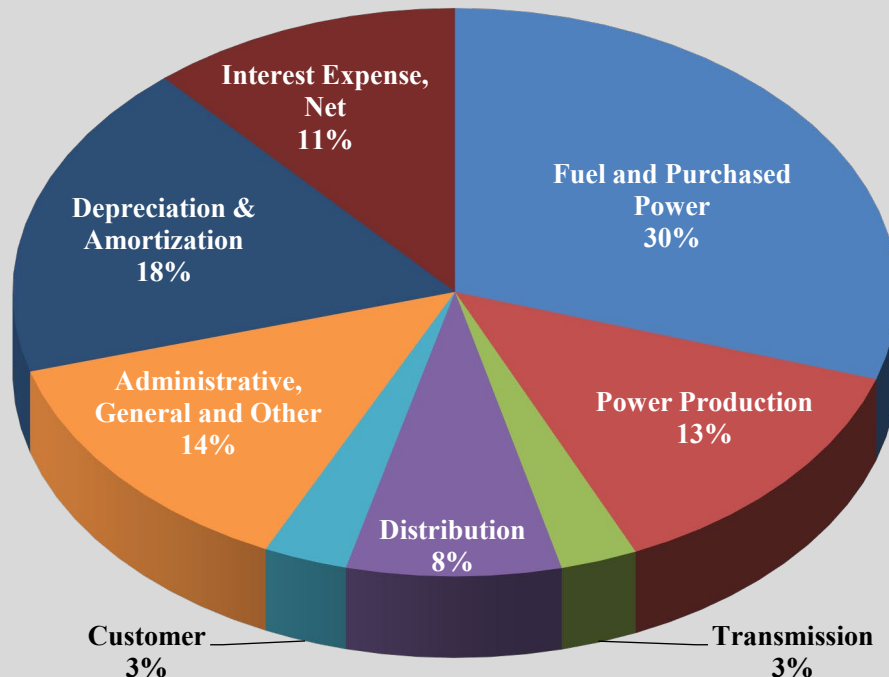
(Consent Agenda)

COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS 2022 MTD ACTUAL TO BUDGET

CATEGORY	ACTUAL	BUDGET ¹	VARIANCE
Operating Revenue & Patronage Capital	\$ 29,928,542	\$ 28,274,959	\$ 1,653,583
Fuel and Purchased Power	8,712,242	8,352,813	359,429
Power Production	3,880,053	3,207,678	672,375
Transmission	817,363	916,423	(99,060)
Distribution	2,279,428	2,498,676	(219,248)
Customer	891,616	933,423	(41,807)
Administrative, General and Other	3,910,352	4,124,281	(213,929)
Depreciation & Amortization	5,263,142	5,139,631	123,511
Interest Expense, Net	3,319,458	3,185,654	133,804
Total Cost of Electric Service	\$ 29,073,654	\$ 28,358,579	\$ 715,075
Patronage Capital & Operating Margins	\$ 854,888	\$ (83,620)	\$ 938,508
Non-Operating Margins - Interest	82,984	24,262	58,722
Allowance for Funds Used During Construction	9,706	25,605	(15,899)
Non-Operating Margins - Other	22,071	(12,098)	34,169
Patronage Capital or Margins	\$ 969,649	\$ (45,851)	\$ 1,015,500
Adj. Patronage Capital or Margins²	\$ 1,708,892	\$ 693,392	\$ 1,015,500

¹Amended budget
²Results if adjusted by secondary regulatory asset & Eklutna PPA

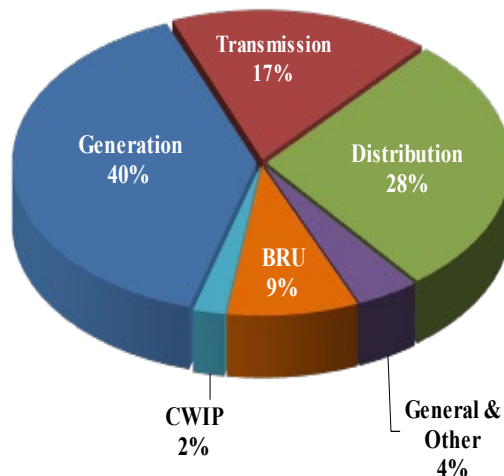
Total Cost of Electric Service (MTD Actual)



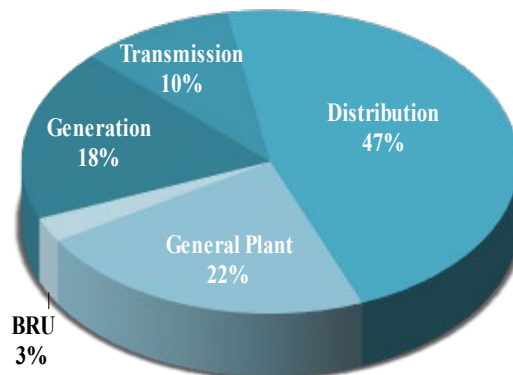
BALANCE SHEET

ASSETS & OTHER DEBITS	10/31/2022	12/31/2021
Electric Plant in Service	2,109,925,381	2,085,567,712
Construction Work in Progress	45,668,278	34,253,304
Total Utility Plant	\$ 2,155,593,659	\$ 2,119,821,016
Accum. Prov. for Depreciation/Amortization	(692,551,214)	(640,729,478)
Net Utility Plant	\$ 1,463,042,445	\$ 1,479,091,538
Nonutility Property - Net	76,889	76,889
Financing & Operating Lease ROU Assets	4,071,503	4,126,967
Investment in Assoc. Organizations	6,993,486	7,280,936
Special Funds	33,844,875	43,016,636
Restricted Cash Equivalents & Other	64,310	64,310
Long-term Prepayments	0	291,846
Total Other Property & Investments	\$ 45,051,063	\$ 54,857,584
Cash & Restricted Cash	23,397,259	37,590,723
Special Deposits and Marketable Securities	58,300	58,300
Accounts Receivable - Net	38,843,606	47,186,182
Materials and Supplies, Fuel Stock	67,442,234	59,371,225
Prepayments	8,122,170	4,917,095
Other Current & Accrued Assets	19,020,580	942,497
Total Current & Accrued Assets	\$ 156,884,149	\$ 150,066,022
Deferred Debits	109,399,853	112,348,138
Total Assets & Other Debits	\$ 1,774,377,510	\$ 1,796,363,282
LIABILITIES & OTHER CREDITS	10/31/2022	12/31/2021
Memberships	1,982,411	1,949,262
Pat. Capital, Margins & Equities	205,879,816	204,051,676
Total Margins & Equities	\$ 207,862,227	\$ 206,000,938
Long-Term Debt - Bonds	1,128,549,996	1,173,366,663
Long-Term Debt - Other	18,924,000	23,028,000
Unamortized Debt Issuance Costs	(5,984,982)	(6,072,373)
Operating Lease Liabilities	3,607,084	3,835,282
Finance Lease Liabilities	204,036	13,667
Total Long-Term Debt	\$ 1,145,300,134	\$ 1,194,171,239
Notes Payable	98,178,084	64,473,838
Accounts Payable	27,122,973	14,878,065
Consumer Deposits	5,288,477	5,663,067
Other Current & Accrued Liabilities	49,159,533	52,236,502
Total Current & Accrued Liabilities	\$ 179,749,067	\$ 137,251,472
Deferred Compensation	1,387,476	2,115,229
Other Liabilities, Non-Current	703,902	741,387
Deferred Liabilities	10,819,119	24,724,119
BRU Regulatory Liability	98,891,075	107,364,906
Cost of Removal Obligation	129,664,510	123,993,992
Total Liabilities & Other Credits	\$ 1,774,377,510	\$ 1,796,363,282

→ **Total Utility Plant**
\$2,155,593,659



↓ **Construction Work in Progress**
\$45,668,278

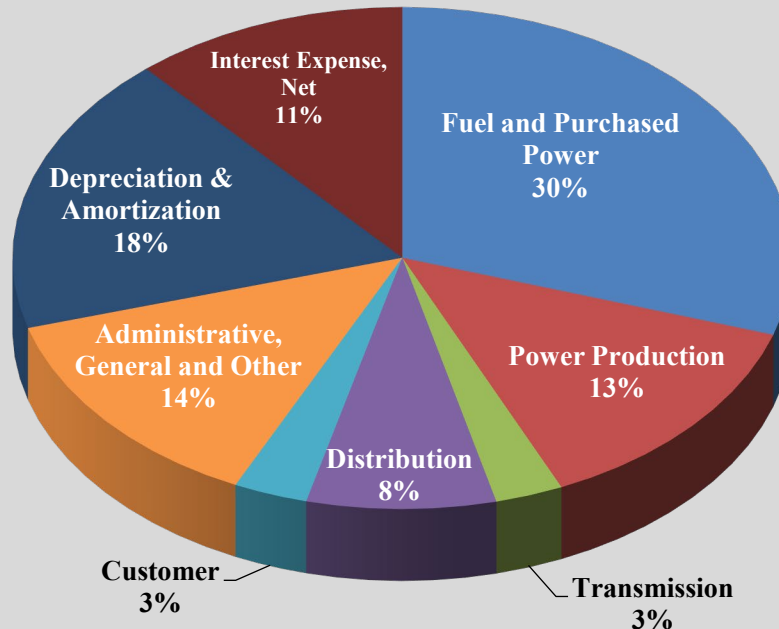


COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS 2022 YTD ACTUAL TO BUDGET

CATEGORY	ACTUAL	BUDGET ¹	VARIANCE
Operating Revenue & Patronage Capital	\$ 291,637,859	\$ 282,567,772	\$ 9,070,087
Fuel and Purchased Power	89,524,175	86,506,207	3,017,967
Power Production	31,911,454	30,775,383	1,136,072
Transmission	8,378,467	9,522,684	(1,144,217)
Distribution	22,358,161	23,697,541	(1,339,380)
Customer	8,761,614	9,566,785	(805,171)
Administrative, General and Other	43,324,144	43,532,397	(208,253)
Depreciation & Amortization	53,423,861	51,107,441	2,316,420
Interest Expense, Net	32,470,899	32,100,850	370,049
Total Cost of Electric Service	\$ 290,152,775	\$ 286,809,288	\$ 3,343,487
Patronage Capital & Operating Margins	1,485,084	(4,241,516)	5,726,600
Non-Operating Margins - Interest	468,159	242,620	225,539
Allowance for Funds Used During Construction	75,330	235,386	(160,056)
Non-Operating Margins - Other	(25,189)	(120,984)	95,795
Patronage Capital or Margins	\$ 2,003,384	\$ (3,884,494)	\$ 5,887,878
Adj. Patronage Capital or Margins²	\$ 9,395,821	\$ 3,507,943	\$ 5,887,878
MFI/I	1.06	0.89	
TIER	1.06	0.88	

¹Amended budget
²Results if adjusted by secondary regulatory asset & Eklutna PPA

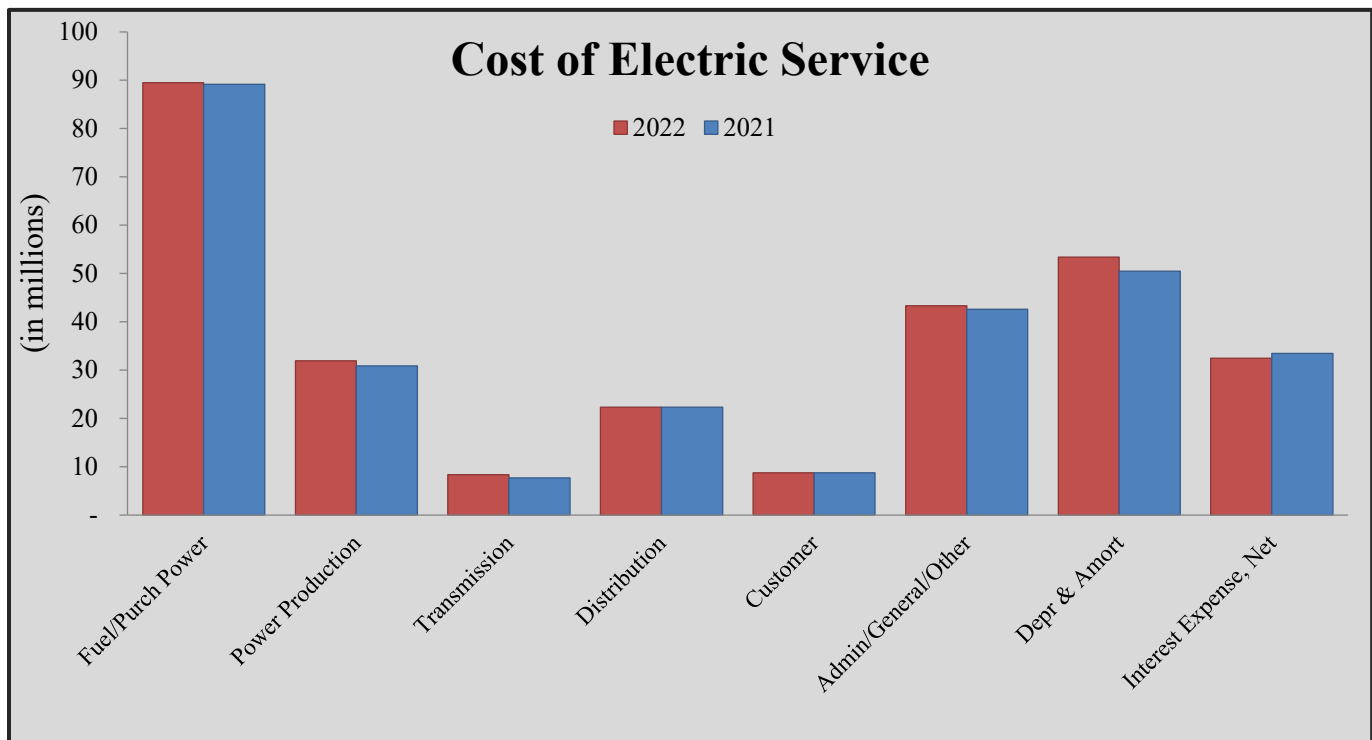
Total Cost of Electric Service (MTD Actual)

