

CHUGACH ELECTRIC ASSOCIATION, INC. ANCHORAGE, ALASKA

OPERATIONS COMMITTEE MEETING

AGENDA

| | Jim Nordlund, Chair Dan Rogers, Vice Chair Sisi Cooper, Director | | Bettina Chastain, Director Mark Wiggin, Director | |
|-------|--|---|---|--|
| | April 09, 2025 | 4:00 P.M. | Chugach Board Room | |
| I. | CALL TO ORDER (4:00 p.m.) | | | |
| | A. Roll Call | | | |
| II. | APPROVAL OF THE AGENDA* (4:05 p.m.) | | | |
| III. | III. APPROVAL OF THE MINUTES* (4:10 p.m.) | | | |
| | A. March 19, 2025 (Manh | kel) | | |
| IV. | IV. PERSONS TO BE HEARD $(4:15 p.m.)$ | | | |
| | A. Member Comments | | | |
| V. | NEW BUSINESS** (4:30 p.m. |) | | |
| | A. Renewable Projects U | odate, Integration (D. Highe | ers) (4:30 p.m.) | |
| | B. Legislative Update/Rea | newable Portfolio Standard [*] | ** (Baker) (4:50 p.m.) | |
| | C. Chugach & Homer Ele | ectric Association Mutual Ai | d Agreement (Clarkson) (6:00 p.m.) | |
| VI. | VI. EXECUTIVE SESSION* (scheduled) (6:10 p.m.) | | | |
| | Recess (15 minutes) | | | |
| | A. Security Update (Resn | ick/Cross) (6:25 p.m.) | | |
| | B. Gas Supply Update, Si | ubject to NDA (Rudeck) (6:4 | 5 p.m.) | |
| | C. Renewable Project Up | date, Subject to NDA (D. Hi | ghers) (7:00 p.m.) | |
| VII. | NEW BUSINESS** (7:30 p.m. |) | | |
| | A. 2030 Energy and Integ | ration Projects** (Rudeck/E | D. Highers) (7:30 p.m.) | |
| VIII. | DIRECTOR COMMENTS (7:40 p.m.) | | | |
| IX. | ADJOURNMENT* (7:50 p.m.) | 1 | | |
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CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

March 19, 2025 Wednesday 4:00 p.m.

OPERATIONS COMMITTEE MEETING

Recording Secretary: Amanda Mankel

CALL TO ORDER I.

Vice Chair Rogers called the Operations Committee meeting to order at 4:02 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

Α. Roll Call

Committee Members Present: Jim Nordlund, Chair, telephonically, arrived at 4:05 p.m. Dan Rogers, Vice Chair Sisi Cooper, Director, telephonically Bettina Chastain, Director, telephonically

Committee Members not Present: Mark Wiggin, Director

Board Members Present: Susanne Fleek-Green, Director, arrived at 4:14 p.m. Rachel Morse, Director, arrived at 4:09 p.m.

Guests and Staff Attendance Present:

| Arthur Miller | Randall Chicola |
|------------------|-----------------|
| Matthew Clarkson | Dustin Highers |
| Andrew Laughlin | Julie Hasquet |
| Sherri Highers | Trish Baker |
| Katie Millen | Whitney Wilkson |
| Josh Travis | Adam Lutchansky |
| Cameron Miller | Taylor Asher |
| Sean Skaling | David Caye |
| Steve Stangl | Adam Vogel |
| | |

Via Teleconference: Allan Rudeck Stephanie Huddell Sandra Cacy

Heather Slocum Buddi Richey

Emily Mueller Matt Perkins, AER Bart Armfield, Consultant Dan Hermann Bill Herman, Member Bernie Smith, Member Katherine Jernstrom, Member Angela Kuest, HDR

Whitney Wilkson Mitch Roth, Member

II. **APPROVAL OF THE AGENDA**

Director Chastain moved, and Director Cooper seconded the motion to approve the agenda with a friendly amendment to move Director Comments. The motion passed unanimously.

III. APPROVAL OF THE MINUTES

Director Chastain moved, and Director Cooper seconded the motion to approve February 17, 2025, Operations Committee Meeting minutes. The motion passed unanimously.

IV. PERSONS TO BE HEARD

A. Bill Hermann, Member, provided his testimony to the Committee.

V. NEW BUSINESS

A. Legislative Update (Baker)

Trish Baker, Sr. Manager, Government & Business Affairs, provided the Committee on Legislative Updates and responded to questions from the Committee.

