

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

OPERATIONS COMMITTEE MEETING

AGENDA

Mark Wiggin, Chair

Harold Hollis, Director
Erin Whitney, Director
Sisi Cooper, Director
Bettina Chastain, Director

June 8, 2022

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. APPROVAL OF THE MINUTES* (4:10 p.m.)
 - A. *April 25, 2022 (Cacy)*
- IV. PERSONS TO BE HEARD (4:15 p.m.)
 - A. *Member Comments*
- V. NEW BUSINESS* (scheduled) (4:20 p.m.)
 - A. *Election of Operations Committee Vice Chair* (Committee)*
 - B. *Review Board Policy 206 – Statement of Functions of the Operations Committee (Committee)*
 - C. *Recap on 2022 Election, Member Appreciation Event and Annual Meeting (Kurka/Ayers/Hasquet)*
 - D. *Sustainability Report (Ayers)*
 - E. *BRU Reserve and ARO Study (Armfield)*
 - F. *Quarterly Report on Beluga River Unit Performance (Armfield)*
- VI. EXECUTIVE SESSION* (scheduled) (5:45 p.m.)
 - A. *CEO Transition (Committee)*
 - B. *May 1, 2022 - April 30, 2023, CEO Project Specific Initiatives (PSI) and Priority Areas (PA) Goals (Miller)*

* *Denotes Action Items*

** *Denotes Possible Action Items*

C. Gas Supply Update (Armfield/Miller)

VII. NEW BUSINESS** (*scheduled*) (7:35 p.m.)

*A. Transition Agreement** (Committee)*

*B. May 1, 2022 - April 30, 2023, CEO Project Specific Initiatives (PSI) and Priority Areas (PA) Goals** (Miller)*

VIII. DIRECTOR COMMENTS (7:45 p.m.)

IX. ADJOURNMENT* (8:00 p.m.)

* *Denotes Action Items*

** *Denotes Possible Action Items*

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

April 25, 2022
Monday
4:00 p.m.

OPERATIONS COMMITTEE MEETING

Recording Secretary: Sandra Cacy

I. CALL TO ORDER

Chair Chastain called the Operations Committee meeting to order at 4:01 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Roll Call

Committee Members Present:

Bettina Chastain, Chair
Mark Wiggin, Vice Chair
Harold Hollis, Director
Erin Whitney, Director (*via teleconference*)
Rachel Morse, Director

Board Members Present:

Sam Cason, Director
James Henderson, Director (*arrived at 4:03 p.m.*)

Guests and Staff Attendance

Present:

Lee Thibert	Arthur Miller	James Torgerson, Consultant
Arden Quezon	Mike Brodie	Todd McCarty
Pete Smithson	Julie Hasquet	Nick Brodie
Sherri Highers	Ron Vecera	Bart Armfield, Consultant
Brian Hickey	Matthew Clarkson	Jean Kornmuller

Via Teleconference:

Connie Owens	Andrew Laughlin
Josh Travis	Ashton Doyle

II. APPROVAL OF THE AGENDA

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

III. APPROVAL OF THE MINUTES

Director Wiggin moved and Director Morse seconded the motion to approve the February 23, 2022, Operations Committee Meeting minutes. The motion passed unanimously.

IV. PERSONS TO BE HEARD

- A. *Member Comments*
None.

Director Henderson arrived at 4:03 p.m.

V. NEW BUSINESS

- A. *Update – Eklutna Project (Mike Brodie/Hickey)*
Mike Brodie, Plant Manager, and Brian Hickey, Chief Operating Officer, gave an update on the Eklutna Project and responded to questions from the Committee. Julie Hasquet, Sr. Manager of Corporate Communications also responded to questions from the Committee.
- B. *Update – Acquisition Cost Savings (Nick Brodie/Miller)*
Nick Brodie, Sr. Regulatory & Business Development Analyst, and Arthur Miller, Acting Chief Executive Officer, gave an update on the Acquisition Cost Savings and responded to questions from the Committee.

VI. EXECUTIVE SESSION

- A. *Update – Security (McCarty/Smithson/Vecera)*
- B. *Hilcorp Gas Supply (Miller/Armfield)*
- C. *May 1, 2021 – April 30, 2022 – Chief Executive Officer Project Specific Initiatives & Priority Areas Discussion. (Committee)*
- D. *Update – CEO Transition (Clarkson)*

At 4:47 p.m., Director Wiggin moved and Director Hollis seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1), (3) and (4) the Board of Directors go into executive session to: 1) discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 2) discuss with its attorneys legal matters, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative; and 3) personnel matters. The motion passed unanimously.

VII. NEW BUSINESS

- A. *Recommendation on May 1, 2021 – April 30, 2022 – Chief Executive Officer Evaluation and Compensation (Committee)*

Director Hollis moved and Director Wiggin seconded the motion that the Operations Committee recommends the Board of Directors approve the May 1, 2021 – April 30, 2022, Chief Executive Officer Evaluation and Compensation as discussed in executive session. The motion passed unanimously.

VIII. DIRECTOR COMMENTS

None.

IX. ADJOURNMENT

At 8:29 p.m., Director Wiggin moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

June 8, 2022

ACTION REQUIRED

AGENDA ITEM NO. V.A.

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

TOPIC

Election of Operations Committee Vice Chair

DISCUSSION

Board Policy 206, Statement of Functions of the Operations Committee, Section III. C. states “The Board Chair shall appoint the Committee Chair as well as the Directors to serve on the Committee. The Committee shall elect from its membership a Vice Chair.”

The Vice Chair acts during the absence of the Committee Chair. The term of the Vice Chair is from her or his election by the Committee and until a new Committee is appointed by the Board Chair or unless the Vice Chair is otherwise removed. Director Mark Wiggin is the Chair of the Operations Committee, and the other members of the Committee are Directors Harold Hollis, Erin Whitney, Sisi Cooper, and Bettina Chastain.

MOTION

Move that the Operations Committee elect Director _____ as the Vice Chair of the Operations Committee.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 206

STATEMENT OF FUNCTIONS OF THE OPERATIONS COMMITTEE

I. OBJECTIVE

To state the functions of the Operations Committee. The purpose of the Operations Committee shall be to study, examine and report on matters assigned to it by the Board of Directors.


II. DUTIES AND RESPONSIBILITIES

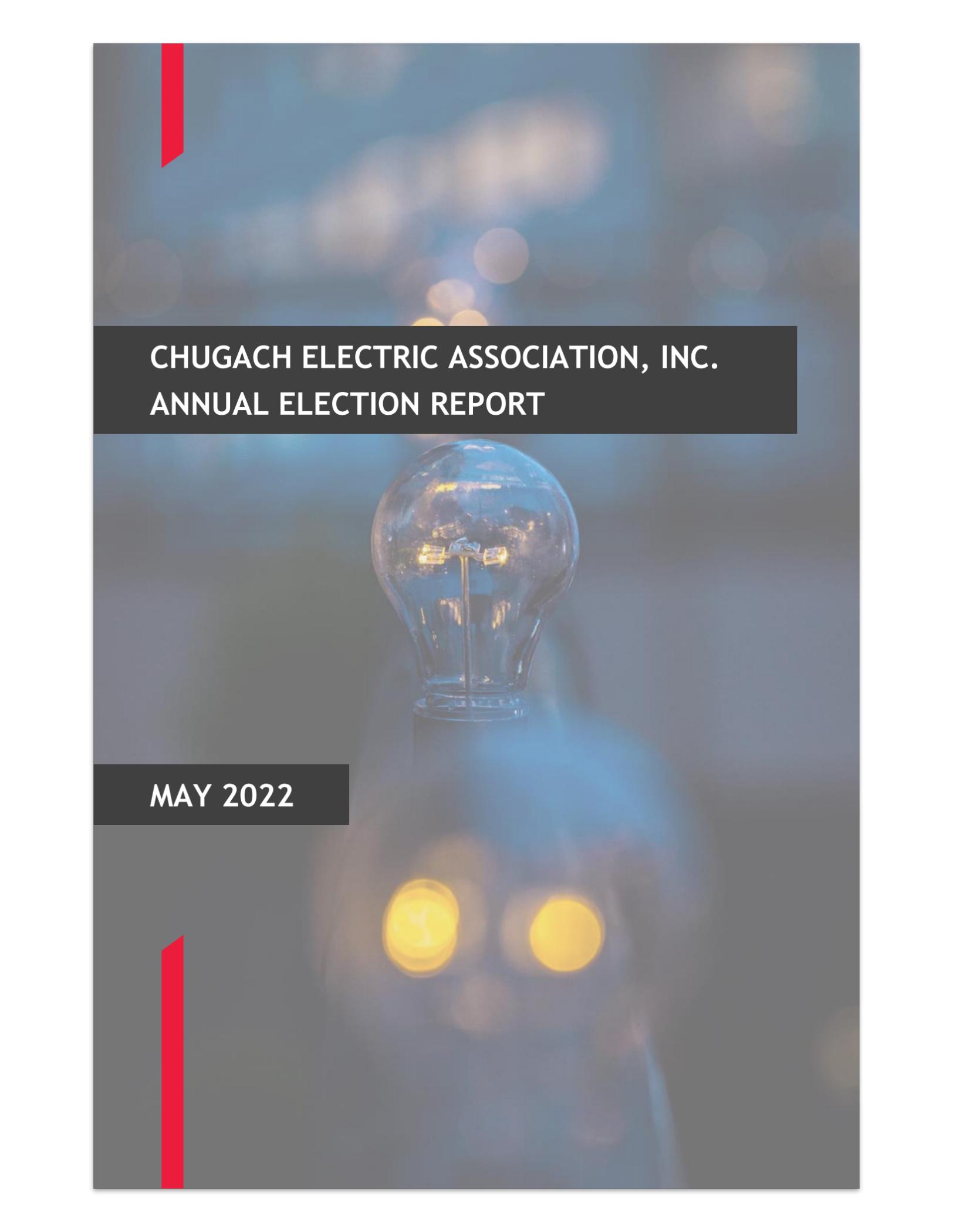
- A. Annually conduct the performance evaluation for the Chief Executive Officer and provide a written report to the Board of Directors detailing the results of such evaluation on or before the first Board meeting in April as required by Board Policy 103.
- B. Reviews such other matters as may be specifically assigned to it by the Board.

III. COMMITTEE ORGANIZATION

- A. The Committee shall be comprised of five Board members.
- B. A quorum of the Committee shall consist of three members.
- C. The Board Chair shall appoint the Committee Chair as well as the Directors to serve on the Committee. The Committee shall elect from its membership a Vice Chair.
- D. The Committee shall meet as needed. The Committee Chair shall convene all meetings of the Committee. In his or her absence, the Committee Vice Chair shall convene meetings. The Committee Chair or a quorum of the Committee may call a special meeting of the Committee.
- E. The Committee Chair may appoint sub-committees from the Committee's membership to study specific areas. Written statements of the functions of such sub-committees should be prepared and reviewed periodically.

Date Approved: July 21, 2021

Attested: 
James Henderson
Secretary of the Board



**CHUGACH ELECTRIC ASSOCIATION, INC.
ANNUAL ELECTION REPORT**

MAY 2022



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Executive Summary

OVERVIEW

BDO USA, LLP (“BDO”) was contracted by Chugach Electric Association, Inc. (“Chugach”) to perform election administration services, as the Election Administrator, for the 2022 Annual Meeting and Election. Election administration services include administration and oversight of the election, as well as subcontracting for electronic voting services. Specific election administrator duties and responsibilities are outlined in the Chugach Election Procedures.

ELIGIBLE MEMBERS

A total of 90,716 members were eligible to vote as of the date of record, March 31, 2022. A total of 86,734 (96%) of the eligible members are natural and 3,982 (4%) are non-natural.

ELIGIBLE MEMBERS

A total of 11.8% of eligible members voted in the 2022 Annual Election. A breakdown of voters per voting method is shown in the table below.

Voting Method	Count of Valid	% of Eligible Members
Web	10,383	97.2%
Mail	195	1.8%
In-Person Kiosk	13	0.1%
In-Person Paper	86	0.8%
TOTAL	10,677	11.8%

ELECTION RESULTS

Based on the results of the election shown in the tables below, the two candidates elected to 4-year terms were Rachel Morse and Sisi Cooper, and the proposed bylaw amendment passed.

Board of Directors Candidate	Online	Paper	Total Votes
Sisi Cooper	4,276	116	4,392
Harry T. Crawford Jr.	3,075	119	3,194
Leslie C. “Fritz” Krusen III	3,386	67	3,453
Rachel Morse	5,650	150	5,800
Burnell “Bernie” Smith	2,380	77	2,457

Bylaw Amendments	Total “Yes” Votes	Total “No” Votes	Outcome
Mail-In Ballot Deadline Extension	7,816	2,713	Passed

Mail Inspection

On 04/06/2022, Chugach delivered their printed election material to their third-party mailing service provider, Rapid Action Mailing Service, Inc. ("Rapid Action"), for assembly of paper ballot election packages to be mailed via USPS on 04/20/2022.

Rapid Action assembled the election materials into 10 x 12 master envelopes and placed the envelopes into postal trays in the order they are provided on the printed list, which is by zip code. Each package received 1 ballot (1 of 5 available versions). Each version has a different one of the candidates listed first. Ballots are stamped in sequential order from beginning to end (i.e., 001, 002, 003, etc.). In addition to the ballot, each master envelope also receives 1 ballot return envelope (two-sided #10 envelope with the member's address showing through the plastic window and the Chugach return address on the reverse side) and 1 election pamphlet.