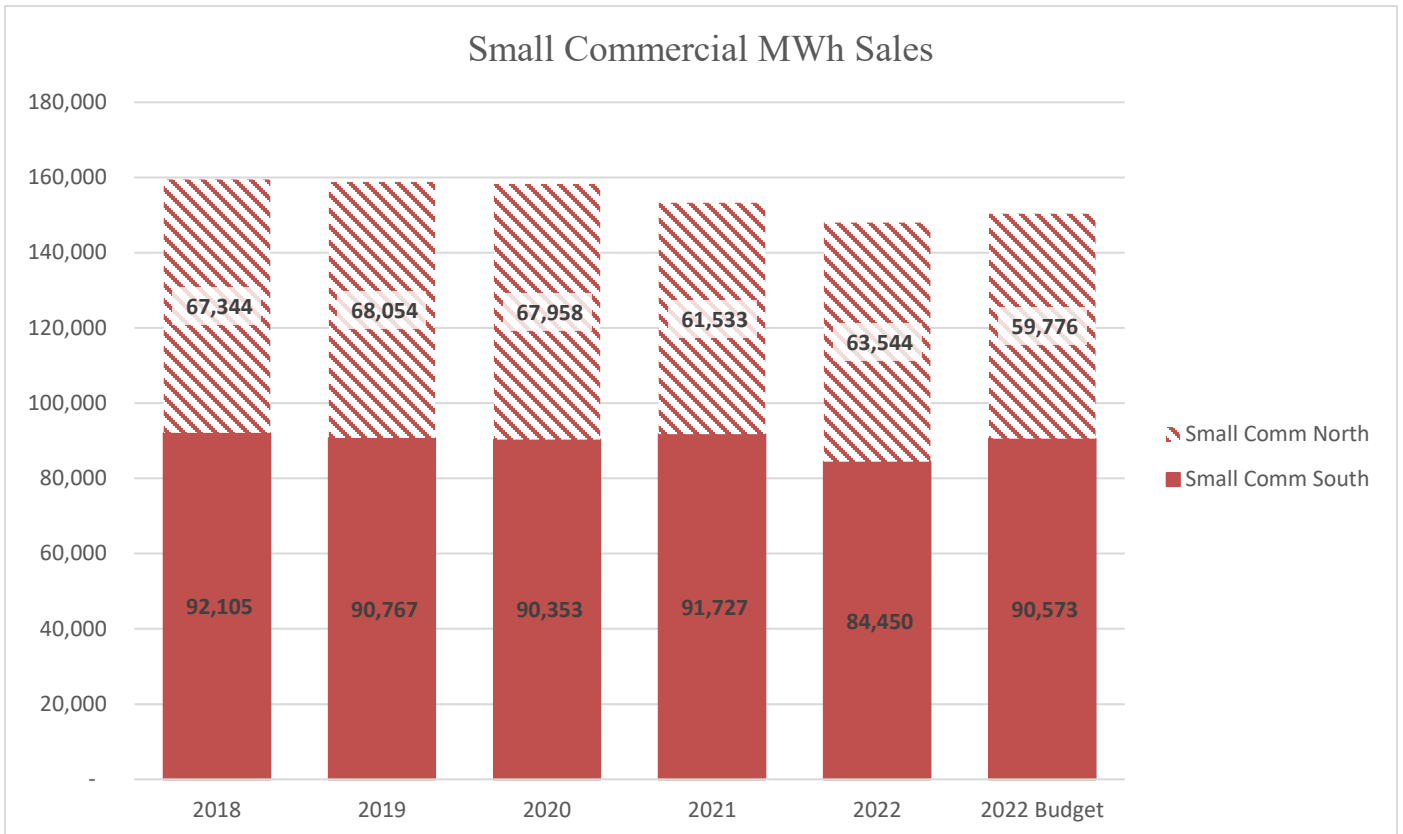
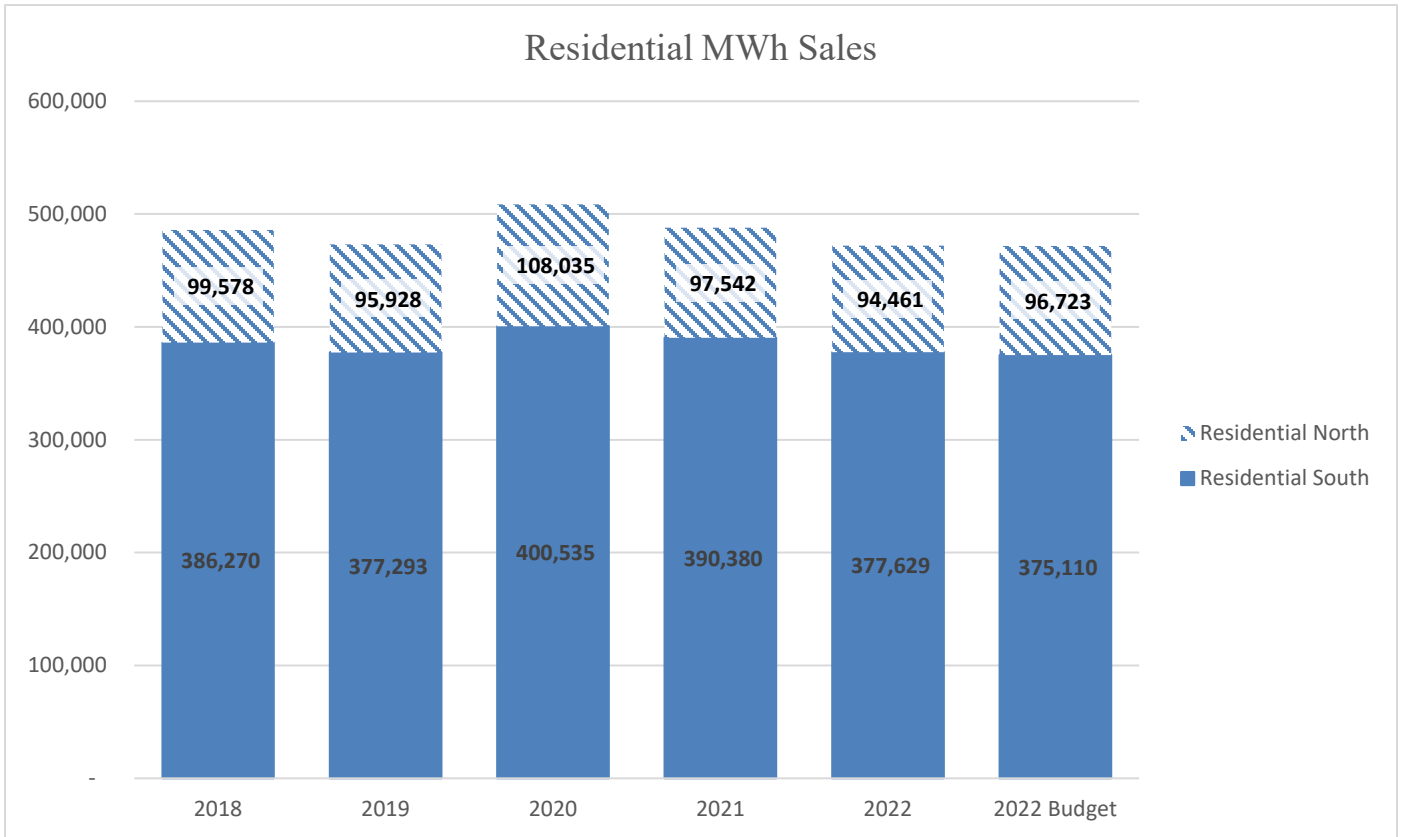


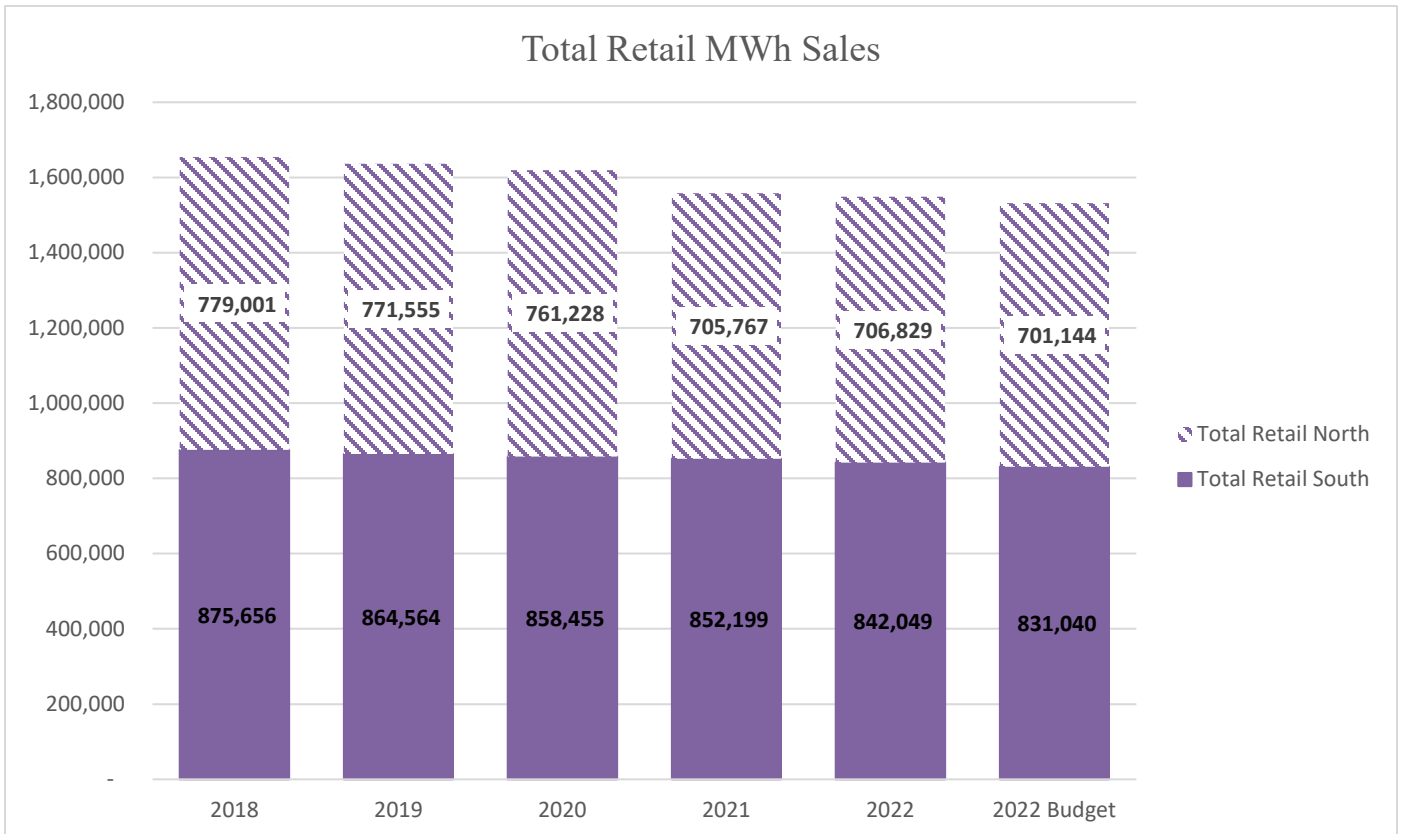
COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS CURRENT TO PRIOR YEAR