B. Renewable Project Update (D. Highers)
 Dustin Highers, VP, Corporate Programs, provided the Committee on
 Renewable Project Updates and responded to questions from the Committee.

VI. DIRECTOR COMMENTS

Director comments were made at this time.

VII. EXECUTIVE SESSION

- A. ERP Update (Travis)
- B. Gas Storage (Herrmann/Armfield)
- C. Substation Security (Laughlin)
- D. Renewable Project Update Subject to NDA (Rudeck/D. Highers)

At 4:50 p.m., Director Cooper moved, and Director Nordlund seconded, that pursuant to Alaska Statute 10.25.175(c)(1) and (3), the Board of Directors go into executive session to: 1) discuss and receive reports regarding matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and 2) discuss with its attorneys matters the immediate knowledge of which could have an adverse effect on the legal position of the cooperative.

The meeting reconvened in open session at 7:50 p.m.

VIII. NEW BUSINESS (None)

IX. ADJOURNMENT

At 7:50 p.m., Director Nordlund moved, and Director Cooper seconded the motion to adjourn. The motion passed unanimously.

Integration Projects Update

Decarbonization Program Development Portfolio

April 9, 2025 Operations Committee Meeting



Meeting Purpose

Report on integration projects which complement the initial set of renewable energy projects which are in planning and development

> March 19, 2025 **Operations** Committee

2030 Renewables Report

April 9, 2025 **Operations** Committee

2030 Integration Projects 2040 Planning

Short and long-term plans to diversify energy resources

NEW ENERGY, ENERGY STORAGE & CAPACITY RESOURCES



Short-Term Action Plan



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Development Timeline

- Solar project development expected to take approximately 6 months
- Wind project development may take 18 to 24 months depending on quality of resource (wind) measurements
- Integration projects estimates are in peer evaluation and estimates are being refined
- Solar project and integration projects will be presented together for board approval



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and estimates are being refined ed together for board approval

> Solar Project & Integration Project Approvals



Necessity of Fast Power Regulation

• BESS is the only viable solution for fast response

- Initial **BESS sizing** is based on the total nameplate capacity of installed renewables
- The Chugach/Railbelt system is sensitive, meaning it takes less than 16 MW of imbalance between generation and load to disturb the grid as compared to ~2,500 MW per 0.10 Hz in the Lower 48

Hydro power will provide a secondary response via SCADA/EMS signal





Why Above-Ground Gas Storage?

- The natural gas delivery system is sensitive to large flow changes
- ENSTAR tariff allows a fine to be imposed for +-10% gas volume take each day although pipeline operators become concerned on an hourly basis
- On-site gas storage is the only option to employ thermal power plants as renewables power regulation
- On-site gas storage is a tool to mitigate both operational and financial risks
- Separate benefit of on-site gas storage is the availability of fuel for **contingency** purposes (earthquakes and other natural disasters)

Sullivan Gas Storage

Test Pit Dig

ROADWAY

REWATER LOOP

- 500 Mcf/hour
- 3 MMcf total storage

TRACE

- \$54.4M
- 5,500 psi



Hydro as Power Regulation

- Hydro is currently used for daily load regulation and for Fire Island Wind regulation
- Only existing hydro can be used to meet the 2030 goals; Dixon Diversion is an augmentation to the existing hydro at Bradley Lake
- Risks of using hydro for renewables regulation include possible spill conditions at the hydro plants and increased mechanical wear and tear
- Impact of Dixon Diversion on Bradley Lake's ability to regulate renewables is under review

Virtual Power Plant (VPP) Controls

- Controls concept validated with all Chugach operating division
 - stakeholders
- SCADA/EMS will continue to handle daily load regulation using assigned thermal and hydro units
- VPP will represent a single unit dispatched according to a day-ahead
 - forecast
- VPP relies on **BESS as fast-acting regulation** response and sends signals to existing thermal and hydro units for a secondary response
- Extended deviations from forecast are managed with dispatch of thermal units using stored natural gas to avoid pipeline operational impacts
- Fast communication requirements for known renewables sites are largely met with existing infrastructure

The first phase of deployment will be small solar projects using existing wind and power regulation capability, primarily hydro.