BDO obtained the listing of eligible voting members for the 2022 election from the Chugach file share and noted that a total of 546 of the eligible voters opted to receive paper ballots. On 04/15/2022, BDO met Jarrod Holloway, Rapid Action General Manager, at Rapid Action Mailing Service, Inc., located at 3620 Jewel Lake Road, Anchorage, AK 99502. BDO manually counted the packages, which were distributed amongst 5 postal trays and noted a total of 546 printed paper ballot packages. BDO haphazardly selected a sample of 10% of the population for a total of 55 samples, selecting at least 5 or more samples in sequential order from each of the 5 postal trays. BDO inspected each of the selected packages. No exceptions were noted for the 55 sampled packages.

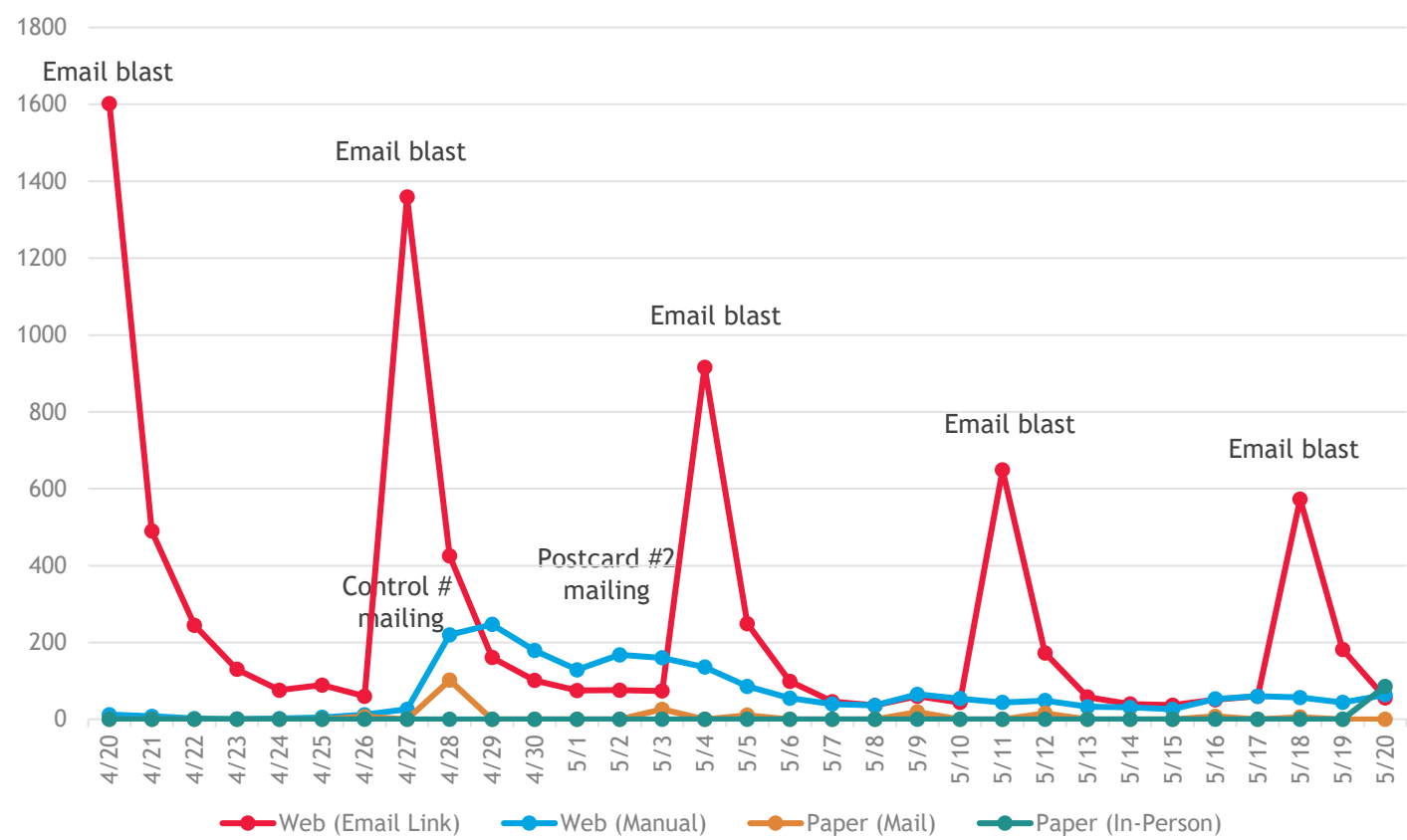
Paper Ballot Envelopes

Paper ballots are picked up from the secure Chugach drop box (5601 Election Drive) and Anchorage airport U.S. Post Office by third-party service provider, Guardian Security Systems, Inc. (“Guardian”), and delivered to BDO (3601 C Street, Suite 600), on the days listed in the table below. No paper ballots were mailed directly to the BDO office. A delivery receipt was provided by Guardian with the count of paper ballots delivered. BDO reviewed each envelope to ensure it was signed by an authorized member. For at least 5% of the received ballot envelopes, BDO compared the member’s signature on the envelope to the member’s signature on file in Laserfiche. The number of paper ballots received with each Guardian delivery and the number of invalid ballots are shown in the table below.

Batch #	Date Received	Ballot Count	Invalid	Valid
1	4/26/2022	7	0	7
2	4/28/2022	105	3	102
3	5/3/2022	26	0	26
4	5/5/2022	12	1	11
5	5/9/2022	19	0	19
6	5/12/2022	16 (1 in-person)	0	16
7	5/16/2022	8	0	8
8	5/18/2022	6	0	6
Total		199	4	195

Daily Valid Ballot Counts by Voting Method

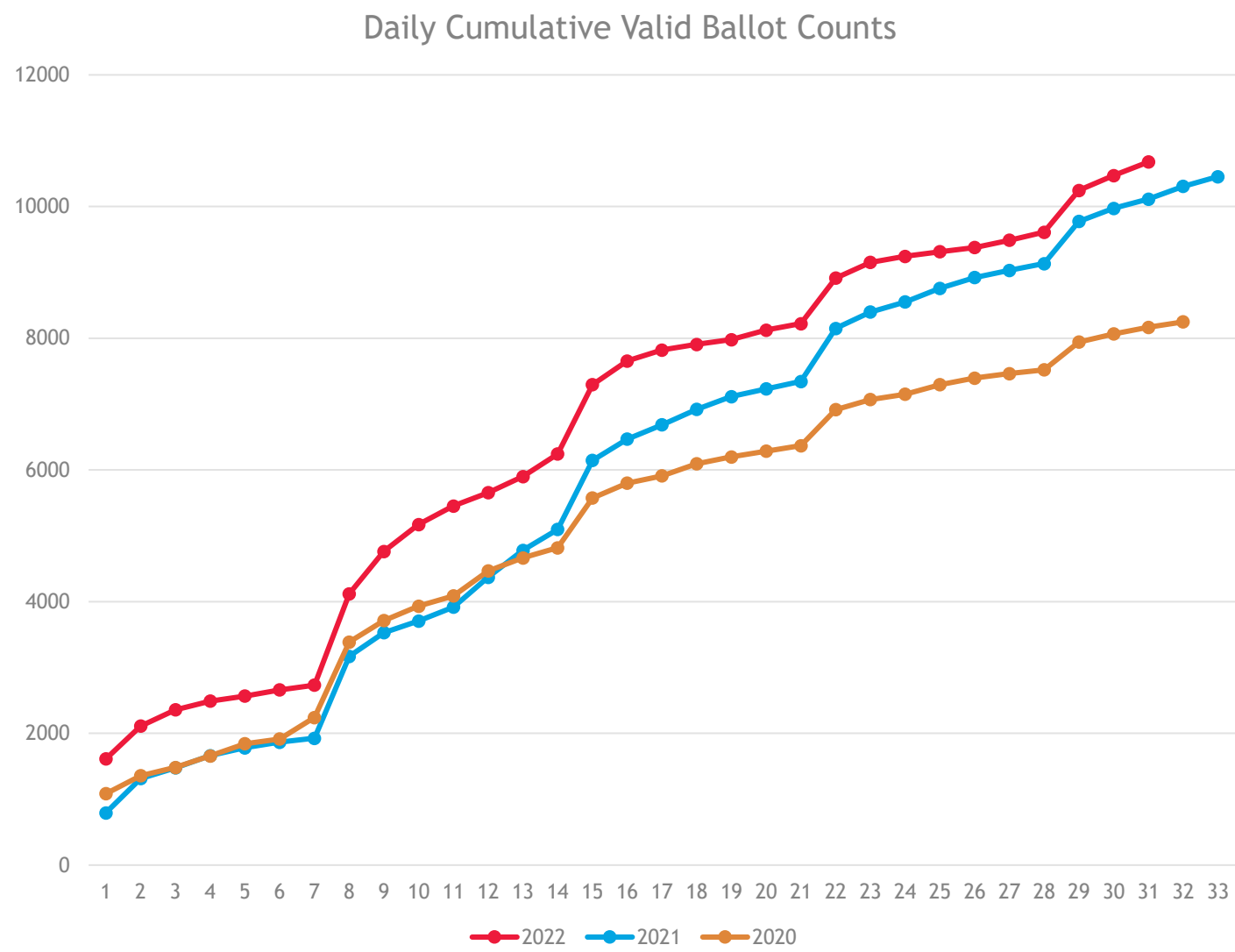
The graph below shows the daily valid ballot counts received per available voting method. A total of 1,978 (19%) of the valid ballots were received by members whose member number starts with “141” meaning they are likely part of the North District.



Day	4/20	4/21	4/22	4/23	4/24	4/25	4/26	4/27	4/28	4/29	4/30	5/1	5/2	5/3	5/4	5/5	5/6	5/7	5/8	5/9	5/10	5/11	5/12	5/13	5/14	5/15	5/16	5/17	5/18	5/19	5/20
Web (Email Link)	1602	490	245	130	76	89	60	1359	425	161	101	75	76	74	916	249	99	46	36	60	44	649	173	58	40	37	51	60	573	182	56
Web (Manual)	12	8	2	1	2	5	12	26	220	247	179	129	168	160	136	86	55	40	36	65	54	44	49	33	31	26	53	60	57	44	64
Paper (Mail)	0	0	0	0	0	0	7	0	102	0	0	0	0	26	0	11	0	0	0	19	0	0	16	0	0	0	8	0	6	0	0
Paper (In-Person)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	86
Total Valid	1614	2112	2359	2490	2568	2662	2734	4119	4764	5172	5452	5656	5900	6243	7295	7655	7821	7907	7979	8123	8221	8914	9152	9243	9314	9377	9489	9609	10245	10471	10677

Daily Cumulative Valid Ballot Counts

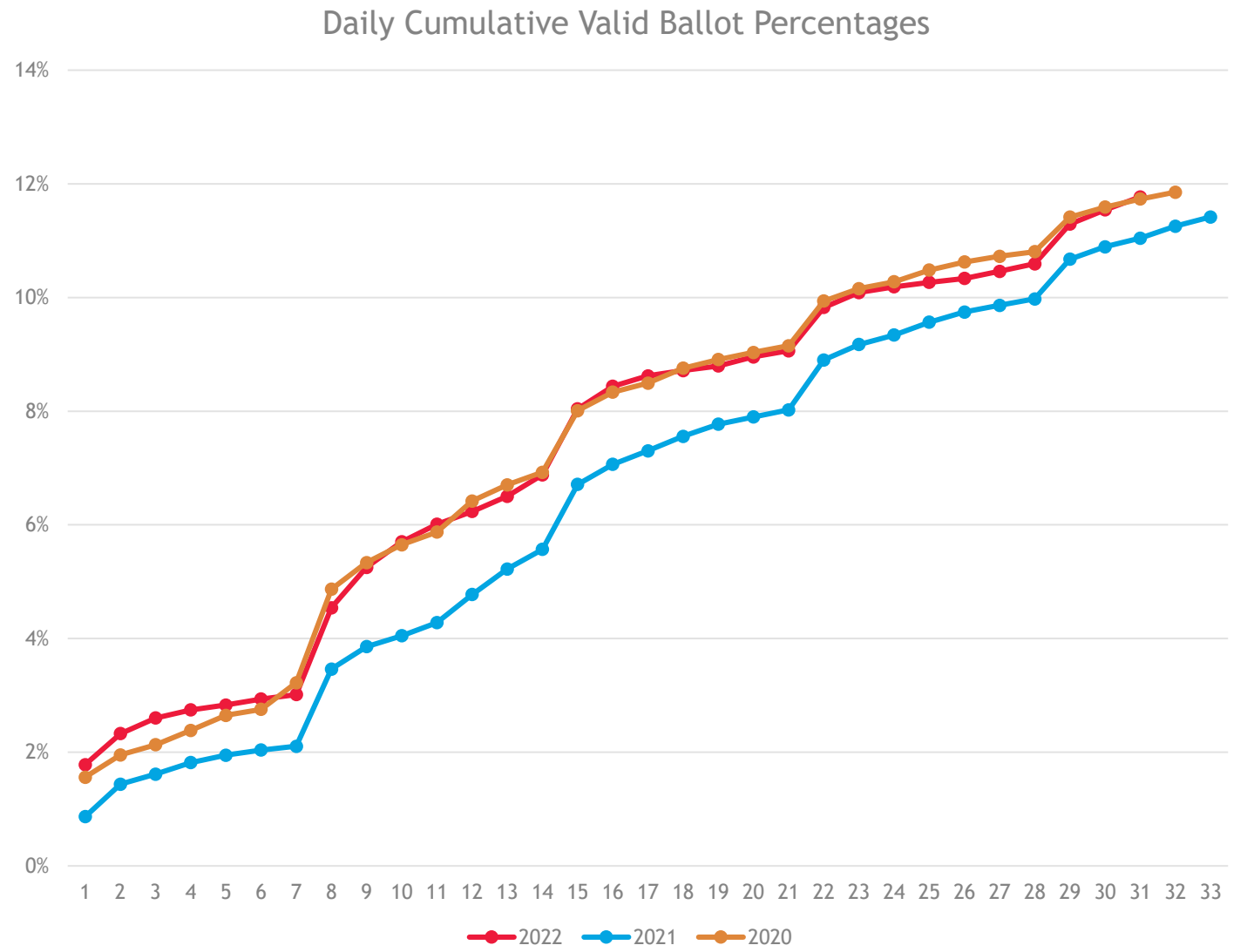
The graph below shows the cumulative valid ballot counts received each day for the current and previous two elections.