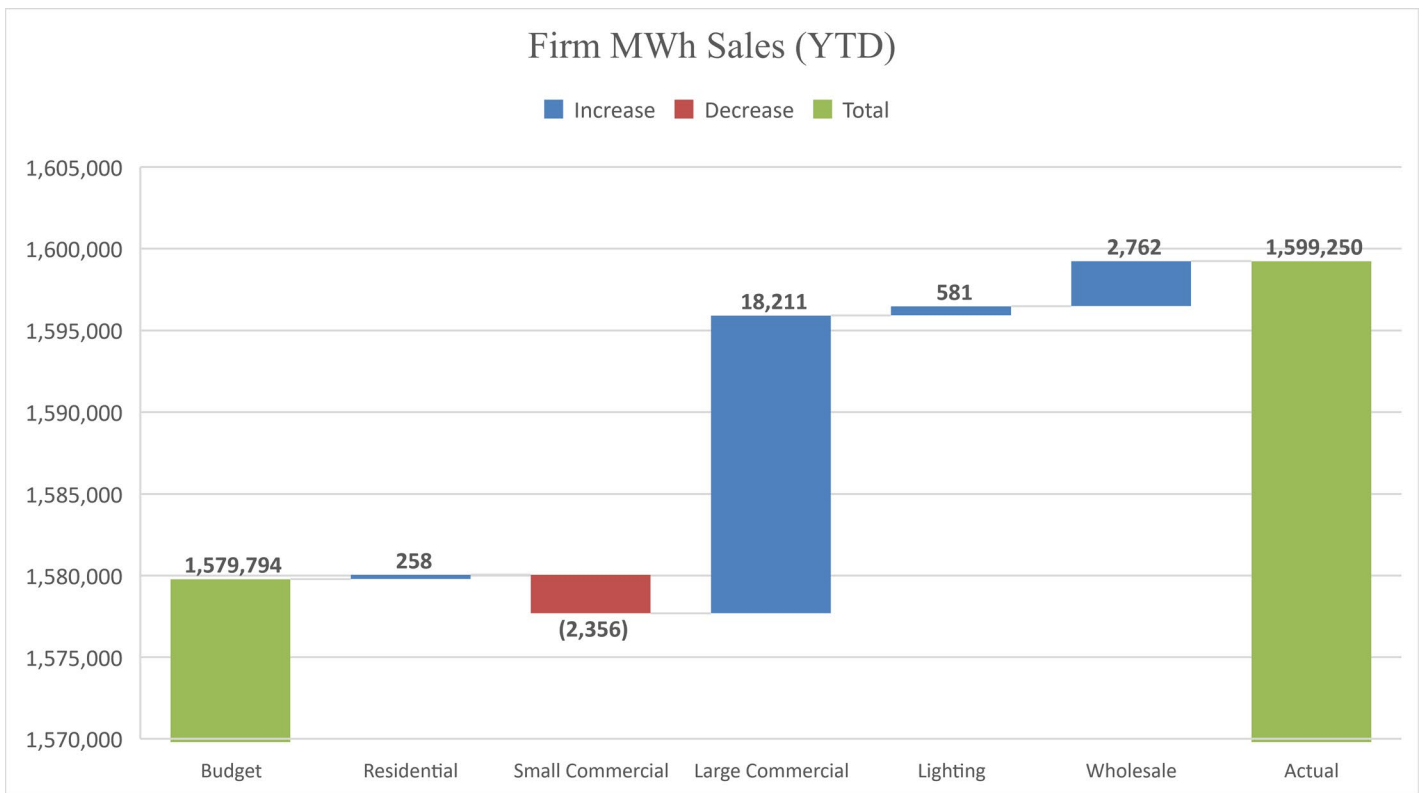
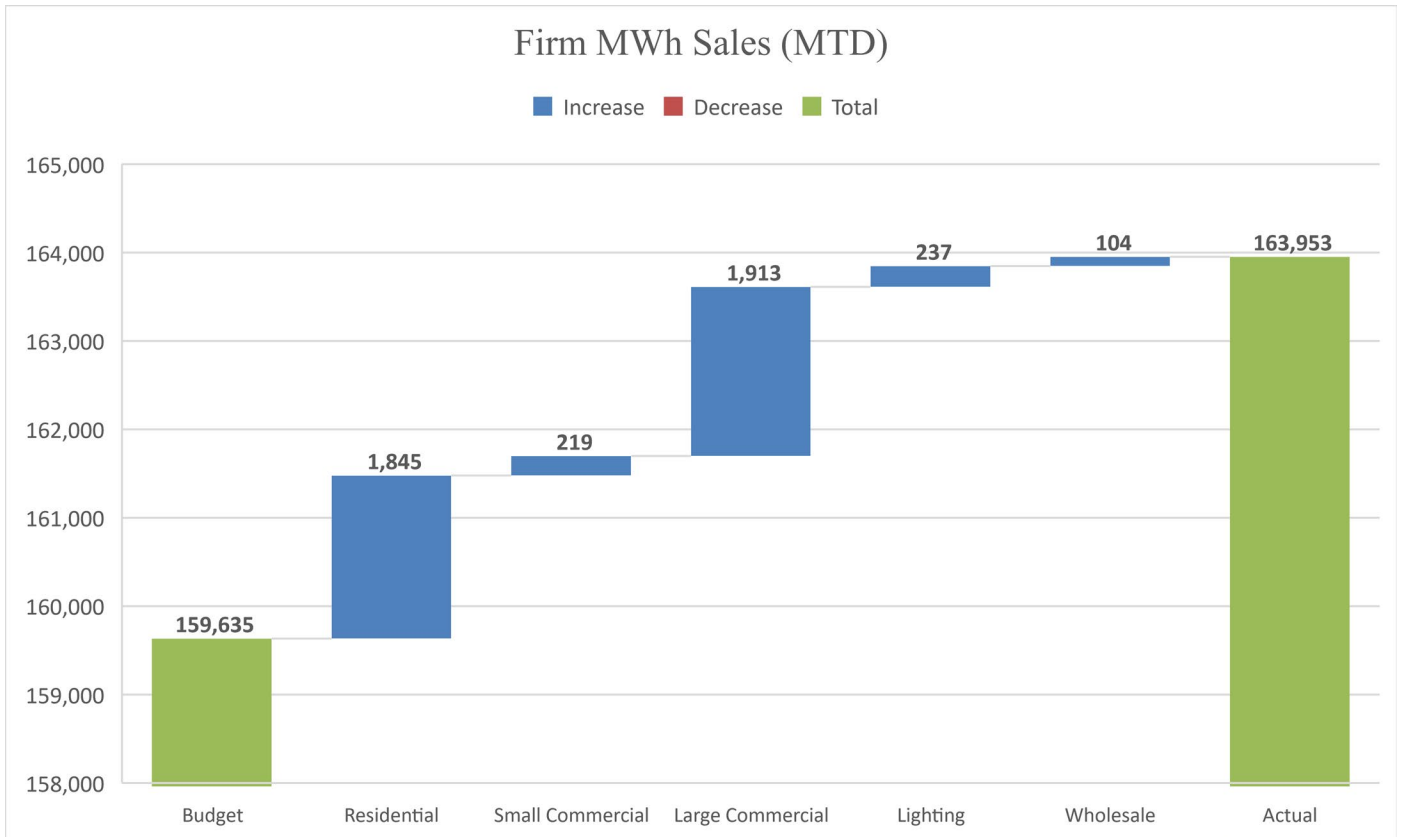
CATEGORY	2022 YTD ACTUAL	2021 YTD ACTUAL
Operating Revenue & Patronage Capital	\$ 291,637,859	\$ 288,419,102
Fuel and Purchased Power	89,524,175	89,153,595
Power Production	31,911,454	30,888,498
Transmission	8,378,467	7,702,540
Distribution	22,358,161	22,298,918
Customer	8,761,614	8,741,435
Administrative, General and Other	43,324,144	42,601,262
Depreciation & Amortization	53,423,861	50,475,848
Interest Expense, Net	32,470,899	33,436,339
Total Cost of Electric Service	\$ 290,152,775	\$ 285,298,435
Patronage Capital & Operating Margins	\$ 1,485,084	\$ 3,120,667
Non-Operating Margins - Interest	468,159	245,355
Allowance for Funds Used During Construction	75,330	94,916
Non-Operating Margins - Other	(25,189)	9,942
Patronage Capital or Margins	\$ 2,003,384	\$ 3,470,880
Adj. Patronage Capital or Margins¹	\$ 9,395,821	N/A
MFI/I	1.06	1.10
TIER	1.06	1.10

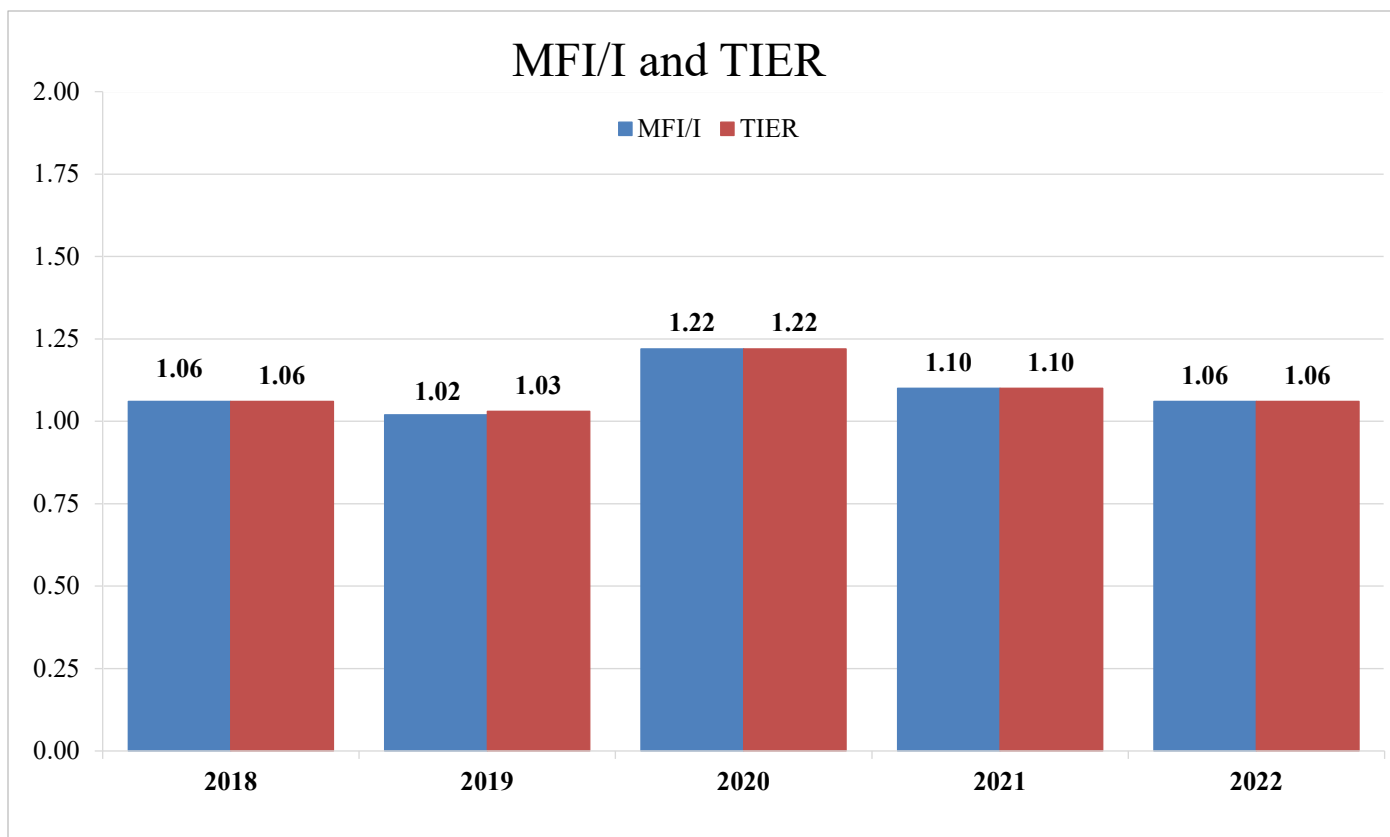
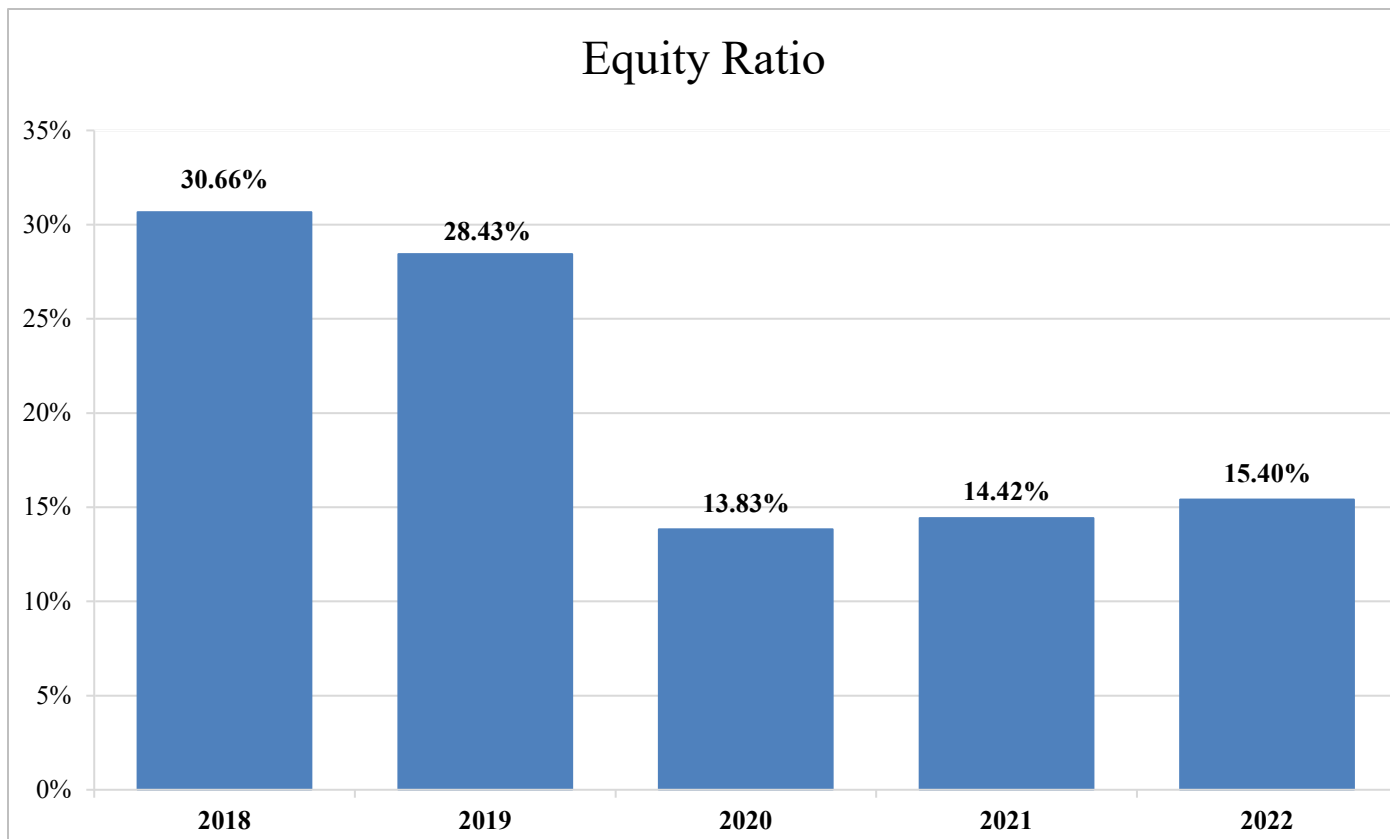
¹Results if adjusted by secondary regulatory asset & Eklutna PPA











ENERGY SALES (kWh)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Retail Energy Sales	1,548,877,521	1,532,183,500
Wholesale Energy Sales	<u>50,372,092</u>	<u>47,610,435</u>
Total Firm Energy Sales	1,599,249,613	1,579,793,935
Economy Energy/Capacity	167,872,000	111,639,516
Power Pool Sales	<u>145,983,000</u>	<u>129,000,000</u>
Total Energy Sales	1,913,104,613	1,820,433,451

Firm energy sales totaled 1,599,294,613 kWh, which was a 1.2% favorable variance compared to budget. While the total of retail energy sales was above budget, lower small commercial sales were offset by higher large commercial sales. Wholesale and economy energy and capacity sales were both over budget by 5.8% and 50.4%, respectively. The favorable variance related to economy sales was due to higher than anticipated sales to GVEA as well as unanticipated sales to HEA. Power pool sales to MEA totaled 145,983,000 kWh, which was over budget by 13.2%.

ENERGY REVENUE (in millions)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Retail Revenue	\$ 263.1	\$ 262.9
Wholesale Revenue	<u>4.2</u>	<u>4.7</u>
Total Firm Revenue	267.3	267.6
Economy Energy/Capacity Revenue	16.2	9.5
Power Pool Revenue	1.7	1.4
Other Operating Revenue	<u>6.4</u>	<u>4.1</u>
Total Revenue	\$ 291.6	\$ 282.6

While revenue from firm sales was on par with budget at \$267.3 million compared to \$267.6 million, lower residential and small commercial revenue was largely offset by higher large commercial and lighting revenue. Economy energy and capacity revenue was over budget by 71.2%, due primarily to higher than anticipated sales to GVEA. Power pool revenue with MEA was over budget at \$1.7 million compared to a budget of \$1.4 million. Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, grants, AWWU revenue, miscellaneous services, and other electric revenue. Other operating revenue totaled \$6.4 million compared to \$4.1 million in the budget, due primarily to higher revenue associated with gas exchange and wheeling from GVEA.

FUEL AND PURCHASED POWER (in millions)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Fuel	\$ 70.1	\$ 68.6
Purchased Power	<u>19.4</u>	<u>17.9</u>
Total	\$ 89.5	\$ 86.5

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$70.1 million compared to \$68.6 million in the budget. This unfavorable variance was due primarily to higher than anticipated BRU operating costs.

Fuel purchased or withdrawn from inventory for production was 6,048,137 Mcf at an average effective price of \$8.62 per Mcf compared to 6,203,732 Mcf budgeted at an average effective price of \$8.56 per Mcf.

