



**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

February 22, 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: Protecting Your Hearing (Freeman)*
 - D. *Electric Power Factoid: Electric Utility Operations - Transformers (Murray)*
- II. APPROVAL OF THE AGENDA* (4:15 p.m.)
- III. PERSONS TO BE HEARD (4:20 p.m.)
 - A. *Member Comments*
- IV. DIRECTOR REPORTS (4:25 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* (4:40 p.m.)
 - A. *Board Calendar*
 - B. *Training and Conferences*
 - 1. *NRECA PowerXchange, March 3-8, 2023, Nashville, TN*
 - C. *Minutes*
 - 1. *January 25, 2023, Regular Board of Directors' Meeting (Doyle)*
 - 2. *February 14 – 16, 2023, Special Board of Directors' Meeting (Doyle)*
 - D. *Director Expenses*

* *Denotes Action Items*

** *Denotes Possible Action Items*

2/20/2023 1:51:21 PM

- VI. CEO REPORTS AND CORRESPONDENCE (4:45 p.m.)
 - A. *November 2022 Variance Report and Financial Update (Griffin) (4:45 p.m.)*
 - B. *Cooper Landing and Moose Pass Reliability (M. Miller/Laughlin) (5:00 p.m.)*
 - C. *Federal Grant Opportunities - Transmission (Laughlin/D. Highers) (5:20 p.m.)*
 - D. *Board Policy Scheduled Tasks/Reports (Board/Staff) (5:45 p.m.)*
- VII. UNFINISHED BUSINESS (none)
- VIII. NEW BUSINESS* (scheduled) (5:50 p.m.)
 - A. *Adoption of Amended 457 (b) Plan* (Frison) (5:50 p.m.)*
 - B. *Appointment of New Board Member ** (Board) (6:05 p.m.)*
- IX. EXECUTIVE SESSION* (scheduled) (6:35 p.m.)
 - A. *Legal and Financial Matters: Transmission (6:35 p.m.)*
 - B. *Legal and Financial Matters: Generation (6:55 p.m.)*
 - C. *Personnel Matters – Compensation (7:10 p.m.)*
 - D. *Personnel Matters – Position Grade Evaluations (7:25 p.m.)*
- X. DIRECTOR COMMENTS (7:35 p.m.)
- XI. ADJOURNMENT* (7:50 p.m.)

* *Denotes Action Items*

** *Denotes Possible Action Items*



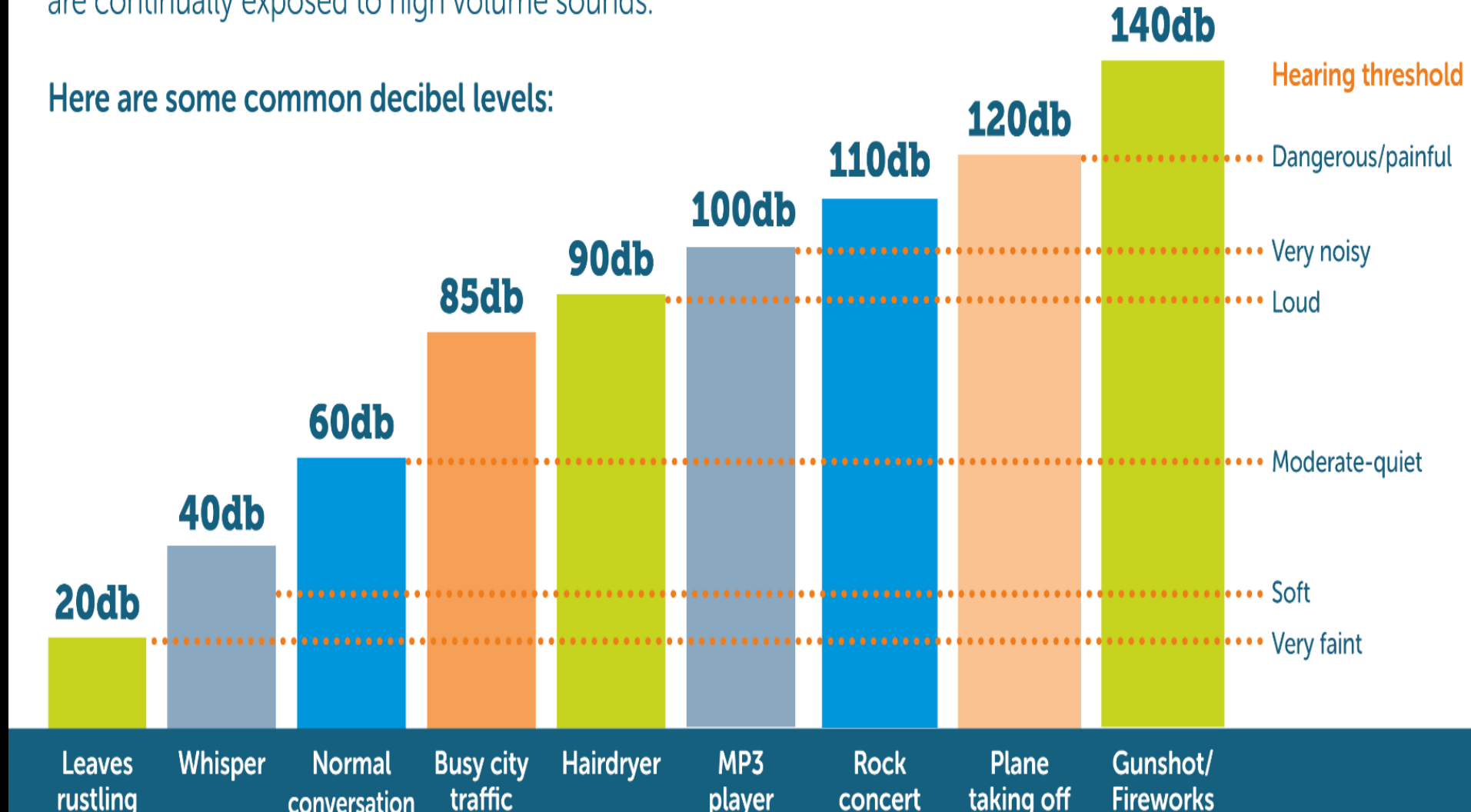
Protecting your Hearing

Regular Board of Directors' Meeting
February 22, 2023

How loud is too loud?

Government research suggests the safe exposure limit is **85 decibels** for **eight hours a day**. Your hearing could be at risk of damage if you are continually exposed to high volume sounds.

Here are some common decibel levels:



Effects of exposure to loud noise



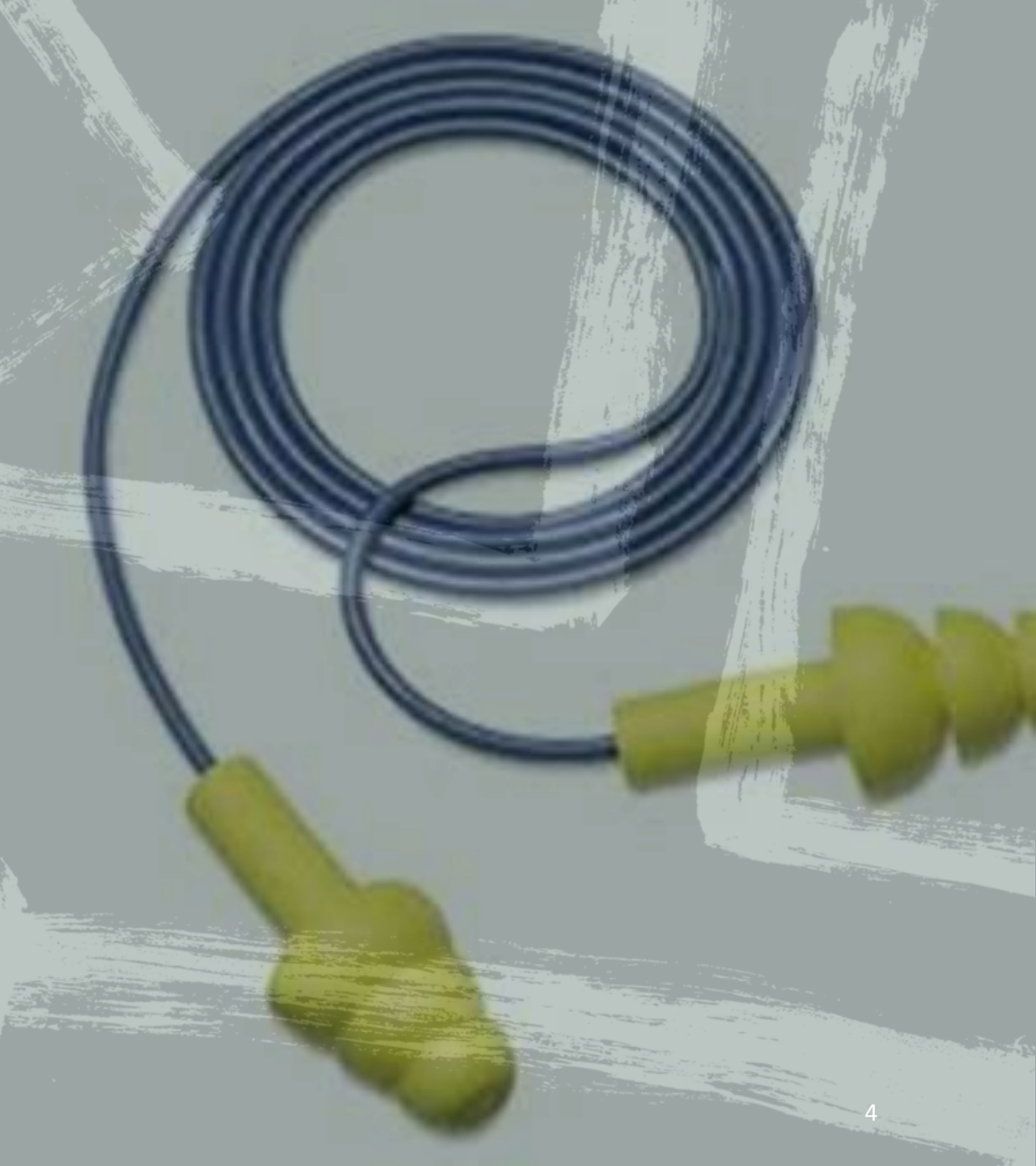
Exposure to loud noise will inevitably cause hearing loss over time.

Loud noise damages or destroys the nerves in the inner ear.

Another effect can be “tinnitus” or permanent ringing in the ear.

How you can protect your hearing

1. Turn the volume down
2. Walk away from loud noise
3. Take breaks from loud noise
4. Avoid loud, noisy activities
5. Use hearing protection



YTD Information

Recordable Injuries			
Business Unit	2022	2022 Jan YTD	2023 Jan YTD
Line Operations	6	1	0
Power Generation	5	0	0
Office and Administrative	0	0	0
Total	11	1	0
Lost time Injuries			
Business Unit	2022	2022 Jan YTD	2023 Jan YTD
Line Operations	3	0	0
Power Generation	1	0	0
Office and Administrative	0	0	0
Total	4	0	0

Rates and Lost Workdays			
	2022	2022 Jan YTD	2023 Jan YTD
OSHA Rate	2.71	3.86	0
Lost Time Rate	.98	0	0
Lost Workdays	179 (4 cases)	0	0

Recordable Injury: Injury resulting in medical treatment, lost time or restricted duty.

OSHA Rate: Number of recordable injuries x 200,000/employee hours worked.

LOST Time Rate: Number of lost time injuries X 200,000/employee hours worked.

Lost workday: A day a worker is absent from the workplace due to a work-related injury.

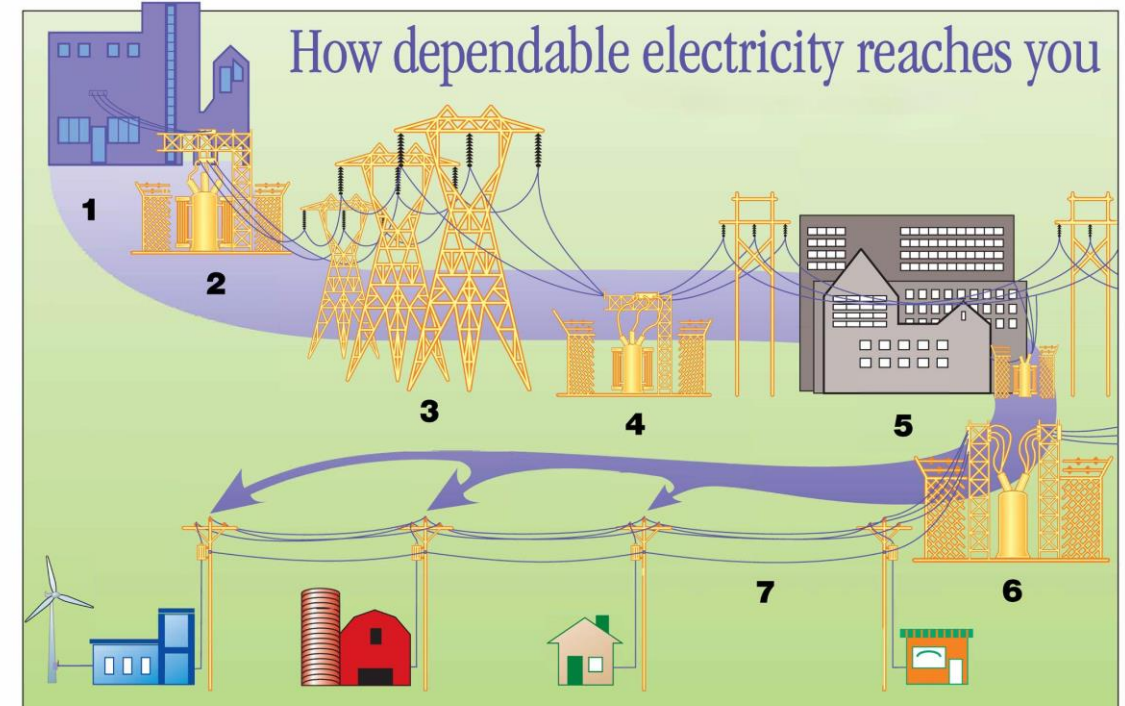
Power Transformer Factoid

Board of Directors Meeting
February 22, 2023



Power Transformer Introduction

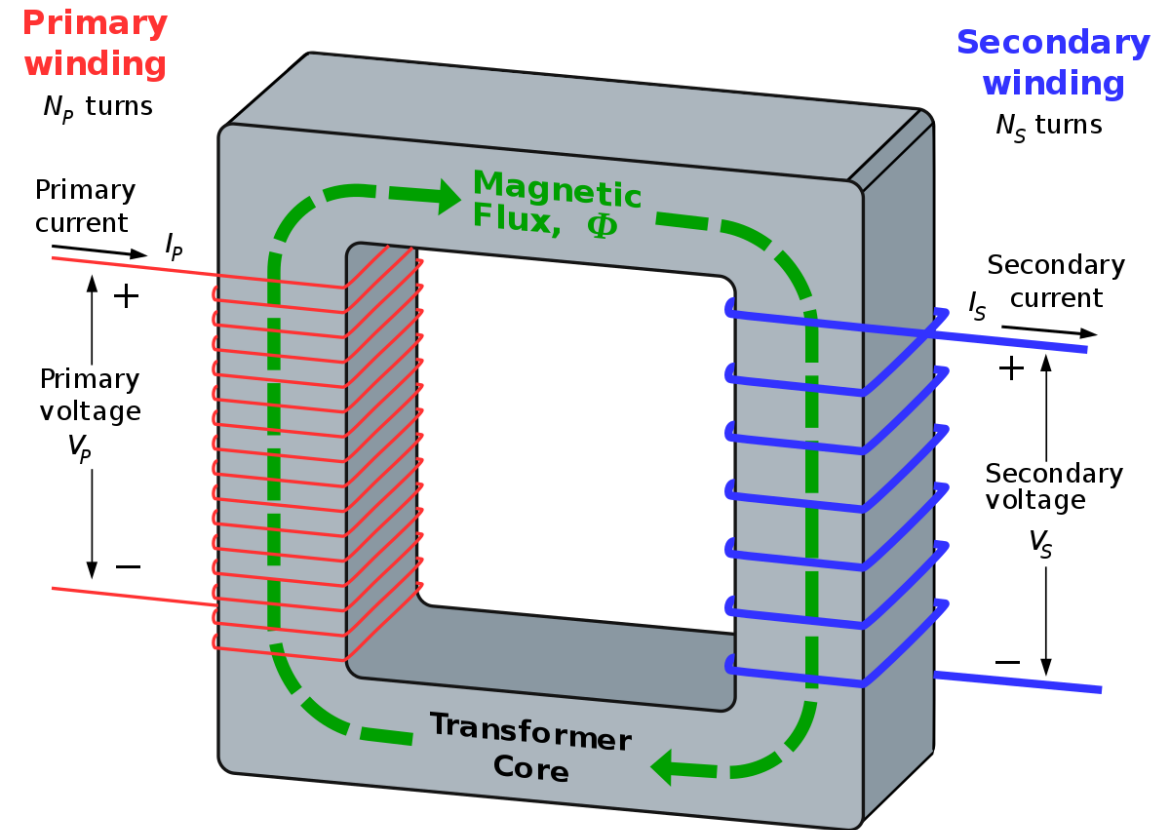
1. Passive Electro Magnetic Device
2. Used in Generation, Transmission, Distribution, and Instrumentation
3. Transforms power from one circuit to another without changing frequency



<https://issuu.com/insideinfo/docs/wfec-employeehandbook2021>

Power Transformer Theory

1. Alternating Current (60Hz AC) Enters the Primary Winding and Generates a Magnetic Field
2. Varying Magnetic Flux from AC Current Induces Electromotive Force (EMF)
3. Laminated Silicon Steel Core Concentrates the Magnetic Field and Links the Primary Winding to the Secondary Winding with Mutual Induction

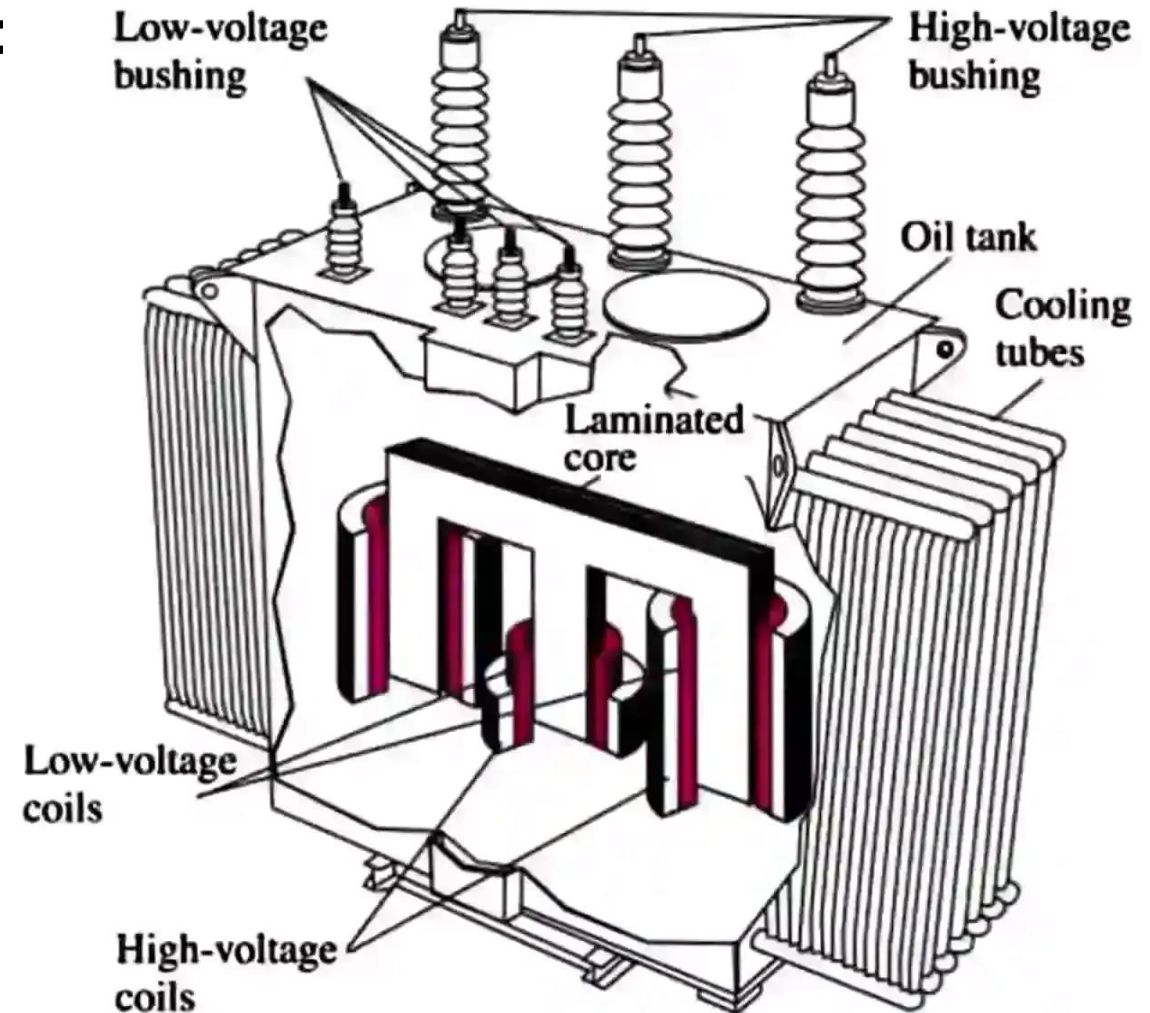


<https://www.electronicshub.org/introduction-to-transformers/>

Power Transformer Components

Transformers Consist of the Following Parts:

1. Primary or High-Voltage Coils
2. Secondary or Low-Voltage Coils
3. Laminated Silicon Steel Core
4. Radiator with Cooling Tubes
5. Oil Tank
6. High-Voltage or High Side Bushing
7. Low-Voltage or Low Side Bushing



Power Transformer Types

1. Generator Step-Up (GSU) Transformer
2. Substation Power Transformer
3. Distribution Transformer
4. Pad-Mounted Single-Phase and 3-Phase Transformer
5. Pole-Mounted Single-Phase Transformer



<https://www.vatransformer.com/news-details/>



<https://www.cooperative.com/news/Pages/NRECA-Says-Transformer-Squeeze-Poses-Unacceptable-Risk-Asks-DOE-to-Aid-Production.aspx>



<https://www.maddoxtransformer.com/products-and-services/padmount/>



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** *Denotes Possible Action Items*

February 2023

February 2023

Su	Mo	Tu	We	Th	Fr	Sa
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March 2023

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jan 29	30	31	Feb 1	2	3	4
			<div>8:00am APA 2023 State Legislative Conference - 5:00pm</div> <div>1:30pm Representative Laddie Shaw (R-South Anchorage)</div> <div>2:30pm Senator Bill Wielechowski (D-East Anchorage)</div> <div>3:00pm Senator Forrest Dunbar (D-East Anchorage)</div>	<div>9:15am FW: Invitation: 915 Senate President Gary Stevens Room 111</div> <div>10:00am Updated invitation: Zoom meeting invitation -</div> <div>12:00pm FW: Updated invitation: Speaker Tilton Chugach</div>	<div>8:30am Review Operations Meeting Packet (Board Room CR) - Ashton Doyle</div>	
5	6	7	8	9	10	11
			<div>9:00am REAP Public Policy Committee Meeting (Via Zoom) - CCBOD</div> <div>4:00pm Operations Committee Meeting (Board Room CR) - Arden Quezon</div>	<div>2:30pm FW: Invitation: 230 Rep. Saddler, Room 204 (R-Eagle)</div> <div>4:30pm FW: Invitation: 430 Rep. Carpenter re AKLNG, room</div> <div>4:45pm FW: Invitation: 445 Rep Julie Coulumbe ANC</div> <div>5:30pm 2023 Bylaws Committee meeting</div>		
12	13	14	15	16	17	18
	<div>6:00pm Nominating Committee Meeting - 1 (Morse) (Board Room CR) - Scarlett Masten</div>	<div>12:00pm Special Board of Directors Meeting (Boardroom/Microsoft Teams Meeting) - Ashton Doyle</div>	<div>8:00am Reconvene Special Board Meeting from February 14, 2023 (Boardroom/Microsoft Teams Meeting)</div> <div>5:30pm Bylaws committee meeting - 2 (Cason) (Board Room CR) - Scarlett Masten</div>	<div>11:30am Reconvene Special Board Meeting from February 15, 2023 (Boardroom/Microsoft Teams Meeting)</div> <div>3:30pm FW: Cooper Landing community meeting / 6 to 7:30 pm (Chastain/Cooper)</div>	<div>5:30pm Nominating committee 2 of 4 (Morse) (Board Room CR) - Scarlett Masten</div>	
19	20	21	22	23	24	25
	<div>8:00am Review Board Packet (Board Room CR) - Ashton Doyle</div> <div>8:00am Canceled: Review Board Packet (CEO's Office) - Arden Quezon</div>	<div>3:00pm Senator Kelly Merrick (R-Eagle River) (Microsoft Teams Meeting) - Ashton Doyle</div> <div>5:30pm Election Committee Meeting (Cooper) (Board Room CR) - Teresa Kurka</div>	<div>9:00am REAP Public Policy Committee Meeting (Via Zoom) - CCBOD</div> <div>4:00pm Regular Board of Directors Meeting (Board Room CR) - Arden Quezon</div>	<div>5:30pm Nominating committee 3 of 4 (Morse) (Board Room CR) - Scarlett Masten</div>	<div>5:30pm Nominating Committee 4 of 4 (Morse) (Board Room CR) - Scarlett Masten</div>	
26	27	28	Mar 1	2	3	4
		<div>5:30pm Election Committee Meeting (Cooper) (Board Room CR) - Teresa Kurka</div>				