Day	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	32	33
2022	1614	2112	2359	2490	2568	2662	2734	4119	4764	5172	5452	5656	5900	6243	7295	7655	7821	7907	7979	8123	8221	8914	9152	9243	9314	9377	9489	9609	10245	10471	10677		
2021	793	1316	1478	1663	1782	1866	1926	3171	3531	3707	3918	4371	4781	5098	6145	6468	6685	6920	7114	7232	7345	8150	8398	8552	8759	8922	9031	9133	9774	9972	10112	10306	10453
2020	1085	1358	1483	1658	1843	1916	2242	3388	3714	3932	4087	4467	4666	4819	5574	5801	5911	6093	6199	6286	6369	6916	7069	7151	7295	7395	7464	7520	7943	8066	8165	8249	

Daily Cumulative Valid Ballot Percentages

The graph below shows the daily cumulative percentage of valid eligible voter counts received each day for the current and previous two elections.



Day	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	32	33
2022	2%	2%	3%	3%	3%	3%	3%	5%	5%	6%	6%	6%	7%	7%	8%	8%	9%	9%	9%	9%	9%	10%	10%	10%	10%	10%	10%	11%	11%	12%	12%		
2021	1%	1%	2%	2%	2%	2%	2%	3%	4%	4%	4%	5%	5%	6%	7%	7%	7%	8%	8%	8%	8%	9%	9%	9%	10%	10%	10%	10%	11%	11%	11%	11%	11%
2020	2%	2%	2%	2%	3%	3%	3%	5%	5%	6%	6%	6%	7%	7%	8%	8%	8%	9%	9%	9%	9%	10%	10%	10%	10%	11%	11%	11%	11%	12%	12%	12%	

Member Support Activity

BDO managed the Chugach election hotline (907-646-7394; 888-729-4679) and inbox (chugachelection@bdo.com) from 8am - 5pm AKDT, 4/20/2021 through 5/20/2021. The reason for each phone call and email was categorized, as shown in the table below.

Support Category	Hotline Count	Inbox Count
Control number request	36	33
Email resend request	45	20
Email update and resend request	36	13
Paper ballot request	18	0
Chugach Customer Service (CCS) call	17	0
Confirming electronic vote received	8	4
Assistance logging in to vote	8	0
Assistance with finding election info online	7	0
Address change request - forwarded to CCS	1	5
Other	26	15
TOTALS	202	90

Prize Drawings

BDO used Chugach election software to randomly generate prize winners for the early bird and grand prize drawings. Only members who voted online and cast their vote before noon AKDT on the day of the drawing were in scope for the early bird drawing. Winners were removed from scope from subsequent early bird drawings. Members in scope for the grand prize drawing included all members who voted before the in-person deadline, regardless of voting method or previous winnings. Below are the 2022 winners.

Drawing	Date of Drawing	Number of Winners	Winners
Early Bird Drawing #1	4/22	1	LESLEY K ALLEN
Early Bird Drawing #2	4/29	1	WILLIAM A TRACEY SR / MARIE S TRACEY
Early Bird Drawing #3	5/6	1	DEBORAH L MASTRO
Early Bird Drawing #4	5/13	1	LANE DAVID CHENOWETH / JANE HIGDON CHENOWETH
Grand Prize Drawing	5/20	2	NANCY J DARIGO ROBERTA L MADISON-GRAVEL

Email Notifications

Email notifications (“email blasts”) were sent to eligible members with an email address on file to remind members to vote. Notifications were only sent to those members who had not yet cast a vote at the time the email notification was sent out. Email notifications were sent out each Wednesday of the election starting on 4/20 and ending on 5/18.

Date	Count of Email Addresses on File
4/20	75,976
4/27	73,338
5/4	70,097
5/11	68,327
5/18	67,030


Voting Metrics

Below is a summary of election activity for the current year and the previous four years.

Metric	Year				
	2022	2021	2020	2019	2018
Eligible Members	90,716	91,556	69,589	69,320	68,822
Total Ballots Cast	10,681	10,462	8,262	6,752	6,795
Valid	10,677	10,453	8,249	6,749	6,789
Invalid	4	9	13	3	6
Total Mail Ballots Received	199	226	205	170	155
Valid Mail	195	217	192	167	149
Invalid Mail	4	9	13	3	6
Total Valid Online Ballots Received	10,396	10,236	8,057	6,508	6,565
Paper Ballots Sent After Initial Mailout	48	104	48	58	22
Member Requested	44	95	35	55	15
Not Signed	3	3	2	1	2
Invalid Signature	0	2	9	2	5
No Application on File	0	2	2	0	0
Other (e.g., already voted)	1	2	0	0	0
Resent Email Notifications (manual and bulk upload)	640	1,129	487	420	334
Remaining Email Bounces	2,272	2,066	374	N/A	N/A
Total Email Changes	575	1,002	791	538	422
Online Ballots Received After Mail-In Deadline	1,096	1,277	697	135	604
Member Support Activity	292	462	334	501	63
BDO Hotline Calls	202	397	244	475	57
BDO Inbox Email	90	65	90	26	6
Replacements/Corrections Made by Committee	0	0	0	4	2
Cut/Torn Ballot	0	0	0	2	1
Mismarked	0	0	0	2	1
Incorrect Ink Color	0	0	0	0	0
Over-vote	0	0	0	0	0
Annual Meeting - Members Registered	284	208 ¹	140 ¹	244	246
Annual Meeting - In-Person Paper Ballots Issued	86	0	0	77	82
Annual Meeting - In-Person Paper Ballots Cast	86	0	0	74	75
Annual Meeting - In-Person Online Ballot Cast	13	0	0	0	0
Percentage of eligible members that voted	11.8%	11.4%	11.9%	9.7%	9.9%
Percentage of eligible members with valid ballot	11.8%	11.4%	11.9%	9.7%	9.9%
% of valid ballots submitted via Internet ²	97.4%	97.9%	97.7%	96.4%	96.7%
% of valid ballots submitted via paper	1.8%	2.1%	2.3%	2.5%	2.2%
% of valid ballots submitted in person (paper)	.8%	0%	0%	1.1%	1.1%

¹ Registration was performed using a collaboration tool (e.g., Zoom or StarLeaf) and was not in person.

² A total of 13 of the Internet votes were made at the Annual Meeting via the kiosks.




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Sustainable Chugach

June 8, 2022

Operations Committee Meeting



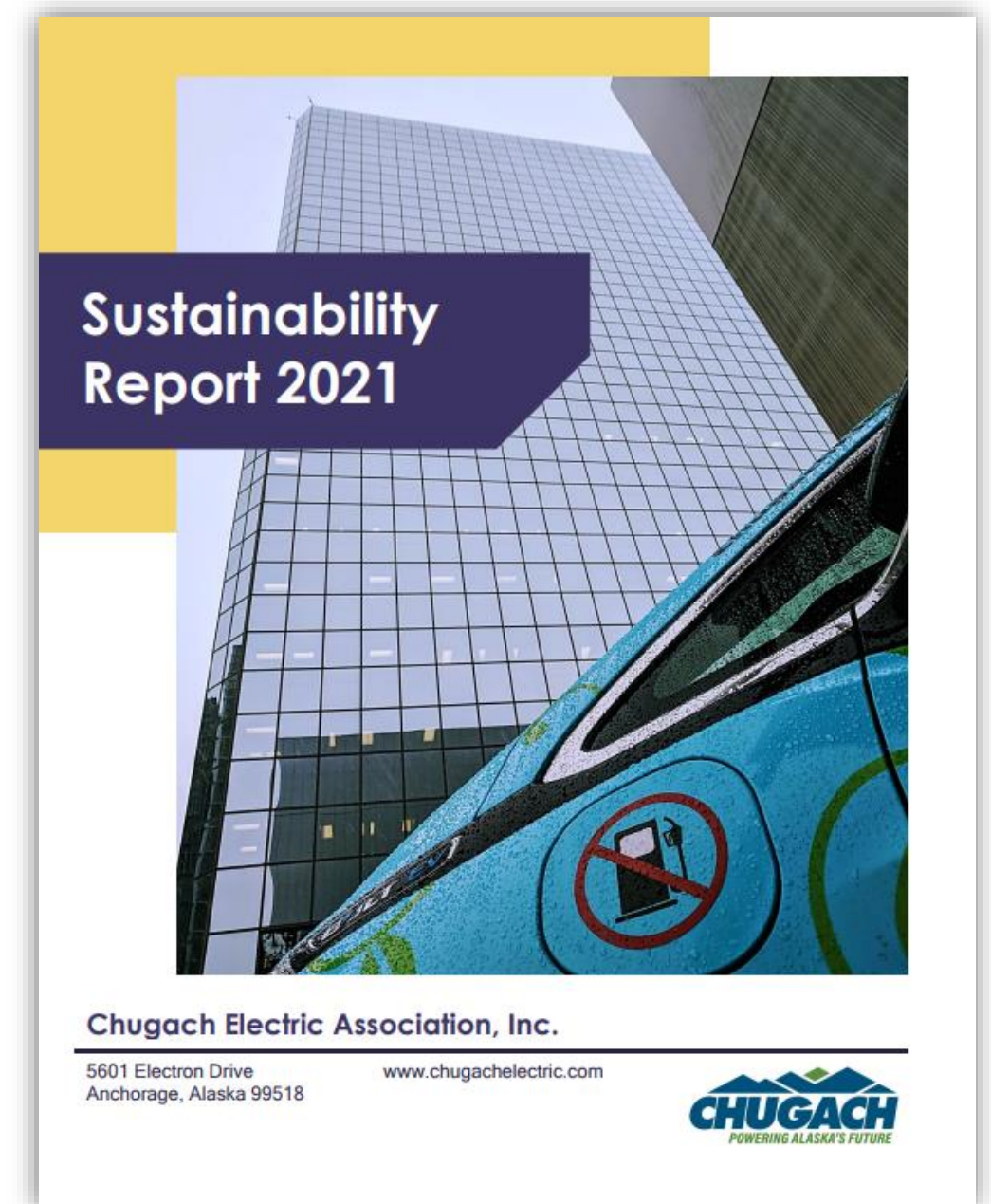
Sustainability Report Overview

Voluntary sustainability report

Cumulation of data from multiple sources

Edison Electric Institute's (EEI) template used for metric/ESG reporting

Triple Bottom Line – People, Planet, Performance



People – Social Stewardship

- Employees
- Member Engagement
- Community Outreach & Participation

Performance - Governance

- Board of Directors
- Operational Excellence
- Business Development

Planet – Environmental Stewardship

- Generation Mix
- Greenhouse Gas Emissions
- Energy Efficiency
- Electric Vehicles
- Eklutna Hydroelectric Project
- Net Metering
- Sustainability Committee

Social Stewardship
People



Planet
Environmental

Performance
Governance

Triple Bottom Line

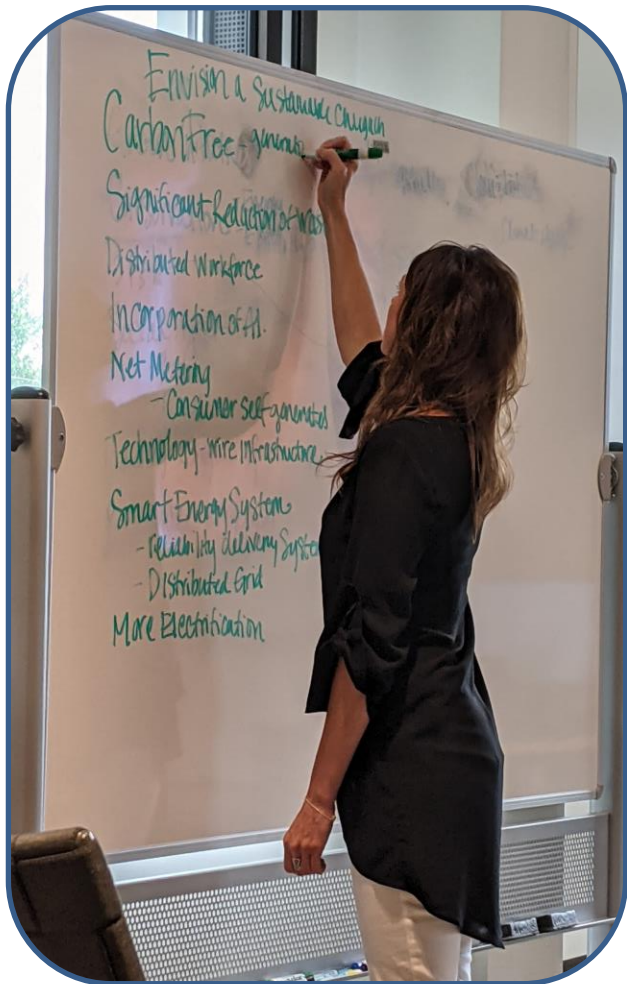
Sustainability Committee

About the Committee

- Employee led committee to shine a light on sustainable practices from the inside out.
- Discovers and helps implement sustainable practices.
- Aim to position Chugach as a recognized sustainability leader in the community.