Fire Island Wind

SPP Solar Sullivan Solar Retherford Solar Beluga Solar





Bradley Lake Cooper Lake Eklutna Lake

After operating the smaller scale system, the final size of power regulation will be determined to support deployment of larger wind and solar assets.



Retherford BESS

Bradley Lake Cooper Lake Eklutna Lake

Sullivan CCPP Sullivan Gas Storage

Fast, secondary, and tertiary regulation responses will continue to be provided from BESS, hydro, and thermal until new LDES solutions arrive



Retherford BESS Fast Response

Bradley Lake Cooper Lake Eklutna Lake Secondary Response

Sullivan CCPP Sullivan Gas Storage Tertiary Response

Integration Projects Update

Questions?



Legislative & Policy Positions

Advocate for legislation and public policy that aligns with Chugach's core values and serves in the best interests of our members.

Operations Committee Meeting April 9, 2025



State Bills Being Tracked

HB 15 - Royalty rates for Cook Inlet (Rep. Rauscher)

• Referred to House Resources Jan. 22

SB 32 - Costs allowed in electric cooperative rates (Sen. Giessel)

• Referred to Senate Resources Jan. 22

SB 91 - Clean energy project licenses and leases for State lands (Senate Resources)
Referred to Senate Resources Feb. 10

SB 112 - Credits against the oil and gas production tax (Senate Rules Comm)

• Referred to Senate Resources Feb. 26

SB 114 and HB 119- Fairbanks Spur of AGDC natural gas pipeline (Sen. Cronk, Rep. Stapp)

• SB referred to Senate Resources Feb. 28; HB referred to State Affairs Feb. 26

SB 125 - Establishes Alaska Gasline Finance Corp. to finance pipeline (Sen. Yundt)

• Referred to Senate Resources Mar. 12

HB 153 and SB 149 - Renewable Portfolio Standard (Rep. Holland, Sen. Wielechowski)

Holding hearings in House Energy

SB 150 and HB 164 - Net Metering Program and Fund (Gov. Dunleavy)

• Referred to Labor & Commerce, Resources



Renewable Portfolio Standard

HB 153 - Establishes a Renewable Portfolio Standard (Representative Holland)

• Three committee referrals: Energy, Resources, Finance

SB 149 - Establishes a Renewable Portfolio Standard (Senator Wielechowski)

• Two committee referrals: Labor & Commerce, Resources

Summary of New Sections 42.05.900 - 42.05.925

- Thresholds: 40% renewable generation by 2030; 55% by 2035
- Provides an extra incentive for large wind projects
- Encourages utilities serving Alaska communities that receive Power Cost Equalization (PCE) funding to install renewable generation and sell RECs to Railbelt utilities
- Fine of \$45/MWh, escalated according to CPI-urban for noncompliance; waived if PPA signed and a project is generating within 2 years
- Exemption for RPS if aggregate generation of renewables on the Railbelt exceeds the RPS

Chugach's Decarbonization Goals and Resolution in Support of an RPS

In 2022, the Chugach Board of Directors established a goal to reduce Chugach's carbon intensity from a 2012 baseline year* by at least 35% by 2030, and at least 50% by 2040, without a negative material impact on Chugach members' rates and/or reliability.

*The year 2012 is the same baseline year used by the EPA for its Scope 1, 2, and 3 greenhouse gas emissions.



RESOLUTION

Support of a Renewable Portfolio Standard

WHEREAS, Chugach Electric Association, Inc. (Chugach) is proud to provide safe, reliable, and affordable electricity through superior service and sustainable practices to its more than 90,000 members; and

WHEREAS, the Chugach Board of Directors adopted sustainability as a business philosophy which broadens the focus of the financial bottom line to include social and environmental responsibility measures to create a greater long-term business value for the Association and its members; and

WHEREAS, consistent with sustainability as a business philosophy, Chugach has a goal to reduce its carbon intensity by at least 35% by 2030 and by at least 50% by 2040 without a negative material impact on Chugach members' rates and/or reliability; and

WHEREAS, Chugach desires to diversify its energy resources to assure an on-going supply of generation, operational diversity, and to reduce gas price risk and supply risk exposure; and

WHEREAS, renewable portfolio standard (RPS) legislation will provide regulatory certainty for the recovery of utility costs from the addition of renewable generation by providing the Regulatory Commission of Alaska the ability to value generation diversification, in addition to price, when reviewing and approving contracts; and