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)				
		5:30pm Election Committee Meeting (Cooper) (Board Room CR) - Teresa Kurka	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) - CCBOD			
			4:00pm Regular Board of Directors Meeting (Board Room CR) - Arden Quezon			
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							May 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
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2	3	4	5	6	7	8	7	8	9	10	11	12	13
9	10	11	12	13	14	15	14	15	16	17	18	19	20
16	17	18	19	20	21	22	21	22	23	24	25	26	27
23	24	25	26	27	28	29	28	29	30	31			
30													

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 Quezon	5 9:00am REAP Public Policy Committee Meeting (Via Zoom) - CCBOD	6 APA & ARECA Safety Summit	7 9:00am Operations Committee Packet Review (CEO's Office) - Arden 10:00am Governance Committee Packet Review (CEO's Office) - Arden	8
9	10	11	12 4:00pm Governance Committee Meeting Followed by Operations Committee Meeting (Board Room CR) - Arden Quezon	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 Communications Business Technology Center, 600 E 36th Ave, Anchorage, AK 99503, USA) -	25	26 4:00pm Regular Board of Directors Meeting (Board Room CR) - Arden Quezon	27	28 10:30am Operations Committee Meeting Packet Review (Board Room CR) - Arden Quezon	29
30	May 1	2	3	4	5	6

May 2023

May 2023							June 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
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14	15	16	17	18	19	20	11	12	13	14	15	16	17
21	22	23	24	25	26	27	18	19	20	21	22	23	24
28	29	30	31				25	26	27	28	29	30	

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Apr 30	May 1	2 5:30pm Copy: Election Committee Meeting (Board Room CR) - Teresa Kurka	3 9:00am REAP Public Policy Committee Meeting (Via Zoom) - CCBOD 4:00pm Operations Committee Meeting (Board Room CR) - Arden Quezon	4	5	6
7	8	9	10	11	12	13
14	15	16 5:30pm Chugach Election Committee Meeting (Board Room CR) - Arden Quezon 5:30pm Copy: Election Committee Meeting (Board Room CR) - Teresa Kurka	17 9:00am REAP Public Policy Committee Meeting (Via Zoom) - CCBOD	18	19 9:30am Review Board Packet (CEO's Office) - Arden 3:00pm TENTATIVE: Member Appreciation Day 6:00pm TENTATIVE: Annual Membership Meeting (TBD) 7:00pm TENTATIVE: Special Board of	20
21	22	23 5:30pm Copy: Election Committee Meeting - Lessons Learned (Board Room CR) - Teresa Kurka	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						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
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4	5	6	7	8	9	10	2	3	4	5	6	7	8
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18	19	20	21	22	23	24	16	17	18	19	20	21	22
25	26	27	28	29	30		23	24	25	26	27	28	29
							30	31					

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 APA Federal Legislative Conference (Washington, D.C.)	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						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
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16	17	18	19	20	21	22	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28	29	30	31		
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 Quezon	8
9	10	11	12 4:00pm Operations Committee Meeting (Board Room CR) - Arden Quezon	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 Quezon	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
6	7	8 APA 2023 Accounting and Finance Workshop	9	10	11	12
13	14	15	16	17	18 9:30am Review Board Packet (CEO's Office)	19
20	21	22 APA & ARECA Annual Meeting	23 NRECA Director Training 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						
Su	Mo	Tu	We	Th	Fr	Sa
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October 2023						
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29	30	31				

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

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Su	Mo	Tu	We	Th	Fr	Sa
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November 2023						
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26	27	28	29	30		

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

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Su	Mo	Tu	We	Th	Fr	Sa
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December 2023						
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24	25	26	27	28	29	30
31						

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						
Su	Mo	Tu	We	Th	Fr	Sa
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

January 2024						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

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 APA/AIE Open House December Meeting Series 4:00pm Governance Committee Meeting (Board Room CR) - Arden Quezon	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 Quezon	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

7:00am - 2:00pm	NRECA Registration
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

7:00am - 2:00pm	NRECA Registration
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

7:00am - 5:00pm	NRECA Registration
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
11:00am - 1:00pm	NISC Annual Meeting
2:00pm - 3:30pm	NRTC Annual Meeting
4:00pm - 5:00pm	Proposed Resolutions Forum
5:00pm - 6:00pm	Welcome Happy Hour (sponsored by CoBank)

MON. 03/06

7:00am - 8:30am	Breakfast
7:00am - 6:00pm	NRECA Registration
9:00am - 10:45am	General Session 1
11:00am - 12:00pm	Breakout: Technology Roadmap
11:00am - 12:00pm	Breakout: Advocacy State of Play
11:00am - 12:00pm	Breakout: Telling the Co-op Story: Powerful Insights and Critical Tips

12:00pm - 2:00pm	Lunch
12:15pm - 1:45pm	It Starts With Power: International Lunch
2:00pm - 3:00pm	Breakout: Information Sharing, Hacking and the Role of Leadership in Building a Secure Future
2:00pm - 3:00pm	Breakout: Effective Engagement on Broadband Policy
2:00pm - 3:00pm	Breakout: Leadership Communications in a Changing Workplace
3:30pm - 4:30pm	Breakout: Electric Vehicles—Where to get started with a strategy?
3:30pm - 4:30pm	Breakout: G&T Power Supply Perspectives Amidst the “Net Zero” Carbon Emissions Push
3:30pm - 4:30pm	Breakout: Powerful Strategy to Increase Member Satisfaction & Loyalty
4:30pm - 7:00pm	TechAdvantage® Expo Grand Opening Reception
5:00pm - 5:30pm	NRECA ResourceXchange: Advocacy Tools
5:30pm - 6:00pm	AMA (Ask Me Anything) with Kelly McDonald
6:00pm - 6:30pm	NRECA ResourceXchange: Technology Tools

TUE. 03/07

7:00am - 8:30am	Annual ACRE® (soon to be America's Electric Cooperatives PAC) Meeting & Breakfast
7:00am - 8:30am	Breakfast
7:00am - 5:00pm	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
11:00am - 5:00pm	Touchstone Energy® Community Service Project
11:30am - 12:00pm	NRECA ResourceXchange: Workforce Tools
11:30am - 1:00pm	Lunch
1:00pm - 1:30pm	NRECA Resource Xchange: Cooperative Leadership's Role in Supporting Their Employees Financial Wellness
1:30pm - 2:30pm	Breakout: Understanding Direct Pay Tax Incentives and Opportunities for Electric Cooperatives
1:30pm - 2:30pm	Breakout: The Great Governance Game Show
1:30pm - 2:30pm	Breakout: Thinking Strategically about Cybersecurity
1:30pm - 2:30pm	Breakout: Predicting the Future for Transportation Electrification
1:30pm - 2:30pm	Executive Educational Session
1:30pm - 3:30pm	Breakout: RUS Update

1:30pm - 3:30pm	Breakout: NRECA Resource Guidance—Infrastructure Investment and Jobs Act
3:00pm - 4:00pm	Breakout: Investing in Your Next CEO
3:00pm - 4:00pm	Breakout: Broadband Funding—A View from the State Broadband Office
3:00pm - 4:00pm	Breakout: The Supply Chain Challenge—Where Are We and Where Are We Going?
3:00pm - 4:00pm	Federated Safety Leadership Session
4:15pm - 4:45pm	NRECA ResourceXchange: Funding Opportunities
7:30pm - 8:30pm	Entertainment Night With Comedian Nate Bargatze

WED. 03/08

7:00am - 8:30am	CEO Breakfast
7:00am - 1:00pm	NRECA Registration
9:00am - 10:30am	General Session 3
10:30am - 1:00pm	TechAdvantage® Expo Open

Register Today!


March 3 - 8, 2023



In-Person
Nashville, TN

Register before March 06,
2023

REGISTER

 View My Co-op's
Registrants

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

January 25, 2023
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Ashton Doyle

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
Rachel Morse, Director
Sisi Cooper, Director

Staff and Guests in Attendance:
Present:

Arthur Miller	Sean Skaling	Alan Mitchell,
Matthew Clarkson	Kate Ayers	Analysis North
Mike Brodie	Karen Griffin	Steve Konkel,
Bill Murray	Mark Henspeter	REAP, Director
Josh Travis	Paul Johnson	Jonas Banta,
Marty Freeman	Chantelle Lewis-Boutte	Alaska Center
Andrew Laughlin	Erin Whitney, Member	Rachel Christensen,
Bernie Smith, Member	Isaac Pacor, Member	Alaska Center
Jean Kornmuller	Crystal Enkvist, Alaska	
Todd McCarty	Power Association	

Via Teleconference:

Arden Quezon	Aurora Roth, Member	Michelle Beadle,
Curtis Sims	Antony Scott, Member	Non-member
Sandra Cacy	Shaina Kilcoyne, Member	Eric Booton,
Julie Hasquet	Bennett Norman,	Member
Sherri Highers	Non-member	Walter Hopkins,
		NERA

C. *Safety Minute*

Marty Freeman, Senior Manager, HSE, discussed “*What Does it Mean to be Safe*” and *December’s Safety Statistics* and responded to questions from the Board.

D. *Electric Power Factoid: Integrating Renewable Generation*

Sean Skaling, Sr. Manager, Business and Sustainable Programs and Development, presented an overview on Integrating Renewable Generation and responded to questions from the Board.

II. APPROVAL OF AGENDA

Director Morse moved and Director Cason seconded the motion to approve the agenda. A friendly amendment was made to remove item VIII.B. from the agenda and move to the February Regular Board of Directors Meeting. The amended motion passed unanimously.

III. PERSONS TO BE HEARD

A. *Member Comments*

Erin Whitney, Chugach member and former Director, gave public notice of her decision to step down from the Chugach Electric Board of Directors to avoid a conflict of interest with a federal appointment as Director of the Arctic Energy Office for the US Department of Energy.

Bernie Smith, Chugach member serving on the Member Advisory Council, gave comments regarding the Board packet and requested an icon be placed on the main page of the Chugach website that links to meeting materials.

Isaac Pacor, Chugach member, gave comments regarding the use of executive session and requested more open discussions with the public regarding renewable energy.

Arora Roth, new Chugach member, requested public comment be extended to renters who pay electric bills but may not be listed as members. Roth also suggested the implementation of an optional program for customers to roundup their electric bills with the additional funds supporting renewable energy projects.

Shaina Kilcoyne, Chugach member, commented on the four concept papers for the federal Grid Resilience and Innovation Program (GRIP).

Bennett Norman, non-member, commented on lack of transparency around Chugach’s renewable energy plans.

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. Director Hollis also discussed the Railbelt Issues Forum.

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

No report was given on REAP activities and upcoming events. Director Wiggin will provide this report in the future.

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

Director Hollis stated there have been no meetings since the November 30, 2022, Audit & Finance Committee Meeting and that the next meeting would be March 29, 2023.

Director Wiggin stated there have been no meetings since the December 7, 2022, Operations Committee Meeting and that the next meeting would be February 8, 2023.

Director Cason reported on the January 11, 2023, Governance Committee meeting and reported the next meeting would be held on April, 12, 2023.

D. *Other Meeting Reports*

Director Cooper reported on the January 18, 2023 Member Advisory Council Meeting and reported the next meeting would be held on April, 4, 2023.

V. CONSENT AGENDA

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*

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

At 5:03 p.m. the Board took a short break to get dinner and returned to open session at 5:18 p.m.

VI. CEO REPORTS AND CORRESPONDENCE

A. *October 2022 Variance Report and November 2022 Financial Update (Griffin)*

Karen Griffin, VP, Finance and Accounting, provided the October 2022 Variance Report, an update on the November 2022 Financials, and responded to questions from the Board.

B. *Mobile Radio Implementation (Murray)*

Bill Murray, Manager of Telecommunications, provided a Radio System Update and responded to questions from the Board.

C. *Eklutna Project Update (Brodie)*

Mike Brodie, Manager M&O Services and Transform Shop, provided a Eklutna Project Update and responded to questions from the Board.

D. *Dixon Diversion – Economic Evaluation (Skaling)*

Sean Skaling, Sr. Manager, Business and Sustainable Programs and Development, provided an economic evaluation on Dixon Diversion. Skaling and Walter Hopkins, specialist contractor with NERA, responded to questions from the Board.

E. *Board Policy Scheduled Tasks/Reports (Board/Staff)*

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. Board Vacancy (Clarkson)

Matthew Clarkson, Chief Legal Officer, provided an overview of policy regarding Board vacancies and responded to questions from the Board.

B. Adoption of Amended 457 (b) Plan (Frison)

This item was removed from the agenda and moved to the February Regular Board of Directors Meeting.

C. RDI Contract Approval (Travis)

Josh Travis, Vice President – Administrative Services, provided an overview of the Resource Data Inc. (RDI) Contract and responded to questions from the Board.

Director Morse moved and Director Cason seconded the motion to authorize the Chief Executive Officer to approve the 2023 Resource Data Inc. (RDI) Contract at a value not to exceed \$3,556,400. The motion passed unanimously.

IX. EXECUTIVE SESSION

A. Personnel Matters (Miller/Board)

At 6:49 p.m., Director Hollis moved and Director Cooper seconded the motion that pursuant to Alaska Statute 10.25.175(c)(4) the Board of Directors go into executive session to discuss personnel matters. The motion passed unanimously.

The meeting reconvened in open session at 8:02 p.m.

X. NEW BUSINESS

None.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 8:22 p.m., Director Wiggin moved and Director Cooper seconded the motion to adjourn. The motion passed unanimously.

Samuel Cason, Secretary

Date Approved: February 22, 2023

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

February 14 - 16, 2023
Tuesday - Thursday
12:00 p.m.

SPECIAL BOARD OF DIRECTORS' MEETING

Recording Secretary: Ashton Doyle

I. CALL TO ORDER

Chair Chastain called the Special Board of Directors' meeting to order at 12:02 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Roll Call

Board Members Present:

Bettina Chastain, Chair

Mark Wiggin, Vice Chair

Sam Cason, Secretary (*in-person and via teleconference*)

Harold Hollis, Treasurer (*arrived during Executive Session*)

Rachel Morse, Director (*in-person and via teleconference*)

Sisi Cooper, Director

Guests and Staff Attendance

Sandra Cacy

II. APPROVAL OF THE AGENDA

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

Director Hollis was not present at the time of the vote.

III. PERSONS TO BE HEARD

None.

IV. DIRECTOR REPORT

None.

V. CONSENT AGENDA

None.

VI. CEO REPORTS AND CORRESPONDENCE

None.

VII. UNFINISHED BUSINESS

None.

VIII. EXECUTIVE SESSION

A. Board Vacancy

At 12:03 p.m., Director Morse moved and Director Wiggin seconded the motion that pursuant to Alaska Statute 10.25.175(c)(4) the Board of Directors go into executive session to discuss personnel matters. The motion passed unanimously.

Director Hollis was not present at the time of the vote.

IX. RECESS

The meeting recessed at 3:36 p.m.

X. RECONVENE

The meeting reconvened on February 15, 2023 at 8:10 a.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

XI. EXECUTIVE SESSION

A. Board Vacancy

XII. RECESS

The meeting recessed at 11:24 a.m.

XIII. RECONVENE

The meeting reconvened on February 16, 2023 at 11:30 a.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

XIV. EXECUTIVE SESSION

A. Board Vacancy

Director Hollis arrived during executive session and the time was not noted.

Director Wiggin briefly left and rejoined during executive session and the time was not noted.

The meeting reconvened in open session at 2:50 p.m.

XV. DIRECTOR COMMENTS

Director comments were made at this time.

XVI. ADJOURNMENT

At 2:54 p.m., Director Hollis moved and Director Wiggin seconded the motion to adjourn. The motion passed unanimously.

Samuel Cason, Secretary

Date Approved: February 22, 2023

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 22, 2023

ACTION REQUIRED

AGENDA ITEM NO. V.D.

<u> </u>	Information Only
<u> X </u>	Motion
<u> </u>	Resolution
<u> </u>	Executive Session
<u> </u>	Other

TOPIC

Director Expenses

DISCUSSION

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

MOTION

(Consent Agenda)

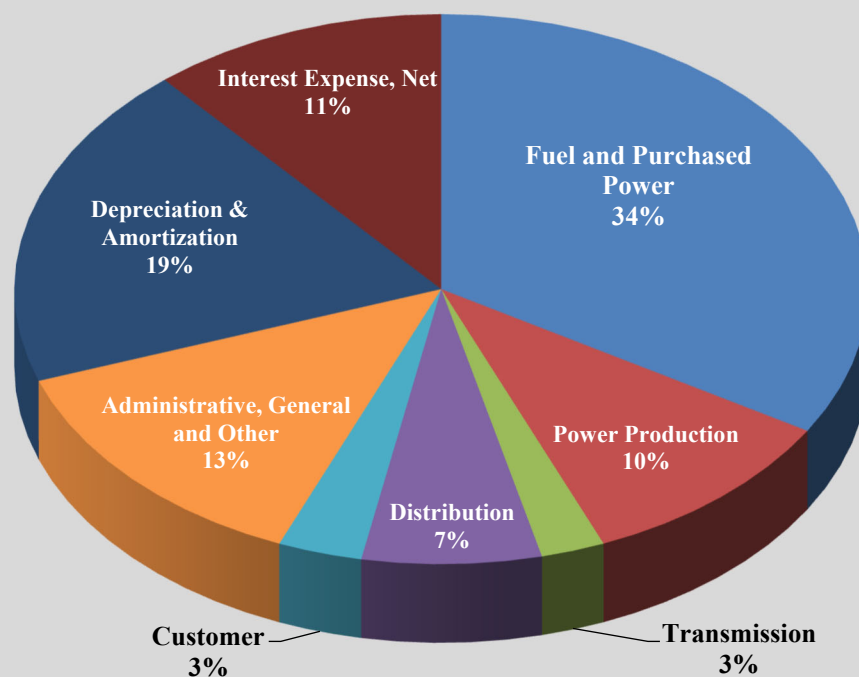
COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS 2022 MTD ACTUAL TO BUDGET

CATEGORY	ACTUAL	BUDGET ¹	VARIANCE
Operating Revenue & Patronage Capital	\$ 31,481,045	\$ 30,689,821	\$ 791,224
Fuel and Purchased Power	9,874,693	9,569,441	305,252
Power Production	2,991,397	3,076,971	(85,574)
Transmission	709,277	979,144	(269,867)
Distribution	1,994,127	2,631,785	(637,658)
Customer	935,846	963,768	(27,922)
Administrative, General and Other	3,935,190	4,208,260	(273,070)
Depreciation & Amortization	5,634,611	5,151,113	483,498
Interest Expense, Net	3,300,613	3,161,524	139,089
Total Cost of Electric Service	\$ 29,375,754	\$ 29,742,006	\$ (366,252)
Patronage Capital & Operating Margins	\$ 2,105,291	\$ 947,815	\$ 1,157,476
Non-Operating Margins - Interest	85,256	24,262	60,994
Allowance for Funds Used During Construction	9,949	34,775	(24,826)
Non-Operating Margins - Other	(33,657)	(12,098)	(21,559)
Patronage Capital or Margins	\$ 2,166,839	\$ 994,754	\$ 1,172,085
Adj. Patronage Capital or Margins²	\$ 2,908,197	\$ 1,736,112	\$ 1,172,085

¹Amended budget

²Results if adjusted by secondary regulatory asset & Eklutna PPA

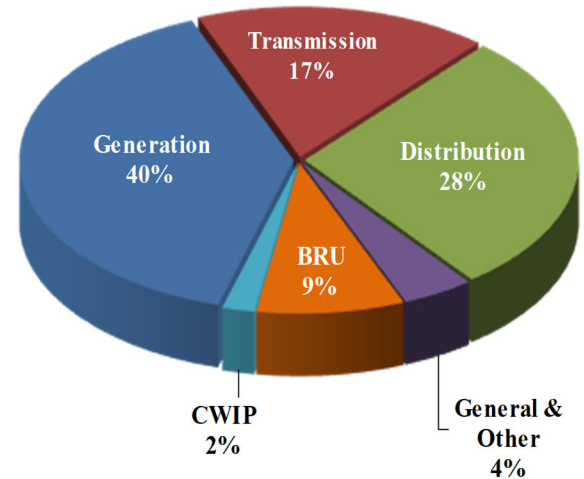
Total Cost of Electric Service (MTD Actual)



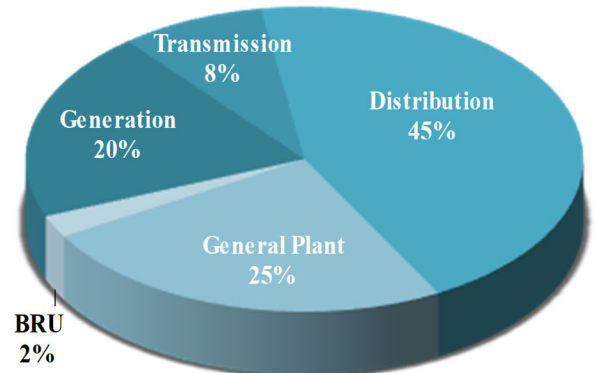
BALANCE SHEET

ASSETS & OTHER DEBITS	11/30/2022	12/31/2021
Electric Plant in Service	2,117,480,025	2,085,567,712
Construction Work in Progress	41,247,499	34,253,304
Total Utility Plant	\$ 2,158,727,524	\$ 2,119,821,016
Accum. Prov. for Depreciation/Amortization	(697,025,115)	(640,729,478)
Net Utility Plant	\$ 1,461,702,409	\$ 1,479,091,538
Nonutility Property - Net	76,889	76,889
Financing & Operating Lease ROU Assets	4,067,138	4,126,967
Investment in Assoc. Organizations	6,993,486	7,280,936
Special Funds	26,556,866	43,016,636
Restricted Cash Equivalents & Other	64,310	64,310
Long-term Prepayments	0	291,846
Total Other Property & Investments	\$ 37,758,689	\$ 54,857,584
Cash & Restricted Cash	18,682,767	37,590,723
Special Deposits and Marketable Securities	58,300	58,300
Accounts Receivable - Net	42,688,686	47,186,182
Materials and Supplies, Fuel Stock	67,207,749	59,371,225
Prepayments	6,699,247	4,917,095
Other Current & Accrued Assets	21,585,362	942,497
Total Current & Accrued Assets	\$ 156,922,111	\$ 150,066,022
Deferred Debits	109,615,566	112,348,138
Total Assets & Other Debits	\$ 1,765,998,775	\$ 1,796,363,282
LIABILITIES & OTHER CREDITS	11/30/2022	12/31/2021
Memberships	1,985,281	1,949,262
Pat. Capital, Margins & Equities	206,416,251	204,051,676
Total Margins & Equities	\$ 208,401,532	\$ 206,000,938
Long-Term Debt - Bonds	1,128,549,996	1,173,366,663
Long-Term Debt - Other	18,923,999	23,028,000
Unamortized Debt Issuance Costs	(5,975,049)	(6,072,373)
Operating Lease Liabilities	3,601,900	3,835,282
Finance Lease Liabilities	204,192	13,667
Total Long-Term Debt	\$ 1,145,305,038	\$ 1,194,171,239
Notes Payable	94,178,725	64,473,838
Accounts Payable	19,121,106	14,878,065
Consumer Deposits	5,123,015	5,663,067
Other Current & Accrued Liabilities	52,774,405	52,236,502
Total Current & Accrued Liabilities	\$ 171,197,251	\$ 137,251,472
Deferred Compensation	1,387,476	2,115,229
Other Liabilities, Non-Current	643,912	741,387
Deferred Liabilities	11,025,266	24,724,119
BRU Regulatory Liability	97,849,733	107,364,906
Cost of Removal Obligation	130,188,567	123,993,992
Total Liabilities & Other Credits	\$ 1,765,998,775	\$ 1,796,363,282