Purchased power expense represents energy purchased from Bradley Lake, Fire Island, Eklutna, MEA through power pooling and other utilities as needed, as well as costs associated with dispatching. Purchased power expense was \$19.4 million compared to \$17.9 million in the budget. This unfavorable variance was caused primarily by higher costs from Bradley Lake and higher than anticipated purchases from Fire Island, and certain costs associated with power pooling, which was somewhat offset by lower system control and dispatch labor.

Energy purchased was 235,588 MWh at an average effective price of 6.43 cents per kWh compared to 180,490 MWh budgeted at an average effective price of 7.03 cents per kWh.

POWER PRODUCTION (in millions)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Power Production	\$ 31.9	\$ 30.8

Power production expense was \$31.9 million compared to \$30.8 million in the budget. Higher warehouse costs allocated to this financial category, higher maintenance costs at Sullivan plant, and the amortization of acquired ML&P regulatory assets, was somewhat offset by lower labor costs at the Nikkels and SPP plants.

TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Transmission	\$ 8.4	\$ 9.5

Transmission operations and maintenance expense was \$8.4 million compared to \$9.5 million in the budget. This favorable variance was due primarily to lower labor and warehouse costs allocated to this financial category.

DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Distribution	\$ 22.4	\$ 23.7

Distribution operations and maintenance expense was \$22.4 million compared to \$23.7 million in the budget. This favorable variance was due primarily to lower labor and information services costs allocated to this financial category.

CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Consumer/Customer Information	\$ 8.8	\$ 9.6

Consumer accounts and customer information expense was \$8.8 million compared to \$9.6 million in the budget. This favorable variance was due primarily to lower labor costs.

ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Administrative, General and Other	\$ 43.3	\$ 43.5

Administrative, general, and other expense includes tax, donations, other deductions associated with preliminary survey and investigation charges of projects, and obsolete inventory write-offs that are not attributable to operating or maintenance accounts. Administrative, general, and other expense was on par with budget. The favorable variances in labor, information services costs allocated to this financial category and PILT expense was somewhat offset by an unfavorable variance in professional services, due primarily to higher than anticipated costs related to legal and regulatory matters.

SUMMARY

Depreciation, interest, and interest during construction expense totaled \$85.9 million compared to \$83.2 million in the budget. The unfavorable variance was due primarily to higher than anticipated depreciation expense related to BRU.

All the foregoing expenses resulted in total cost of electric service of \$290.2 million compared to \$286.8 million in the budget.

Non-operating margins include allowance for funds used during construction (AFUDC), capital credit and patronage capital allocations, extraordinary items, and interest and dividend income. Non-operating margins totaled \$518 thousand compared to \$357 thousand in the budget due primarily to higher non-operating interest income, which was somewhat offset by lower AFUDC.

The net result of revenue and expenses was margins of \$2.0 million compared to a projected loss of \$3.9 million in the budget. This resulted in an MFI/I of 1.06, a TIER of 1.06, and an equity-to-total capitalization ratio of 15.40%. The current forecast projects year-end margins of \$8.3 million, an MFI/I of 1.20, and TIER of 1.20.

**COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS
YEAR-END FORECAST**

CATEGORY	2022 APPROVED BUDGET	2022 AMENDED BUDGET	2022 YTD ACTUALS	2022 REVISED FORECAST	
Operating Revenue and Patronage Capital	\$353,756,696	\$345,060,581	\$291,637,859	355,649,047	1.2
Fuel and Purchased Power Expense	105,281,462	102,741,756	89,524,175	108,996,591	1.2
Power Production Expense	36,526,615	36,526,615	31,911,454	38,893,818	1.2
Transmission Expense	11,473,532	11,473,532	8,378,467	10,132,213	1.2
Distribution Expense	28,908,401	28,908,401	22,358,161	27,486,508	1.2
Customer Expense	11,510,953	11,510,953	8,761,614	10,525,007	1.2
Administrative, General & Other	52,462,820	46,129,486	43,324,144	48,786,329	1.2
Depreciation and Amortization Expense	61,413,835	61,413,835	53,423,861	64,350,706	1.2
Interest Expense, Net	38,424,734	38,424,735	32,470,899	38,828,783	1.2
Total Cost of Electric Service	\$346,002,352	\$337,129,313	\$290,152,775	347,999,955	
Patronage Capital & Operating Margins	\$ 7,754,344	\$ 7,931,268	\$ 1,485,018	7,649,092	
Non-Operating Margins - Interest	291,144	291,144	468,159	560,683	1.2
Allowance for Funds Used During Construction	301,074	301,074	75,330	87,018	1.2
Non-Operating Margins - Other	(145,180)	(145,180)	(25,189)	(31,385)	1.2
Patronage Capital or Margins	\$ 8,201,382	\$ 8,378,306	\$ 2,003,384	8,265,408	
MFI/I	1.20	1.20	1.06	1.20	
TIER	1.20	1.21	1.06	1.20	

¹ Forecast based on 10 months actual and 2 months budget

² Forecast has been adjusted to reflect anticipated changes

Radio System Update

Regular Board of Directors' Meeting
January 25, 2023

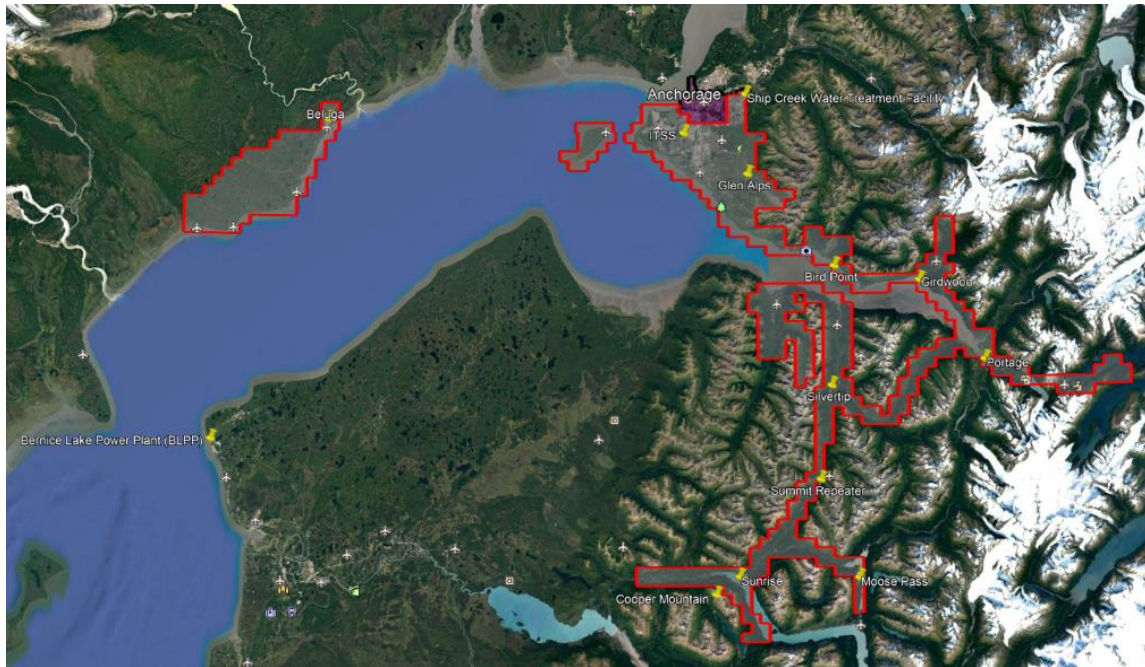


Agenda

1. Radio System Overview and Coverage
2. Typical Equipment
3. System Upgrade Highlights
4. GPS Usage
5. GPS Implementation

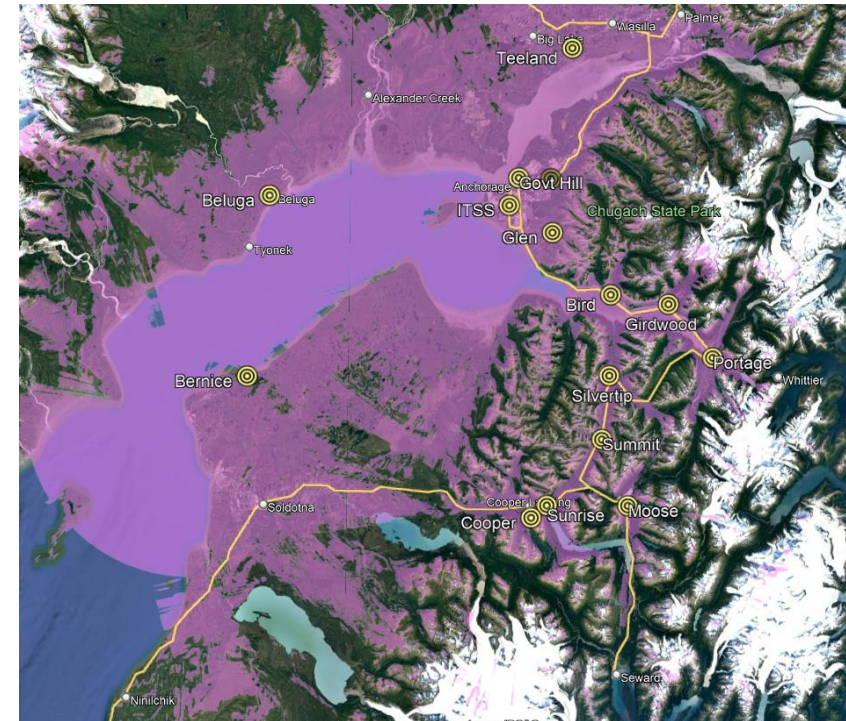
Radio System Overview

Chugach Service Territory



Coverage

- 15 Repeaters
- 450 Mobile/Portable Radios



Typical Radio Repeater Sites

Equipment Enclosure



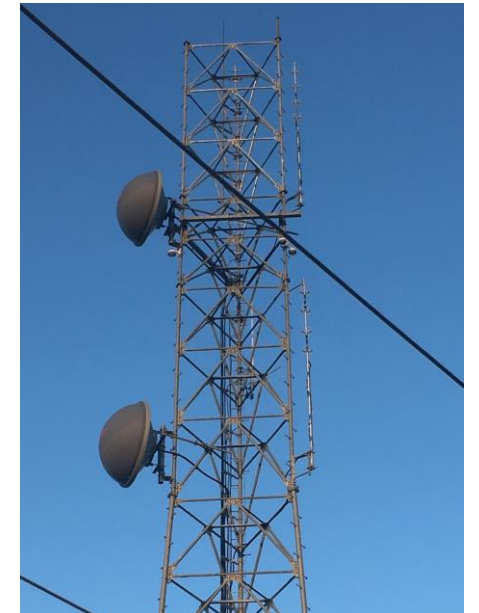
Equipment in the Enclosure



Equipment in the Enclosure



Communication Tower



Radio Equipment

Handheld “Portable” Radio



Vehicle Mounted “Mobile” Radio



Radio System Upgrade Highlights

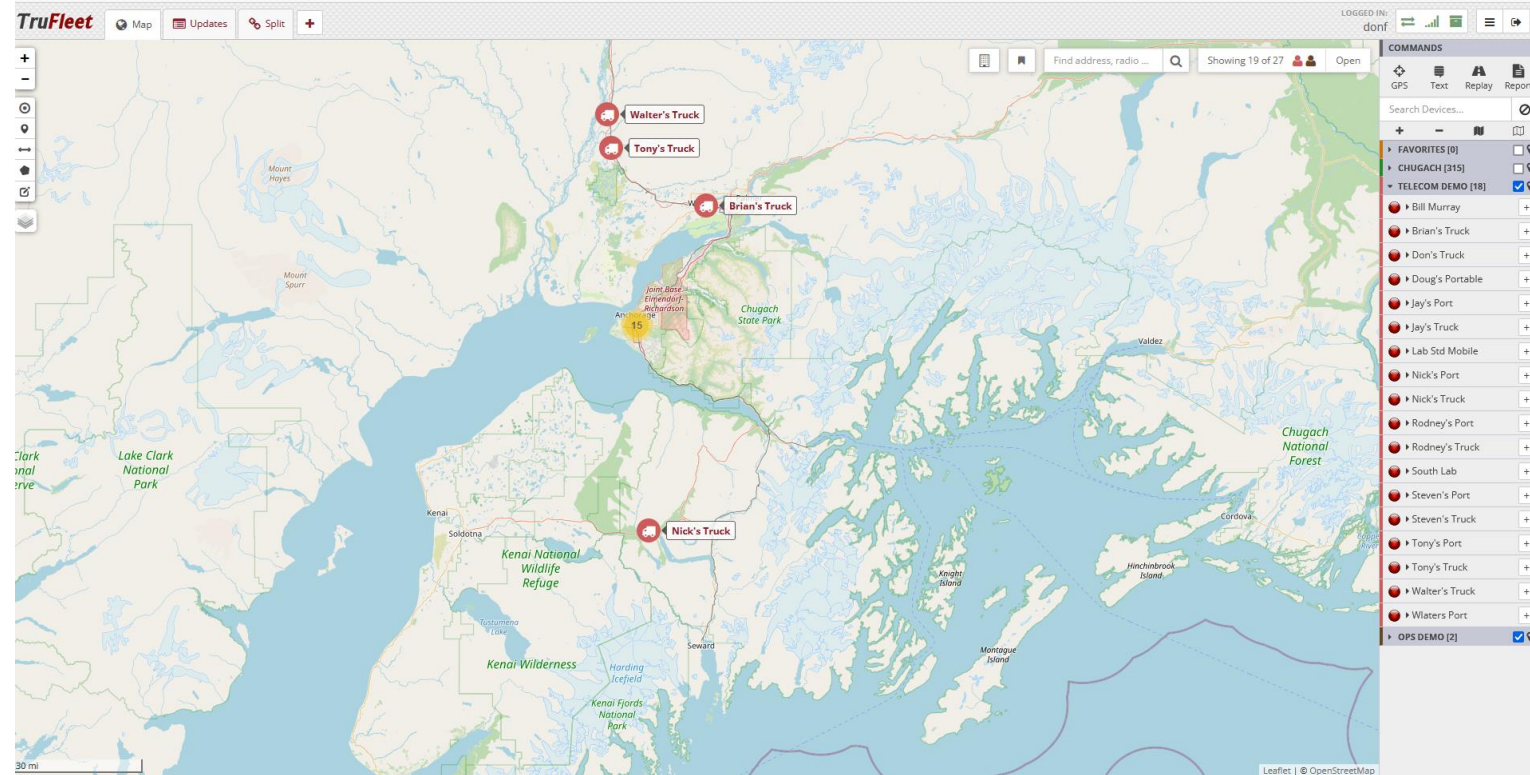
- Digital Mobile Radio (DMR) Tier 3 (Trunked) System
 - Industry standard approach
 - High availability/system redundancy
 - Site to site roaming, it does not require user input
 - Reuse existing sites
 - GPS locations/emergency alerting