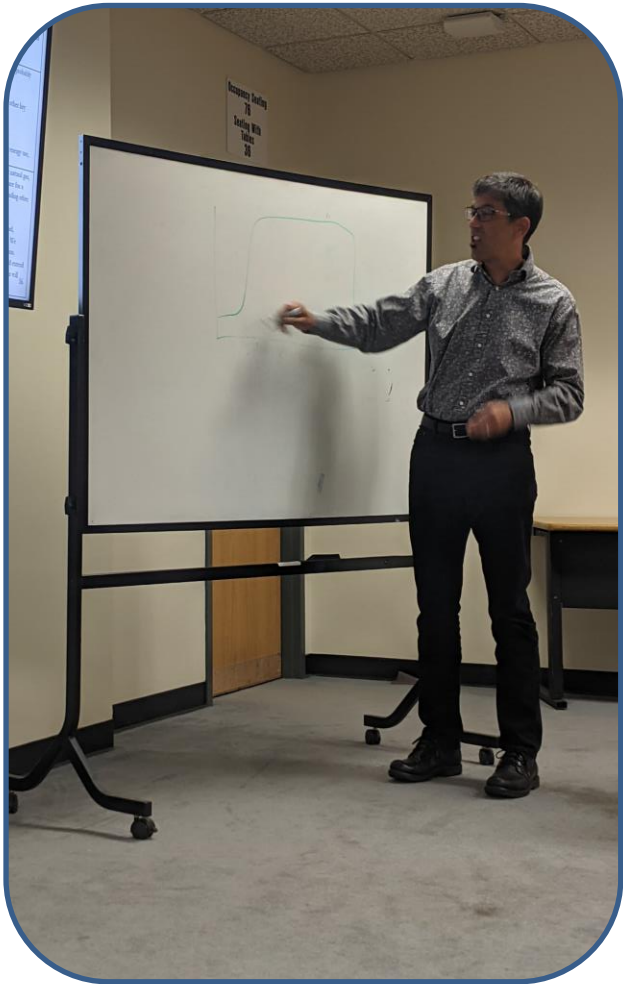


Committee Timeline



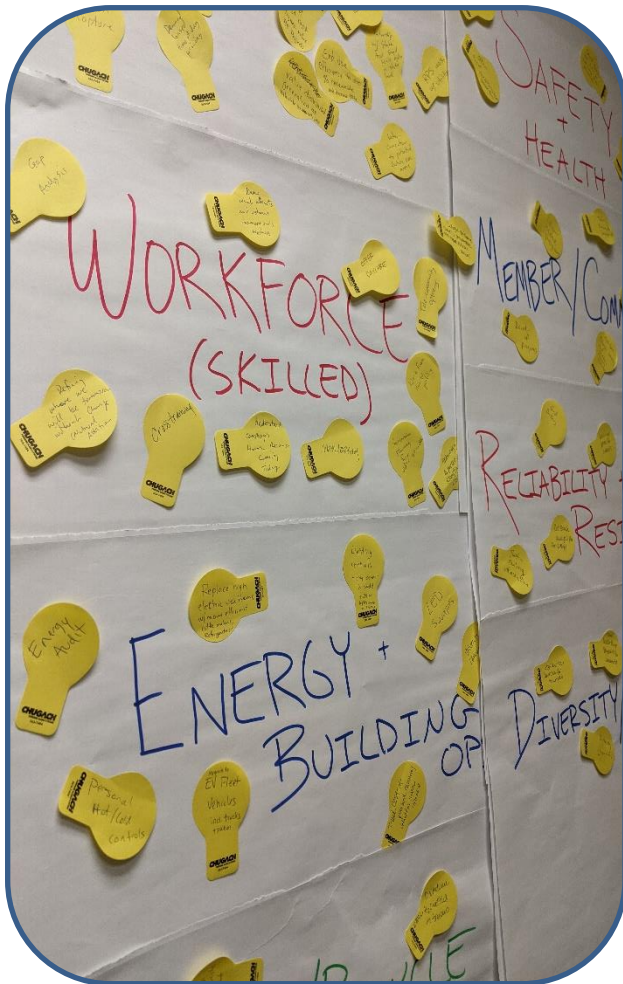
Kick Off
meeting

Q1



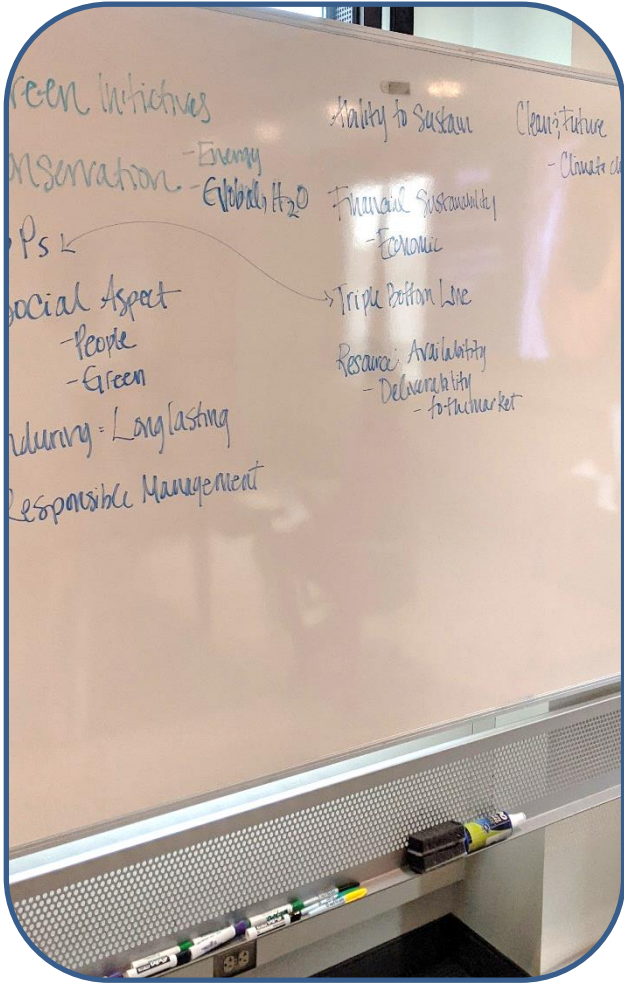
Baseline &
Goal Setting

Q2



Brainstorm
Solutions

Q3



Create
Action Plan

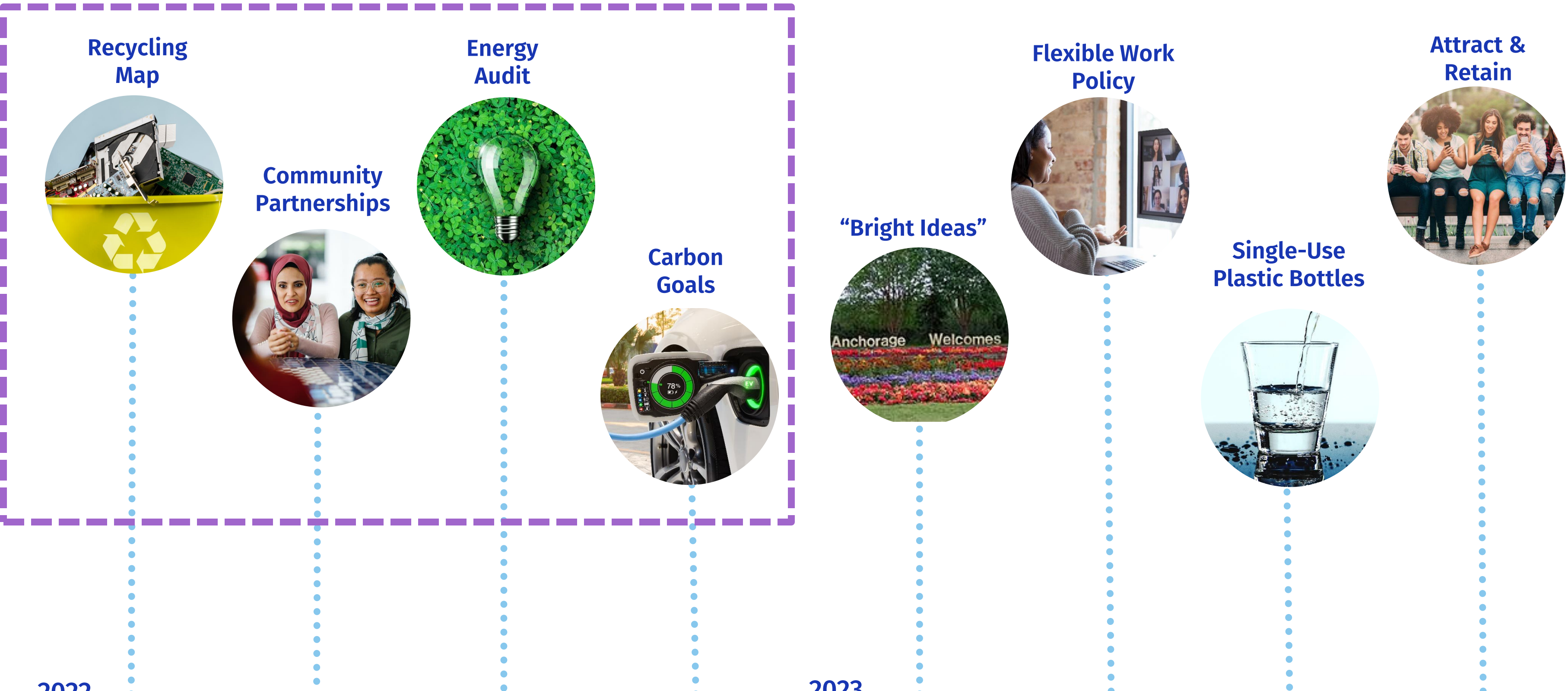
Q4



Present
Solutions

Q1

Timeline



Create and distribute a campus recycling map

Increase awareness about recycling on campus

Opportunity to enhance recycling knowledge

Low-cost option to improve communication about recycling



Complete Energy Audits on Chugach facilities

Hire contractor to complete an ASHRAE Level 2 and Investment Grade Energy Audit at Bldg A. The audit will provide benchmarks and costs, savings and paybacks to help determine which energy improvements make the most sense.

As regular maintenance and capital improvements are made to Bldg A, the recommended energy improvements from the energy audit can be incorporated into improvement projects.

Aligns with Chugach's focus on sustainability as part of the Triple Bottom Line and shows commitment to improving our carbon footprint.



Establish community partnerships that recognizes community diversity

Participate in summer day camp coordinated by YWCA. Chugach staff would host several sessions for camp attendees, which would include information about energy efficiency and conservation, Safe City, and an Electric Utility Career Day.

YWCA provides support to some of the most diverse neighborhoods in the Anchorage Community, which gives Chugach the opportunity to work with a diverse group of students in the Chugach service area.

Limited direct cost for Chugach as YWCA will coordinate and fund the day camp.



Set a carbon goal for Chugach

Ensures long-term utility viability in a low-carbon future

Lower carbon will help drive beneficial electrification

Create a systematic measurement approach

Consider a Railbelt-scale goal with other utilities

Single-Use
Plastic Bottles



**The future depends on
what you do today.
-Mahatma Gandhi**

The slide features a solid blue background. In the top right corner, there is a cluster of three overlapping hexagons: a light blue one at the bottom left, a purple one in the middle, and a white one at the top right. In the bottom left corner, there is another cluster of three overlapping hexagons: a white one at the top left, a purple one in the middle, and a light blue one at the bottom right.

Thank you!

Sustainability Report 2021



Chugach Electric Association, Inc.

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Anchorage, Alaska 99518

www.chugachelectric.com



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OVERVIEW

At the end of 2021, Chugach served approximately 113,000 metered locations in areas extending from Anchorage to the northern Kenai Peninsula, and from Whittier on Prince William Sound to Tyonek on the west side of Cook Inlet. Chugach had 790.7 megawatts of generation capacity at Chugach-owned facilities, which includes Chugach's shares of the jointly owned Eklutna Power Plant. Chugach also takes power from the state-owned Bradley Lake Hydroelectric Project near Homer and from the Fire Island Wind Project. Chugach operated 3,782 miles of energized line at year-end, consisting of 472 miles of transmission line, 3,310 miles of overhead and underground distribution line.

In 2021, Chugach successfully completed its first full year of combined operations following the acquisition of Anchorage Municipal Light & Power (ML&P). The acquisition has been a success, resulting in significant savings that far exceeded targeted levels. Chugach expects additional savings over the next several years as efficiencies resulting from combined operations are fully realized. The acquisition has resulted in lower costs that are and will continue to be passed on to members in the form of lower electric rates.

Mission, Vision, and Values

Chugach is committed to serving its members, its employees, and its community, guided by its values of safety, reliability, accountability, and sustainability.

The Mission, Vision and Value Statements of Chugach are derived from its core values and establish the foundation of the organization. They are a reference point to guide decision making and actions at all levels of the organization. Sustainability is identified in the Mission, Vision and Value Statements.



Mission

Guided by our values of safety, accountability, and sustainability, we are committed to serving our members, the community, and the Chugach team



Vision

Developing energy to build a clean, sustainable future for Alaska



Value

We provide safe, reliable, and affordable electricity through superior service and sustainable practices, powering the lives of our members

Sustainability

In 2017, the Chugach Board of Directors adopted sustainability as a business management philosophy. Sustainability, also known as the Triple Bottom Line, 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. The Triple Bottom Line is often referenced as Planet, People and Performance (or Profit). Operating the electric utility in a sustainable manner is important to the long-term success of Chugach, to the health and well-being of its employees and members, the community, and the environment.

Sustainability is an integral part of Chugach's strategic planning process. Strategic priorities and actions are examined through a sustainability lens. Chugach's strategic priorities are chosen to improve economic, social and environmental performance of the organization.

The electric industry is transforming rapidly, from traditional, controllable fossil fuel generation to non-emitting, weather-dependent intermittent resources, energy storage and distributed generation. These changes are driven by technological advancements that are expanding the possibilities of new resources and services.

Just as technology is changing, so are sustainability reports and associated metrics. Companies today are facing important issues as they navigate the changing times. Although Chugach no longer submits a U.S. Securities and Exchange Commission (SEC) filing, 76% of the top 50 companies, by revenue, included Environmental (E), Social (S) and Governance (G), (ESG) components in their SEC filings. ESG topics, such as employee health and safety, diversity and investments in environmental sustainability are being reviewed by investors for greater insight into assessing companies.