Total Utility Plant
\$2,158,727,524



Construction Work in Progress
\$41,247,499

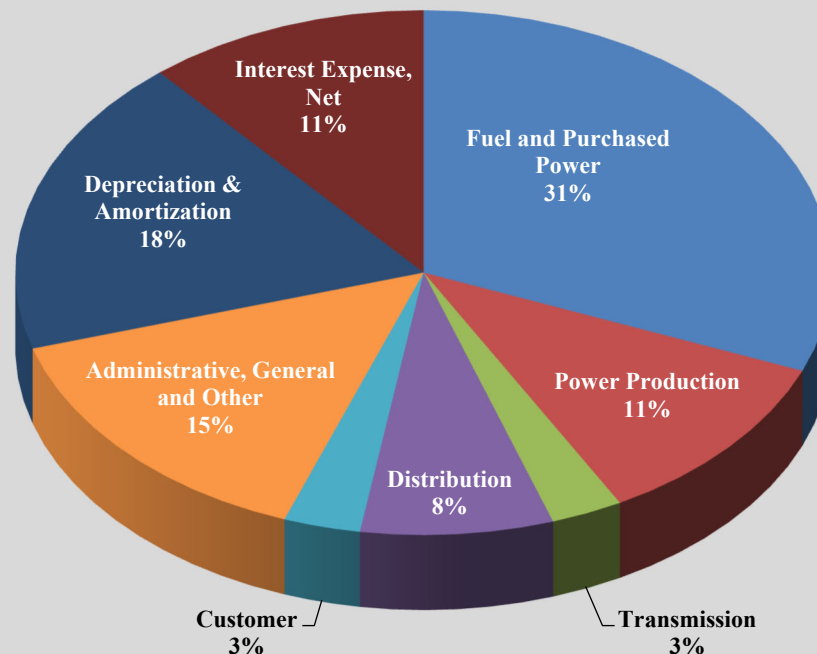


COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS 2022 YTD ACTUAL TO BUDGET

CATEGORY	ACTUAL	BUDGET ¹	VARIANCE
Operating Revenue & Patronage Capital	\$ 323,118,905	\$ 313,257,593	\$ 9,861,312
Fuel and Purchased Power	99,398,871	96,075,648	3,323,223
Power Production	34,902,852	33,852,354	1,050,498
Transmission	9,087,743	10,501,828	(1,414,085)
Distribution	24,352,288	26,329,326	(1,977,038)
Customer	9,697,459	10,530,553	(833,094)
Administrative, General and Other	47,259,335	47,740,657	(481,322)
Depreciation & Amortization	59,058,471	56,258,554	2,799,917
Interest Expense, Net	35,771,511	35,262,374	509,137
Total Cost of Electric Service	\$ 319,528,530	\$ 316,551,294	\$ 2,977,236
Patronage Capital & Operating Margins	\$ 3,590,375	\$ (3,293,701)	\$ 6,884,076
Non-Operating Margins - Interest	553,414	266,882	286,532
Allowance for Funds Used During Const.	85,279	270,161	(184,882)
Non-Operating Margins - Other	(58,845)	(133,082)	74,237
Patronage Capital or Margins	\$ 4,170,223	\$ (2,889,740)	\$ 7,059,963
Adj. Patronage Capital or Margins²	\$ 12,304,018	\$ 5,244,055	\$ 7,059,963
MFI/I	1.11	0.92	
TIER	1.11	0.92	

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

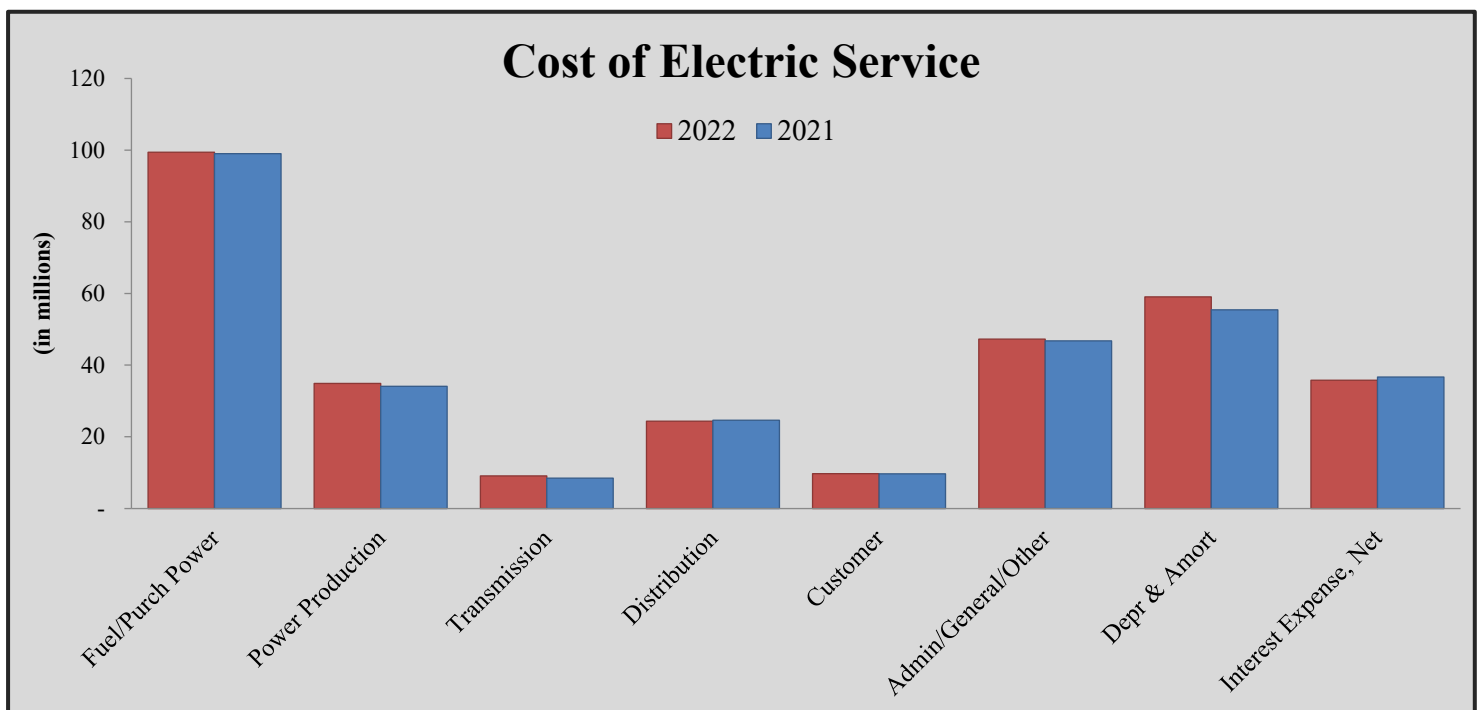
Total Cost of Electric Service (YTD Actual)



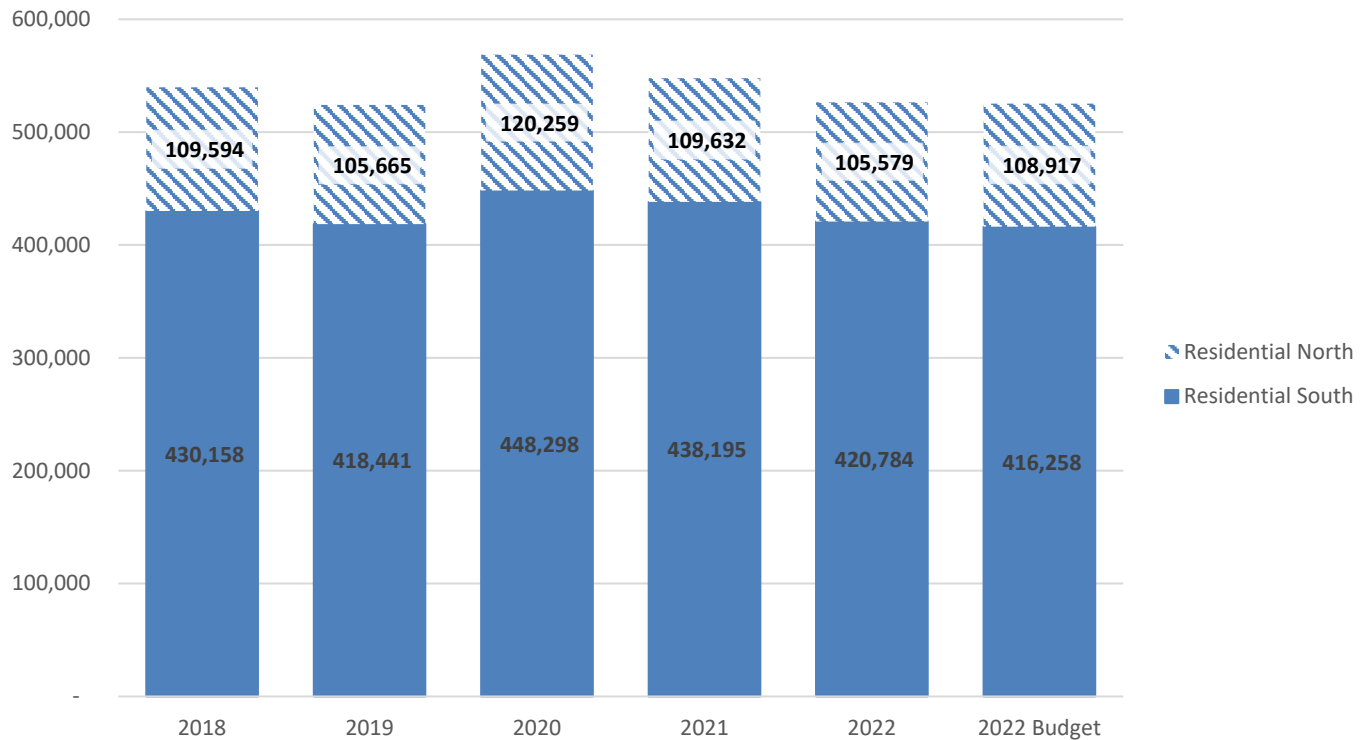
COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS CURRENT TO PRIOR YEAR

CATEGORY	2022 YTD ACTUAL	2021 YTD ACTUAL
Operating Revenue & Patronage Capital	\$ 323,118,905	\$ 321,264,508
Fuel and Purchased Power	99,398,871	99,004,377
Power Production	34,902,852	34,074,007
Transmission	9,087,743	8,427,932
Distribution	24,352,288	24,613,116
Customer	9,697,459	9,653,253
Administrative, General and Other	47,259,335	46,778,980
Depreciation & Amortization	59,058,471	55,429,227
Interest Expense, Net	35,771,511	36,681,374
Total Cost of Electric Service	\$ 319,528,530	\$ 314,662,266
Patronage Capital & Operating Margins	\$ 3,590,375	\$ 6,602,242
Non-Operating Margins - Interest	553,414	269,595
Allowance for Funds Used During Construction	85,279	104,609
Non-Operating Margins - Other	(58,845)	11,286
Patronage Capital or Margins	\$ 4,170,223	\$ 6,987,732
Adj. Patronage Capital or Margins¹	\$ 12,304,018	N/A
MFI/I	1.11	1.18
TIER	1.11	1.18

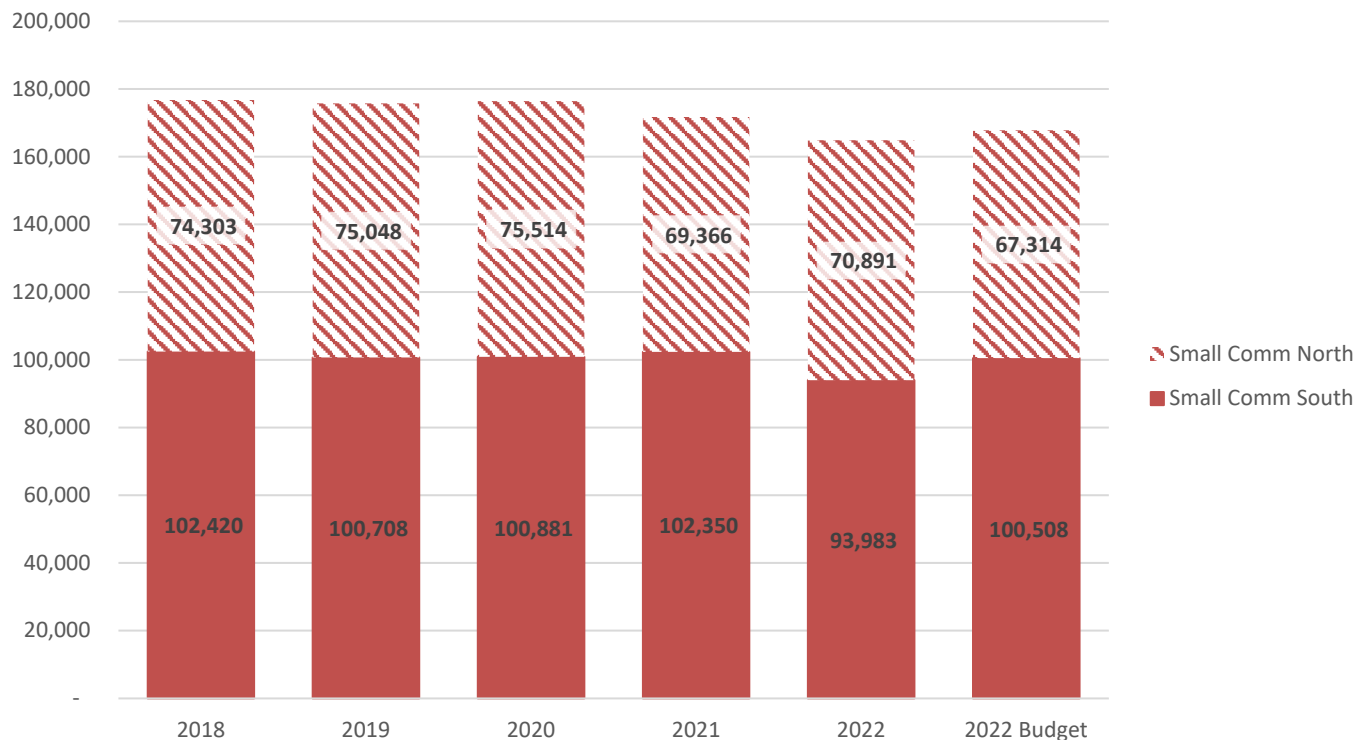
¹Results if adjusted by secondary regulatory asset & Eklutna PPA



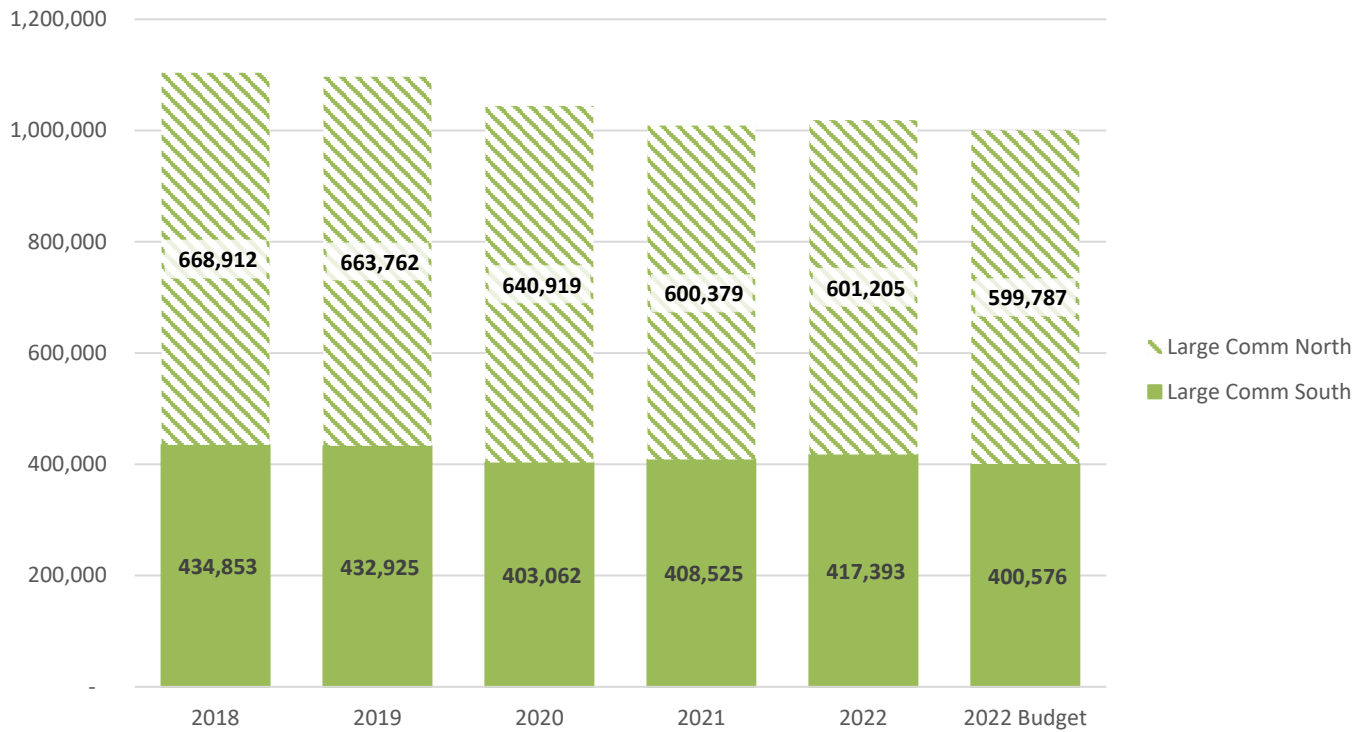
Residential MWh Sales



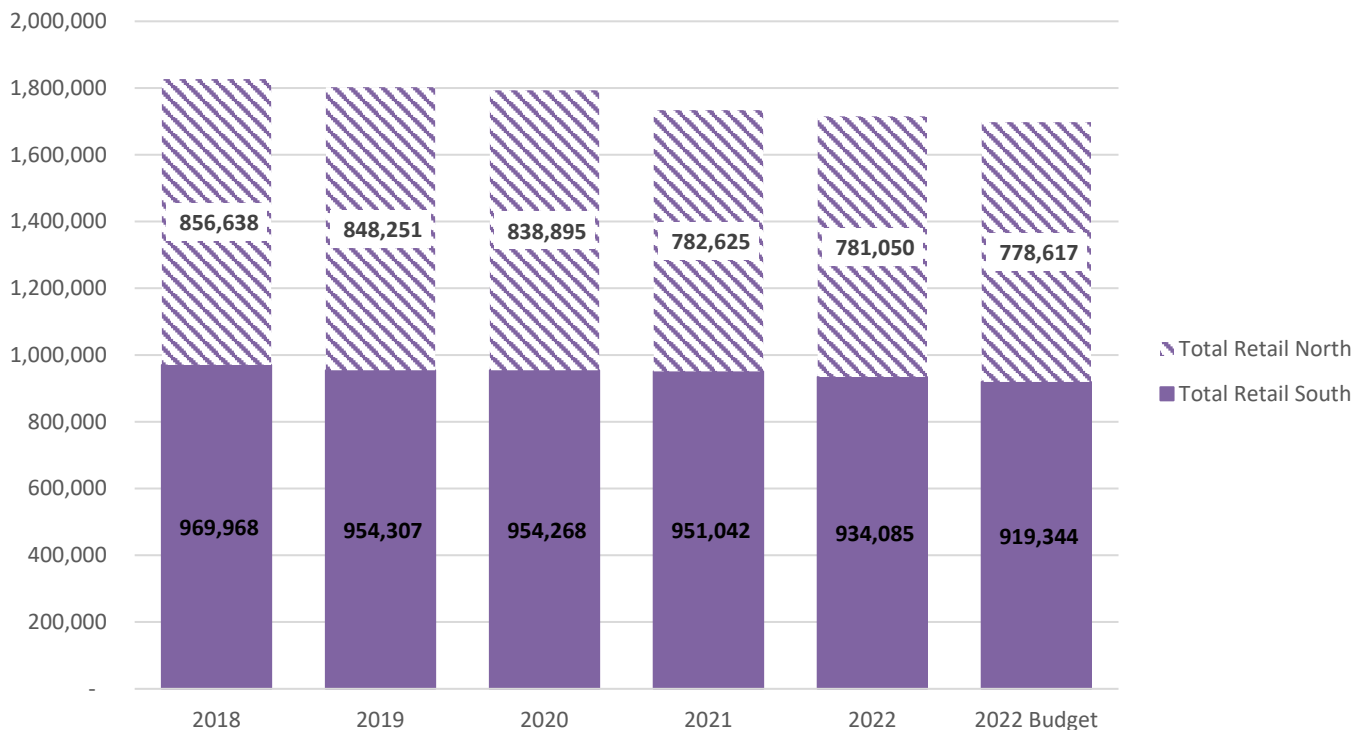
Small Commercial MWh Sales



Large Commercial MWh Sales

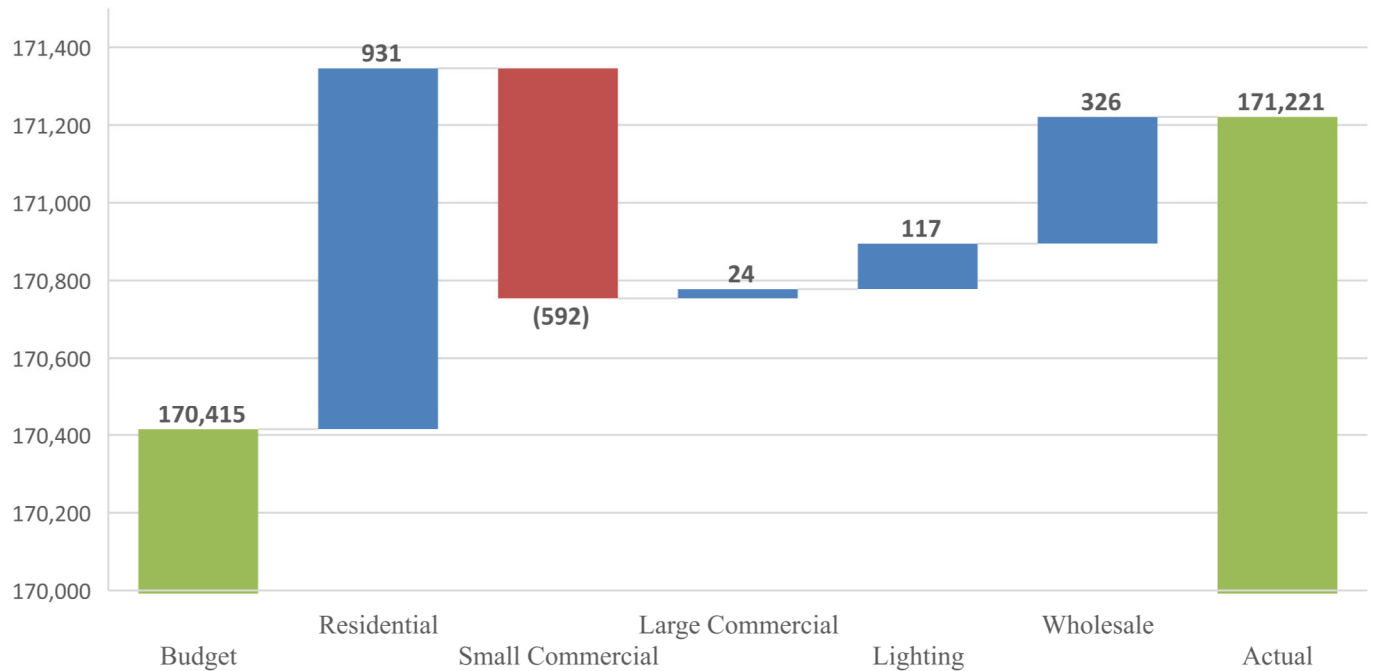


Total Retail MWh Sales



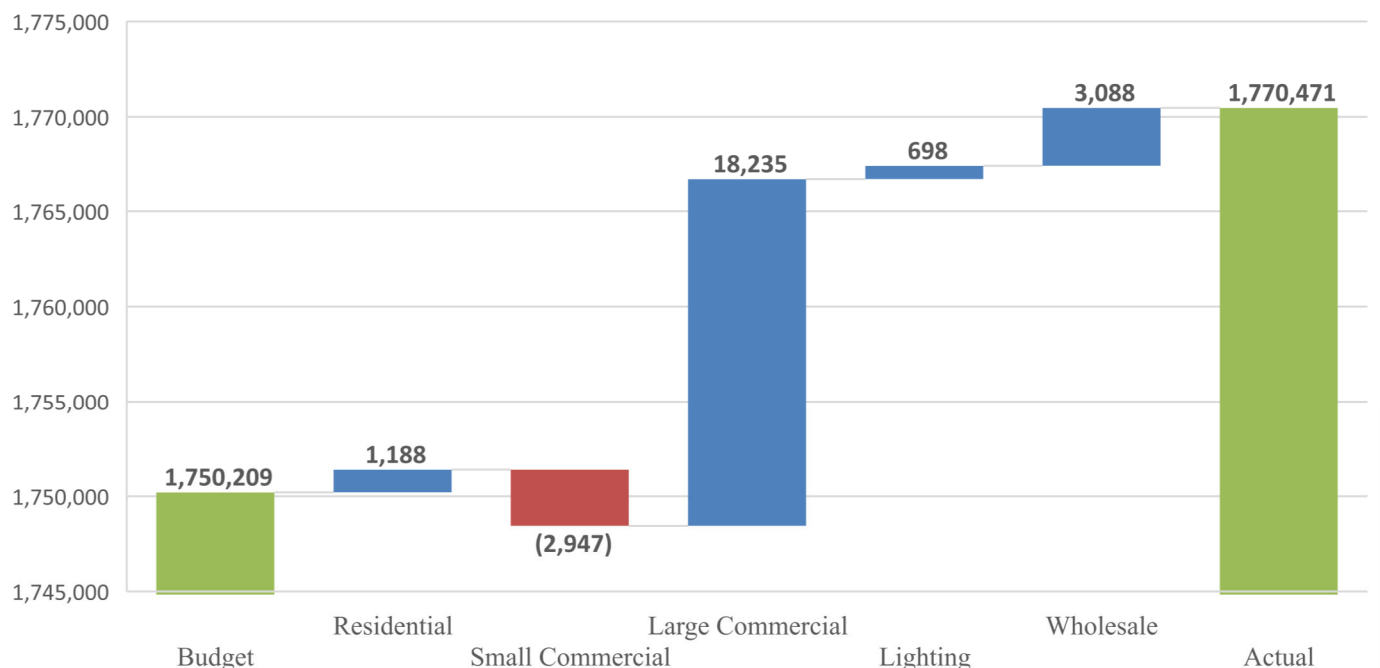
Firm MWh Sales (MTD)