WHEREAS, Chugach recognizes the technological advances and significant reduction in the price of renewable energy, and is working to integrate renewable energy into its generation mix to ensure a supply of affordable and reliable electricity that is critical to the economy of Southcentral Alaska; and

WHEREAS, the federal government currently has generous and time-limited financial incentives for utilities, other businesses and individuals to invest in renewable energy; and

WHEREAS, more power generated by renewable sources helps conserve the limited lower-priced Cook Inlet natural gas and reduces the long-term need for more expensive imported natural gas; and

WHEREAS, the purpose of an RPS is to require that a specified percentage of the electricity utilities sell originate from renewable generation resources; and

WHEREAS, over thirty other states/territories have adopted an RPS in order to encourage the implementation of renewable energy; and

THEREFORE BE IT RESOLVED, that Chugach supports the establishment of an RPS; and

BE IT FURTHER RESOLVED, the costs of compliance and/or penalties if assessed due to an RPS be

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recoverable in rates, and such penalties shall be dedicated to renewable energy efforts by the non-complying utility and benefitting all utility members; and

BE IT FINALLY RESOLVED, that RPS legislation should provide waivers for non- compliance due to reasons beyond the reasonable control of the utility such as system constraints, failed third-party contractual obligations or natural disasters, or if compliance would result in a negative material in mbers' rates and/or reliability; or based on demonstrated good faith compliance efforts by the utility

CERTIFICATION

I, Susanne Fleck-Green, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing and/ar 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 24% day of January, 2024; 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.

WITNESS WHEREOF I have become subscribed my name and officed the

Chugach's Decarbonization Goals and Proposed RPS Targets

The proposed RPS targets are more ambitious than Chugach's decarbonization goals.



*With no negative material impact on Chugach members' rates and reliability

Initial Observations

- The Sponsor Statement refers to economical and affordable solutions, but the bill establishes renewable generation goals without consideration of rate impacts, which are important caveats in the Chugach Board of Directors' decarbonization goals and Resolution in Support of an RPS.
- The bill aims to reduce long-term energy costs, diversify energy resources, and drive investment, but is limited to the Railbelt instead of statewide.
- Does not mention reliability and silent on the cost or complexity of integration and power regulation.
- No consideration or cap on rate impacts, leaving our members exposed.
- A load serving entity shall itemize the effect of noncompliance on member bill; the bill is silent as to the authoriziation of cost recovery.
- Penalties for noncompliance are \$45/MWh.
- Allows utilities to include customer owned renewable generation for compliance purposes.



HB 153/SB 149



Initial Observations

- Removes regulatory burden to justify projects based on costs.
- Reflects a limited set of qualifying technologies and excludes other potential promising alternatives.
- Only shared wind projects are offered a 1.25 multiplier factor. Other renewable technologies do not receive this benefit.
- Renewable projects offer a more stable pricing structure and reduced reliance on fossil fuels.
- There is no real market for RECs in Alaska. Generators of renewable energy may sell their RECs anywhere but this bill only allows Railbelt utilities to purchase within Alaska.
- There is a dispute over who owns the RECs from Bradley Lake the utilities or AEA. If AEA, then Chugach cannot claim its largest source of renewable energy toward an RPS.



HB 153/SB 149



Penalty Calculations

Chugach's Current Energy Mix ~ 20% Renewables

RPS Target Difference Renewable Energy Equiv (MWh) Annual Fine (\$, in millions)

Nominal Rate Impact Avg Residential Bill Impact (\$/year)

4.2% \$63.35



(nominal dollars)



Cumulative Total Fine through 2052 ~\$1.04 billion

Penalty Calculations

Chugach's 2030 Decarbonization Plan ~30% Renewables

| | 203 |
|------------------------------|-----------|
| RPS Target | 40% |
| Difference | (10%) |
| Renewable Energy Equiv (MWh) | (202,412) |
| Annual Fine (\$, millions) | \$10.3 |

Nominal Rate Impact2.3%Avg Residential Bill Impact (\$/year)\$34.55



Cumulative Total (nominal dollars)



Cumulative Total Fine through 2052 ~\$704 million

MUTUAL AID/EMERGENCY SERVICE

MEMORANDUM OF AGREEMENT

This Mutual Aid/Emergency Service Memorandum of Agreement (MOA), dated as of March 20, 2025, is made and entered into between Chugach Electric Association, Inc. (CEA), and Homer Electric Association, Inc. (HEA) (together, the Utilities, and each a Utility).