This document serves as Chugach's voluntary sustainability report. Given its growing popularity in the electric industry, particularly among investor-owned utilities, Chugach has also completed Edison Electric Institute's (EEI) template for ESG reporting, see Appendix A.

"Reducing carbon emissions, advancing new beneficial electrification technologies, and continuing to improve efficiency will make our cooperative and the communities we serve better places to live, work, and play."

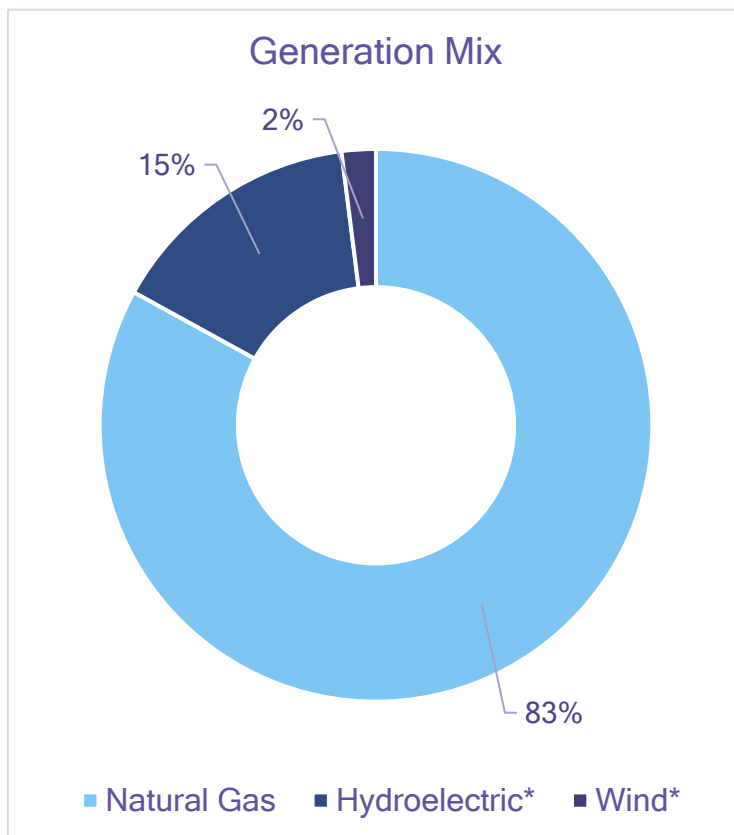
Message from Rachel Morse Board Chair

PLANET – ENVIRONMENTAL STEWARDSHIP

Chugach recognizes that decarbonization is critical to managing reductions in global greenhouse gas emissions. Chugach plans to reduce fuel supply risk through the addition of renewable energy generation, encouraging conservation of existing resources and supporting the development of beneficial electrification.

Generation Mix

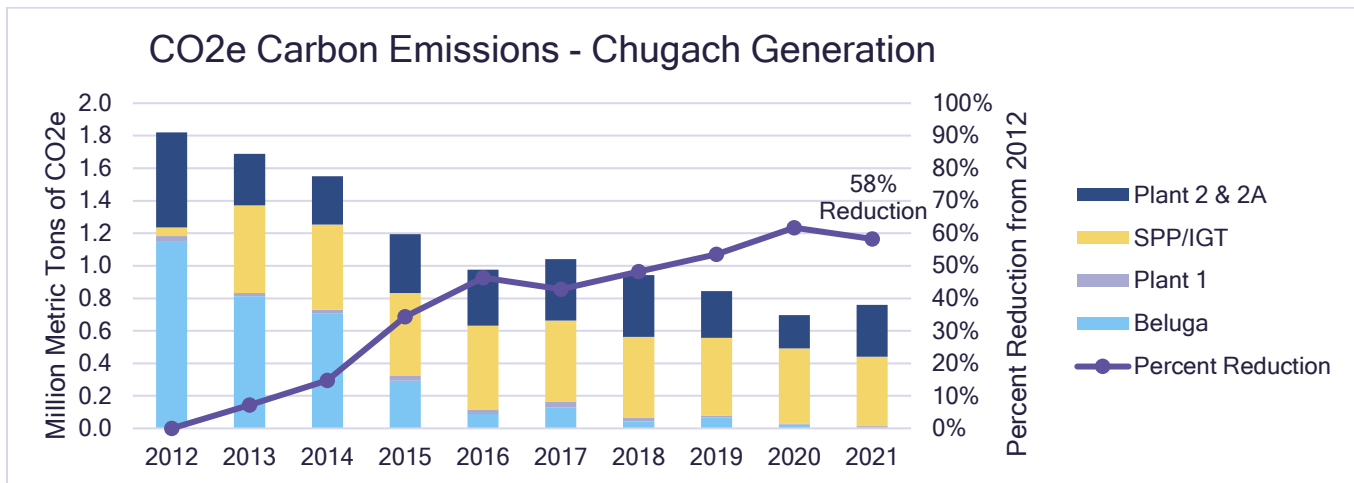
Chugach has a diverse, reliable mix of generation, both owned and purchased. In 2021, the energy Chugach sold to its members came from natural gas, hydroelectric resources, and wind.



*Chugach sells the Renewable Energy Certificates (RECs) associated with some of its hydroelectric and wind energy to offset power supply costs to keep member prices low. The buyer of the REC claims the renewable attributes of that energy; therefore, Chugach does not claim this energy as renewable.

Greenhouse Gas Emissions

From 2012 through 2021, Chugach has seen a 58% reduction in its carbon emissions (CO₂e). The decline is a result of many variables, from a reduction in retail member usage through energy efficiency measures, increased renewable (wind and solar) generation, and through reductions in wholesale power sales.



Renewable Energy

Chugach has a goal of adding a project or projects that will produce 100,000 megawatt hours of renewable generation by the end of the first quarter of 2025. In 2021, Chugach issued a request for proposals (RFP) for projects that can be built and integrated into the existing system at no additional cost to ratepayers. In addition to increasing the proportion of renewable energy, the goal of any new renewable project is to reduce carbon emissions, preserve natural gas resources, and to diversify Chugach's energy supply resources while maintaining reliability and not increasing rates for Chugach's members. Several proposals are currently being evaluated for operational and economic feasibility.



Energy Efficiency

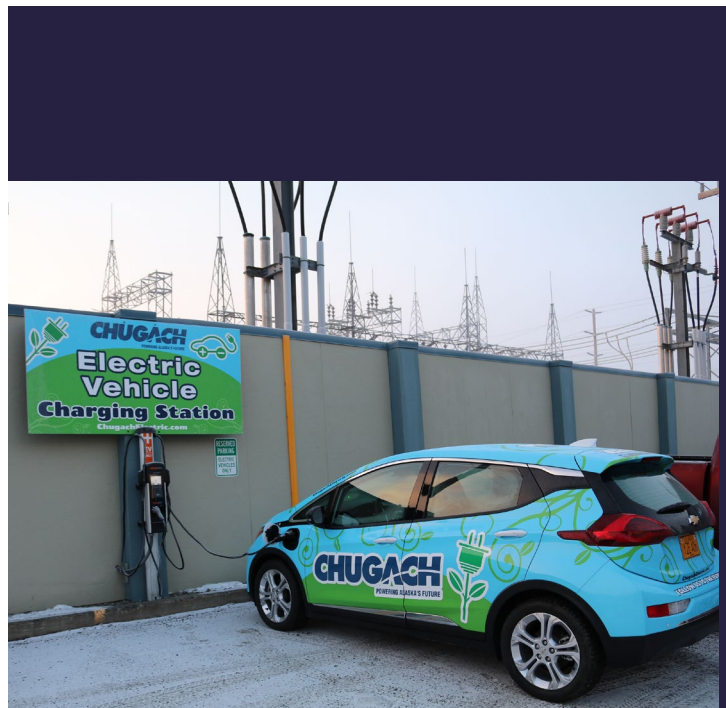
Chugach has increased education to members and stakeholders on carbon reduction initiatives such as energy efficiency and conservation activities. In 2021, there were over 17,000 threshold notifications sent to members via the My Account member portal, to assist in managing electric usage. Additionally, members are able to create energy markers that allow them to set reminders for when they are on vacation, purchase new appliances, or take any action that may impact energy consumption.

Members also have available the Kill-a-Watt Meter Program, which allows them to borrow a Kill-a-Watt meter for up to two weeks. The Kill-a-Watt meter can be programmed with current utility rates, giving the member a way to identify how much energy specific appliances in their home consume in a specific time frame. Knowing how energy is being used empowers members to make informed decisions in how they use energy going forward.

Electric Vehicles

Chugach offers several electric vehicle (EV) related incentives to promote the use of EVs in Alaska. Individually the incentives are intended to help the utility's members interested in owning and driving an EV and the businesses that would like to serve them. Collectively, the programs will help accelerate the transition to electric transportation, which benefits all members by reducing carbon emissions and electric rates. By the end of 2021, more than 90 residential members and 10 business members had participated in Chugach's EV incentive programs.

Chugach worked with the other Railbelt electric utilities to create electric rates that will allow high speed charging networks of the future to develop in the Railbelt. The effort culminated with Chugach submitting new proposed tariffs to the Regulatory Commission of Alaska that will open the door to DC fast charging in Southcentral Alaska. The RCA approved the rates in early 2022.



In celebration of National Drive Electric Week, Chugach hosted an EV car show in October 2021. Besides Chugach's own Chevy Bolt, named Wattson, there were 13 local EV owners who participated in the event and gladly answered questions for other members about their EV experience. Over 100 members attended the event.



Beneficial Electrification

Chugach supports beneficial electrification strategies, which are activities that replace direct fossil fuel use with lower emission electricity. Besides encouraging EVs, Chugach supports the advancement and use of battery operated and electric tools and equipment, and air/ground source heat pumps.

Eklutna Hydroelectric Project

Chugach and the other project owners, the Municipality of Anchorage and Matanuska Electric Association, are undergoing the consultation and study process required

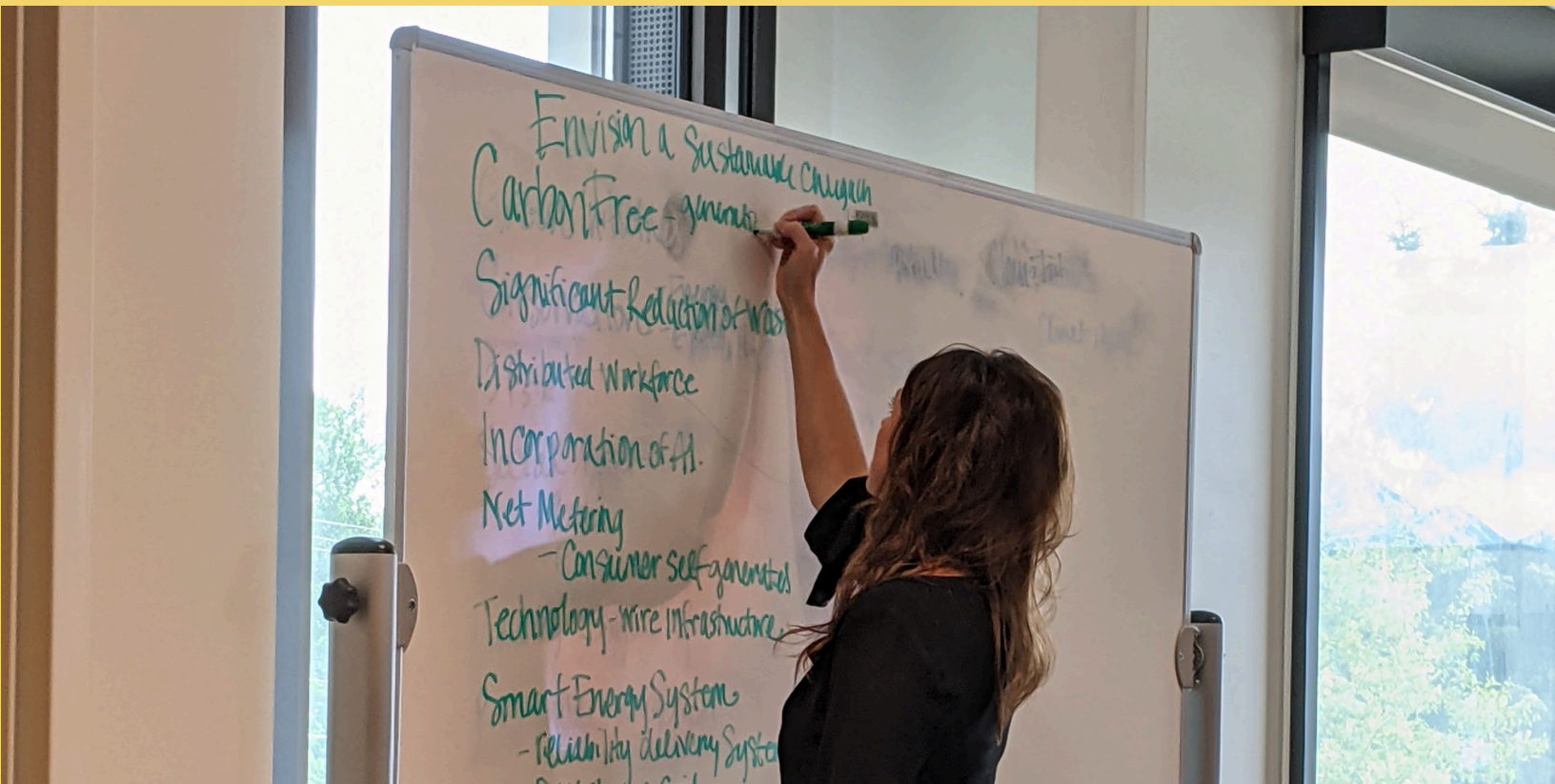
by the 1991 Fish and Wildlife Agreement which is tied to the purchase of the project from the federal government. The owners of the Eklutna Hydroelectric Project are in year three of a multi-year effort to study the impacts of the hydroelectric project and develop measures to protect, mitigate damages to, and enhance fish and wildlife. In 2021, the owners collaborated with multiple stakeholders to develop study plans and initiated the first year of studies. To facilitate several of these studies, a series of controlled flows were released from Eklutna Lake into Eklutna River in the fall. Additional studies will be conducted in 2022.