■ Increase ■ Decrease ■ Total

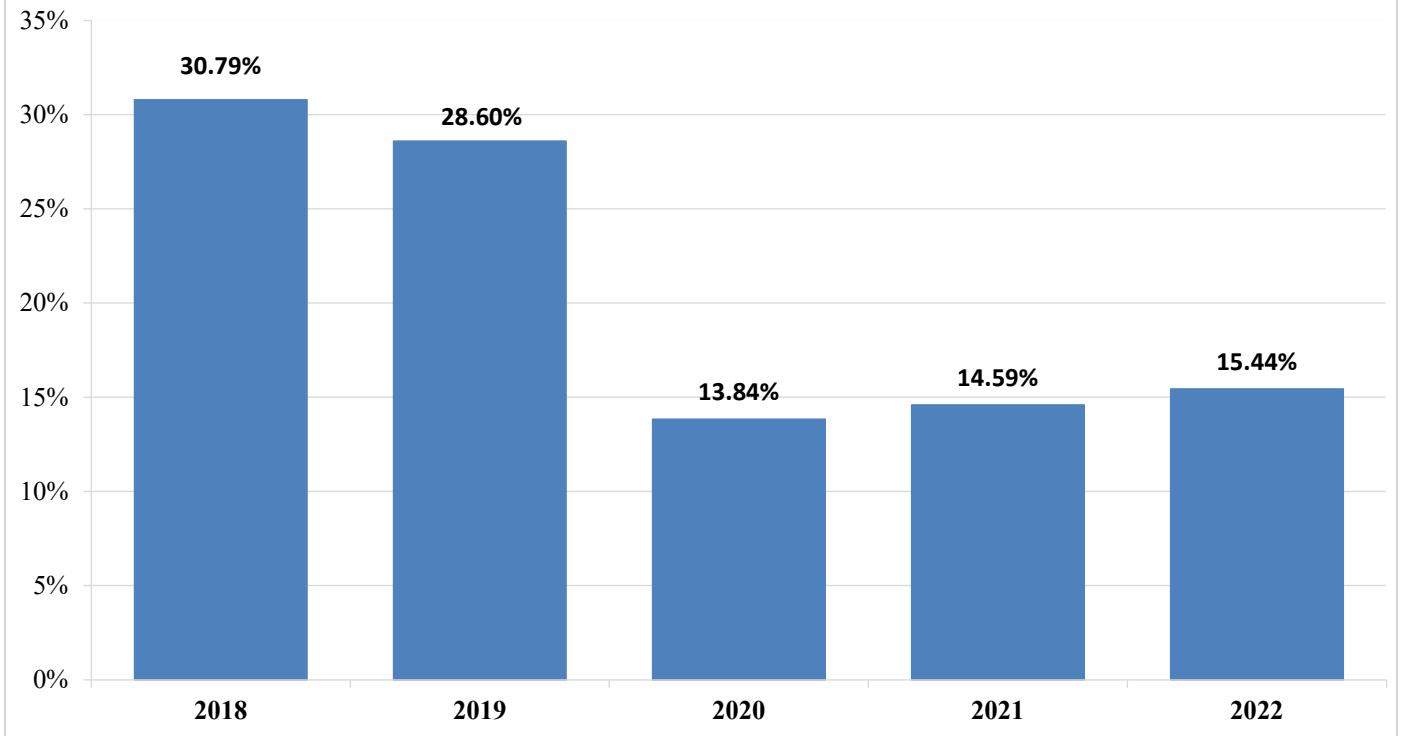


Firm MWh Sales (YTD)

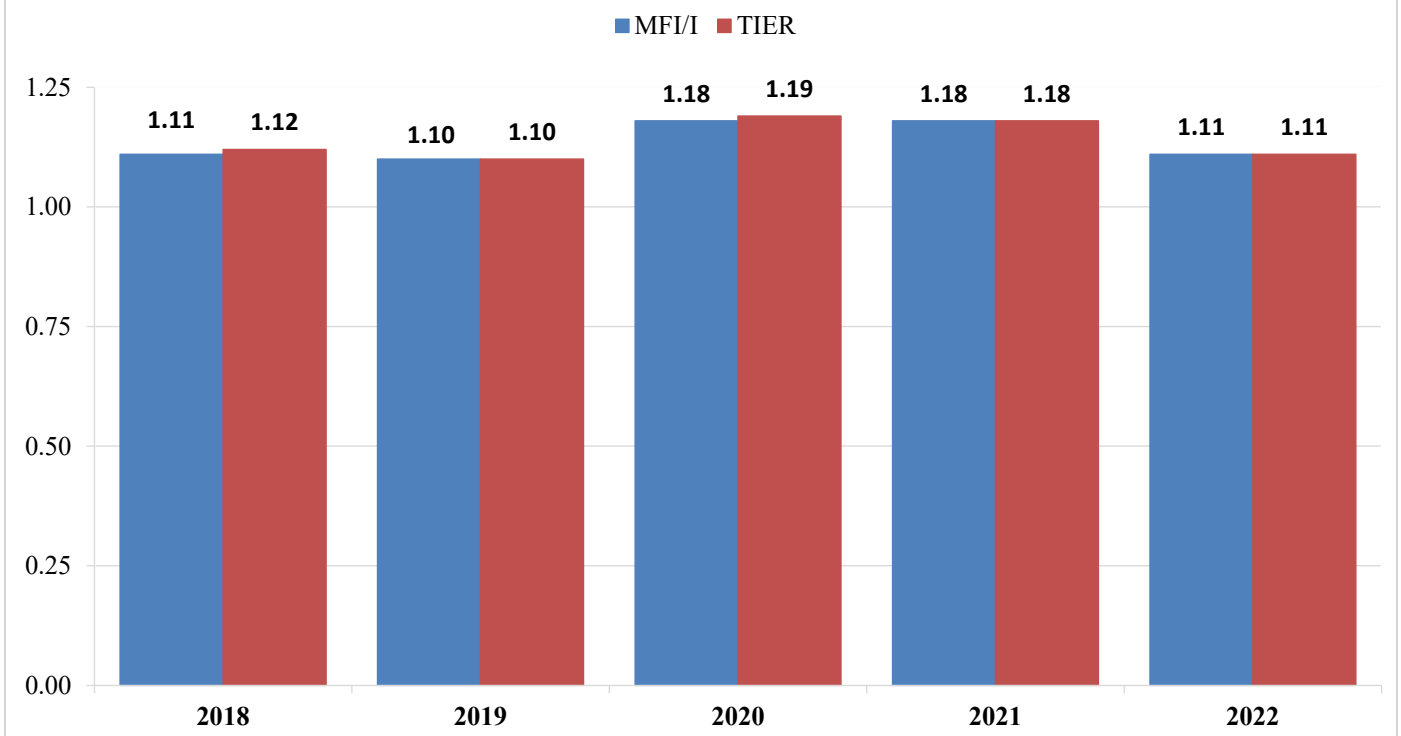
■ Increase ■ Decrease ■ Total



Equity Ratio



MFI/I and TIER



ENERGY SALES (kWh)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Retail Energy Sales	1,715,134,736	1,697,961,311
Wholesale Energy Sales	<u>55,335,959</u>	<u>52,247,923</u>
Total Firm Energy Sales	1,770,470,695	1,750,209,234
Economy Energy/Capacity	175,923,000	131,937,609
Power Pool Sales	<u>170,515,000</u>	<u>144,000,000</u>
Total Energy Sales	2,116,908,695	2,026,146,843

Firm energy sales totaled 1,770,470,695 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 5.9% and 33.3%, 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 170,515,000 kWh, which was over budget by 18.4%.

ENERGY REVENUE (in millions)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Retail Revenue	\$ 292.6	\$ 290.5
Wholesale Revenue	<u>4.7</u>	<u>5.2</u>
Total Firm Revenue	297.3	295.7
Economy Energy/Capacity Revenue	17.0	11.5
Power Pool Revenue	2.0	1.5
Other Operating Revenue	<u>6.8</u>	<u>4.6</u>
Total Revenue	\$ 323.1	\$ 313.3

While revenue from firm sales was over budget at \$297.3 million compared to a budget of \$295.7 million, lower residential and small commercial revenue was primarily offset by higher large commercial. Wholesale revenue was below budget by \$0.5 million, or 9.8%, due to lower fuel and purchased power revenue, which was somewhat offset by favorable base rate sales revenue. Economy energy and capacity revenue was over budget by 48.2%, due primarily to higher than anticipated sales to GVEA. Power pool revenue with MEA was over budget at \$2.0 million compared to a budget of \$1.5 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 \$6.8 million compared to \$4.6 million in the budget, due primarily to higher revenue from gas exchange and wheeling with GVEA.

FUEL AND PURCHASED POWER (in millions)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Fuel	\$ 77.5	\$ 76.3
Purchased Power	<u>21.9</u>	<u>19.8</u>
Total	\$ 99.4	\$ 96.1

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$77.5 million compared to \$76.3 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 6,602,494 Mcf at an average effective price of \$8.70 per Mcf compared to 6,904,155 Mcf budgeted at an average effective price of \$8.57 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 \$21.9 million compared to \$19.8 million in the budget. This unfavorable variance was caused primarily by higher energy purchases and costs associated with Bradley Lake, higher purchases from Fire Island and Eklutna, and certain costs associated with MEA power pooling, which was somewhat offset by lower system control and dispatch labor.

Energy purchased was 264,200 MWh at an average effective price of 6.48 cents per kWh compared to 200,687 MWh budgeted at an average effective price of 6.99 cents per kWh.

POWER PRODUCTION (in millions)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Power Production	\$ 34.9	\$ 33.9

Power production expense was \$34.9 million compared to \$33.9 million in the budget. Higher cost of materials at the Sullivan and Nikkels plants, additional warehouse costs allocated to this financial statement category, the amortization of acquired ML&P regulatory assets, as well as higher turbine maintenance expense at SPP, was somewhat offset by lower labor costs.

TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Transmission	\$ 9.1	\$ 10.5

Transmission operations and maintenance expense was \$9.1 million compared to \$10.5 million in the budget. This favorable variance was due primarily to lower labor and warehouse costs allocated to this financial statement category.

DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Distribution	\$ 24.4	\$ 26.3

Distribution operations and maintenance expense was \$24.4 million compared to \$26.3 million in the budget. This favorable variance was due primarily to lower labor, as well as information services and warehouse costs allocated to this financial statement category.

CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>2022 Actual</u>	<u>2022 Budget</u>
Consumer/Customer Information	\$ 9.7	\$ 10.5

Consumer accounts and customer information expense was \$9.7 million compared to \$10.5 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	\$ 47.3	\$ 47.7

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 below budget by \$481 thousand. Favorable variances in labor, information services costs allocated to this financial statement category and PILT expense, were somewhat offset by unfavorable variances in acquisition related amortizations, as well as higher professional services, due primarily to higher than anticipated costs related to legal, regulatory matters, and snow removal.

SUMMARY

Depreciation, interest, and interest during construction expense totaled \$94.8 million compared to \$91.5 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 \$319.5 million compared to \$316.6 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 \$580 thousand compared to \$404 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 \$4.2 million compared to a projected loss of \$2.9 million in the budget. This resulted in an MFI/I of 1.11, a TIER of 1.11, and an equity-to-total capitalization ratio of 15.44%. The current forecast projects year-end margins of \$8.1 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	\$323,118,905	\$354,418,746 ¹
Fuel and Purchased Power Expense	105,281,462	102,741,756	99,398,871	106,742,983 ¹
Power Production Expense	36,526,615	36,526,615	34,902,852	37,961,076 ¹
Transmission Expense	11,473,532	11,473,532	9,087,743	9,690,024 ¹
Distribution Expense	28,908,401	28,908,401	24,352,288	26,319,170 ¹
Customer Expense	11,510,953	11,510,953	9,697,459	10,298,655 ¹
Administrative, General & Other	52,462,820	46,129,486	47,259,335	52,203,530 ¹
Depreciation and Amortization Expense	61,413,835	61,413,835	59,058,471	64,660,942 ¹
Interest Expense, Net	38,424,734	38,424,735	35,771,511	39,086,015 ¹
Total Cost of Electric Service	\$346,002,352	\$337,129,313	\$319,528,530	\$346,962,395
Patronage Capital & Operating Margins	\$ 7,754,344	\$ 7,931,268	\$ 3,590,375	\$ 7,456,351
Non-Operating Margins - Interest	291,144	291,144	553,414	639,406 ¹
Allowance for Funds Used During Construction	301,074	301,074	85,279	96,433 ¹
Non-Operating Margins - Other	(145,180)	(145,180)	(58,845)	(68,453) ¹
Patronage Capital or Margins	\$ 8,201,382	\$ 8,378,306	\$ 4,170,223	\$ 8,123,737
MFI/I	1.20	1.20	1.11	1.20
TIER	1.20	1.21	1.11	1.20

¹ Forecast based on 2022 unaudited actuals



Cooper Landing and Moose Pass Reliability Initiatives: PSI 7

Board of Directors Meeting, February 22, 2023

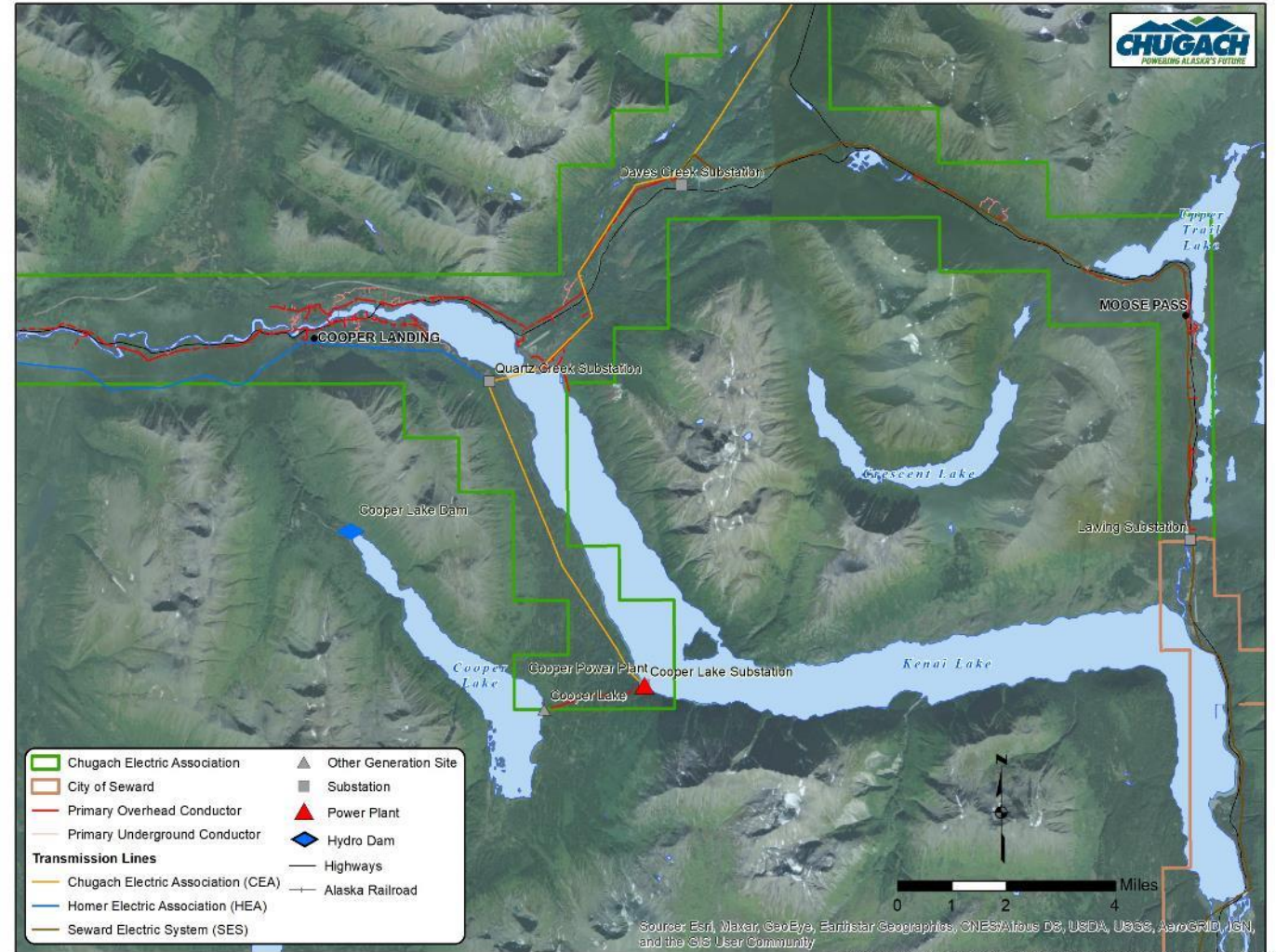


Agenda

- *Introduction*
- *Reliability & Outage Metrics*
- *Strategy for Improvements*
- *System Evaluation*
- *Near Term Projects*
- *Long Term Projects*
- *Operational Changes*

Introduction: System Overview

- The DCSS 352 feeder feeds 463 meters in Cooper Landing
- The DCSS 452 feeder supplies 177 meters including the Upper Trail Lake Hatchery and the communities of Moose Pass and Tern Lake
- PSI 7: develop a plan to improve reliability



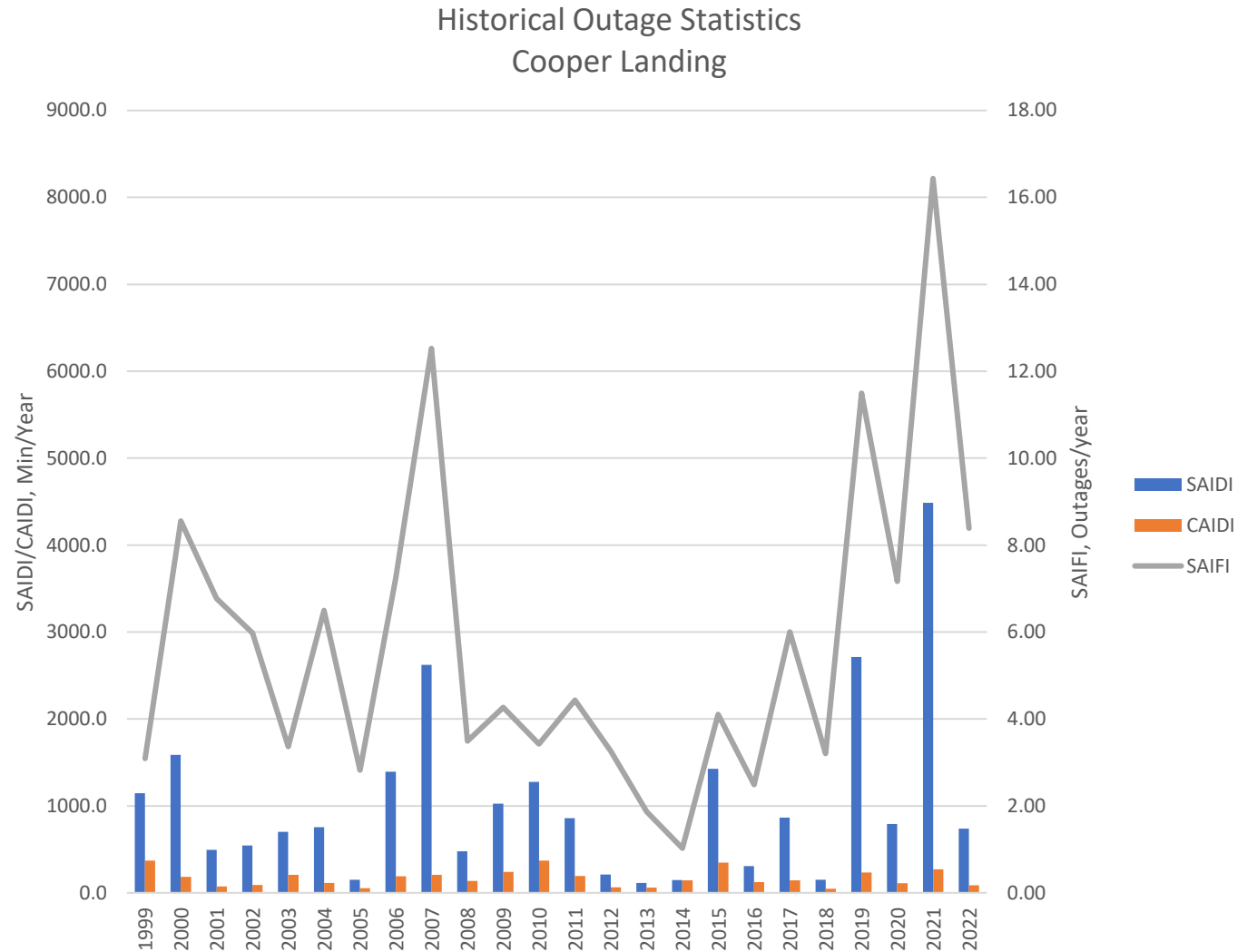
Introduction: Restoration Challenges

- *Location requires a line crew to travel a minimum of 90 miles, 2 ½ to 4 hours*
- *Materials that are not found in truck stock, a warehouseman and more linemen are typically necessary in these instances*
- *Difficult field conditions*
- *Varying and heavily wooded terrain with limited access*
- *ATVs or snow machines use due to limited ability to utilize bucket trucks or other heavy equipment*
- *Very large, mature trees are present throughout the area in and out of right of way*
- *Long, radial line with limited power sources*

Reliability: Cooper Landing

Cooper Landing: Feeder 352

- *Increasing trend from 2014 to 2021*
- *Storm related highs in SAIDI in 2019 and 2021*