Section 1. Nature of Emergency Electric and/or Natural Gas Service

The primary purpose of this MOA is to facilitate the delivery of emergency electric energy or capacity or both (Electric Power) and/or natural gas fuel (together, Services) between the Utilities on relatively short notice when such Services are required to meet the native retail load requirements of the Utility requesting Services in the event of an interruption of gas supply.

Section 2. Term and Termination

Per Letter Order No. 2500042, this MOA shall become effective upon approval by the Regulatory Commission of Alaska (Commission). This MOA shall continue in effect through December 31, 2030, unless and until terminated by either Utility providing 30 days advance written notice to the other Utility.

Section 3. Request for Emergency Service

At any time during the Term, either Utility may notify the other of its desire to purchase Services under this MOA. The other Utility shall promptly respond to the request indicating what Services, if any, it will make available. If the Utilities agree to a transaction, they shall memorialize the agreement through an executed Transaction Confirmation as provided in Section 4.

Section 4. Transaction Confirmation

The Utilities will document each agreed upon transaction in the form(s) attached as Exhibit A, setting forth the commencement and termination date for all sales and purchases of Services, the delivery point(s), the sales price for the transaction period, and any other terms and conditions agreed to by the Utilities. Absent an executed Transaction Confirmation, this MOA does not create any obligation for either Utility to purchase or sell Services. The Utility receiving Services shall notify the Commission of any executed Transaction Confirmation as soon as reasonably possible after execution but in no event later than 14 days after execution.

Section 5. Notices

All notices and communications under this MOA will be made in writing by email at the email addresses set forth below (or such other email addresses as the Utilities may designate from time to time by written notice under this Section):

Chugach Electric Association

Attn: Arthur W. Miller Chief Executive Officer arthur_miller@chugachelectric.com

Homer Electric Association

Attn: Bradley P. Janorschke Chief Executive Officer bjanorschke@homerelectric.com

Section 6. Emergency Service Reimbursement

The prices, terms, and conditions of any transaction shall be included in the executed Transaction Confirmation. The Utilities intend, however, that the Utility providing Services shall be held harmless as to costs incurred in providing Services pursuant to an executed Transaction Confirmation and that the following reimbursement principles will apply:

- 1. The Utility requesting Services will reimburse the Utility providing Services for all incremental expenses incurred under the terms of the Transaction Confirmation.
- 2. Any natural gas used to provide Services will be reimbursed either (a) in-kind through delivery of exact quantities of gas, or (b) through delivery of an amount of electric energy equivalent to the amount of natural gas used, calculated based on the incremental heat rate of the Utility providing Services when the Service was provided.
- 3. The Utilities will not add any margin in the pricing of Services under this MOA.

Section 7. Limitation of Liability

In no event shall either Utility or any of its representatives be liable under this MOA to the other Utility or any third party for consequential, indirect, incidental, special, exemplary, punitive or enhanced damages, lost profits or revenues, or diminution in value, arising out of, relating to, or in connection with the provision of Services under this MOA or any breach of this MOA, regardless of (a) whether such damages were foreseeable, (b) whether or not it was advised of the possibility of such damages and (c) the legal or equitable theory (contract, tort or otherwise) upon which the claim is based.

Section 8. Indemnification

Each Utility (as Indemnifying Party) shall indemnify, defend, and hold harmless the other Utility, and its managers, officers, directors, representatives, agents, employees, contractors, affiliates, and successors and assigns (collectively Indemnified Party) against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including professional fees and reasonable attorneys' fees,

that are incurred by Indemnified Party (collectively Losses), to the extent arising out of any thirdparty claims alleging:

- 1. Material breach by, or non-fulfillment of any provision of this MOA binding on, the Indemnifying Party;
- 2. Any negligent or more culpable act or omission of Indemnifying Party in connection with the performance of its obligations under this MOA;
- 3. Any bodily injury, death of any person, or damage to real or tangible property caused by the negligent or more culpable acts or omissions of Indemnifying Party; or
- 4. Any failure by Indemnifying Party to comply with any applicable federal, state, or local laws, regulations, or codes in performance of its obligations under this MOA.