Net Metering

Net metering allows members to install and use certain types of renewable generation to offset monthly usage and sell excess power to their electric utility. Eligible generation includes solar, wind, hydroelectric, geothermal, hydrokinetic, ocean thermal, biomass and other sources approved by the Regulatory Commission of Alaska. The generation nameplate capacity must be 25 kW or less per metered location. Until 2021, net metering capacity was limited to 1.5% of Chugach's average retail demand. In support of renewable generation, Chugach's Board of Directors approved increasing the net metering cap from 1.5% to 5% in September 2021, and the RCA approved the increase in early 2022. This increase will reduce greenhouse gas emissions, reduce natural gas usage and support local solar industry jobs.

Sustainability Committee

In 2021, Chugach launched its first employee-led sustainability committee to shine a light on sustainable practices from the inside out. This employee-powered committee was intended to discover and help implement best practices to better display Chugach's commitment to sustainability and be a recognized leader of sustainable habits in the community. The nine-person committee prioritized seven action items for 2022 from a list of more than 70 action items created by the team. The team will continue its efforts in 2022.



PEOPLE – SOCIAL STEWARDSHIP

Employees

From Engineering to Operations to Member Services, all of Chugach's roughly 450 employees live and work in Alaska.

Safety

Safety is an unwavering core value of the Association. Chugach is committed to and promotes a culture of safety for employees, members, contractors, and the general public, and continuously strives for a safer work environment through training, proactively identifying and communicating hazards, and looking out for the safety of others. A culture of safe work performance and protecting the employees and the public is essential and requires the prioritization of safety to create an incident and injury-free work environment.

Lost Time
Rate

1.1

Recordable
Incident Rate

2.77

Motor Vehicle
Accidents

3



Leadership Development

At Chugach, it is a priority to grow leadership, align management, support employee development, and enhance communication. Effective communication leads to a more productive and efficient business that can better serve members and communities. Chugach strives for an environment where employees feel valued, motivated and empowered to drive the success of the organization.

Diversity and Inclusion

It is a policy of Chugach Electric Association, Inc., to recruit, hire, train, promote and compensate persons without regard to race, color, religion, national origin, sex, marital status, pregnancy, parenthood, physical or mental disability, veteran's status, age or any other classification protected by applicable federal, state or local law.

Member Engagement

Member Events

Throughout the month of October, Chugach celebrated Member Appreciation. Each Friday an informational table with energy efficiency tips, sustainability information, and LED lightbulbs were available to members at "Efficient Fridays."



In summer 2021, Chugach participated in Anchorage's first EV car show and the groundbreaking for a DC fast charger at the Dimond Center. There were nearly 40 EVs, 500 attendees, and three vendor booths, including a booth hosted by Chugach. Attendees asked questions about infrastructure related to EVs and solar energy, and information was available about energy efficiency, sustainability, and Chugach's EV charging incentive programs.

COVID-19 Assistance

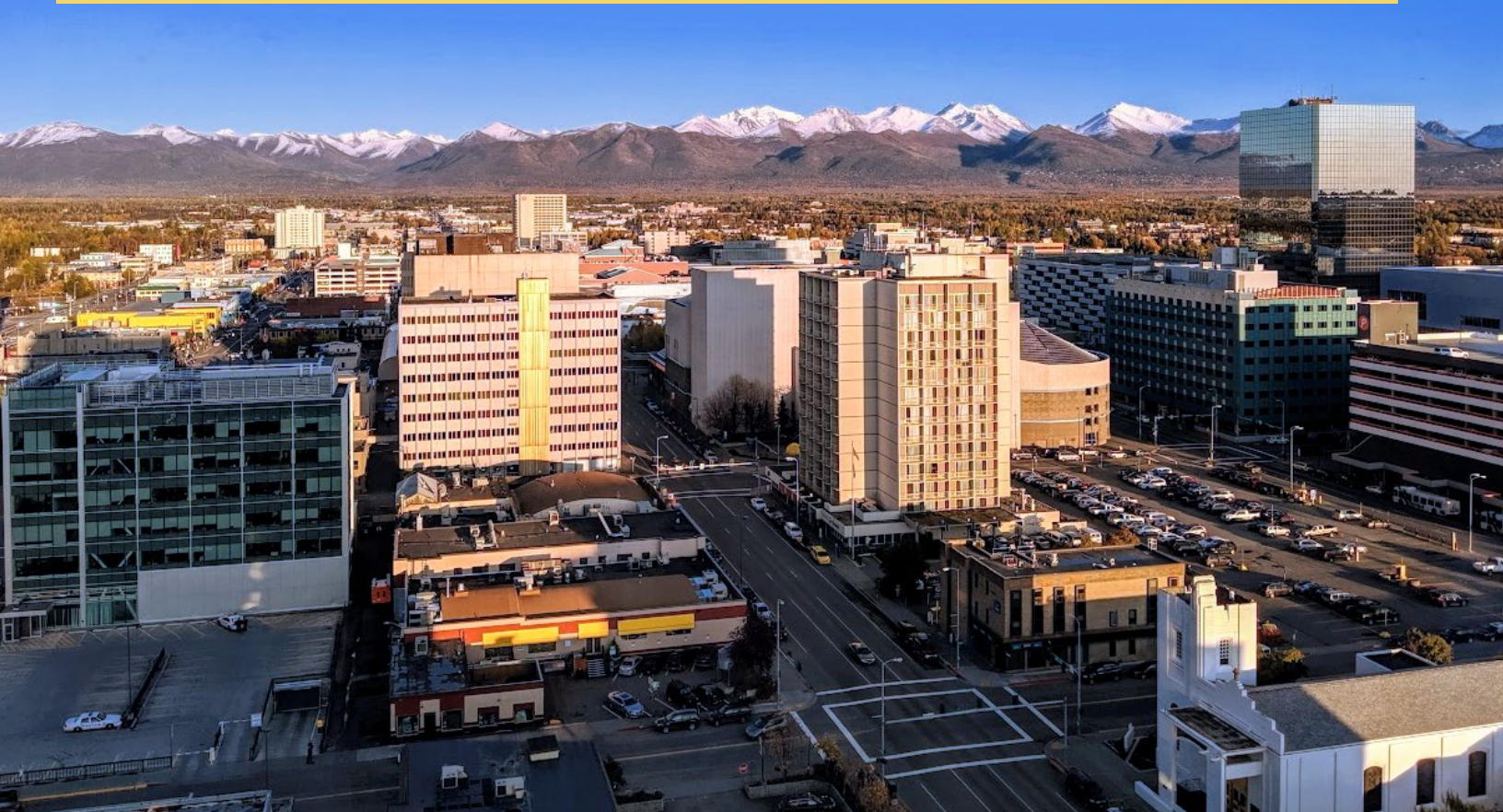
Chugach worked with agencies to distribute over \$5.5 million in COVID-19 relief funds to members facing a financial hardship due to the pandemic. In March 2020, Chugach temporarily suspended disconnects due to non-payment and stopped assessing late fees. After the governor issued a COVID-19 disaster declaration, the Alaska Legislature passed a law prohibiting utilities from shutting off residential service for those facing pandemic-related hardship. Chugach then implemented a process allowing members to attest to financial hardship and enter into a deferred payment plan with the utility.

Key Member Program

After a hiatus for several years, Chugach reimplemented its Key Members Program. The program fosters lines of communication between Chugach and its largest commercial members. In 2021, key members began to receive a quarterly key member electronic newsletter, titled Inside the Grid. The inaugural Key Member Summit was hosted in November of 2021. The Summit provided top members with Chugach news and the ability to ask Chugach leadership questions.

"We need each other equally and look forward to continuing a strong, long-term relationship."

-Chugach Key Member

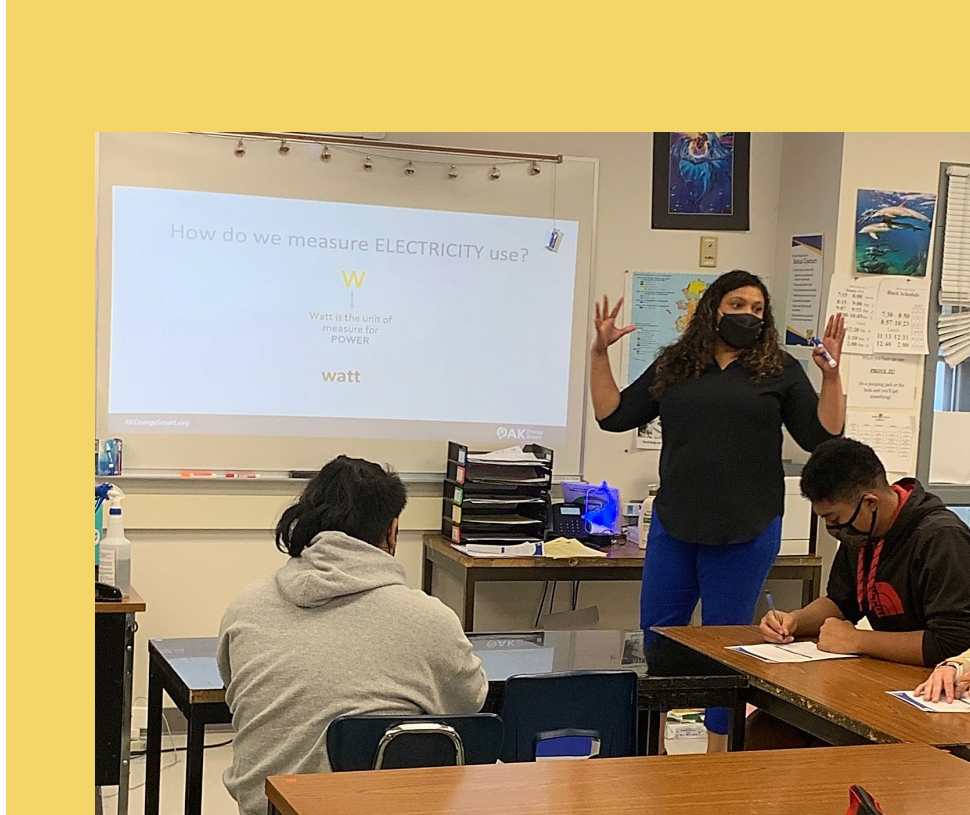


Community Outreach and Participation

Chugach continues to be involved in numerous community outreach activities.

Energy Education

Over the past eight years, the Power Pledge Challenge has provided energy literacy curriculum for K-12 students, with a focus on energy efficiency, throughout Alaska. In 2021, in-person energy education presentation resumed, allowing Chugach to assist with presentations to 17 classrooms in the Anchorage School District, reaching over 400 students from 6th to 12th grades. What started as a partnership between Chugach and Renewable Energy Alaska Project has grown to a statewide effort with the ability to reach more than 4,000 students in a year.



Community Memberships

Chugach serves on the Alaska Forum on the Environment planning committee which is one of the largest environmental conferences in Alaska. As a member of the Alaska Energy Efficiency Partnership, Chugach stays up to date with the energy happenings around the state.

Employee Match Program

Chugach matches regular employee cash contributions to qualifying organizations up to a maximum of \$100 per employee per year. Qualifying organizations must have a current 501(c)(3) designation. The Association may use a third-party organization (Pick-Click-Give or United Way) to qualify and facilitate the matching contribution. In 2021, Chugach matched \$1,810 for qualifying organizations.

Employee Volunteer Program

Chugach's Employee Volunteer Program allows employees to use 16 work hours a year to volunteer with local non-profits. Since its inception in 2019, employees have spent nearly 200 hours donating their time and talent to the local organizations they care about. The Salvation Army, Children's Lunchbox, the Alaska Humane Society, and the American Heart Association are just a few of the organizations Chugach connected with in 2021. A volunteer bank, with 3,000 hours to be used annually (750 per quarter), has been created to support this program.



PERFORMANCE – GOVERNANCE

Board of Directors

As a cooperative, Chugach is guided by a board of directors elected by and from its membership. The seven-member board sets policy and provides direction to Chugach's Chief Executive Officer.

Directors are elected to staggered four-year terms in conjunction with the annual meeting each spring.