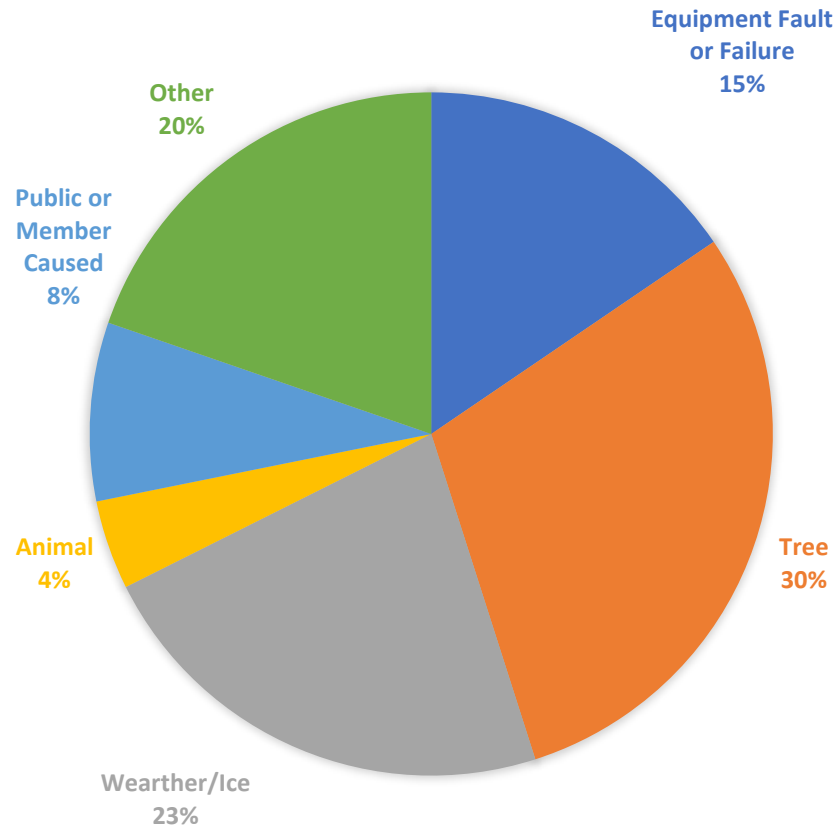


Outage Causes: Cooper Landing

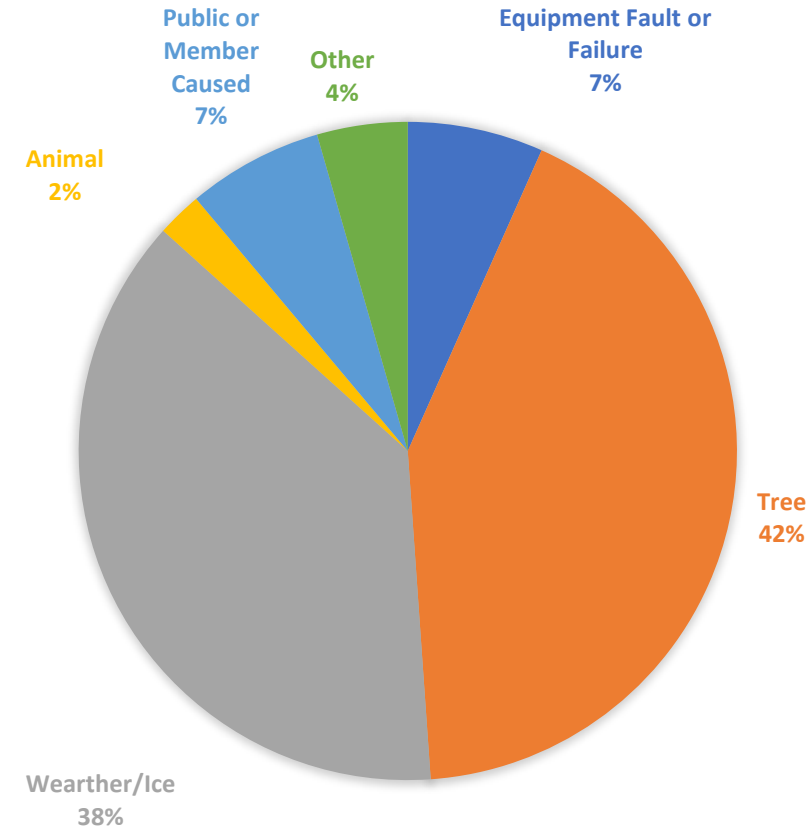
Cooper Landing: Feeder 352

- *Equipment Failures*
- *Tree contacts*
- *Weather*
- *Decrease in Equipment, Other, and Animal outages*

COOPER LANDING OUTAGES BY
CAUSE
2018-2020



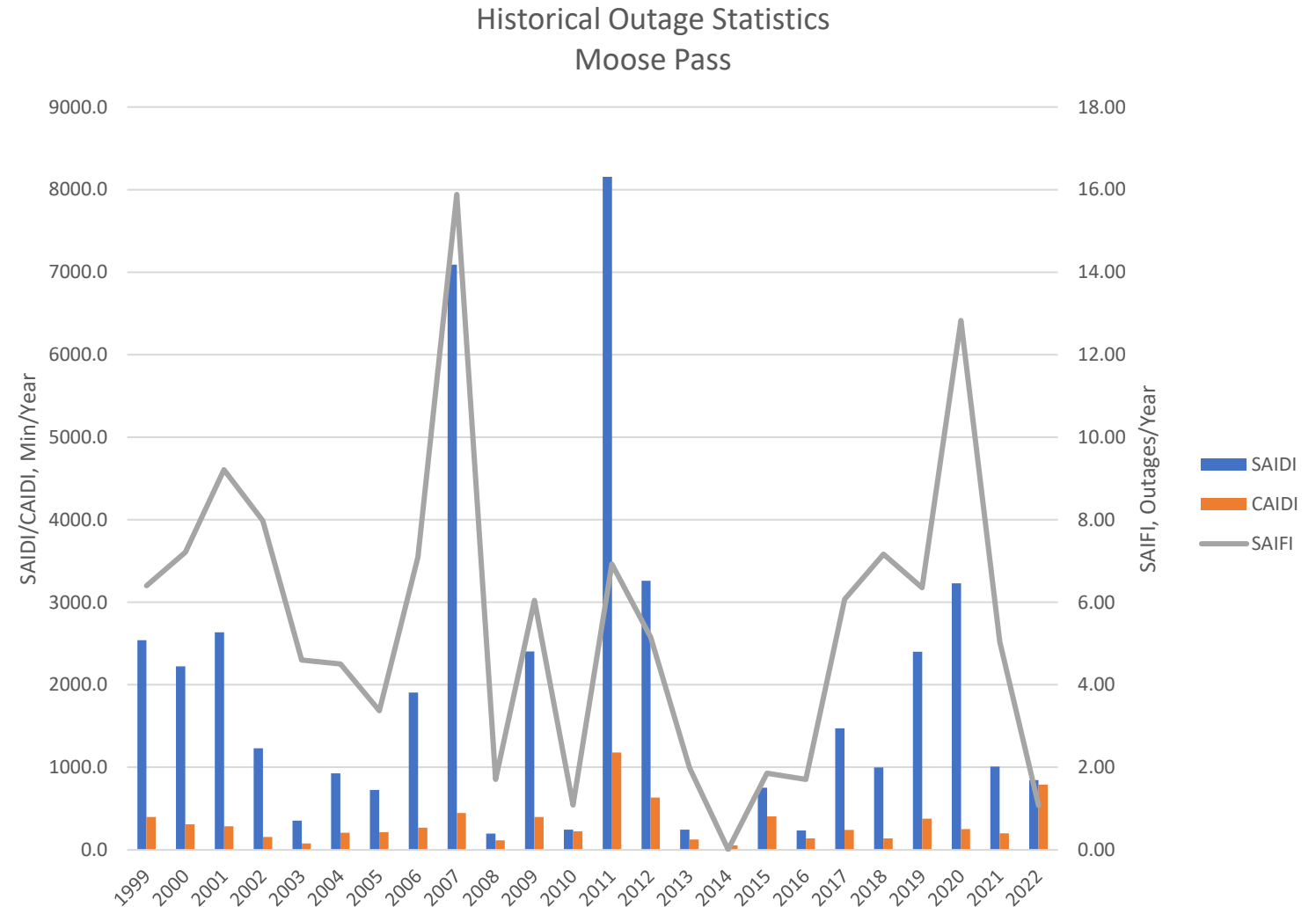
COOPER LANDING OUTAGES BY
CAUSE
2021-2022



Reliability: Moose Pass

Moose Pass: Feeder 452

- *Increasing trend in SAIFI and SAIDI 2014-2020*
- *SAIFI and SAIDI improvements in 2021/2022*

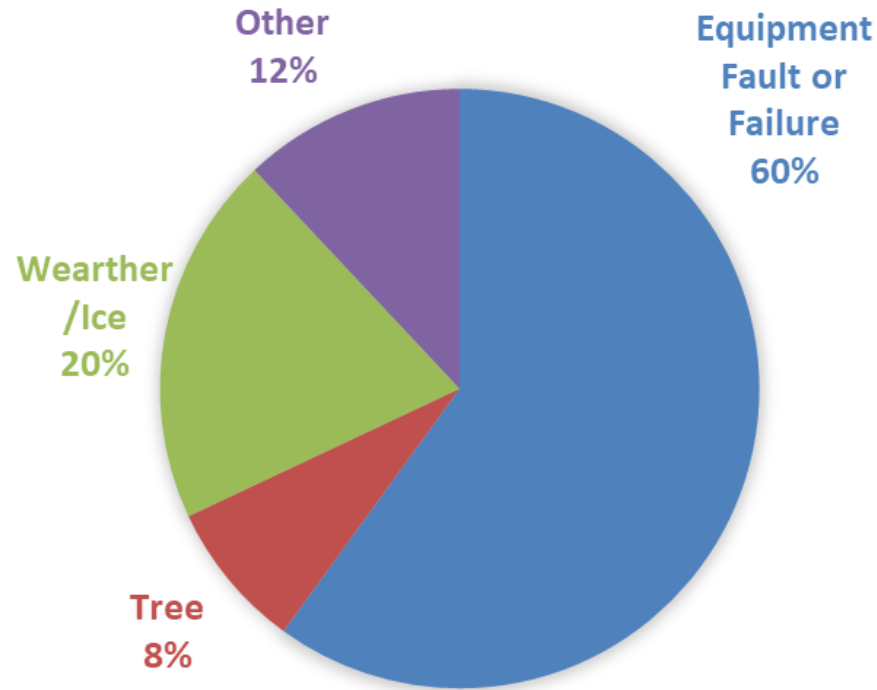


Outage Causes: Moose Pass

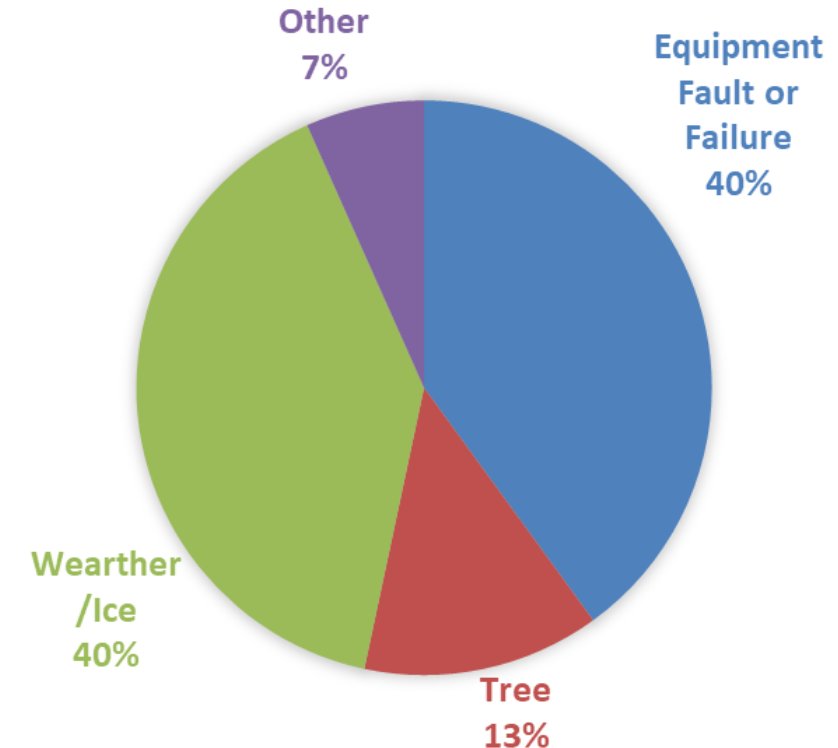
Moose Pass: Feeder 452

- *Equipment Failures*
- *Tree contacts*
- *Weather*
- *Decreasing equipment failures in 2021 and 2022*

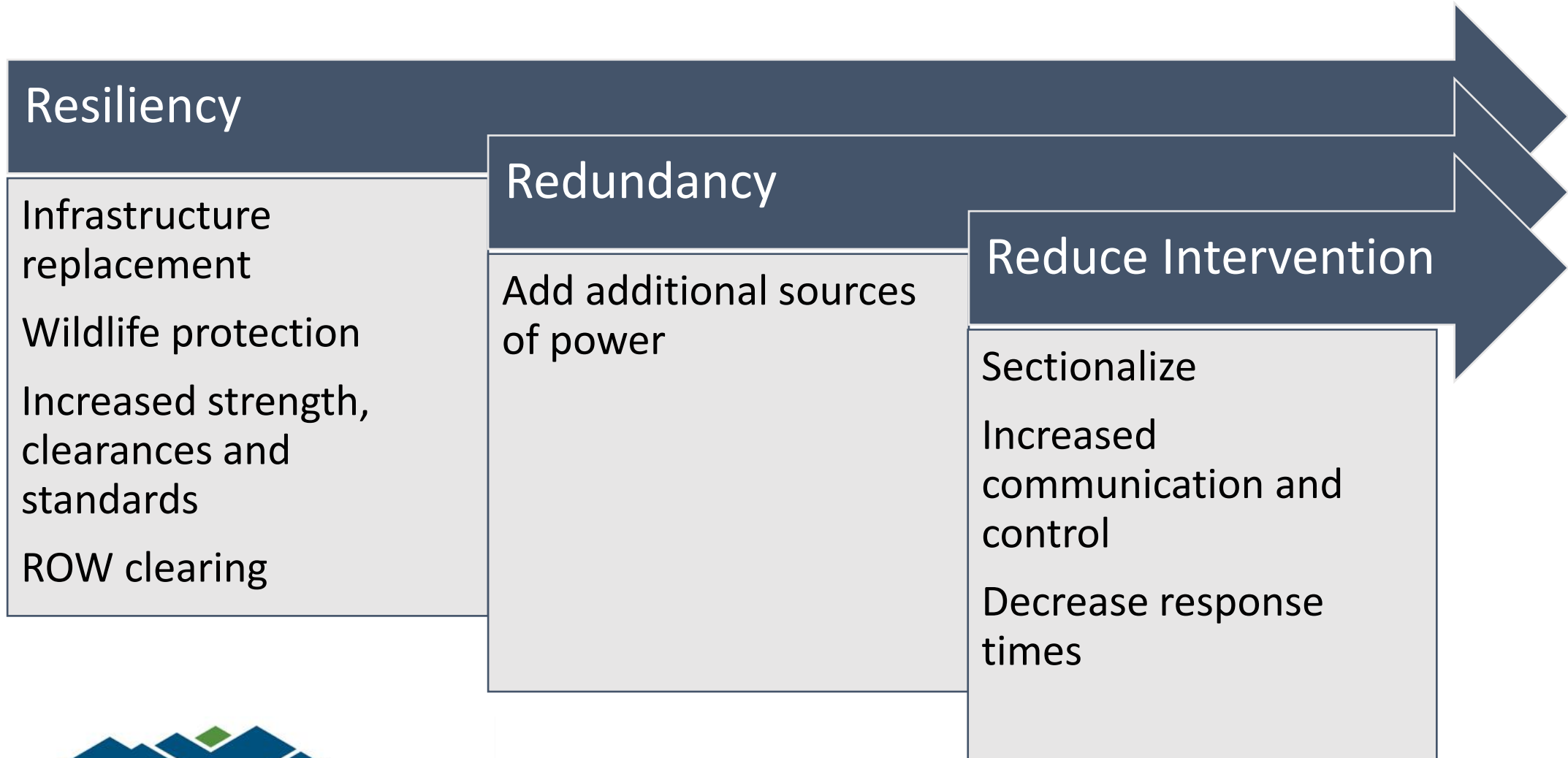
MOOSE PASS OUTAGES BY CAUSE 2018-2020



MOOSE PASS OUTAGES BY CAUSE 2021-2022



Reliability Mitigation Strategy



Outage Remedies: Cooper Landing

Cooper Landing: Feeder 352

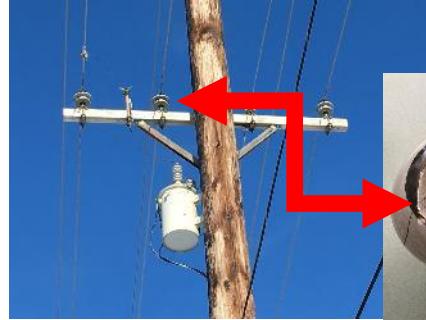
- *Reconstructing the backbone of Feeder 352*
 - *Updated Design*
 - *Raptor Protection and Squirrel Guards*
 - *Sectionalizing capabilities*
 - *Additional switching points that increase ability to isolate sections of line and reduce outage times*
- *Additional power sources*



Outage Remedies: Moose Pass

Moose Pass: Feeder 452

- *Replacing Distribution Hardware*
 - *Cross Arms*
 - *Insulators*
 - *Connections*
- *Establish a redundant power source through connection to the Seward Electric System*
 - *Provides an alternate supply during outage/contingency conditions*



Cooper Landing: Near Term Projects

Rebuild Phase 1

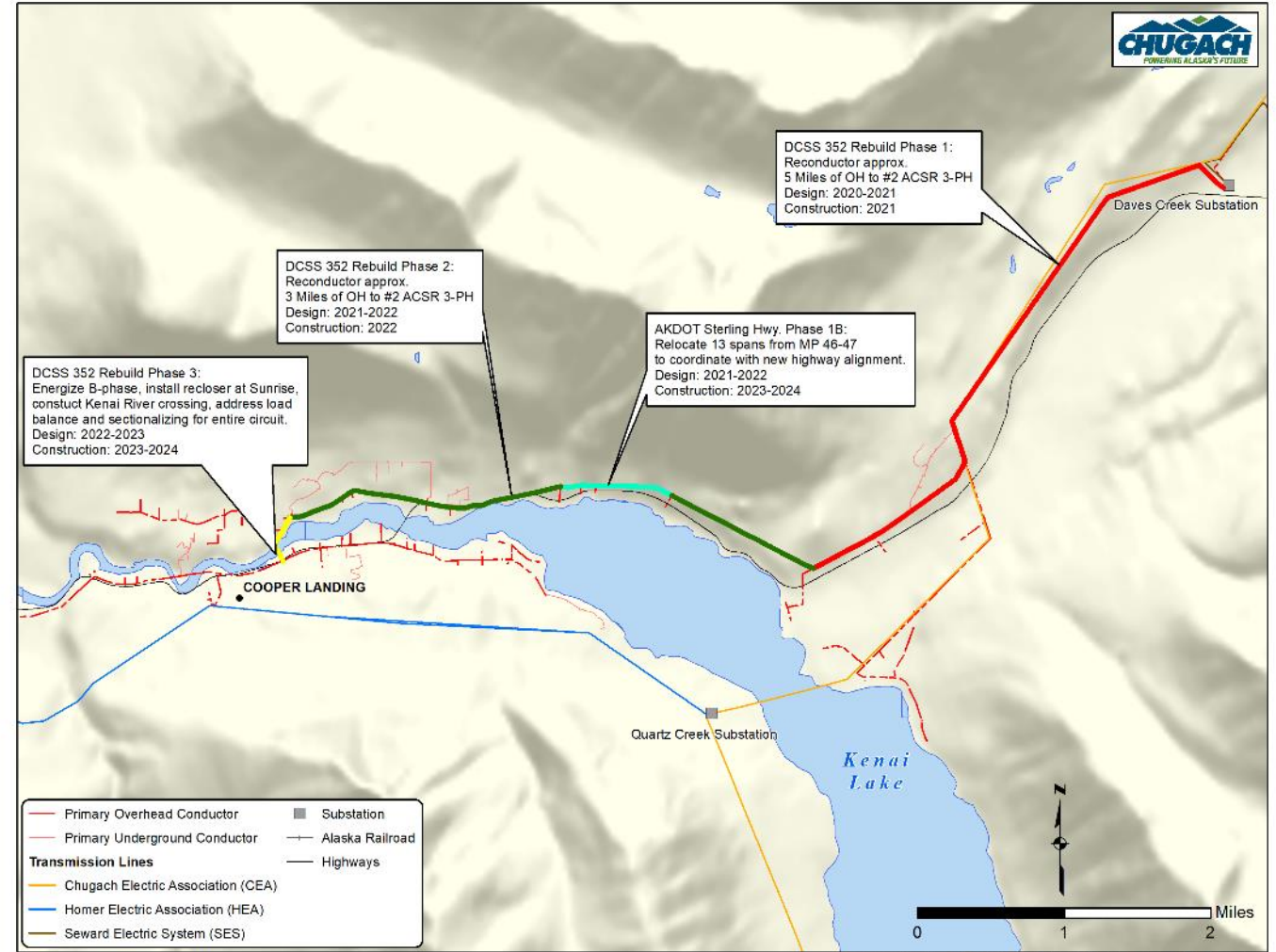
Rebuild approximately 5 miles of overhead line from Daves Creek Substation to Sunrise Inn completed in winter 2021-2022

Rebuild Phase 2

Rebuild approximately 3 miles of overhead line from Sunrise to the Cooper Landing Shooting Range in progress with completion in Q1 2023

Rebuild Phase 3

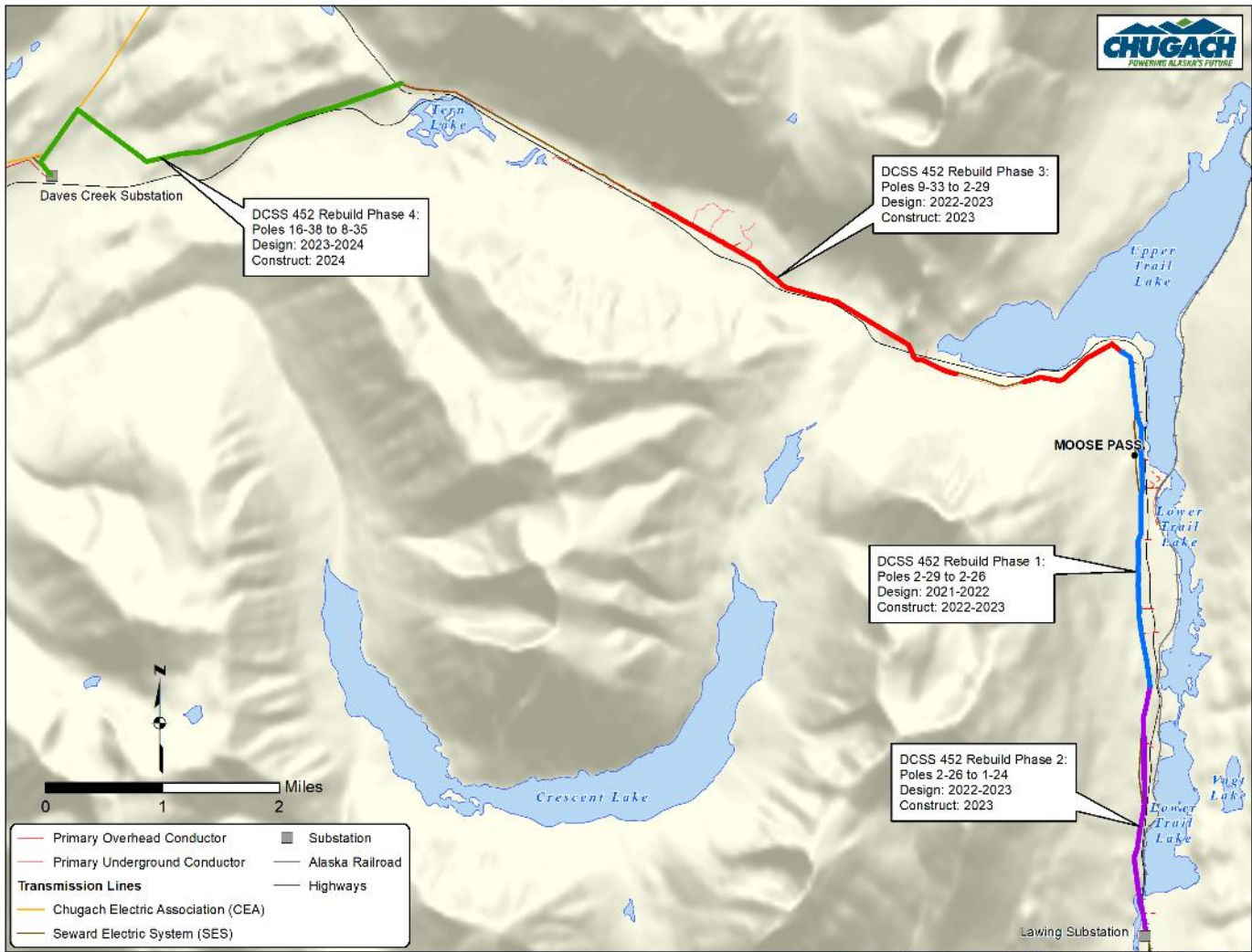
Reconstruct the final segment of three-phase feeder across the Kenai River, rebalance consumer loads on the line, and provide additional sectionalizing. (Scheduled for 2023-2024)



Moose Pass: Near Term Projects

This project will reconstruct cross arms having known bad insulators, exhibiting signs of damage, or showing other maintenance issues. The work will be performed in 4 segments and scheduled as noted below:

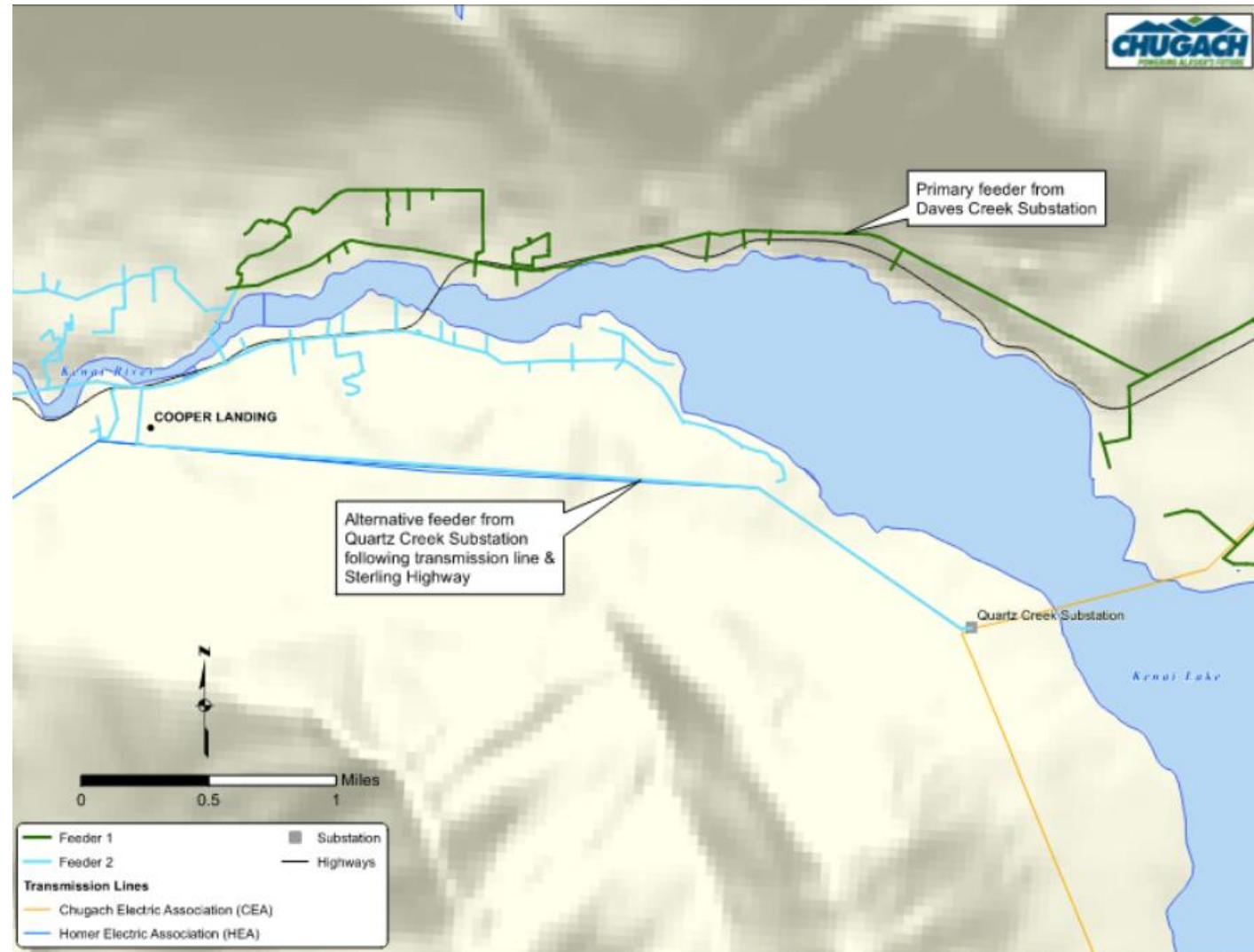
Phase 1	Winter 2022-2023
Phase 2	Winter/Spring 2023
Phase 3	Fall/Winter 2023
Phase 4	2024



Long Term Projects: Quartz Creek Upgrade

New 25 kV terminal in the Quartz Creek Substation:

- *Stepdown transformer and a 25 kV breaker*
- *New 3-phase distribution connection*
- *Split customer load between two sources*
 - *Reduces the size of outages*
 - *Communities can be served from two Chugach substations*



Long Term Projects: Recloser at Lawing

Installation of a remotely operated reclosing device outside Lawing Substation:

- *Allows Chugach Dispatch to remotely transfer Moose Pass and Cooper Landing customer load between Daves Creek & Lawing Substations*
 - *Reduced switching time for scheduled maintenance*
 - *Reduced customer outage time for Daves Creek Substation equipment related outages*

Project Schedule and ROM Estimates

- *Projects worst performing areas completed*
- *Several years of projects remaining*

PROJECTS	YEAR	2020				2021				2022				2023				2024				2025				ACTUALS (\$MM)	ETC** (\$MM)	ECAC (\$MM)	
	QTR	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
COOPER LANDING																													
DCSS 352 PHASE 1		<div></div>																								\$1.3	\$0	\$1.3	
DCSS 352 PHASE 1B*		<div></div>																								\$0	\$0	\$0	
DCSS 352 PHASE 2		<div></div>																								\$0.8	\$0.3	\$1.0	
DCSS 352 PHASE 3		<div></div>																								\$0	\$0.5	\$0.5	
QUARTZ CREEK TERMINAL		<div></div>																								\$0	\$4.0	\$4.0	
																										Subtotal	\$2.1	\$4.8	\$6.8
MOOSE PASS																													
TARGETED IMPROVEMENTS		<div></div>																								\$0.3	\$0	\$0.3	
DCSS 452 PHASE 1		<div></div>																								\$0	\$0.1	\$0.1	
DCSS 452 PHASE 2		<div></div>																								\$0	\$0.1	\$0.1	
DCSS 452 PHASE 3		<div></div>																								\$0	\$0.1	\$0.1	
DCSS 452 PHASE 4		<div></div>																								\$0	\$0.1	\$0.1	
LAWING RECLOSER		<div></div>																								\$0	\$0.4	\$0.4	
																										Subtotal	\$0.3	\$0.8	\$1.0
QUARTZ CREEK OPS YARD																													
SITE DEVELOPMENT		<div></div>																								\$0.1	\$0.3	\$0.4	
																										Subtotal	\$0.1	\$0.3	\$0.4
																										Totals	\$2	\$6	\$8

* DOT reimbursed for Sterling Highway realignment.

** ETC/ECAC: Estimated Total Cost to completion and Estimated Cost at Completion

Operational Updates: Right of Way Clearing

Cooper Landing scheduled clearing was completed in 2022 with increased funding to clear rights of way edge to edge.

It also provided trimming danger trees, primarily beetle killed spruce trees, outside of the right of way.

Moose Pass clearing is scheduled for 2023 to be concurrent with upgrades.



Operational Updates Continued

Quartz Creek Storage Yard

- *Chugach fenced an area at Quartz Creek Substation for materials, equipment, and a heated crew office. By staging equipment and materials in the area, outage response and restoration time for most outages will be reduced. It will reduce subsequent callouts.*

Substation Equipment Protection

- *Installed bird guard coverings over exposed energized conductors to limit animal induced outages to the Moose Pass and Cooper Landing Communities.*

Alternate Sources

- *Chugach reconfigured source connections at Daves Creek Substation to allow a seamless transition to the alternate power source through Seward's distribution system. This will reduce the number of outages during switching operations and scheduled maintenance.*



Summary

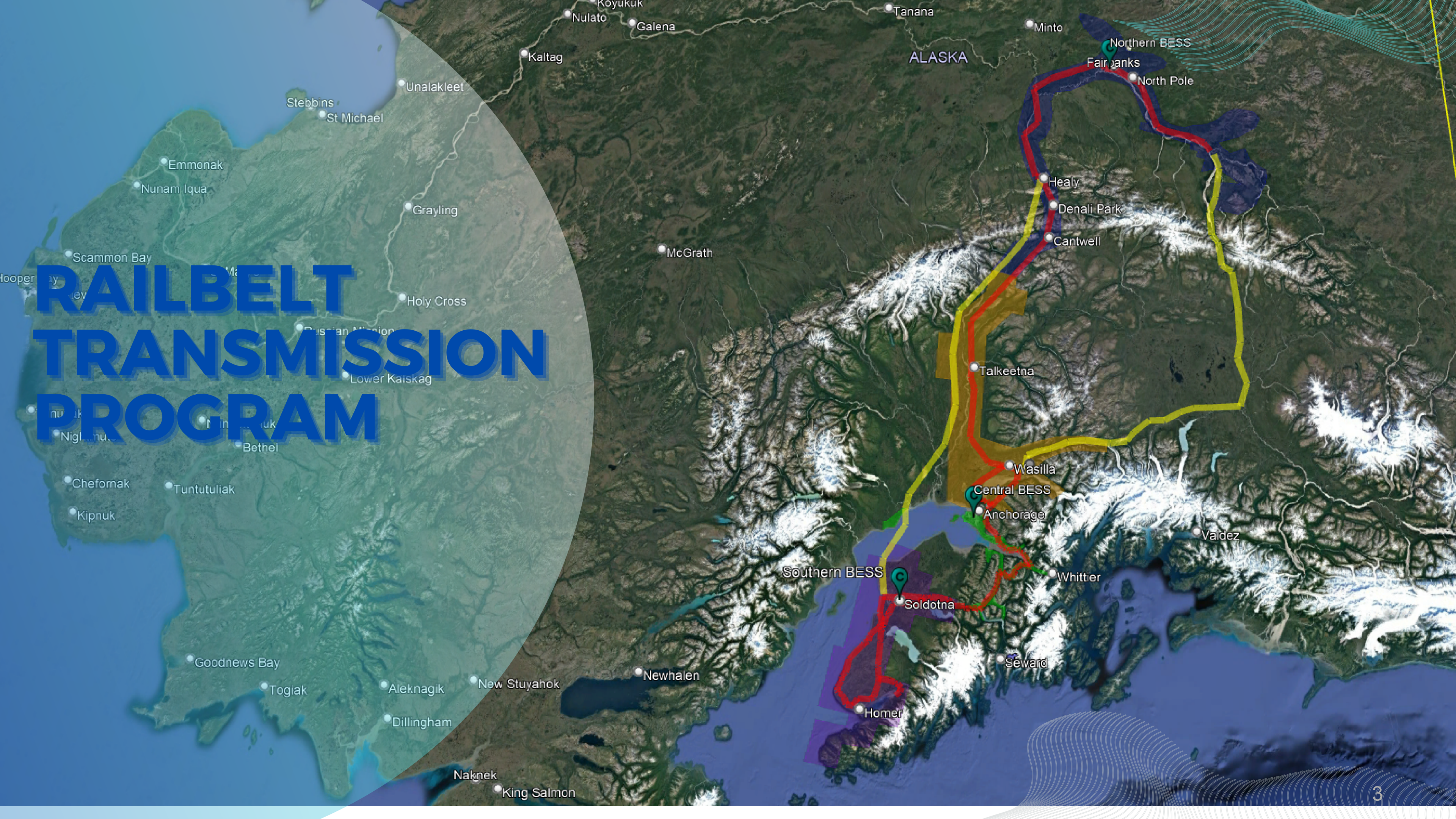
- *Ongoing system improvement will reduce outages and impacts:*
 1. *Replacement of aging infrastructure*
 2. *Robust designs*
 3. *Additional sources of power to energize the distribution network*
 4. *Sectionalizing capabilities*
- *Operational Changes will reduce restoration times:*
 1. *Storing materials near the townsite will reduce requirements for additional callouts*
 2. *Increased clearing*

RAILBELT TRANSMISSION PROGRAM REVIEW

CHUGACH BOARD MEETING
FEBRUARY 22, 2023

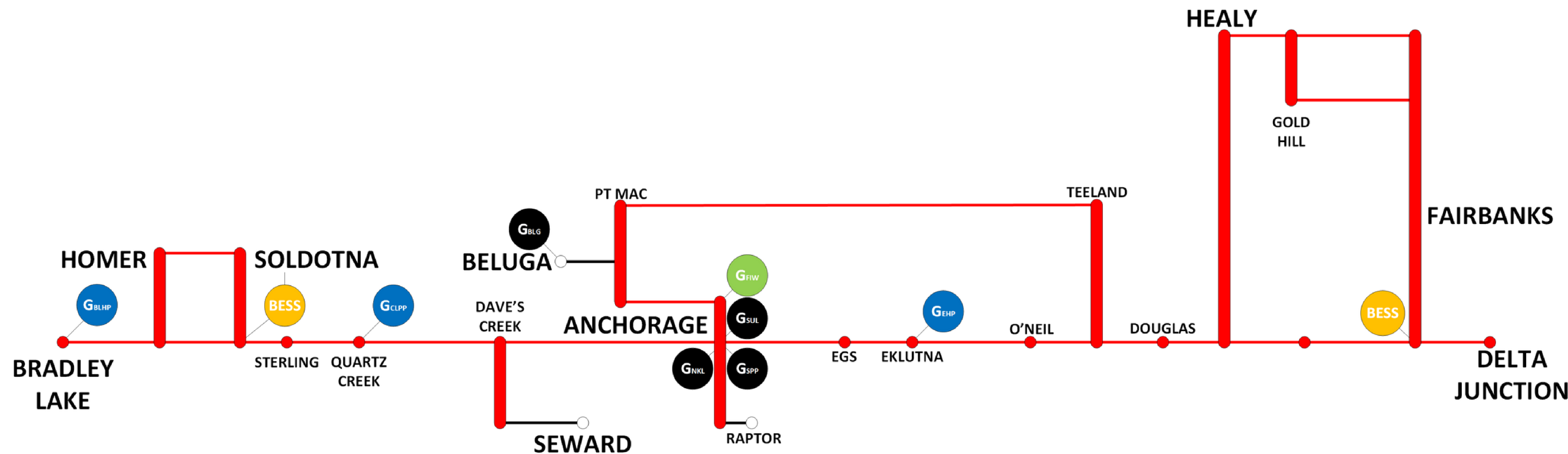
TRANSMISSION GOAL

Goals were set out by the Governor to increase the Railbelt transfer capacity from Bradley Lake to Delta Junction via Healy at 300% of its current rating and construct new transmission through Glennallen to Delta Junction to pave the way for new clean energy projects

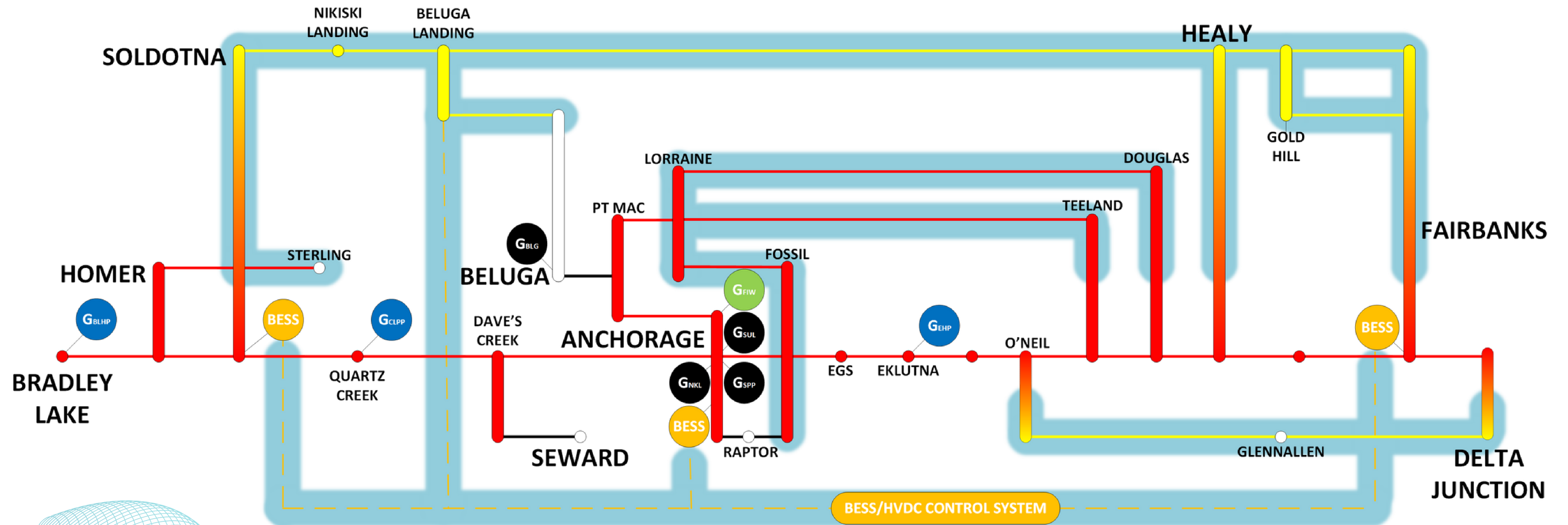


RAILBELT TRANSMISSION PROGRAM

CURRENT RAILBELT CONFIGURATION

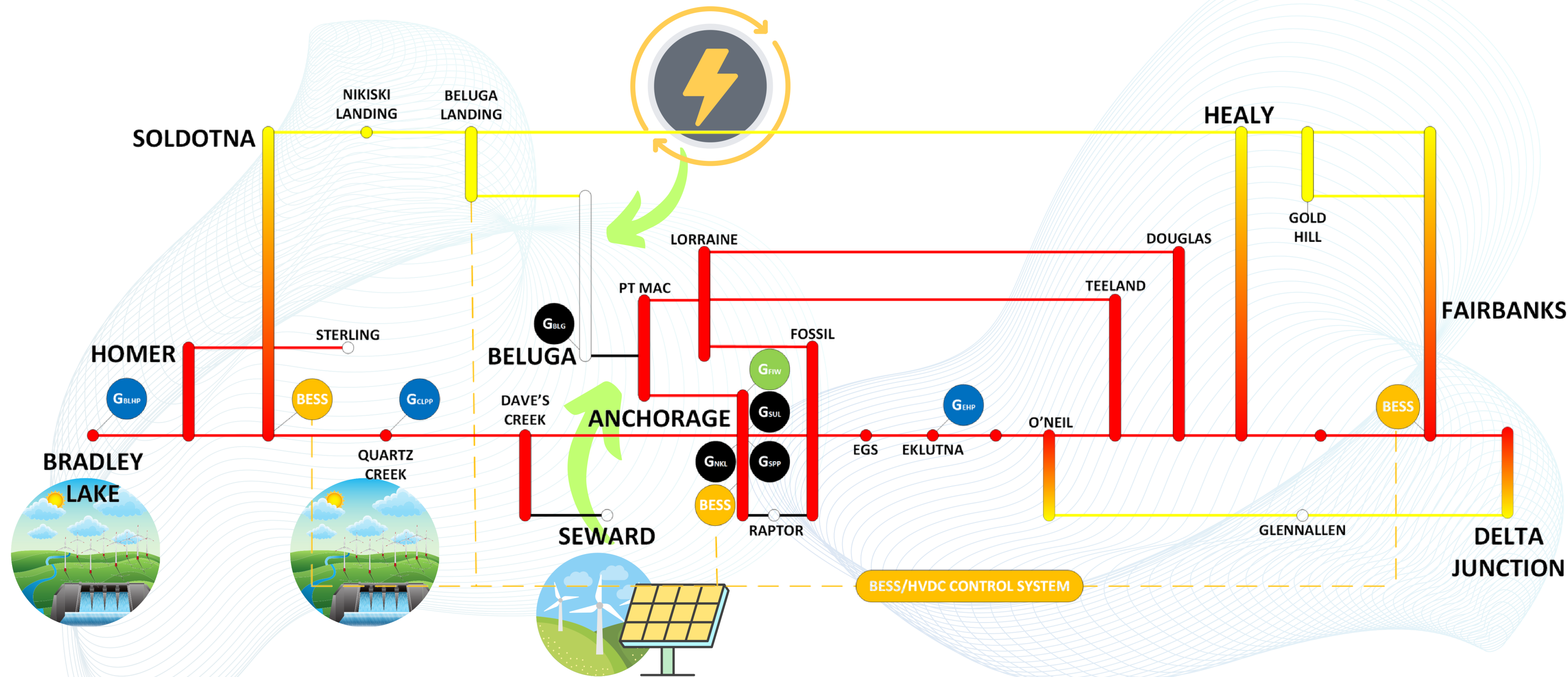


PROSPECTIVE RAILBELT CONFIGURATION

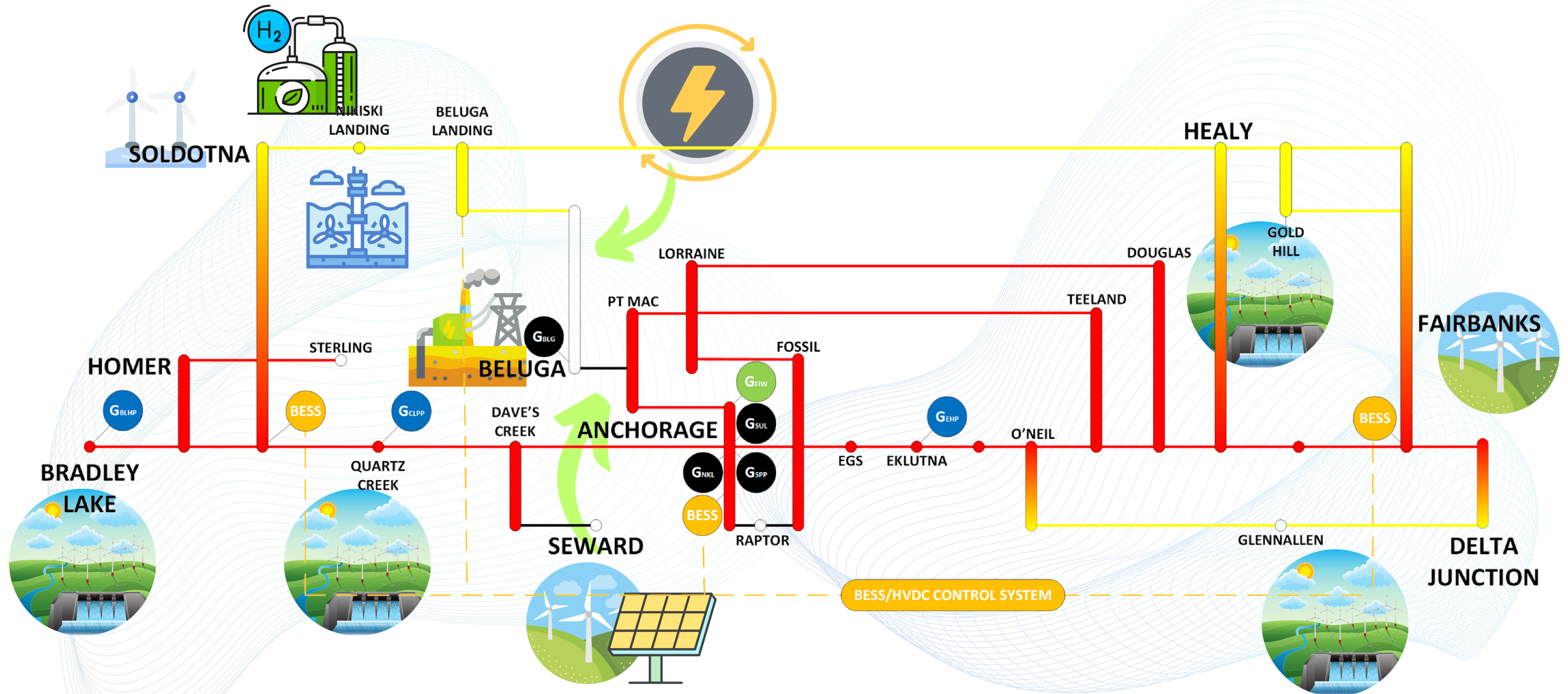


TOPIC 1- GRID RESILIENCE
TOPIC 2 - SMART GRID
TOPIC 3 - GRID INNOVATION

WHY DOES CHUGACH DESIRE AN IMPROVED TRANSMISSION SYSTEM?



WHY DO THE RAILBELT UTILITIES DESIRE AN IMPROVED TRANSMISSION SYSTEM?