Radio GPS

- Modern radio systems include GPS technology:
 - It is commonly used
 - Mapping software included with new radio system
- Safety and business efficiencies are driving GPS adoption
- Chugach intends to enable GPS on all radios

Tallysman GPS Software Configuration

- Web-based secure interface
- Highly customizable permissions for user access
- Sidebar lists radios by groups
- Allows authorized users to see the last reported crew/radio location and timestamp



GPS Radio Use Cases

1. Emergency notifications and display of radio location (situational awareness)
2. System diagnostics
3. Asset tracking

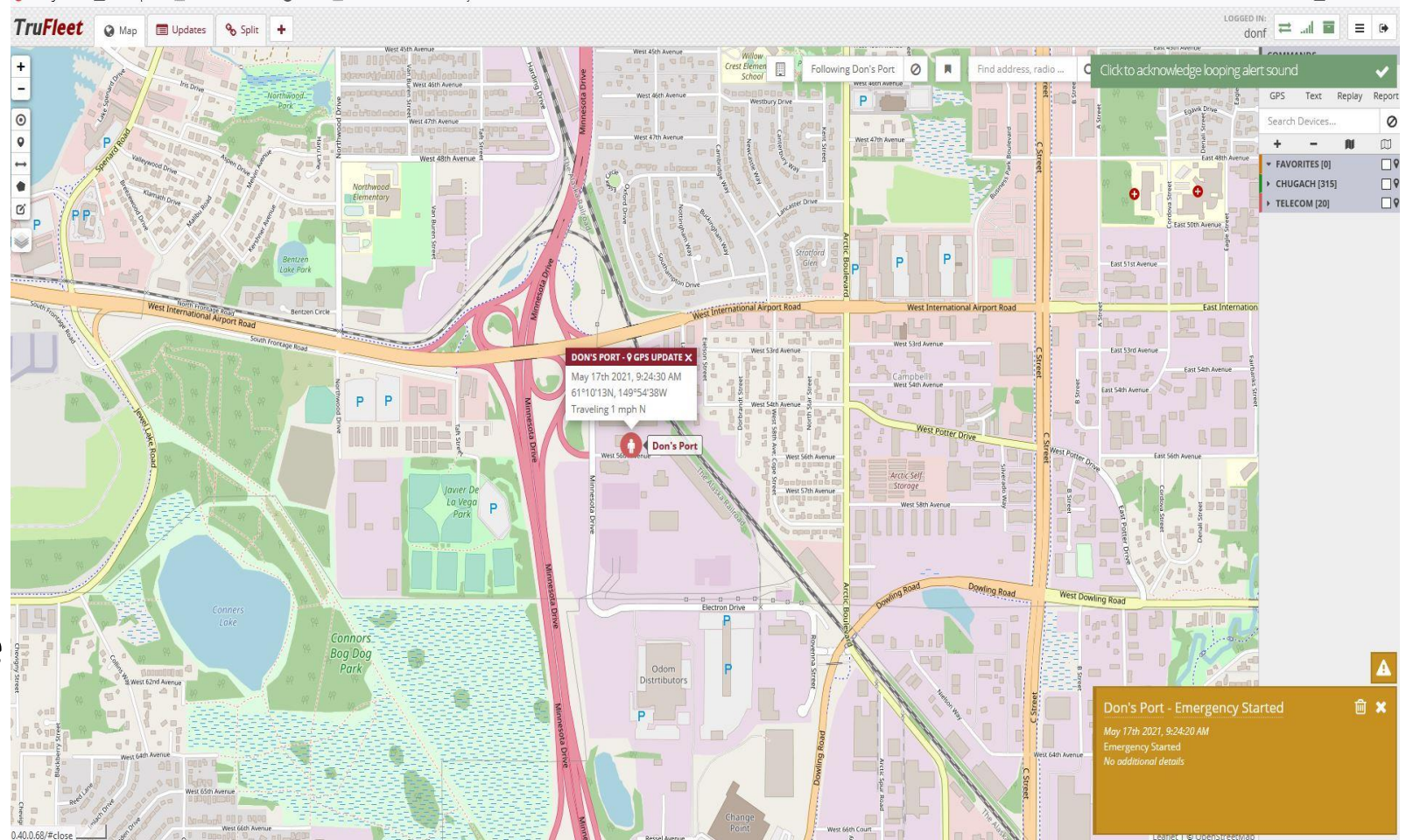
GPS Use Case: Emergency Notification & Awareness

Emergency Notification

- User Initiated
- Alert Popup
- Location Displayed
- All Radios Receive Audio

Situational Awareness

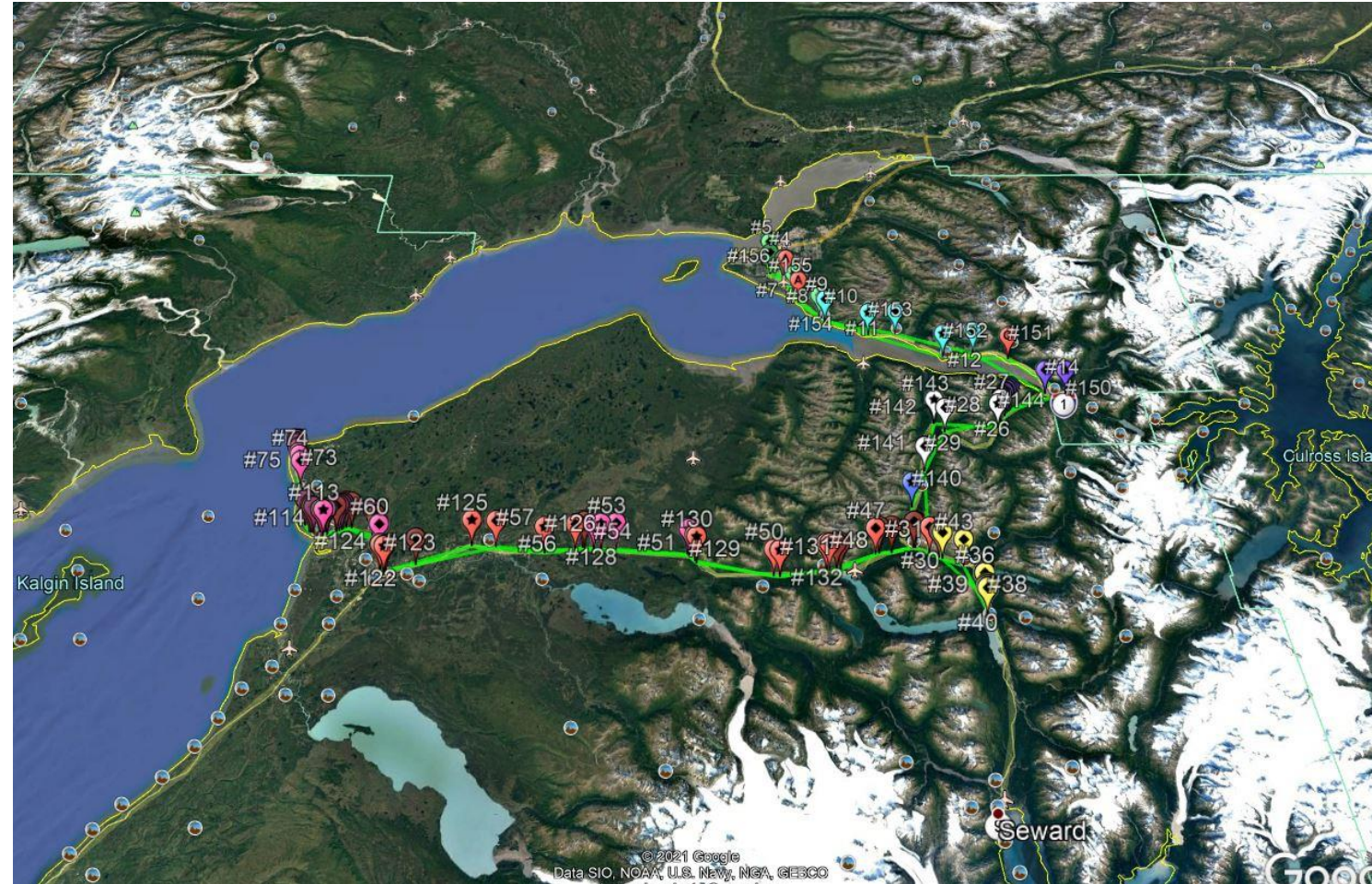
- Provide Dispatchers real time locations



GPS Use Case: System Diagnostics

Location vs Radio Performance:

- Coverage Verification Testing
- Site Selection Optimization
- System Maintenance
- Troubleshooting

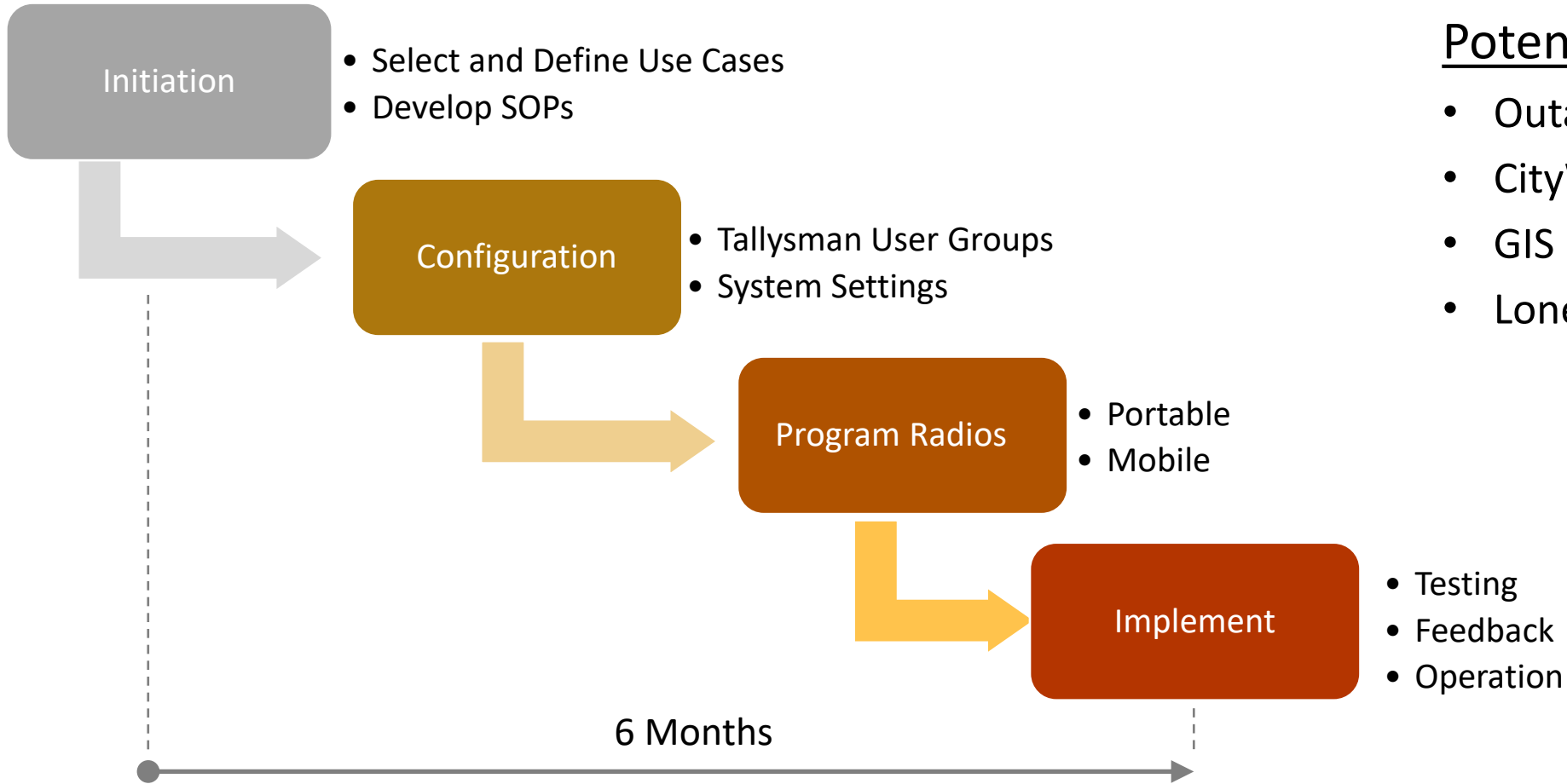


GPS Use Case: Asset Tracking

- Provides location of all mobile radios mounted in vehicles or equipment
 - Current location
 - History (last known transmission) or date and time



Deployment of GPS Functionality



Potential Future Integrations

- Outage Management
- CityWorks Work Management
- GIS mapping
- Lone Worker/Man Down



Eklutna F&W Project 2023

**Regular Board of Directors' Meeting
January 25, 2023**



Discussion Topics

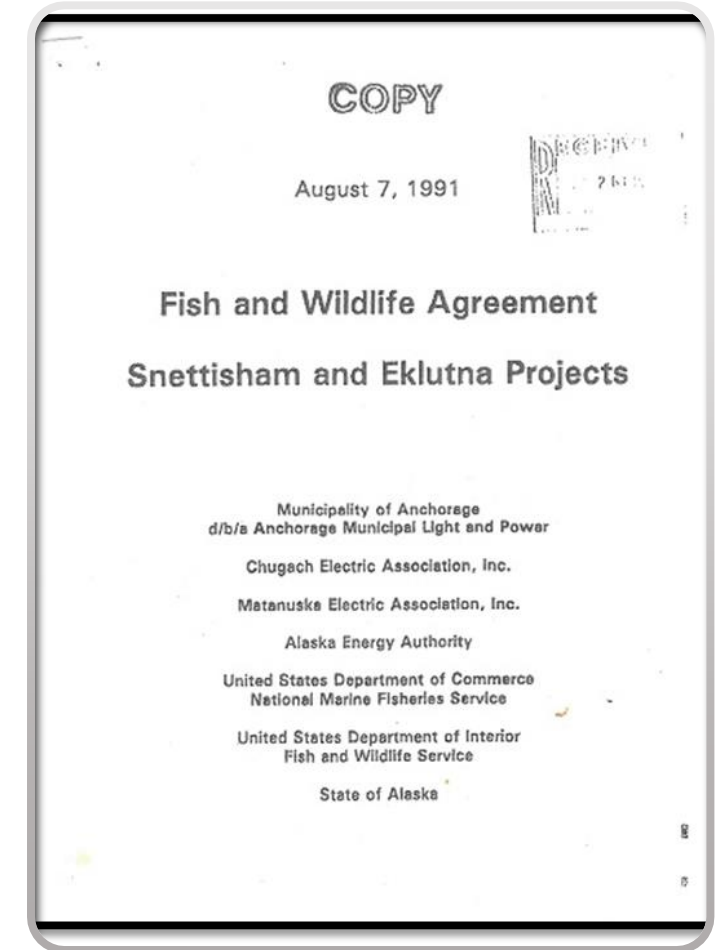
- 1) 2022 Studies and Field Work
- 2) Eklutna Alex Cabin Logs
- 3) Technical Working Groups
- 4) October NVE Meeting
- 5) Stakeholder Engagement
- 6) Project Schedule
- 7) Future Year Program Costs



Just a Reminder ... 1991 Fish and Wildlife Agreement

The 1991 F&W Agreement requires the project owners to...