Section 9. Force Majeure

No Utility shall be liable or responsible to the other Utility, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations to make payments hereunder) or a Transaction Confirmation approved by the Commission, when and to the extent such Utility's (Impacted Utility) failure or delay is caused by or results from an Uncontrollable Force. The Impacted Utility shall give notice to the other Utility within three (3) days of the Uncontrollable Force event, stating the period of time the occurrence is expected to continue. The Impacted Utility shall use diligent efforts to end the failure or delay and ensure the effects of such Uncontrollable Force event are minimized. The Impacted Utility shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Utility's failure or delay remains uncured for a period of thirty (30) consecutive days following written notice given by it under this Section 9, the other Utility may thereafter terminate this Agreement or an approved Transaction Confirmation upon ten (10) days' written notice. The Utility requesting Services shall be responsible for meeting its own needs when the other Utility is unable to supply Services as a result of an Uncontrollable Force.

"Uncontrollable Force" means any cause beyond the control of a Utility hereto and which by the exercise of due diligence that Utility is unable to prevent or overcome, including but not limited to an act of God, fire, flood, volcano, epidemic, pandemic, earthquake, explosion, sabotage, an act of the Public Enemy, civil or military authority, including court orders, injunctions and orders of governmental agencies of competent jurisdiction, insurrection or riot, an act of the elements, failure of equipment, or the inability to obtain or ship equipment or materials because of the effect of similar causes on carriers or shippers. Strikes, lockouts, and other labor disturbances shall be considered Uncontrollable Forces, and nothing in this MOA shall require either Utility to settle a labor dispute against its best judgment; provided, that during any labor disputes all Utilities shall make all reasonable efforts under the circumstances, including, to the extent permitted by law, the use of replacement personnel and/or management personnel and/or other personnel under the

provisions of a mutual aid agreement, to ensure, if possible, the continued ability of the Utilities to produce, deliver, receive, and distribute the Services that are the subject matter of a Transaction Confirmation approved by the Commission.

Section 10. Miscellaneous

- 7.1 <u>Governing Law</u>. This MOA shall be governed and construed in accordance with the laws of the State of Alaska, without giving effect to any choice or conflict of law provision or rule.
- 7.2 <u>No Third-Party Beneficiaries</u>. This MOA is for the sole benefit of the Utilities and their respective successors and assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this MOA.
- 7.3 <u>Amendment and Modification</u>. This MOA may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto.
- 7.4 <u>Assignment</u>. No Utility may assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the other Utilities, which consent shall not be unreasonably withheld, conditioned, or delayed.
- 7.5 <u>Relationship of the Parties</u>. Nothing herein shall be construed to create a joint venture or partnership between the Utilities or an employer/employee or agency relationship. No Utility shall have any express or implied right or authority to assume or create any obligations on behalf of or in the name of any other Utility or to bind another Utility to any contract, agreement, or undertaking with any third party.
- 7.6 <u>Dedication of Facilities</u>. Any undertaking by one Utility to another Utility under any provision of this MOA shall not constitute the permanent dedication of the electric system or any portion thereof of the undertaking Utility to the other Utility or its members, and it is understood and agreed that any such undertaking under any provision of this MOA by a Utility shall cease upon the termination of such Utility's obligations under this MOA.
- 7.7 <u>Counterparts</u>. This MOA may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.
- 7.8 <u>Pre-existing Agreements</u>. This MOA does not amend, modify, or alter any Utility's respective rights and obligations under any other agreement by which that Utility is currently bound.
- 7.9 <u>Regulatory Approval</u>. This MOA will not take effect without prior approval of the Commission, and will at all times after any such approval be subject to the Commission's continuing authority of wholesale power agreements.
- 7.10 <u>Execution</u>. Each party has read, agreed to and executed this MOA as of the date first written above.

CHUGACH ELECTRIC ASSOC., INC.

then V. Miller By: _

Arthur W. Miller Chief Executive Officer

i,

HOMER ELECTRIC ASSOC., INC.