GRANT OVERVIEW

FOA-2740 THE "GRIP"

The "Grid Resilience & Innovative Partnership" is a DOE program which supports the improvement of transmission in three aspects, called "topics"



➤ **THREE TOPIC
AREAS**

➤ **FOUR ROUNDS OF
FUNDING**

TOPIC 1 GRID RESILIENCE

The utilities are seeking federal assistance for the reconstruction of the antiquated and end of useful life transmission assets that comprise the existing transmission system backbone

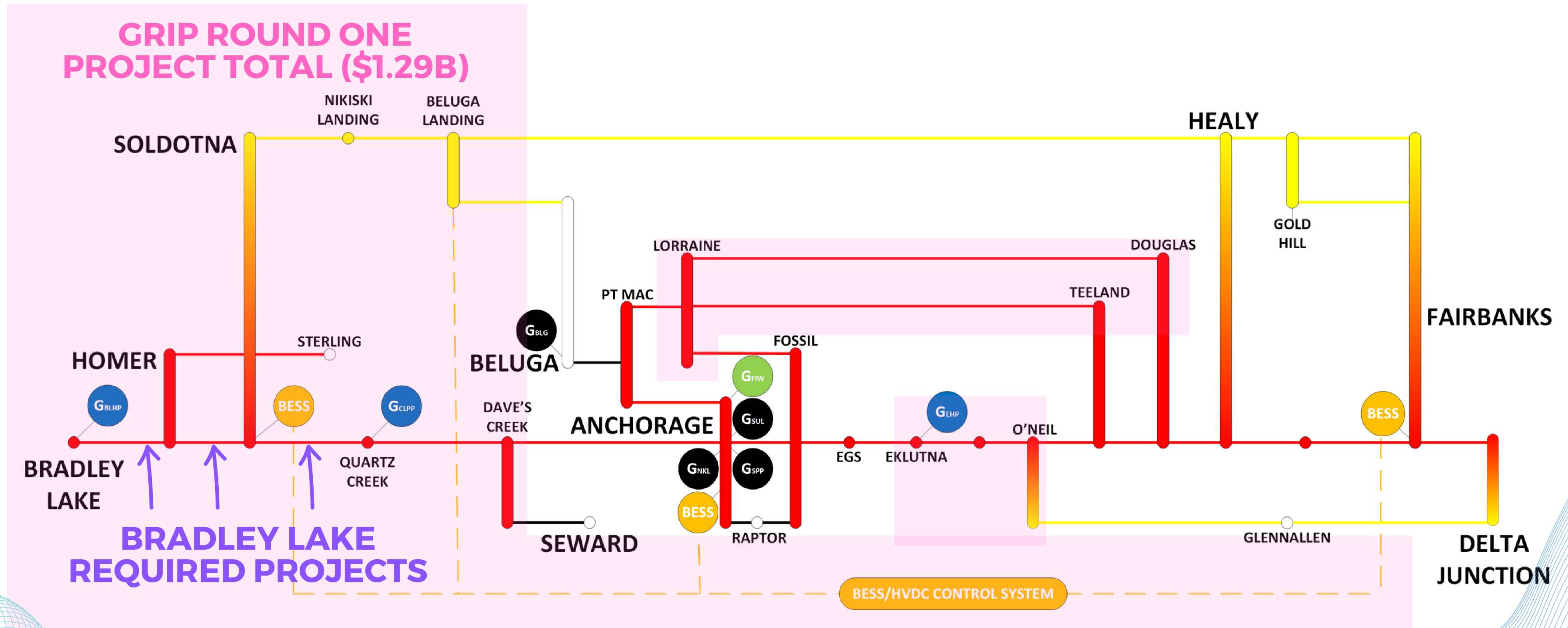
TOPIC 2 SMART GRID

We are also seeking federal assistance for design and procurement of the interregional battery-HVDC control and monitoring system, which would provide simultaneous interregional control

TOPIC 3 NEW & INNOVATIVE

In this topic, the utilities are seeking assistance in constructing the actual HVDC line and BESS in each region

RAILBELT TRANSMISSION FUNDING (\$3B TOTAL)



THE PROCESS

Grant applications are expected to follow this process related to the development of concepts and the execution of resulting projects

1 Concept Development
The intake process for innovative ideas is followed by feasibility level study

2 Submit Concept Papers
Concepts require preliminary, or pre-FEED study, to develop the project sufficient for submittal

3 Receive 'Encouragement'
DOE will generally provide an indication that additional money and effort should be invested for a full application

4 Seek Board Approval
Award of a federal grant obligates the applicant to execute the full scope of the agreed project - Board approval will be necessary for large projects

5 Apply for the Grant
Move forward with application by performing engineering and project analysis sufficient to demonstrate competency

APPLICATION MILESTONES

Each of the applications are due at different times. Note the Topics are out of sequence with Topic 2 due first.

**MARCH
2023**

TOPIC 2 SMART GRID
March 17, 2023

**APRIL
2023**

TOPIC 1 GRID RESILIENCE
April 6, 2023

**MAY
2023**

TOPIC 3 NEW & INNOVATIVE
May 19, 2023

TOPIC 2 (ROUND 1) PROJECTS PROPOSED ACTION

For the following reasons, it is recommended Chugach consider the application for Topic 2 during the **next round of grant funding** for the 'GRIP' opportunity.

➤ **\$29.4M**

➤ **MAX GRANT \$15M**

➤ **DUE 3/17/23**

- **Related equipment is not yet installed**

The HVDC line and BESS equipment is being pursued in this same funding round under Topic 3

- **Cost allocations have not been established**

To receive Board approval, the costs must be quantified for each participating utility

- **Benefits of project are not fully defined**

Benefits of independent BESS were recommended by studies, but more should be done regarding the coordination of the equipment

TOPIC 1 (ROUND 1) PROJECTS OVERVIEW

➤ **\$792M**

➤ **MAX GRANT \$100M**

➤ **DUE 4/6/23**

- **Transmission from Bradley to Chugach is supported**

The full amount of Bradley power will be delivered to the Chugach delivery point at Dave's Creek substation

- **Cost allocations have not been established**

To receive Board approval, the cost to Chugach must be quantified

TOPIC 3 (ROUND 1) PROJECTS OVERVIEW

➤ **\$473M**

➤ **MAX GRANT \$237M**

➤ **DUE 5/19/23**

- **Transmission from lower Kenai Peninsula to Chugach is supported**

An alternate, high capacity route from the lower Kenai Peninsula represents unconstrained Bradley power flow (and other potential renewables) and resiliency improvement

- **Cost allocations have not been established**
To receive Board approval, the cost to Chugach must be quantified

QUESTIONS?



January 30, 2023

The Honorable Michael Dunleavy
Governor of Alaska
Office of the Governor
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Dunleavy:

Congratulations on your reelection as Governor. This letter is in response to your request for an estimate of the amounts needed to upgrade the Railbelt Electric System in preparation for a fuel diverse clean energy future.

With your second term underway, we appreciate your continued focus on Alaska's energy landscape and bold vision for the future. As you have indicated on numerous occasions, Alaska is filled with opportunities for potential growth. In an effort to seize upon those opportunities, the Railbelt utilities have rallied behind a unified vision for Alaska's energy future - a future in which our communities collaborate and share energy resources to strengthen and build a robust Railbelt transmission grid that allows our members, our national defense infrastructure, and the communities adjacent to the Railbelt access to clean, low-cost energy resources. We believe that under your leadership this vision can be realized and will benefit Alaska and its people for years to come.

A main driver of economic growth in the state of Alaska is a healthy and robust energy industry. To that end, there must be a top-down commitment to a sustained energy policy that transcends administrations. Absent that, Alaska's future continues to be subject to an increasingly unstable national and world economy. The attached graphs reflect the alarming nature of Alaska's current downward economic trend. Indeed, more residents have left Alaska than any other state in the country since 2015. Real Gross Domestic Product, which generally presents an accurate picture of production growth, has been on a downward trend for over 10 years. There is no starker contrast to the state of Alaska's economy than across the border in Canada, where there are numerous gold and rare earth mining operations in existence. Why? The answer is clear: the high cost of living and doing business in Alaska. Alaska must take action to correct course, seize control of its own destiny, and work together to promote opportunities for growth and stability for Alaska's future generations.

We respectfully submit that the focus of any energy plan should be the Railbelt Electric System. As you know, the Railbelt transmission grid in its current state is not adequate to meet the challenges associated with a more diversified generation portfolio future. The Railbelt grid is limited in its ability to transmit energy along its 700-mile-long corridor and provide much needed innovation and resilience, and it needs substantial upgrades just to meet standards common in the Lower 48. These limitations have costs and other impacts to Alaskans.

Together, we can do better. The Railbelt electric utilities have developed a concept for building out the grid to allow for the development and delivery of low-cost renewable and low carbon generation to the citizens of both the Railbelt and Copper Valley regions, through a stable, reliable,

robust, and unconstrained transmission system. This concept, which includes a Road Belt transmission line extending from the Mat-Su Valley community of Sutton to Tok and Delta Junction, will prepare the entire Railbelt region for a resilient, fuel diverse, low-carbon future. This incremental addition of low-cost, low-carbon, and renewable generation over this period is estimated to benefit over 75 percent of the state's population by reducing costs to commercial and residential members and expanding economic growth. The goal being that by 2040 the region could accept generation from any source (wind, solar, nuclear, hydroelectric, or other), at any geographic location, and deliver it, where necessary, in a reliable and cost-effective manner to the region's entire population including the Copper Valley region. Further, by expanding economic growth in the Railbelt, the residual effects would be felt throughout Alaska - a rising tide lifts all boats. At an estimated cost currently ranging as high as \$2.9 billion for the full buildout, however, this concept requires more than just utility commitment, it also requires commitment and investment from federal and state agencies and decisionmakers.

For successful implementation, investment by your administration and the Alaska legislature is crucial, not only now but for the next 15 years. To meet your vision, we believe state contributions of \$250 million per year for the initial five-year investment, and \$125 million per year for the following decade is needed. As you know, our utilities have already invested in this solution, partnering with the Alaska Energy Authority to close on \$166 million in bond financing to improve the efficiency and deliverable capacity of power from the Bradley Lake Hydroelectric Project. Similarly, the Railbelt utilities are committed to continue seeking additional funding solutions through the Infrastructure Investment and Jobs Act, the Inflation Reduction Act, and other opportunities as they become available.¹

We see this as an investment to increase energy diversification, security, and resilience as a driver to growth and prosperity of the state. We have invested significant effort in an attempt to acquire federal funding and are confident in the strength of our proposals and allies. Notably, our success in the federal process will ultimately determine the amount of state investment required. As you know, the full costs of the transmission buildout cannot be borne by ratepayers alone. The rate increases associated with such an expense would be unacceptable and likely drive further economic decline in our state.

We share your belief in Alaska's limitless potential and your vision for a more energy-secure Alaska. What we offer to you through this concept is a path to achieve your vision of economic prosperity and energy security that will be realized long after the end of your term, and any of our terms as managers of our utilities. Future Alaskans will reap the rewards of the work and resources that we put in today and we humbly ask that you take the step forward with us in achieving this transformation for the betterment of Alaska, and Alaskans.

¹ Attached is a brief PowerPoint describing the Grid Resiliency and Innovation Partnerships (GRIP) Funding Opportunity Announcement that we responded to having submitted three concept papers.

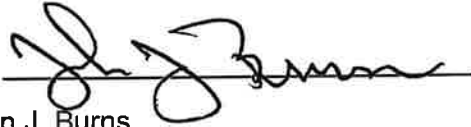
Sincerely,

Chugach Electric Association, Inc.

By: 

Arthur W. Miller
Chief Executive Officer

Golden Valley Electric Association, Inc.

By: 

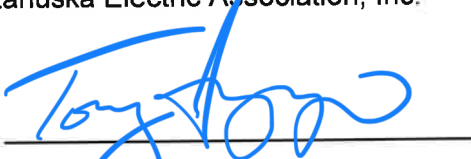
John J. Burns
President & Chief Executive Officer

Homer Electric Association, Inc.

By: 

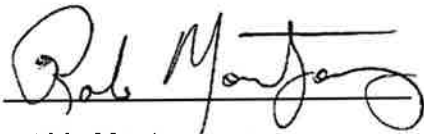
Bradley P. Janorschke
General Manager

Matanuska Electric Association, Inc.

By: 

Anthony M. Izzo
Chief Executive Officer

The City of Seward d/b/a Seward Electric System

By: 

Robert V. Montgomery
General Manager

Modernizing the Railbelt Grid

Brian Hickey

Executive Director, Railbelt Regional Coordination

Overview of Presentation

The Railbelt Vision and Alignment

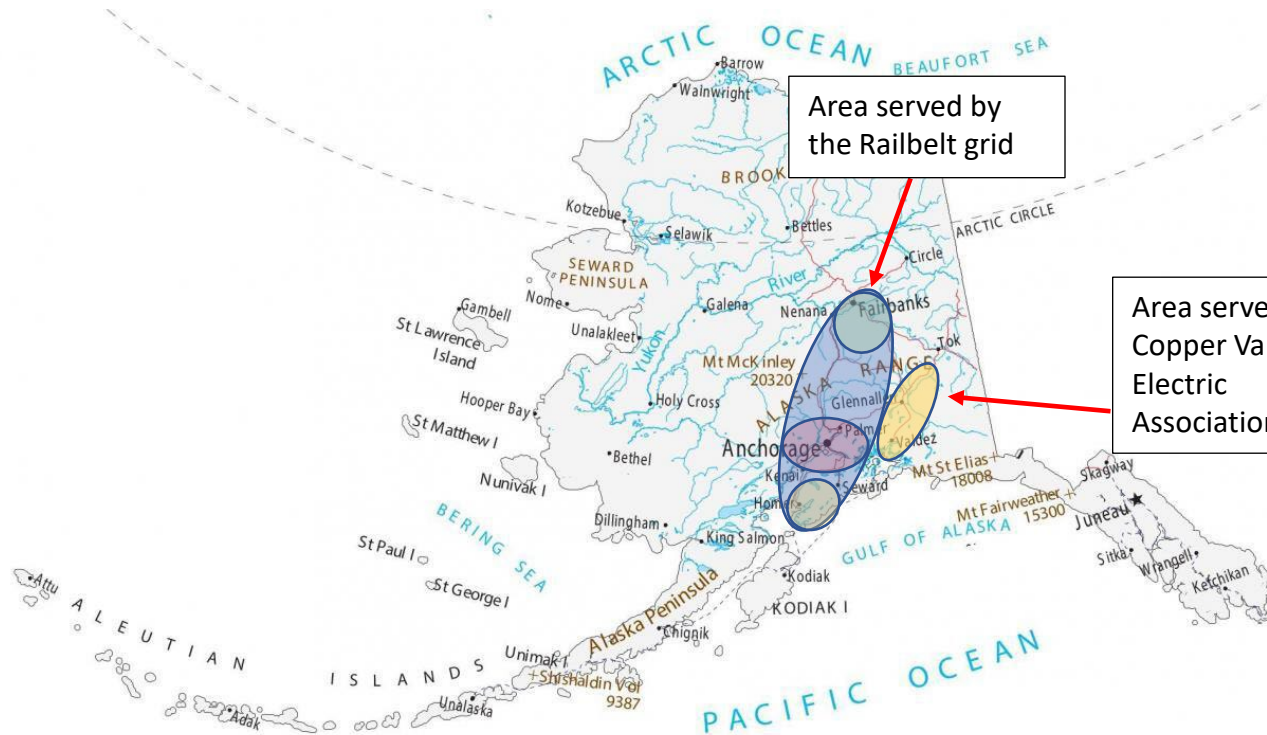
The Grid Modernization and Resiliency Plan (GMRP)

Grid Resiliency and Innovation Partnership (GRIP)

Community Benefit

Our Ask

Alaska Railbelt and the Copper Valley



- The area originally served by the Alaska Railroad
- Home to 70 % of Alaska's population
- 80% of the electricity generated in Alaska
- Three regions , 700 miles end-to-end, roughly the distance from Washington, DC to Atlanta, Georgia
- Virtually no federal investment in transmission to-date
- Single transmission lines between the three Railbelt regions (Southern, Central and Northern)
- Interregional power transfer capability is less than 10% of combined peak load
- Currently not electrically interconnected with the Copper Valley region



Historic Railbelt Alignment

There is unprecedented alignment among this diverse team. All Railbelt electric utilities, transmission owners, and operators and their regulator are all pulling together:

- *The Alaska Energy Authority*
- *The Regulatory Commission Of Alaska*
- *Chugach Electric Association Inc.*
- *Golden Valley Electric Association Inc.*
- *Homer Electric Association Inc.*
- *Matanuska Electric Association Inc.*
- *Seward Electric Systems (City of Seward)*
- *There is important State legislative support for this Transmission infrastructure build-out*

The Railbelt Plan

Provide a transmission system with adequate transfer capability and resiliency

Allow electric utilities from Fairbanks to Homer and Valdez to participate in inter regional clean energy projects irrespective of geographic location

Drive down costs with economies of scale— the Grid Modernization and Resiliency Plan (GMRP)

Energy storage to stabilize grid increase resiliency and integrate renewables

The Railbelt Vision – A “once in a generation” opportunity

A transformational series of transmission infrastructure improvements estimated to cost approximately \$2.9 B

Essential to the Railbelt grid for a clean and fuel-diverse future

Can serve as a model for the rest of the United States and the world

The five Railbelt Electric Utilities, and the Alaska Energy Authority, are pursuing funding from the *Infrastructure Investment and Jobs Act* (IIJA), and other Federal programs, as well as from the State of Alaska and traditional utility funding sources

The Railbelt Electric Utilities Collective Vision –

Five united utilities and the State of Alaska aligned and poised to transform the Railbelt into a sustainable fuel-diverse clean energy economy

The Railbelt Utilities and State share a vision:

“a collaborative future in the Railbelt in which our communities come together and share resources to strengthen and build a smart, clean electrical grid that ensures our residents, our national defense infrastructure, and communities adjacent to the Railbelt access to clean, low-cost energy from any source.”

Why it matters

- Significant gains in reliability and resiliency for the Railbelt
- Effective integration of renewables and low carbon generation across the Railbelt
- Gains in efficiency will lower the cost of energy, helping to attract industry and drive the economy
- Lower Railbelt energy costs contribute to lower energy costs for all Alaskan rural communities through the Power Cost Equalization (PCE) program

Why it matters

- Small scale operating grid to serve as a model that can provide cost-effective grid modernization and decarbonization lessons to the US and world
- Serves many tribes as well as diverse and disadvantaged communities
- Strategic location in the new geopolitical climate
 - Decarbonizing the 4th largest air cargo airport in the world
 - 5 critical Military bases
 - Mining rare earth minerals
 - Federally Designated Strategic Seaport

Opportunity:

Modernizing the Railbelt Grid

via the U.S. Department of

Energy GRIP Program

The GMRP was broken down into three projects to meet the requirements of the Funding opportunity announcement

Topic 1 concept paper –Grid Resilience

The Railbelt Backbone Reconstruction project (RBR) will reconstruct the backbone transmission lines and stations from Bradley Lake to Delta Junction to harden these lines to resist natural disasters, and to increase transfer capability and resiliency.

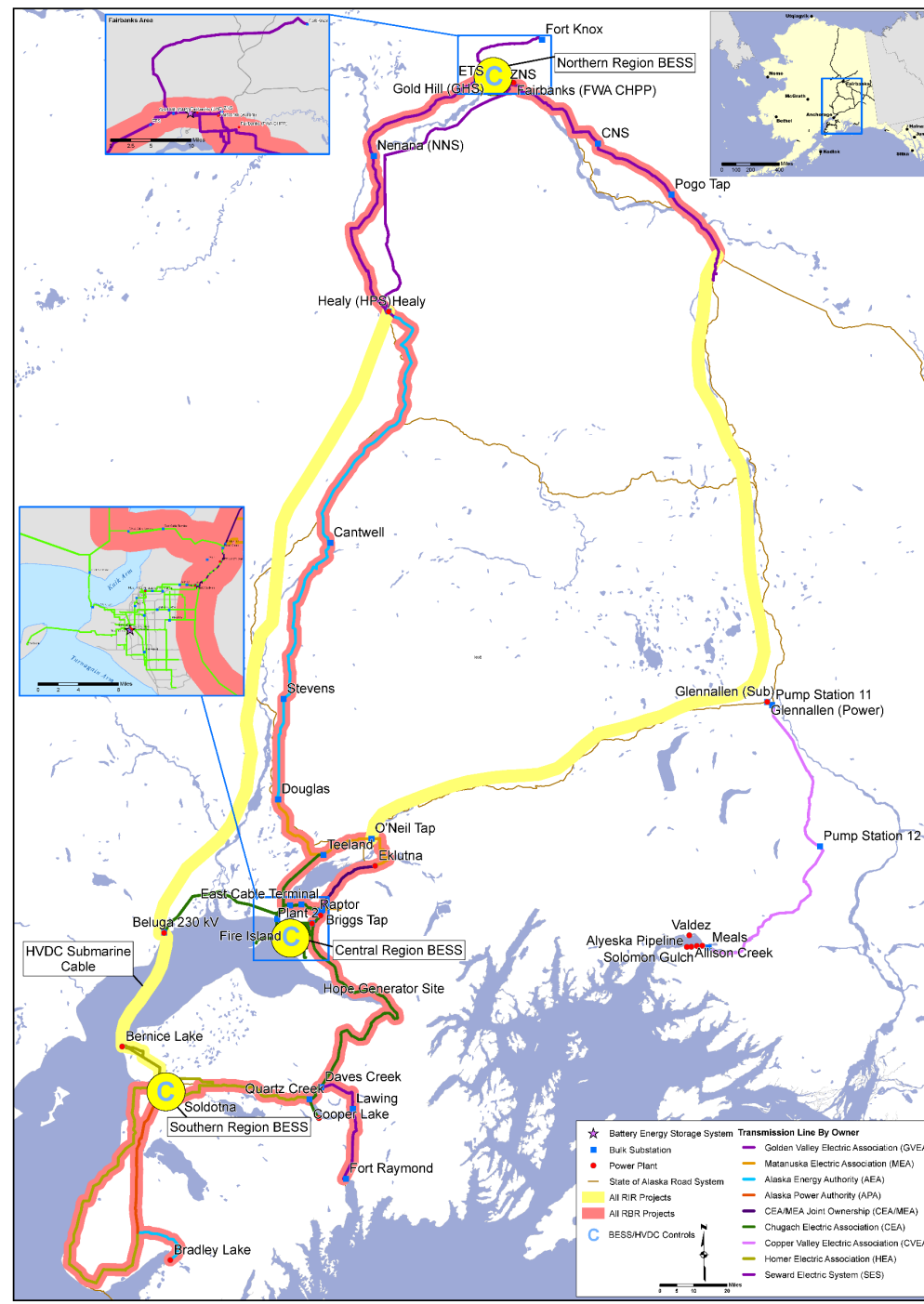
Topic 2 concept paper –Smart Grid

The BESS/HVDC Coordinated Control System will develop a Railbelt-wide control system that controls the three BESS systems and the HVDC submarine cable in an integrated fashion to maximize transfer capability and minimize spinning reserve requirements increasing resilience and lowering carbon emissions.

Topic 3 concept paper –Grid Innovation

The Railbelt Innovative Resiliency project (RIR) will construct the regional BESS systems in the central and northern regions and interregional interties; one from Soldotna to Healy, and the second from Wasilla to Glenallen and Fort Greely, integrating Copper Valley into the Railbelt Grid. This project provides increased transfer capability, resilience and access to renewables.

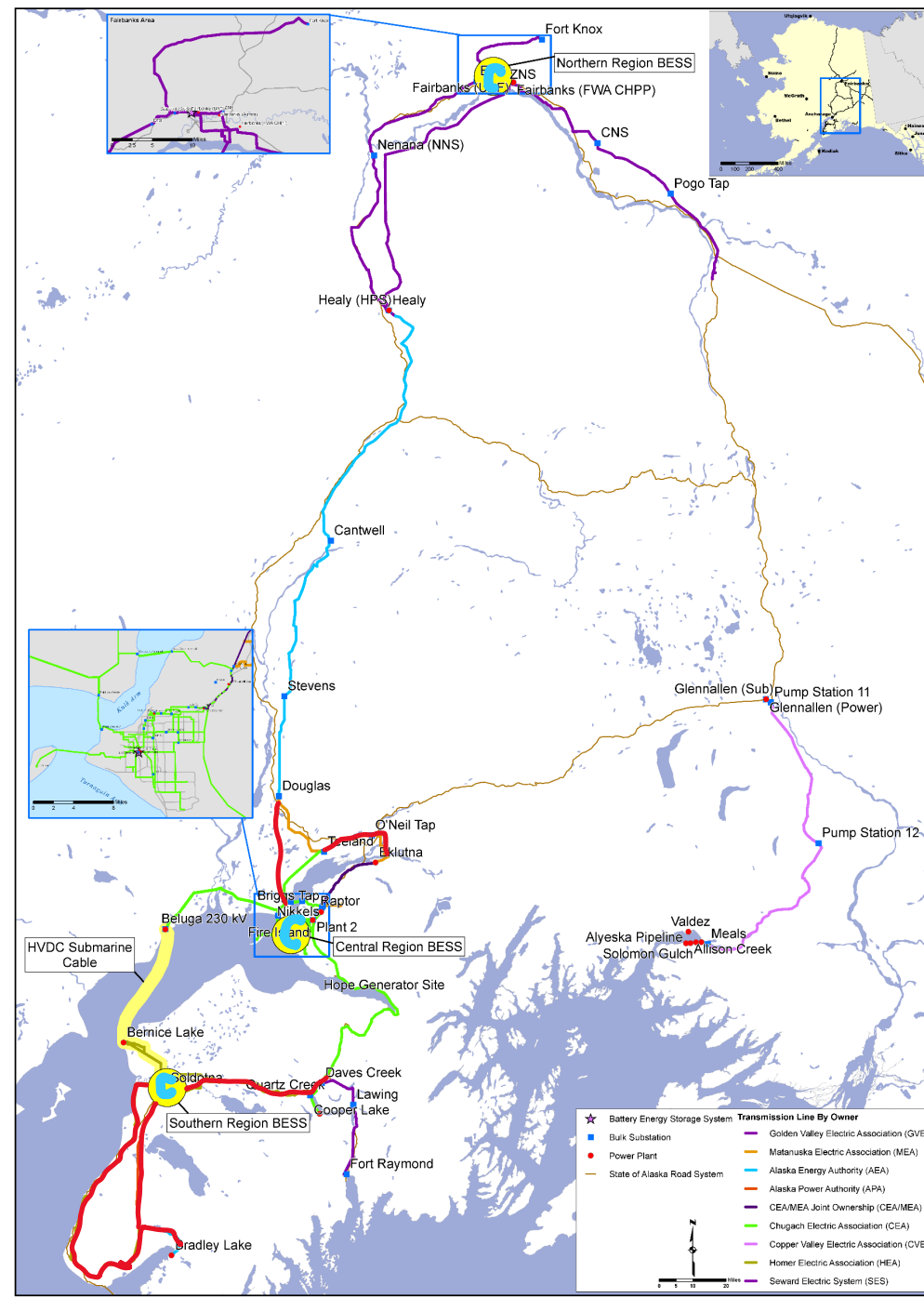
Grid Resiliency and Modernization Plan



GRIP Topic Concept Papers 1,2,& 3

Current
Funding
Cycle

RBR, BESS/HVDC
Control, and RIR



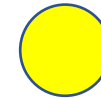
Legend



RIR Transmission



RBR Transmission



Battery Energy
Storage System



Battery Energy
Storage system
/HVDC
Interregional
Control Scheme

Community Benefit and Justice 40

The Railbelt is essential to the broader state economy.