1. Study the impact of the hydroelectric project on fish and wildlife.
2. Develop proposals for the protection, mitigation, and enhancement (PME) of fish and wildlife affected by such hydroelectric development.
3. Consider the impact of fish and wildlife measures on electric rate payers, municipal water utilities, recreational users, and adjacent land use.
4. Evaluate ways to mitigate those impacts.



2022 Study Program

Studies Continued from Year 1 (2021)	New Studies Initiated in Year 2 (2022)
Geomorphology and Sediment Transport Study	Engineering Feasibility and Cost Assessment
Instream Flow Study	Hydro Valuation Study
Eklutna River Fish Species Composition and Distribution Study	Wetlands and Wildlife Habitat Study
Lake Aquatic Habitat and Fish Utilization Study	Terrestrial Wildlife Studies
Water Quality Study	Recreation Study
Stream Gauging	Cultural Resources Study

*Also collected new LiDAR data in May 2022

Eklutna Alex Cabin Logs



Technical Working Group - Meetings

- **September 28** – Reviewed the 1D instream flow modeling results and discussed what PME measures related to year-round instream flows should be evaluated as part of the engineering studies.
- **October 17** – Reviewed the geomorphology modeling results and discussed what PME measures related to peak flows should be evaluated as part of the engineering studies.
- **November 9** – Reviewed the lake study results (fisheries and water quality) and discussed what PME measures related to fish passage should be evaluated as part of the engineering studies.

Technical Working Group - Composition

Entity	Aquatics	Terrestrial	Recreation	Cultural	Parties
Native Village of Eklutna	X	X	X	X	*
Alaska Department of Fish and Game	X	X	X		X
Alaska Department of Environmental Conservation					X
ADNR Water Resources					X
ADNR Chugach State Park			X		X
ADNR Office of History and Archaeology				X	X
U.S. Fish and Wildlife Service	X	X		X	X
National Marine Fisheries Service	X				X
Trout Unlimited	X		X		
Alaska Pacific University	X	X			
Hydropower Project Owners	X	X	X	X	X

* Although NVE is not a party to the 1991 Agreement, the Project Owners have committed to a review and participation framework specifically for NVE.

October NVE Meeting – Oct 19, 2022



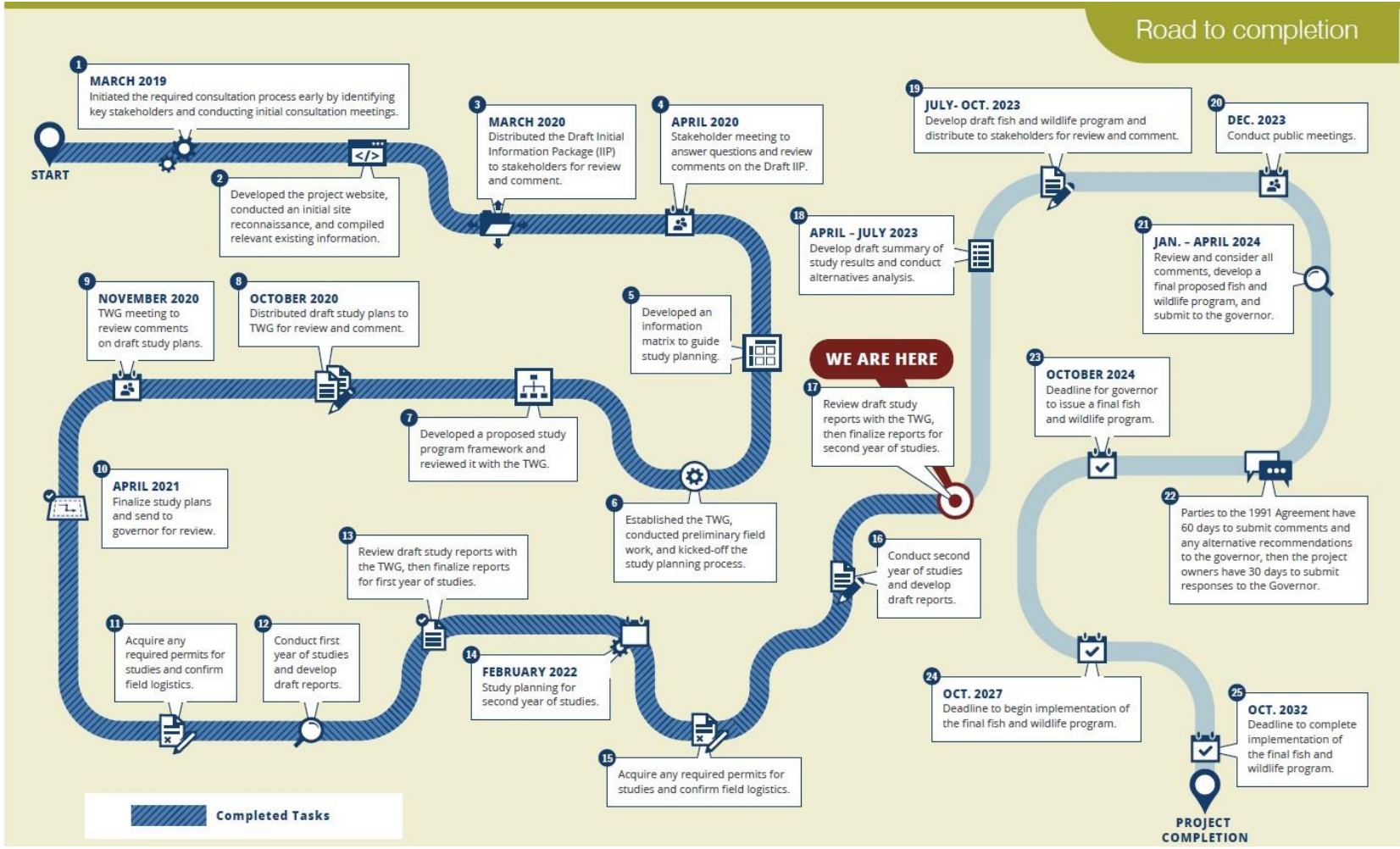
Other Stakeholder Engagement

- **October 26** – Toured the Eklutna Power Plant and Eklutna Water Treatment Plant with AWWU management and staff
- **November 16** – Quarterly update call with the broader stakeholder group
- **November 17** – MOA Enterprise and Utility Committee – Quarterly Update
- **November 28** – Fall Eklutna Hydroelectric Project newsletter issued
- **January TBD** – Next meeting with the Aquatics Technical Work Group to review the 2D instream flow modeling results

Next Steps

- Q1 2023 – Year 2 Study Reporting
- Q2 2023 – Alternatives Analysis
- Q3 2023 – Draft Fish and Wildlife Program
- Q4 2023 – Public Meetings
- April 2024 – Submit Proposed Final Fish and Wildlife Program to the Governor
- 60 days for parties to review and comment
- 30 days for project owners to respond
- October 2024 – Governor issues Final Fish and Wildlife Program

Road To Completion



Future Year Study Costs – Annual Estimates

- *2022 - \$ 2,850,000 (Study Completion)*
- *2023 - \$ 1,750,000 (Potential Study Completion Year – Draft Program)*
- *2024 - \$ 1,000,000 +/- (Final Program Development and approval)*

- *2025-2032 – Approved Program Design and Construction – Cost TBD*

Note: These costs are total project costs ... Chugach share is 64.29%

Future Year Study Costs – Annual Estimates

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- *2023 - \$ 1,750,000 (Potential Study Completion Year – Draft Program)*
- *2024 - \$ 1,000,000 +/- (Final Program Development and approval)*

- *2025-2032 – Approved Program Design and Construction – Cost TBD*

Note: These costs are total project costs ... Chugach share is 64.29%



www.eklutnahydro.com

Questions?



Dixon Diversion Economics

Regular Board of Directors' Meeting
January 25, 2023

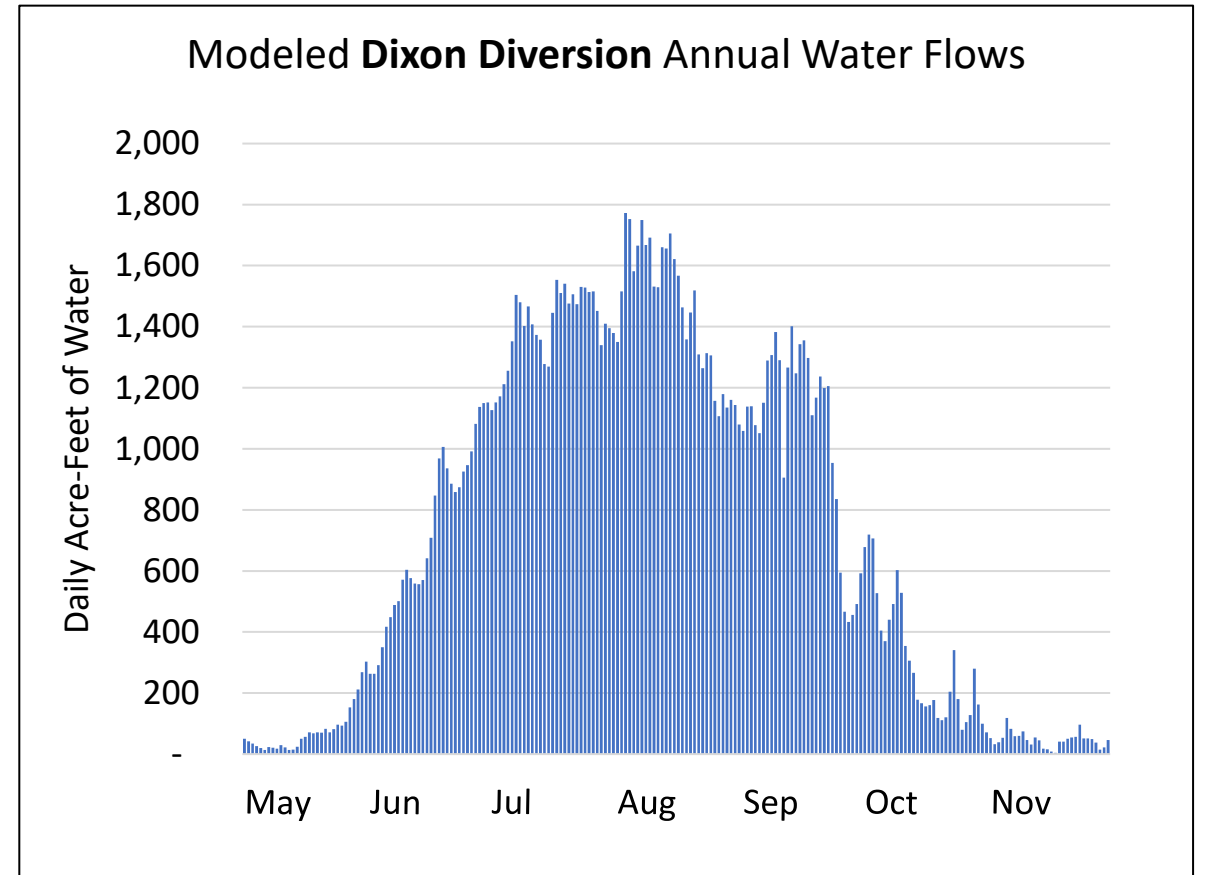
Dixon Diversion Overview

- Considered water diversion or a run-of-river option
- Diversion selected as best economic alternative
- Diverts water into Bradley Lake (similar to Battle Creek Diversion)



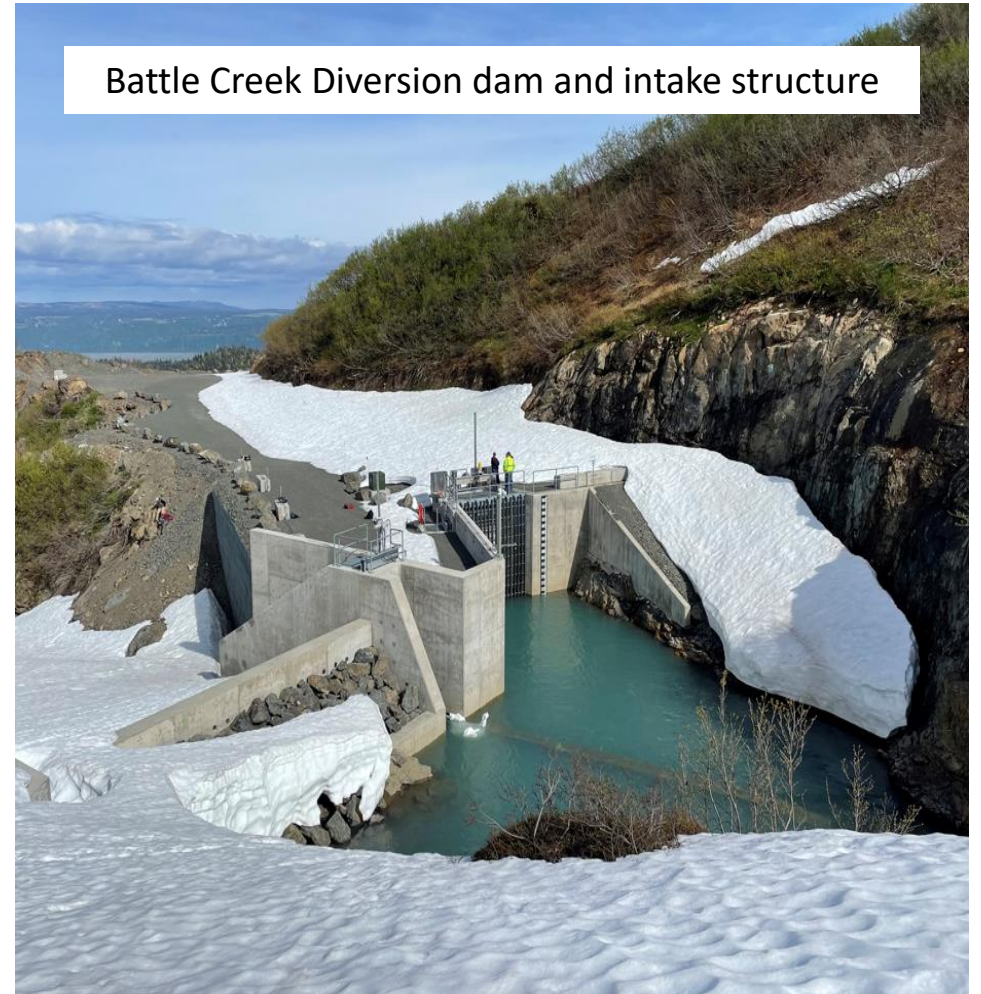
Energy Generation Comparison

Bradley Lake Hydro	~400,000 MWh/yr
<i>Dixon Diversion</i>	~160,000 MWh/yr
Fire Island Wind	~49,000 MWh/yr
Battle Creek Diversion	~37,000 MWh/yr
Net Metered Solar	~3,500 MWh/yr