Gender Diversity



Average Tenure



Average Age

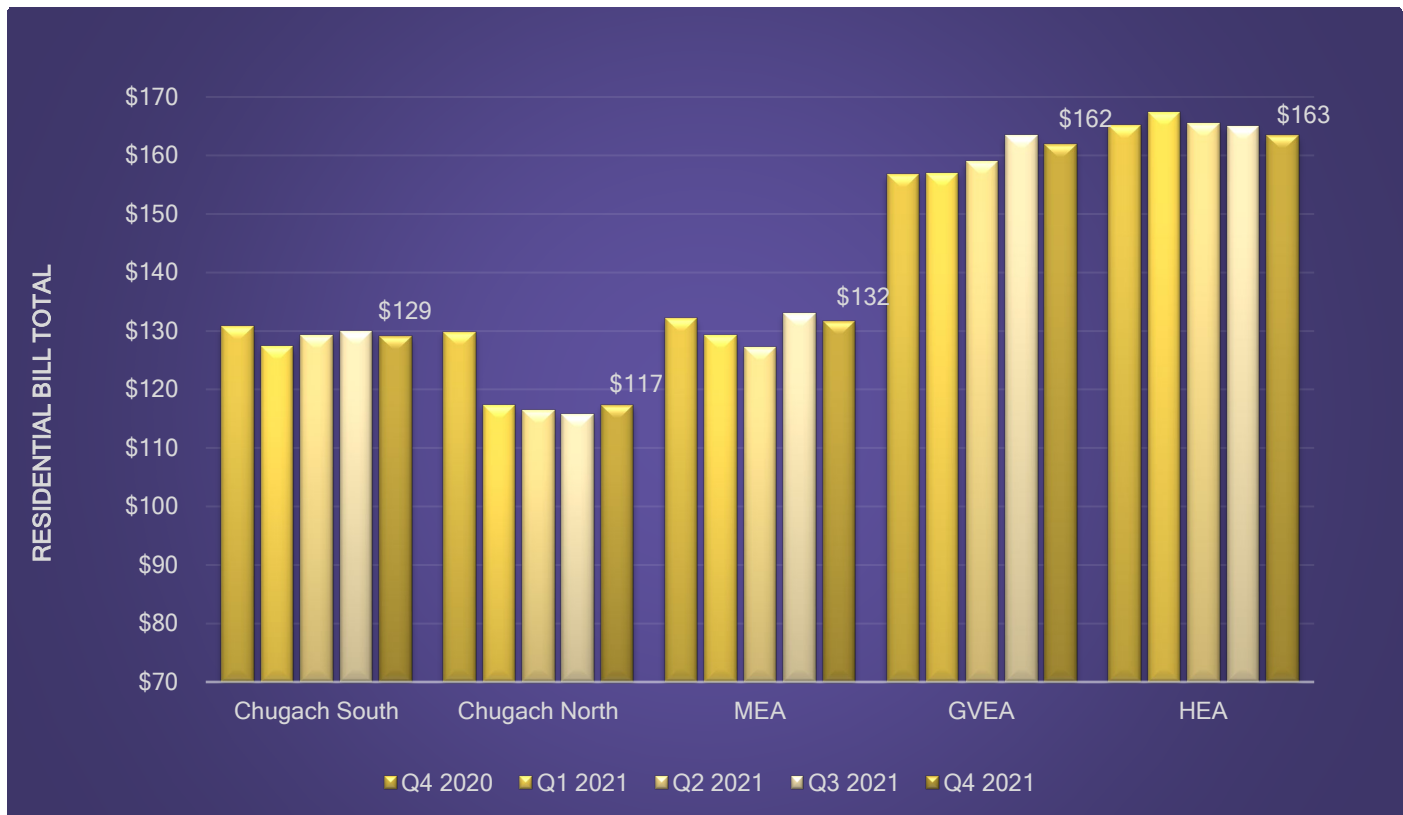


Operational Excellence

Chugach continues to deliver excellence in price, reliability, and quality of customer service.

Price

At the end of 2021, Chugach's residential, small and large commercial bill levels were the lowest in the Railbelt. The graph below illustrates Railbelt utility residential bill levels from 2020 through 2021.



Chugach has two rate structures: Chugach South and Chugach North. Chugach South is legacy Chugach service area. Chugach North is former Municipal Light & Power service area.

Reliability

The Alaska electric grid is unique in that it is not connected to any other electric grids, unlike the lower 48 electrical grid. Because the Alaska grid is independent, it has to be that much more reliable. In 2021, Chugach had a reliability rating of 99.97% and members on average experienced 2.37 hours without power in 2021.

Member Satisfaction

Each year, Chugach reaches out to its members to gather valuable member feedback. In 2021, 500 members were surveyed for the annual member satisfaction survey. Results show the vast majority of Chugach members are very satisfied with their overall service.

In general, Chugach continues to be very favorably viewed by its members. Members are extremely satisfied with the utility overall, reliability, customer service, and the restoration time. Reliability remains the member priority as it has since Chugach started tracking in 1995.



Business Development

As electric vehicles gain market share, the number of EVs in Anchorage has grown to over 600. When powered by Chugach's generation mix, these vehicles reduce carbon emissions by 60 to 70 percent, as compared to a similar size gasoline vehicle. The additional load created by electric vehicles and new commercial developments for air cargo, senior housing, hotels, and medical buildings is more than offset by Chugach members becoming more energy efficient. Total 2021 energy sales were 0.7% lower than 2020, but the number of metered points served by Chugach grew by 0.13%.

MEMBER COMMENTS

"Good to have Alaska-based customer service. Operator knew about my neighborhood."

"Was the easiest and most informative customer service agent I have had in a very long time. She was patient and her tone and tenor did not reflect anything but patience, which is rare these days."

"Excellent service - the crewmen that came to our home were kind and patient, very engaging. Provided knowledgeable and efficient service!"

"In a world where customer service is becoming an endangered species, it's nice to be able to talk to a person who can answer your questions."

APPENDIX A

Sustainability Quantitative Information / ESG Metrics

Portfolio		2021
Owned Nameplate Generation Capacity at end of year (MW)		
Coal		0
Natural Gas		758.1
Nuclear		0
Petroleum		0
Other		
Biomass/Biogas		0
Geothermal		0
Hydroelectric		32.6
Solar		0
Wind		0
Owned Net Generation for the data year (MWh)		
Coal		0
Natural Gas		1,810,542
Nuclear		0
Petroleum		0
Other		
Biomass/Biogas		0
Geothermal		0
Hydroelectric		117,025
Solar		0
Wind		0
Retail Electric Accounts (at end of year)		
Large Commercial		2,353
Small Commercial		13,781
Residential		96,703

Emissions

2021

GHG Emissions: Carbon Dioxide (CO2) and Carbon Dioxide Equivalent (CO2e)

Owned Generation

Carbon Dioxide (CO2)

Total Owned Generation CO2 Emissions (MT)	756,339
---	---------

Total Owned Generation CO2 Emissions Intensity (MT/Net MWh)	0.3924
---	--------

Carbon Dioxide Equivalent (CO2e)

Total Owned Generation CO2e Emissions (MT)	757,151
--	---------

Total Owned Generation CO2e Emissions Intensity (MT/Net MWh)	0.3928
--	--------

Nitrogen Oxide (NOx)

Total NOx Emissions (MT)	1.5
--------------------------	-----

Total NOx Emissions Intensity (MT/Net MWh)	0.00
--	------

Sulfur Dioxide (SO2)

Total SO2 Emissions (MT)	0
--------------------------	---

Total SO2 Emissions Intensity (MT/Net MWh)	0.00
--	------

Resources

2021

Human Resources

Total Number of Employees	448
---------------------------	-----

Percentage of Women in Total Workforce	30%
--	-----

Percentage of Minorities in Total Workforce	23%
---	-----

Total Number on Board of Directors	7
------------------------------------	---

Percentage of Women on Board of Directors	43%
---	-----

Employee Safety Metrics

Recordable Incident Rate	2.77
--------------------------	------

Lost-time Rate	1.1
----------------	-----

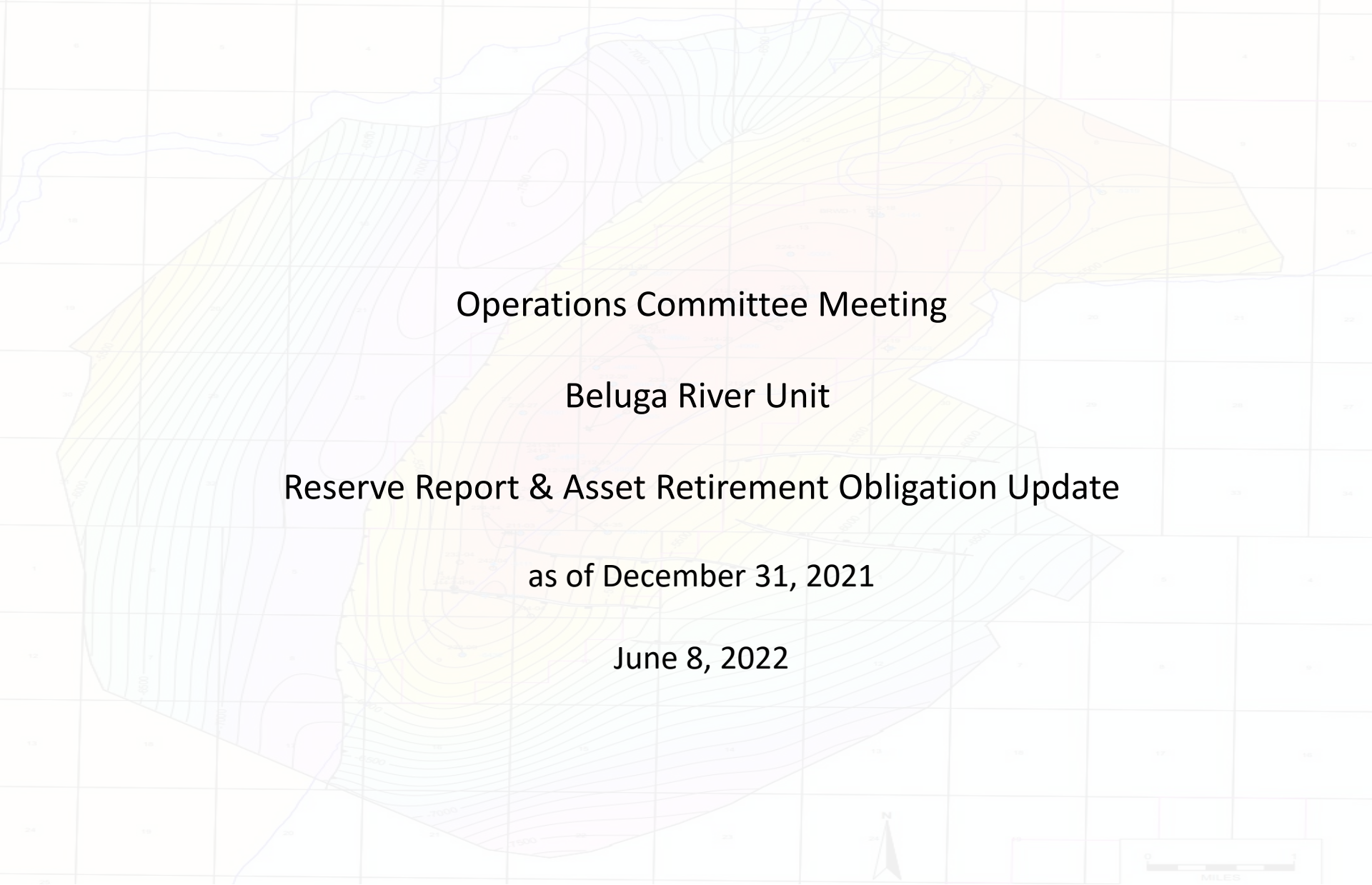
Days Away, Restricted, and Transfer (DART) Rate	1.58
---	------

Work-related Fatalities	0
-------------------------	---

Waste Products

Amount of Hazardous Waste Manifested for Disposal	<1 MT
---	-------

Percent of Coal Combustion Products Beneficially Used	0%
---	----



Operations Committee Meeting

Beluga River Unit

Reserve Report & Asset Retirement Obligation Update

as of December 31, 2021

June 8, 2022

ORDER ADDRESSING NOTICE

- APPROVING TARIFF REVISIONS ON A PERMANENT BASIS
- REQUIRING FUTURE COST-OF-POWER ADJUSTMENT REVISIONS TO BE BASED ON THE RYDER SCOTT COMPANY STUDY RESULTS
- REQUIRING FUTURE GAS RESERVES STUDIES TO CONFORM WITH STANDARDS SET OUT IN THE THEN CURRENT REVISION OF THE PETROLEUM RESOURCES MANAGEMENT SYSTEM
- REQUIRING ADDITIONAL ANALYSES IN FUTURE ASSET RETIREMENT OBLIGATION COST ESTIMATES
- ADDRESSING BELUGA RIVER UNIT MANAGEMENT AND WHOLESALE GAS PRICING ISSUES
- REQUIRING FILINGS, AND CLOSING DOCKETS

Require Chugach to prepare future BRU reserve studies conforming to PRMS standards



World Petroleum Council

Sponsored by:

Society of Petroleum Engineers (SPE)
American Association of Petroleum Geologists (AAPG)
World Petroleum Council (WPC)
Society of Petroleum Evaluation Engineers (SPEE)



Process Scope :

- Gather, compile and structure report data in compliance with PRMS Standards
- Provide reserve estimates as of December 31, 2021
- Apply budget plan of development to reserve forecast volumes
- Ryder Scott to provide validation and compliance to PRMS
- Ryder Scott to be available for RCA testimony as required

2021 Reserve Report Summary Table P50

- By **August 26, 2022**, Chugach Electric Association, Inc. shall file an updated Beluga River Unit remaining reserves determination study based on information available as of December 31, 2021

P50

Reserves (EOFL of 6/2034)	BSCF	
Production history (AOGCC)	1,437	
Proven Developed Producing Reserve	45	
Proven Developed Non-Producing Reserve	9	
Proven Undeveloped, 5 development wells + wellwork	31	
Gross Proven Reserves	86	
Gross Probable Reserves, 6 wells	23	
Gross Proven-Probable Reserves	109	
Fuel Consumption	6	
Gross Reserves less fuel consumption	103	
Royalty Gas 12.5% (historically available to CEA)	14	
CEA Net Proven-Probable Reserves	60	
CEA Available Gas (Net Proven-Probable plus Net Royalty)	69	

Require Chugach to provide P-50, P-75 & P-90 sensitivity analysis

Results of Sensitivity Analysis - P-50, P-75 & P-90

	EOFL	Gross Proven (PDP, PNP, PUD) BSCF	Gross Probable BSCF	Gross Total BSCF
P10	2035	104	26	130
P50	2034	88	22	110
P75	2033	78	22	100
P90	2032	72	19	91

Table 5. Potential reserves based on different well decline possibilities

- ❑ 39 BSCF delta between P10 and P90 as a legacy field in Cook Inlet
- ❑ Probabilistic field decline rate varied between 16% to 27%
- ❑ Applicable decline for PDP, PNP and PUD

PRA 2021 Reserve Report Annual Detail Volumes

	2P Proved+Probable		Fuel Gas Consumption		100% WIO Gross Volume		Net Gas to CEA Interest	
Year	Ann. Avg. MMSCF/D	Gross Volume MMSCF	Ann. Avg. MMSCF/D	Gross Volume MMSCF	Ann. Avg. MMSCF/D	Gross Volume MMSCF	Net Ann. Avg. MMSCF/D	Net Gas Volume MMSCF
2022	35.1	12,822	1.3	455	33.8	12,367	22.5	8,245
2023	41.4	15,094	1.3	455	40.1	14,639	26.7	9,760
2024	39.2	14,336	1.3	456	37.9	13,880	25.3	9,254
2025	36.1	13,171	1.3	455	34.8	12,716	23.2	8,478
2026	33.3	12,137	1.3	455	32.0	11,682	21.3	7,788
2027	28.4	10,372	1.3	455	27.1	9,917	18.1	6,612
2028	22.5	8,223	1.3	456	21.2	7,767	14.1	5,178
2029	17.8	6,511	1.3	455	16.5	6,056	11.0	4,038
2030	14.2	5,193	1.3	455	12.9	4,738	8.6	3,159
2031	11.4	4,161	1.3	455	10.1	3,706	6.7	2,471
2032	9.2	3,358	1.3	456	7.9	2,902	5.3	1,935
2033	7.4	2,709	1.3	455	6.1	2,254	4.1	1,503
2034	6.3	1,148	1.3	226	5.0	922	3.3	615
Total Volume		109,235		5,689		103,546		69,034

2021 Report - End of Field Life (EOFL)

Gross Parameters:

Annual Operating Expense \$ / yr.