- The Port of Alaska, a federally designated Strategic Seaport in Anchorage, serves as the primary point of entry for virtually all cargo, building material, fuel, and food for most of the state's population
- The Ted Stevens Anchorage International Airport is the fourth largest international airport in the world for cargo (approximately 50% of the air cargo between North America and Asia), making its decarbonization of global importance
- Alaska is home to significant mining operations including for rare earth metals critical to national security and other strategic imperatives

With this socially and economically diverse makeup, the Railbelt is the ideal area for the federal government to demonstrate how the benefits of the IIJA can be maximized. These assets are vital to the economy and security of both Alaska and the nation.

Importantly, by statute and formula, Alaska's unique PCE energy subsidy program ensures that the benefits of lower Railbelt energy costs are shared with all rural villages within the state.

Community Benefit and Justice 40



The Railbelt serves five military base each with a vital strategic importance to U.S. national security. These critical bases contribute to the national defense through

- Airborne infantry, military intelligence, northern warfare training
- Mid-course missile defense
- Long Range Discrimination Radar (LRDR)
- F-16, F-22, and F-35 high-speed intercept capability
- Coast Guard

The Railbelt region is home to numerous federally recognized tribes and disadvantaged and underserved communities.

- There are over 200 federally recognized tribes in Alaska, many in the Railbelt region
- Based on the 2010 census Anchorage was home to the three most culturally diverse census tracts in the U.S. (followed closely by Queens, New York)
- Over 110 languages are spoken in the Anchorage School District

U.S. Department of Energy

Grid Resilience and Innovation Partnerships (GRIP) Program

IIJA GRIP will invest \$10.5 B in grid resiliency over the five-year period 2022-2026

Purpose of GRIP:

- Create a more resilient and reliable grid that can withstand the more disruptive events that will be brought about by climate change
- Facilitate the integration of lower carbon generation resources into the grid

Three topics under GRIP

Topic 1 Grid Resiliency- Rebuild the Railbelt Backbone Transmission System (RBR)

- Maximum grant is the lesser of \$100M or the three-year average spend on grid resiliency
- 30% reserved for small utilities
- 30% match
- Our ask \$100M or 3year average

Topic 2 Smart Grid-Interregional Coordinated BESS/HVDC Control System

- Maximum grant \$ 30M
- 50% match
- Our ask \$30M

Topic 3 Grid Innovation Railbelt Innovative Resiliency project (RIR)

- \$250 M or \$1B for interregional projects
- 50% match
- Our ask \$299M

Important Near-Term Dates

Submit concept paper for each topic area-

- Topic 1 & 2 due 12/16/22 - complete
- Topic 3 due 01/13/23 - complete

Although no formal guidance has been given, entities will be selected to advance to the application stage between December 16, 2022, and mid-February 2023

It is critical the Railbelt Team be asked to advance to the application round *in all three areas*

GRIP Longer Term Grant Selection Process and Timing

Submit Concept Paper for each Topic Area-

- Topic 1 & 2 due 12/16/22 - complete
- Topic 3 due 01/13/23 - complete

If DOE selects one or more concept papers, submit full application(s)

- Topic 1 due 04/06/23
- Topic 2 due 03/17/23
- Topic 3 due 5/19/23

Selection notification

- Topic 1 - Summer 2023
- Topic 2 - Summer 2023
- Topic 3 - Fall 2023

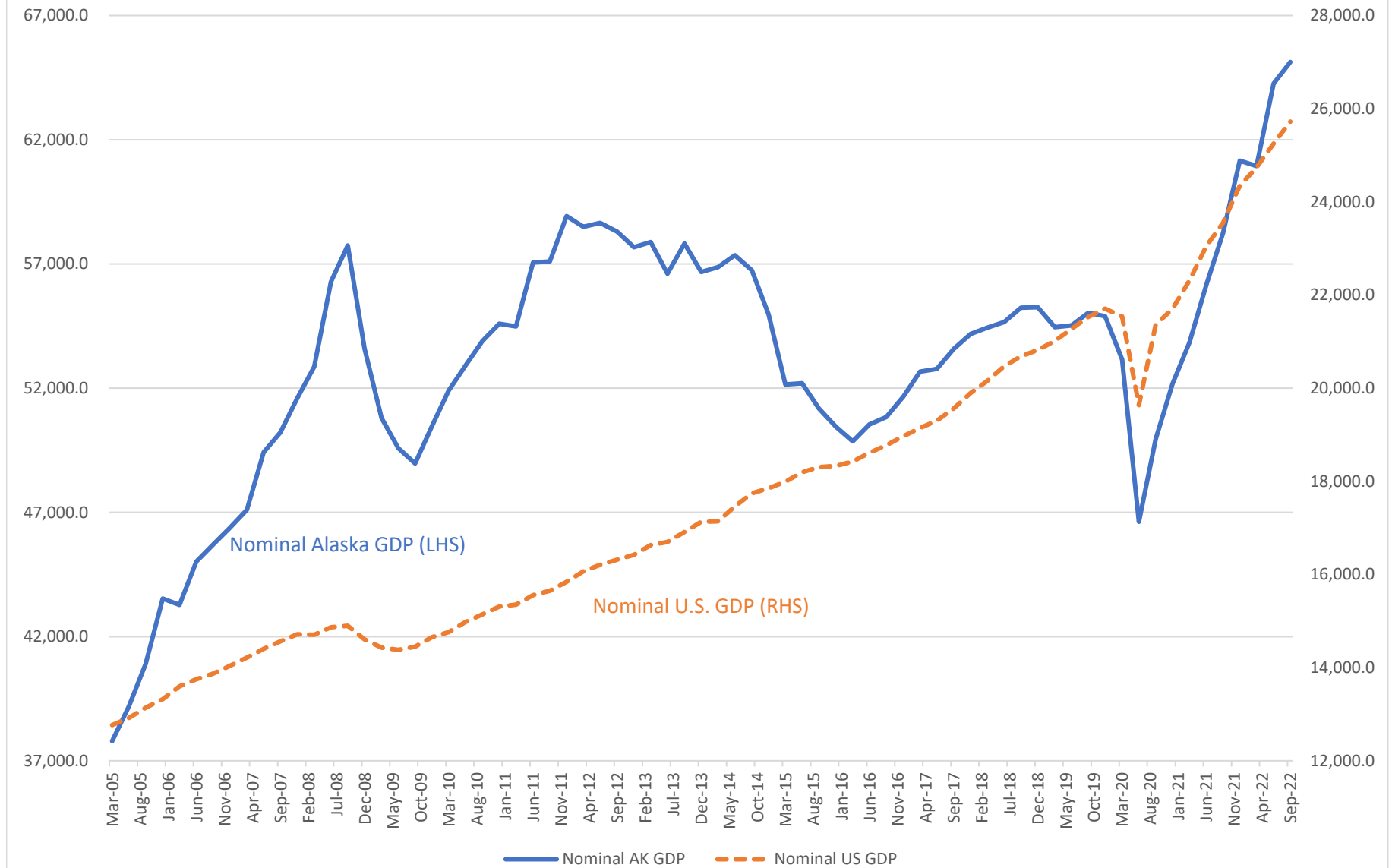
If DOE selects our application

- Topic 1 Award negotiations - Fall 2023
- Topic 2 Award negotiations - Fall 2023
- Topic 3 Award negotiations - Winter 2023

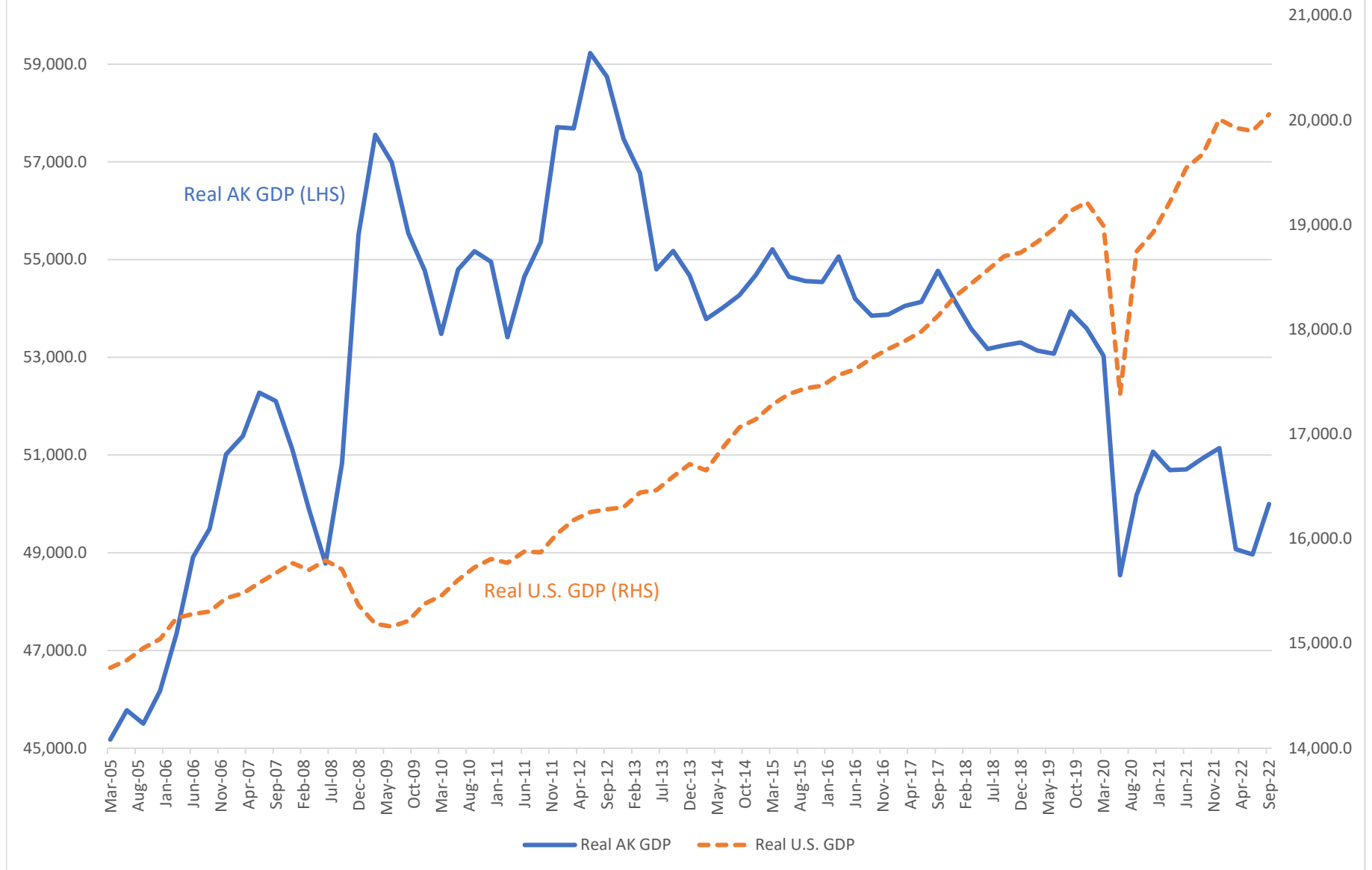


We Need Your Help!

Nominal Alaska GDP (\$Millions) vs. Nominal U.S. GDP (\$Billions)

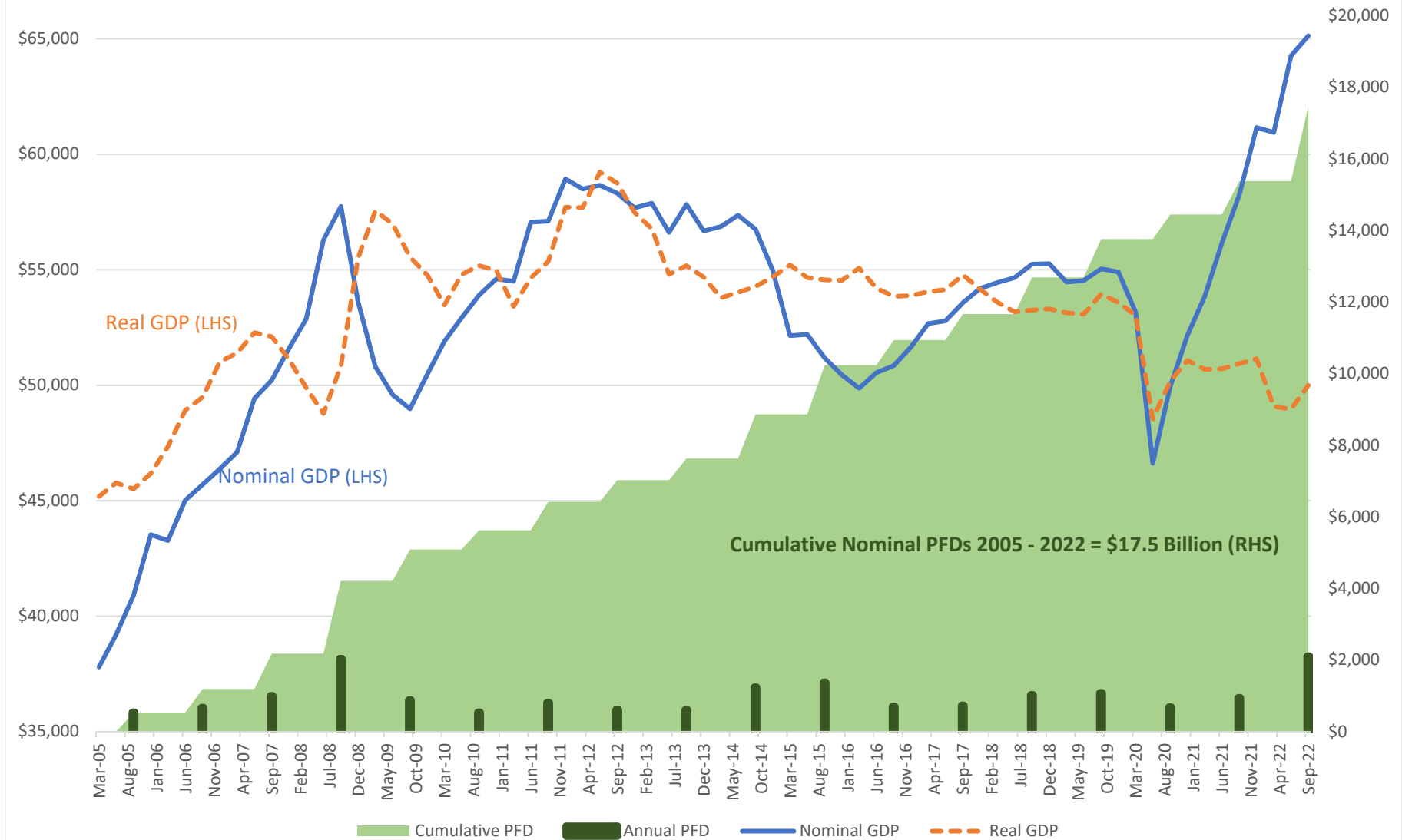


Real Alaska GDP (Chained 2012 \$Millions) vs. Real U.S. GDP (Chained 2012 \$Billions)

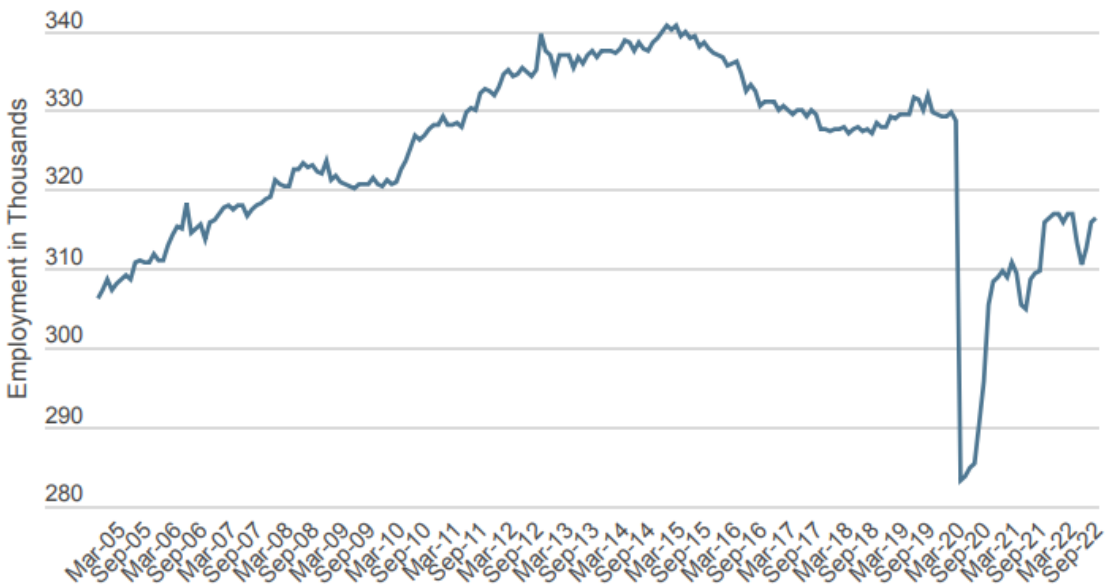


17 Years of Alaska GDP & PFDs

Sources: U.S. Bureau of Economic Analysis (GDP in Chained 2012 \$Millions) & Legislative Finance Division (PFDs in \$Millions)

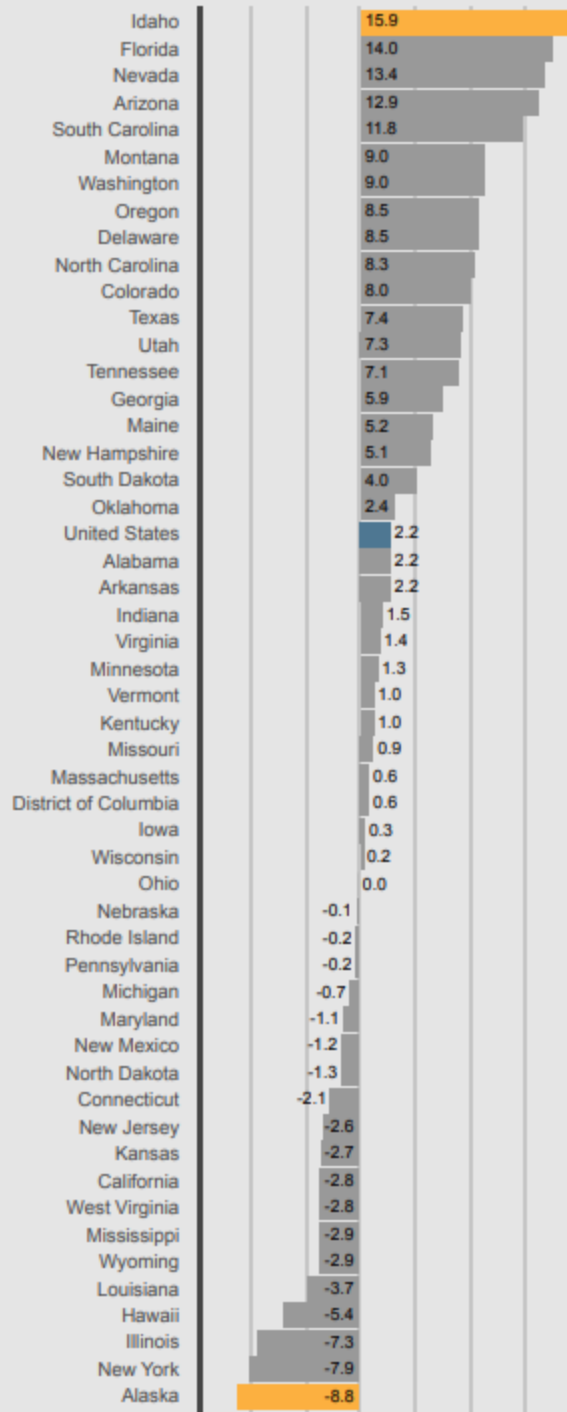


Monthly employment for Alaska, 2005-2022



Seasonally adjusted. Source: BLS

Average Net Migration Per 1,000 Residents, 2015-2021



Source: US Census Bureau Population Estimates

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 22, 2023

ACTION REQUIRED

AGENDA ITEM NO. VIII.A.

<u> </u>	Information Only
<u> X </u>	Motion
<u> X </u>	Resolution
<u> </u>	Executive Session
<u> </u>	Other

TOPIC

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

DISCUSSION

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

MOTION

Move that the Board of Directors approve the attached resolution ratifying and adopting the amendment to Chugach's 457(b) Savings Plan as discussed therein.



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 the amendment to the Plan on behalf of the Company on December 29, 2022, bringing the Plan into compliance with the SECURE Act (as attached as Exhibit A, 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, management after further consideration has recommended that the Company adopt and execute an updated version of the SECURE Act Amendment, which contains two additional clarifying provisions that do not substantively change the Plan;

WHEREAS, the Board has reviewed management’s recommendations with respect to the Plan, and after study has concluded that these recommendations should be approved and implemented;

NOW THEREFORE BE IT RESOLVED, that the Chief Executive Officer’s prior adoption and execution of the SECURE Act Amendment on behalf of the Company is hereby ratified and confirmed.

BE IT FURTHER RESOLVED, that the updated amendment to the Plan, in the form attached as Exhibit B and hereby incorporated by reference (the “Updated Amendment”), is hereby adopted, and any of the authorized officers of the Company is hereby authorized and directed to sign the Updated Amendment on behalf of the Company.

BE IT FINALLY 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 22nd day of February, 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 22nd day of February, 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. Miller

Its CEO

EXHIBIT B

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.

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(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.

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(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.

2. If the Plan provides for catch-up contributions, the Normal Retirement Age shall not be later than age 70-1/2.

3. If the Plan allows distributions before termination of services to the Company, such distributions may only be made due to a financial hardship (to the extent allowed by the Plan) or upon attainment of age 70-1/2.

CHUGACH ELECTRIC ASSOCIATION, INC.

By _____

Its _____

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 22, 2023

ACTION REQUIRED

AGENDA ITEM NO. VIII.B

☐ Information Only
☒ Motion
☐ Resolution
☐ Executive Session
☐ Other

TOPIC

Appointment of New Board Member

DISCUSSION

On January 13, 2023, Chugach Electric Association, Inc. (Chugach) received a resignation letter from Director Erin Whitney, creating a vacancy on the Chugach Board of Directors. Pursuant to Board Policy 603 and Article IV, Section 8 of Chugach's Bylaws, Chugach began solicitation for candidates to fill the vacancy. The vacancy was announced on January 26, 2023, and members interested in applying for the open seat were required to submit a letter of intent, an application form, an attestation of candidate qualifications form, and a resume by 5:00 p.m. on February 9, 2023.

Chugach received 11 applications for the board vacancy, and the Chugach Board conducted interviews with each candidate between February 14 and February 16, 2023. The Chugach Board was very impressed with both the quality and the quantity of the applicants to fill the vacancy, which made the decision for the final selection of the interim term candidate extremely difficult. All applicants were deemed qualified to fill the vacancy.

Section 8 of Chugach's Bylaws requires that any vacancy occurring in the board shall initially be filled through appointment by the affirmative vote of the majority of the remaining directors, and that the duration of such appointment shall be until the next annual election, at which time a member shall be elected to serve as director for the unexpired portion of the term vacated. There are three seats open in Chugach's upcoming annual election, which will be held on May 19, 2023. Therefore, the two candidates receiving the most votes will serve four-year terms, and the

candidate with the third most votes will serve the two remaining years of the current board vacancy.

MOTION

Move that pursuant to Board Policy 603 and Article IV, Section 8 of Chugach's Bylaws, the Chugach Board of Directors hereby appoints _____ to fill the vacancy on the Chugach Board effective February 22, 2023.

Chugach Electric Association, Inc.
Anchorage, Alaska

Summary of Executive Session Topics for
Regular Board of Directors' Meeting on February 22, 2023
Agenda Item IX.

- A. Discussion regarding legal and financial matters concerning transmission and related infrastructure planning and investment. (AS 10.25.175(c)(1) and (3))
- B. Discussion regarding legal and financial matters concerning generation. (AS 10.25.175(c)(1) and (3))
- C. Discussion regarding personnel matters related to compensation. (AS 10.25.175(c)(1) and (4))
- D. Discussion regarding personnel matters concerning employee compensation. (AS 10.25.175(c)(1) and (4))