Diversion Specifications

- 5-mile tunnel for water
- Small intake structure
- Raise Bradley Lake dam 14 feet to capture seasonal flow and allow for additional water storage of existing Bradley Lake

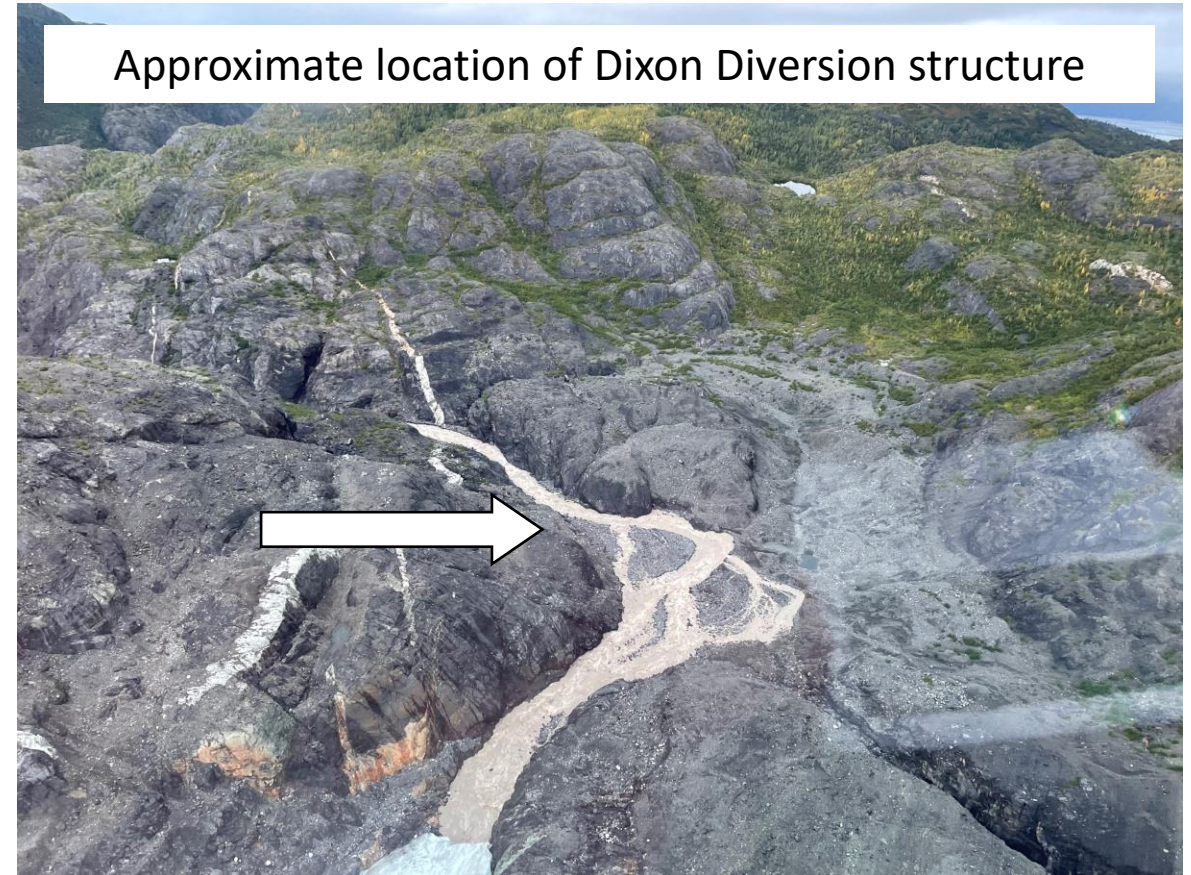


Battle Creek Diversion dam and intake structure

Economic Evaluations

Multiple evaluations have been performed by different parties as the project concept has developed:

- AEA Concept (Mar 2022)
- Mark A. Foster & Associates (Sep 2022)
- Chugach/NERA (Jan 2023)



Comparative Summary: Economic Evaluations

Key Assumptions		AEA Concept (Mar 2022)	Foster (Sep 2022)	Chugach / NERA (Jan 2023)	Comments
<u>Construction</u>					
Construction	\$M	*\$360	\$429	*\$312	Foster: 28' dam raise costing \$95M; AEA 14' raise costing \$29M; Chugach: Recent AEA update assumes minimal roads needed
Feasibility, Design, etc.	\$M	\$55	\$60	\$36	Chugach: AEA identified cost efficiencies of studies and design
Debt Issuance & Other	\$M	\$4	\$19	\$4	
All-In Development	\$M	\$415	\$508	\$352	
<u>Ongoing Considerations</u>					
Interest Rate	%	3.0%	4.0%	5.5%	Reflects analysis timing differences (during rapid rate rise)
Initial Annual O&M	\$M	\$0.5	\$7.6	\$0.5	Foster: 1.5% of the \$508M construction costs
Annual Output	MWh	160,000	102,000	160,000	Foster: Assumes substantial water spillage
LCOE	\$/MWh	\$133	\$333	\$150	Levelized cost of energy (LCOE) provides a standard comparison

*AEA construction cost conservatively includes a 40% contingency, bonds, insurance and other costs

Chugach/NERA **updated the most reasonable assumptions** from the AEA and Foster to January 2023.

Avoided Cost: Levelized Cost of Energy

Scenarios	25-Year Project: 2033-2057* (\$/MWh)	50-Year Project: 2033-2082 (\$/MWh)
[1] Base Avoided Cost (2.5% escalator)	\$81	\$96
[2] Avoided Cost \$12 Gas in 2028 (2.5% escalator)	\$117	\$146
[3] Avoided Cost \$18 Gas in 2028 (2.5% escalator)	\$175	\$207

These avoided cost estimates include fuel and variable O&M only; they do not include the value of displacing future dispatchable generation or other values.

* The 25-year LCOE avoided cost starting in 2025 is about \$67, \$91, and \$130 for Scenarios 1, 2, and 3, respectively.

In the Base analysis, conducted by NERA in April 2022, Chugach has a short-run avoided cost of **\$96/MWh**—indicating that the Dixon Diversion Project at **\$150/MWh LCOE would be too expensive**. However, the Dixon Diversion Project’s **\$150/MWh LCOE could decrease** as we study it further; and **Chugach’s avoided cost could increase substantially** in an economic environment of high-priced gas, and this evaluation includes only the price of fuel displaced and excludes any capacity value or energy storage value.

Sensitivity Analysis

Dixon Diversion Project LCOE

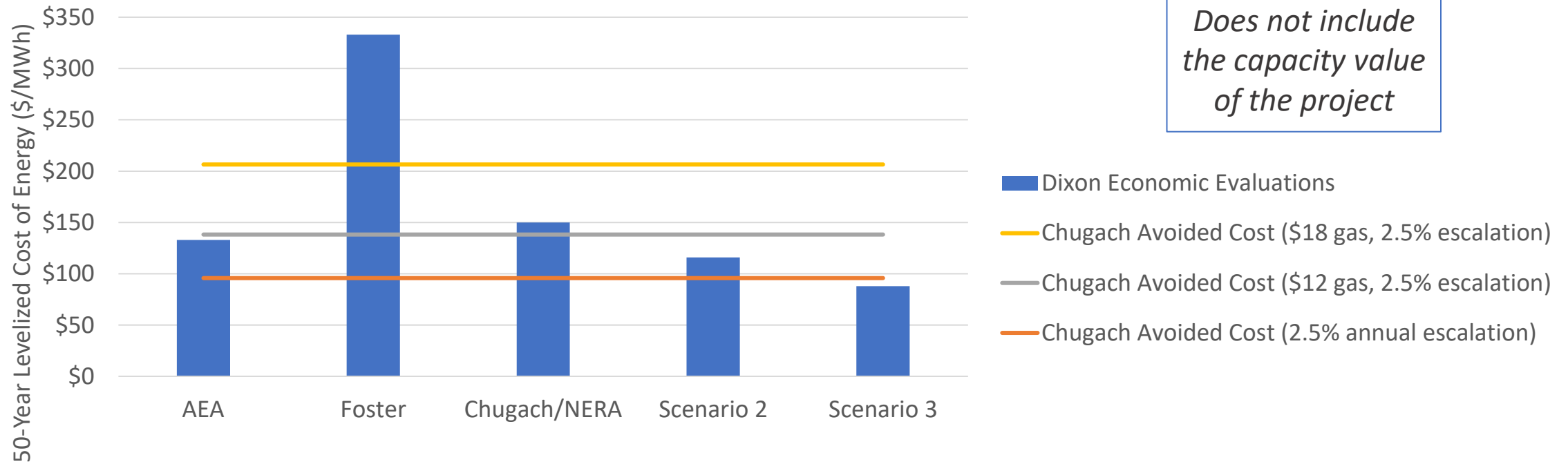
Key Assumptions		Chugach / NERA (Jan 2023)	Scenario 2	Scenario 3	Comments
All-In Development	\$M	\$348	\$328	\$298	Capital cost reduction of \$50M reduces LCOE by ~\$21/MWh
Interest Rate	%	5.5%	5.0%	4.5%	Interest rate reduction of 1% reduces LCOE by ~\$23/MWh
Annual Output	MWh	160,000	180,000	200,000	Output increase of 50,000 MWh reduces LCOE by ~\$53/MWh
LCOE	\$/MWh	\$150	\$116	\$88	

**An annual O&M increase of \$1M increases the LCOE by \$10/MWh.*

The Dixon Diversion Project's LCOE is **sensitive to adjustments to key assumptions**—such as the all-in development cost, debt interest rate, and annual output. If those underlying assumptions change through more study, the LCOE may drop below \$100/MWh.

Possible Economic Feasibility

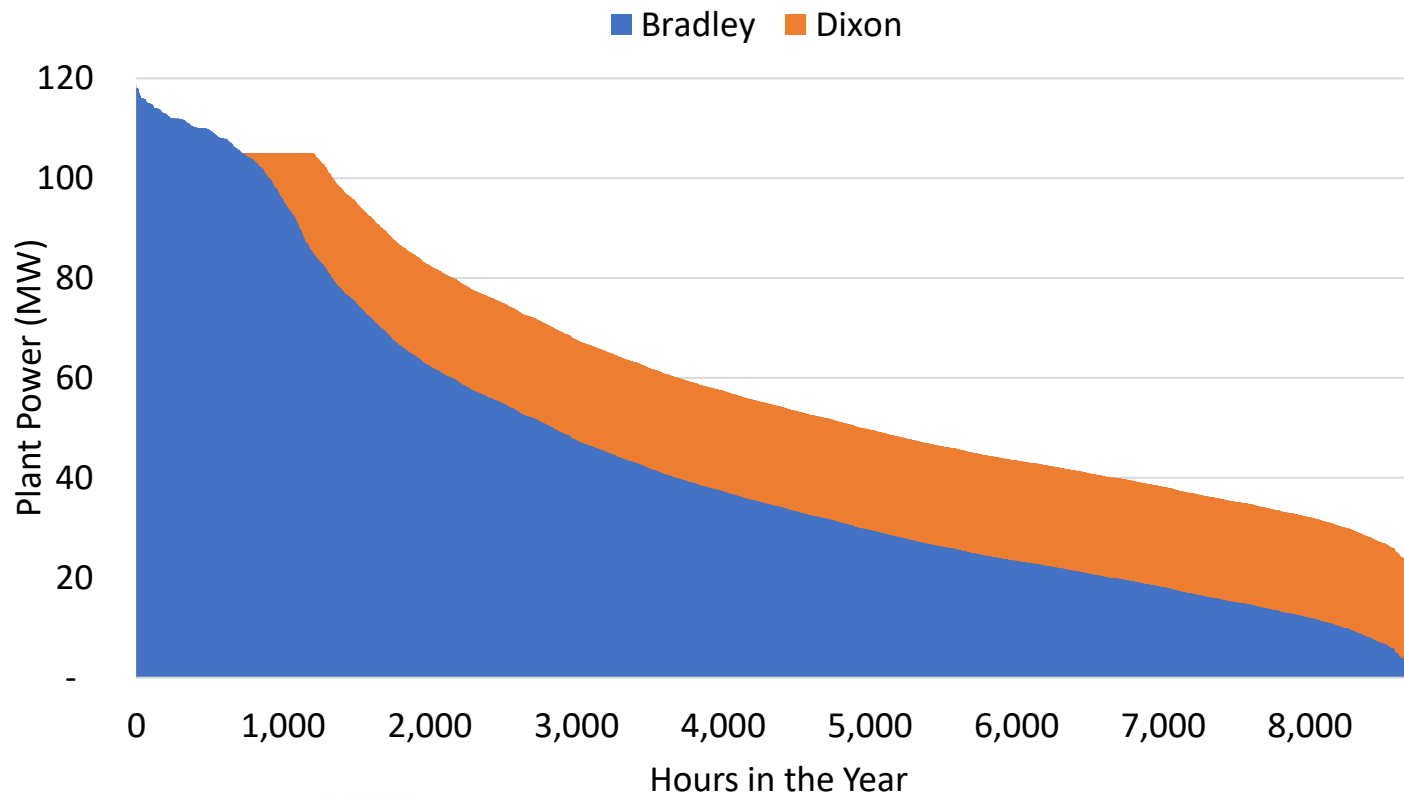
LCOE of Dixon Economic Evaluations Compared to Possible Chugach Short-Run Avoided Costs



The Dixon Diversion economic evaluations indicate a **levelized cost of energy (LCOE) that is competitive with some of the possible future Chugach short-run avoided cost 50-year LCOEs**, depending upon the future cost of natural gas. This indicates that **further feasibility assessment is warranted** to refine the projected cost and energy production estimates until or unless a determination is made that the project is not economically viable.