M By: 1

Bradley P. Janorschke Chief Executive Officer

EXHIBIT A

Transaction Confirmation

| This Transaction Confirmation is subject to the Memorandum of Agreement between the Utilities, dated | | | | | |
|---|--|--|--|--|--|
| REQUESTING UTILITY: | UTILITY PROVIDING SERVICES: | | | | |
| Attn: Phone: Email: | Attn: Phone: Email: | | | | |
| PERIOD: | | | | | |
| Transaction Start Date: Transaction End Date: | | | | | |
| ELECTRIC POWER PRICE: | | | | | |
| Electric Power Price: \$/kWh | | | | | |
| ELECTRIC POWER QUANTITY: Electric Power Quantity: Firm: kW kW Interruptible: kW | | | | | |
| DELIVERY POINTS: | DELIVERY POINTS: | | | | |
| SPECIAL CONDITIONS: | - | | | | |
| Homer Electric Association, Inc. By: Title: Date: | Chugach Electric Association, Inc. By: Title: Date: | | | | |

Transaction Confirmation

| This Transaction Confirmation is subject to the Memorandum of Agreement | | | | | |
|---|--|--|--|--|--|
| | UTTI ITV PROVIDING SERVICES | | | | |
| REQUESTING UTILITY: | Attn: Phone: Email: | | | | |
| PERIOD: Transaction Start Date: Transaction End Date: | | | | | |
| GAS PRICE: | | | | | |
| Gas Price: \$/McI GAS QUANTITY: Gas Quantity: | | | | | |
| DELIVERY POINTS: | | | | | |
| SPECIAL CONDITIONS: | | | | | |
| Homer Electric Association, Inc. By: | Chugach Electric Association, Inc. By: Title: Date: | | | | |

Chugach Electric Association, Inc. Anchorage, Alaska

Summary of Executive Session Topics for Operations Committee Meeting on April 9, 2025 Agenda Item VI.

- A. Discussion of confidential and sensitive information regarding a security update, public disclosure of which could have an adverse effect on the finances and legal position of the Association. (AS 10.25.175(c)(1) and (3))
- B. Discussion of confidential and sensitive information regarding an update of gas supply and storage that is subject to an NDA, public disclosure of which could have an adverse effect on the finances and legal position of the Association. (AS 10.25.175(c)(1) and (3))
- C. Discussion of confidential and sensitive information regarding renewable generation that is subject to an NDA, public disclosure of which could have an adverse effect on the finances and legal position of the Association. (AS 10.25.175(c)(1) and (3))
- D. Discussion of confidential and sensitive information regarding an HR matter, public disclosure of which could have an adverse effect on the personnel, finances, and legal position of the Association. (AS 10.25.175(c)(1), (3) and (4))

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

OPERATIONS COMMITTEE MEETING AGENDA ITEM SUMMARY

April 9, 2025

ACTION REQUIRED

AGENDA ITEM NO. VII. A.

| | Information Only |
|---|--------------------------|
| Χ | Motion |
| | Resolution |
| | Executive Session |
| | Other |

TOPIC

2030 Renewable Energy and Integration Projects

DISCUSSION

The Chugach Electric Association, Inc. (Chugach or Association) Board of Directors adopted sustainability as a business management philosophy. Sustainability broadens the focus of the financial bottom line to include social and environmental responsibility measures to create a greater long-term business value for the Association and its members. Operating the utility in a sustainable manner is important to Chugach's long-term success and to the health and well-being of our employees, members, community, and the environment.

Chugach has established a decarbonization goal to reduce its carbon intensity by at least 35% by 2030 and by at least 50% by 2040, using 2012 as a baseline year without a negative material impact on Chugach members' rates and/or reliability. Renewable generation resources provide diversification, price stability, and advance Chugach's decarbonization goals.

Chugach's Integrated Resource Plan (IRP) identifies renewable generation and attendant integration technologies needed to meet the Association's 2030 decarbonization goals. Consistent with the IRP, Chugach's 2030 Renewable Energy and Integration Project portfolio identifies wind generation, solar generation, battery energy storage, compressed natural gas storage, and system controls that collectively promote Chugach's core business philosophy of sustainability while advancing initiatives to achieve its decarbonization goals. The development phase of the 2030 Renewable Energy and Integration Project identifies three renewable development projects, two power regulation projects, and a system control project to be developed by year-end 2025. Financial investment decisions will be made before year end.

MOTION

Move that the Operations Committee recommend that the Chugach Board of Directors authorize the Chief Executive Officer to move forward with the development of the 2030 Renewable Energy and Integration Projects and provide financial investment decision recommendations to the Board by December 31, 2025.