Capacity Factor Increase

Bradley Lake Hydro 2022 Load Duration Curve with Potential Dixon Diversion Energy Overlay



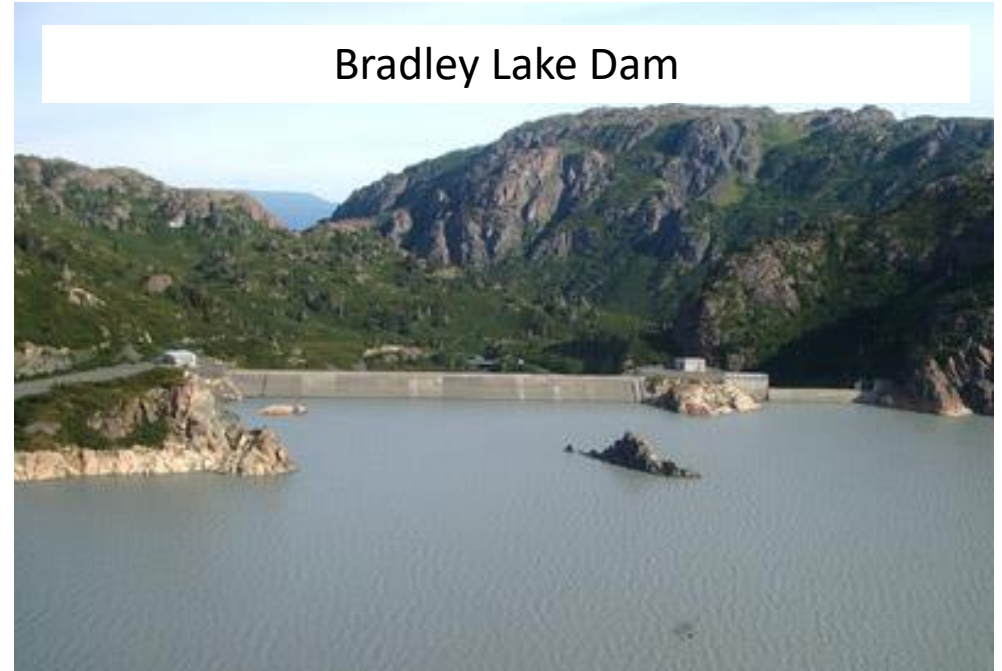
Capacity Factor

- Bradley average: 37%
- Dixon estimate: 15%
- Bradley + Dixon: 53%

Hydro Project Value

- Storage hydro provides:
 - Energy
 - Dispatchable capacity
 - Long-duration energy storage
- Dixon Diversion provides:
 - Energy (more water)
 - Higher capacity factor*, but no increase of maximum capacity (no new turbine)
 - Increased long-duration energy storage (higher dam)
- As a BPMC project, no TIER/margin nor IPP profits are charged, only project costs.

**Capacity factor increase from 37% to 53%.*



Next Steps

- **Feasibility studies.** Chugach recommends continuing the feasibility studies to determine economic value
- **Stepwise approach.** Proceed forward with a stepwise approach to the feasibility studies. This slows the project development by one year, but reduces cost risk in case economic feasibility not found.
- **Grant funds.** Chugach recommends using any available grants to help defray the cost of determining whether the project is economically feasibility prior to making a decision to build the project.
- **Fund grant agreement.** Sign Renewable Energy Fund grant agreement for feasibility study on behalf of all Railbelt utilities.

Questions?



Chugach Electric Association, Inc.
Anchorage, Alaska

Recommended Timeline for Board Appointment
January 25, 2023

Date	Action Item
January 25, 2023	Chugach Board Establishes Appointment Process
January 26, 2023	News Release Distributed; Website Updated
February 9, 2023	Applications for Appointment from Members
February 10 – 21, 2023	Board Candidate Interviews
February 22, 2023	Board Votes on Appointment at Regular Board Meeting

Note: The due date for candidates interested in being considered by the Nominating Committee has been extended from February 7 to February 9, 2023. With this date adjustment, the due dates for the Nominating Committee and candidates considered for the short-term appointment to the board (February 22 to May 19) are the same. This change will be reflected on Chugach’s website after the January 25, 2023, Regular Board of Directors’ meeting.

When candidates apply for the short-term appointment, we will ask them if they are also running for the board as a candidate to go before the Nominating Committee. Conversely, when candidates apply for the board through the Nominating Committee, we will ask them if they want to be considered for the short-term appointment.

Chugach will include a question on the Application for Director Position form asking candidates to indicate which seats they are applying for:

Please indicate if you are applying for:

- Director vacancy for the February 22, 2023 - May 19, 2023 period
- One of three open board seats in the May 19, 2023 election
- Both

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 603

BOARD VACANCIES

I. OBJECTIVE

To describe the procedure for the Board to fill Board vacancies consistent with the Bylaws.

II. CONTENT

- A. **Time and Manner of Solicitation.** Solicitations for applications to fill a vacancy on the Board shall begin by direction of the Board Chair following notice at a regular Board meeting that a vacancy has occurred. The solicitations shall be done in essentially the same manner as that for candidates in a regular election for a time specified by the Board Chair. Only persons eligible to run under Bylaw Article IV, Section 3 shall be considered candidates for appointment.
- B. **Interviews.** The Board shall interview all of the candidates.
- C. **Time of Consideration.** After the closure of the solicitation and interview process, the Board shall consider the candidates at its next regularly scheduled meeting.
- D. **Nomination of Slate.** At the appropriate time on the agenda, the Directors shall develop a slate of candidates. This slate shall be created by a nomination process of the Board. In order for a name to be added, it shall require a "motion to nominate" by a Director, followed by a "second to the motion" from another Director.
- E. **Narrowing of Slate.** If more than two candidates are included in the slate, the Board shall vote to eliminate candidates until only two remain.
- F. **Final Selection.** Once only two candidates remain, the Board shall vote for the candidates until one is selected by a majority of the Board.
- G. **Deadlock.** If the Board remains deadlocked after three ballots in the final selection process, any member of the Board may by motion place a new candidate on the ballot from the applicant pool. The process shall then start as in paragraph E above.
- H. **Continuing Deadlock.** In the event of continued deadlock, the Board may, by motion, reopen the application process and/or postpone the appointment until a future meeting.
- I. **More Than One Vacancy.** If more than one vacancy occurs at the same time, the number of candidates in paragraphs E and F above shall be changed to one more

than the number of vacancies. Each seat shall be filled by a majority vote of the remaining Directors with each Director casting one vote for each vacant Director's slot. This would mean, for example, that if there were two vacancies on the Board, the Board would create a slate of three candidates by following the procedures spelled out in earlier paragraphs and then proceed to final voting. At this time, each Director would vote for two of the three names on the slate of candidates.

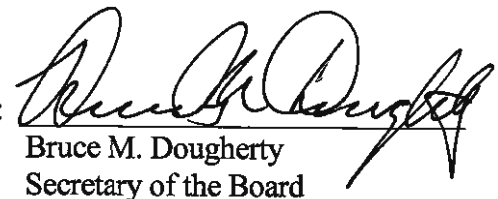
- J. Assumption of Office. If the winning candidate or candidates are present at the Board meeting at which they are selected, they shall be sworn in immediately and take their seats. If not, they shall be sworn in as soon as is reasonable.

III. RESPONSIBILITY

The Board of Directors shall be responsible for the administration of this Policy.

Date Approved: May 25, 2016

Attested:


Bruce M. Dougherty
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

January 25, 2023

ACTION REQUIRED

AGENDA ITEM NO. VIII.B.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Authorizing Adoption of the SECURE Act Amendment for 457(b) Savings Plan (Amendment) through execution of the revised Plan.

DISCUSSION

The attached resolution authorizes the December 29, 2022, SECURE Act Amendment to the Chugach Electric Association, Inc. 457(b) Savings Plan.

The Board is aware that the Plan must periodically be amended to comply with new regulations, rulings, other legislation and operational changes, and that these amendments must be filed with the Internal Revenue Service to ensure they are in compliance with Internal Revenue Code and Treasury regulations. This is accomplished through execution of the Amendment needed to conform with the Plan.

MOTION

Move that the Board of Directors approve the attached resolution ratifying and confirming the Chief Executive Officer's adoption and execution of the SECURE Act Amendment on behalf of Chugach.



RESOLUTION

SECURE Act Amendment for 457(b) Savings Plan

WHEREAS, Chugach Electric Association, Inc. (the “Company”) sponsors and maintains the Chugach Electric Association, Inc. 457(b) Savings Plan (the “Plan”);

WHEREAS, Article 20 of the Plan provides that the Company has the authority to amend the Plan at any time, which is done through action of the Board of Directors of the Company (the “Board”);

WHEREAS, the Chief Executive Officer of the Company adopted and executed an amendment to the Plan on behalf of the Company on December 29, 2022, bringing the Plan into compliance with the SECURE Act (the “SECURE Act Amendment”) by the December 31, 2022 deadline set by the Internal Revenue Service for such amendment;

WHEREAS, management has recommended that the Board ratify and confirm the Chief Executive Officer’s adoption and execution of the SECURE Act Amendment on behalf of the Company;

WHEREAS, the Board has reviewed management’s recommendation with respect to the Plan, and after study has concluded that this recommendation should be approved and implemented; now therefore it is:

RESOLVED, that the Chief Executive Officer’s prior adoption and execution of the SECURE Act Amendment on behalf of the Company, in the form attached hereto as Exhibit A and incorporated herein by this reference, is hereby ratified and confirmed.

BE IT FURTHER RESOLVED, that any authorized officer and the appropriate management employees of the Company are hereby authorized and directed to take any actions necessary to comply with the intent of these resolutions.

CERTIFICATION

I, Samuel Cason, 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 ____ day of _____, 2023; 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 ____ day of _____ 2023.

Secretary

EXHIBIT A

SECURE ACT AMENDMENT TO THE CHUGACH ELECTRIC ASSOCIATION, INC. 457(b) SAVINGS PLAN

This amendment is adopted to bring the Chugach Electric Association, Inc. 457(b) Savings Plan (the "Plan") language into compliance with the SECURE Act. The Plan has been operated in compliance with the SECURE Act since January 1, 2020.

Notwithstanding any other provision of the Plan to the contrary, effective January 1, 2020, the Plan is amended to provide as follows:

1. All distributions from the Plan shall comply with the minimum distribution requirements of Code Sections 457(b) and 401(a)(9) and regulations thereunder including the incidental death benefit requirements. All lifetime distributions to Participants shall commence no later than the later of (a) April 1 of the year following the calendar year in which the Participant attains age 70½ (age 72 on or after January 1, 2020) or (b) April 1 of the year following the year in which the Participant retires or otherwise has a Separation from Employment. With respect to Participants who die after December 31, 2019, distributions must be made as follows or earlier:

(a) If a Participant dies before distribution of his or her entire interest, the general rule is that the Participant's entire interest must be distributed to any individual designated as a Beneficiary by the Participant (a "Designated Beneficiary," as defined in Code Section 401(a)(9)(e)) within 10 years after the Participant's death. This rule applies regardless of whether distributions of the Participant's entire interest have begun under Code Section 401(a)(9)(A). To the extent required by Treasury Regulations or other published Internal Revenue Service guidance, distributions shall be made during the 10-year period.

(b) Notwithstanding the general rule in subparagraph (a) above, different rules apply to an Eligible Designated Beneficiary (as defined below). If any portion of the Participant's interest is payable to (or for the benefit of) an Eligible Designated Beneficiary, such portion may be distributed over the life or life expectancy of such Eligible Designated Beneficiary under Code Section 401(a)(9)(B)(iii). Such distributions must begin no later than December 31 of the calendar year following the calendar year in which the Participant died; or, if later and the Designated Beneficiary is the surviving Spouse of the Participant, December 31 of the calendar year in which the Participant would have attained age 72.

(c) If an Eligible Designated Beneficiary dies before the portion of the Participant's interest is entirely distributed, the remainder of such portion shall be distributed within 10 years after the death of such Eligible Designated Beneficiary.

(d) If a Participant dies before January 1, 2020, but the beneficiary of the Participant's Beneficiary dies after December 31, 2019, the rules above apply to the beneficiary of the Participant's Beneficiary.

(e) An "Eligible Designated Beneficiary" means any Designated Beneficiary who is: (i) the surviving Spouse of the Participant; (ii) a child of the Participant who has not reached the age of majority (as defined by the Code or regulations); (iii) disabled within the meaning of Code Section 72(m)(7); (iv) a chronically ill individual as defined in Code Section 401(a)(9)(E)(ii)(IV); or (v) an individual, not included in the foregoing, who is not more than 10 years younger than the Participant. The determination of whether a Designated Beneficiary is an Eligible Designated Beneficiary shall be made as of the date of death of the Participant.

(f) If there is no Designated Beneficiary, or if the Participant has multiple beneficiaries, one of which is not a Designated Beneficiary, the five-year rule will apply and the entire interest of the Participant will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

Dated 12/29, 2022.

CHUGACH ELECTRIC ASSOCIATION, INC.

By Arthur W. Keller

Its CEO

RDI 2023 Contract

Task Order	Amount	Type	Department
ERP Project	\$800,000	Capital	Information Services
CAD GIS Transition	\$645,000	Deferred	Engineering
IT Transition	\$410,000	Deferred	Information Services
Server OS Upgrades	\$750,000	Capital	Information Services
Sullivan Firewall	\$200,000	Capital	Information Services
Cyber Security (AKCIP)	\$550,000	Capital	Information Services
Horizon Upgrade	\$125,000	Capital	Information Services
One Campus Plan	\$50,000	Capital	Information Services
Digitize Land Service Easements	\$26,400	OPEX	Engineering
Total	\$3,556,400		

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

January 25, 2023

ACTION REQUIRED

AGENDA ITEM NO. VIII.C.

- Information Only
 Motion
 Resolution
 Executive Session
 Other
-

TOPIC

2023 Resource Data Inc. (RDI) Contract Approval

DISCUSSION

The 2023 Resource Data Inc. (RDI) Contract at a value not to exceed \$3,556,400 supports capital and consolidation program spending presented and approved by the Board through the 2023 Operating and Capital Budget on December 14, 2022.

MOTION

Move that the Board of Directors authorize the Chief Executive Officer to approve the 2023 Resource Data Inc. (RDI) Contract at a value not to exceed \$3,556,400.

Chugach Electric Association, Inc.
Anchorage, Alaska

Summary of Executive Session Topics

Personnel matters (AS 10.25.175(c)(3))