Gas Price \$ / mcf/d

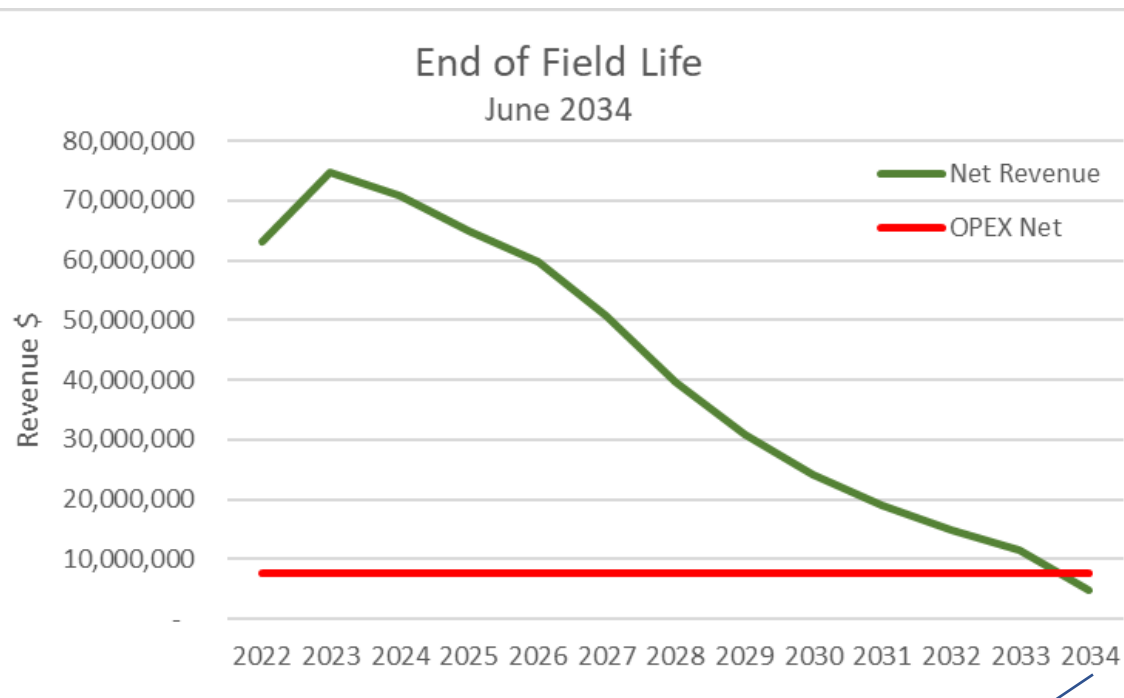
Fuel Gas Rate, mcf/d

11,500,000 \$ / yr.

7.67 \$ / mcf/d

1,250 mcf/d

Year	bcf NET	Net Revenue	OPEX Net
2022	8.2	63,239,755	7,667,050
2023	9.8	74,857,829	7,667,050
2024	9.3	70,976,615	7,667,050
2025	8.5	65,024,398	7,667,050
2026	7.8	59,736,947	7,667,050
2027	6.6	50,711,462	7,667,050
2028	5.2	39,717,246	7,667,050
2029	4.0	30,967,895	7,667,050
2030	3.2	24,228,185	7,667,050
2031	2.5	18,950,961	7,667,050
2032	1.9	14,839,635	7,667,050
2033	1.5	11,526,030	7,667,050
2034	0.6	4,714,729	7,667,050
TOTAL	69.0	529,491,687	99,671,650



Net field rate economic
limit of 4 mmcf/d

Surface Assets DR&R Option Summary

We are concerned that the BRU surface estate owners may require full removal of gravel pads, roads, airstrip, piping, cables, other buried items, concrete foundations, and concrete slabs, with full site restoration. We are concerned that labor rates are based on a non-union contractor when Chugach is a union shop and may be required by its own labor relations to hire a union contractor. We are concerned that the equipment rates apparently do not include the substantial cost of shipping equipment to the BRU and return shipping after the work is done. We are concerned about the level of study done to support the assumptions that no contaminated soil remediation is required and that no hazardous paint, asbestos, or other hazardous materials are present

Scope Detail	2013 Base	2018 Base	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Base Estimate	X	X						
Base Estimate Adjusted Current Dollars			X	X	X	X	X	X
Mechanical Additions, Produced water line, Compressor Building remediation				X	X	X	X	X
Scarify Ground - Hydroseed					X	X	X	X
Removal of buried utilities						X	X	X
Removal of roads and pads and buried utilities							X	X
Removal of air strip and spine road								X
Applied Union Uplift			X	X	X	X	X	X

NET - CEA \$ 15,206,094 \$ 18,995,616 \$ 20,670,367 \$ 21,620,414 \$ 22,950,481 \$ 25,345,934 \$ 26,543,994 \$ 34,931,747

Sub-Surface Abandonment Summary (Gross)

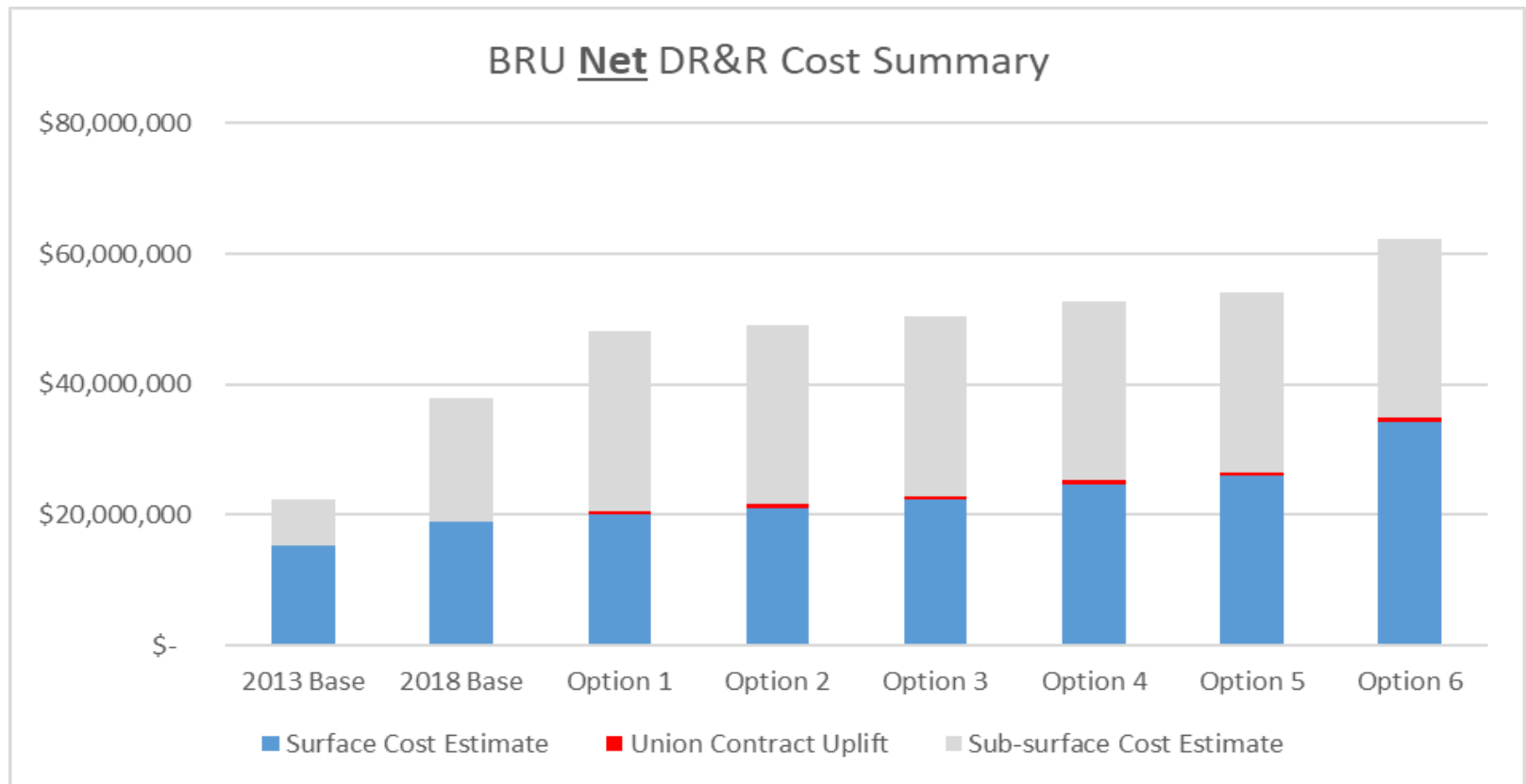
December 31, 2021 Sub-surface Abandonment Cost Summary

Well Type	Definition of Well Type	Number of Wells	Unit cost/well	Total cost by Well Type
Type 1	Non Intervention	2	\$ 331,632	\$ 663,264
Type 2	Rigless Intervention W/O Coiled Tubing	3	\$ 828,482	\$ 2,485,446
Type 3	Rigless Intervention with Coiled Tubing	24	\$ 1,374,998	\$ 32,999,952
Type 4	Rig Required	2	\$ 2,488,960	\$ 4,977,920
Total Cost Estimate (all 31 wells)		31		\$ 41,126,582
2013 Abandonment Cost Summary				\$ 10,730,000
2018 Abandonment Cost Summary		25		\$ 28,359,237

Surface & Subsurface DR&R Summary

NET to CEA	2013 Base	2018 Base	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Surface Cost Estimate	\$ 15,206,094	\$ 18,995,616	\$ 20,210,344	\$ 21,022,384	\$ 22,435,122	\$ 24,777,906	\$ 25,959,298	\$ 34,141,707
Sub-surface Cost Estimate	\$ 7,153,691	\$ 18,907,103	\$ 27,439,095	\$ 27,439,095	\$ 27,439,095	\$ 27,439,095	\$ 27,439,095	\$ 27,439,095
Union Contract Uplift	\$ -	\$ -	\$ 460,023	\$ 598,030	\$ 515,359	\$ 568,028	\$ 584,696	\$ 790,040
TOTAL	\$ 22,359,785	\$ 37,902,720	\$ 48,109,461	\$ 49,059,509	\$ 50,389,575	\$ 52,785,028	\$ 53,983,088	\$ 62,370,841

GROSS Estimate \$33,538,000 \$56,851,237 \$72,160,584 \$73,585,584 \$75,580,584 \$79,173,584 \$80,970,584 \$93,551,584



ARO & Gas Transfer Price Surcharge

- By **August 26, 2022**, Chugach Electric Association, Inc. shall file an updated Beluga River Unit asset retirement obligation cost estimate addressing both surface and subsurface assets in conformance with the direction provided in the body of this order
- Chugach Electric Association, Inc. shall file Beluga River Unit gas transfer price and asset retirement obligation surcharge updates by **February 15 and August 15 of each year**

BRU - Gas Transfer Price / mcf					
		Current		DR&R Cost Range	
				\$48.0 mm	\$62.4 mm
Field Gas	\$	2.79	\$	2.79	\$ 2.79
ARO Surcharge	\$	0.11	\$	0.29	\$ 0.45
Capital Recovery	\$	0.74	\$	0.77	\$ 0.77
TOTAL	\$	3.64	\$	3.85	\$ 4.01

\$ 14.4 mm delta Option 1 & 6

.16 cent delta / mcf Option 1 & 6
.37 cents over current

RCA Hearing Order Deliverables



- Require Chugach to prepare future BRU reserve studies conforming to PRMS standards
- Require Chugach to provide P-50, P-75 & P-90 sensitivity analysis

Ongoing

- File updated BRU reserve study every three years starting from TA474-8 ✓

Pending
FINAL
Submission

- By August 26, 2022, Chugach Electric Association, Inc. shall file an updated Beluga River Unit remaining reserves determination study based on information available as of December 31, 2021.

Pending
FINAL
Submission

- By August 26, 2022, Chugach Electric Association, Inc. shall file an updated Beluga River Unit asset retirement obligation cost estimate addressing both surface and subsurface assets in conformance with the direction provided in the body of this order

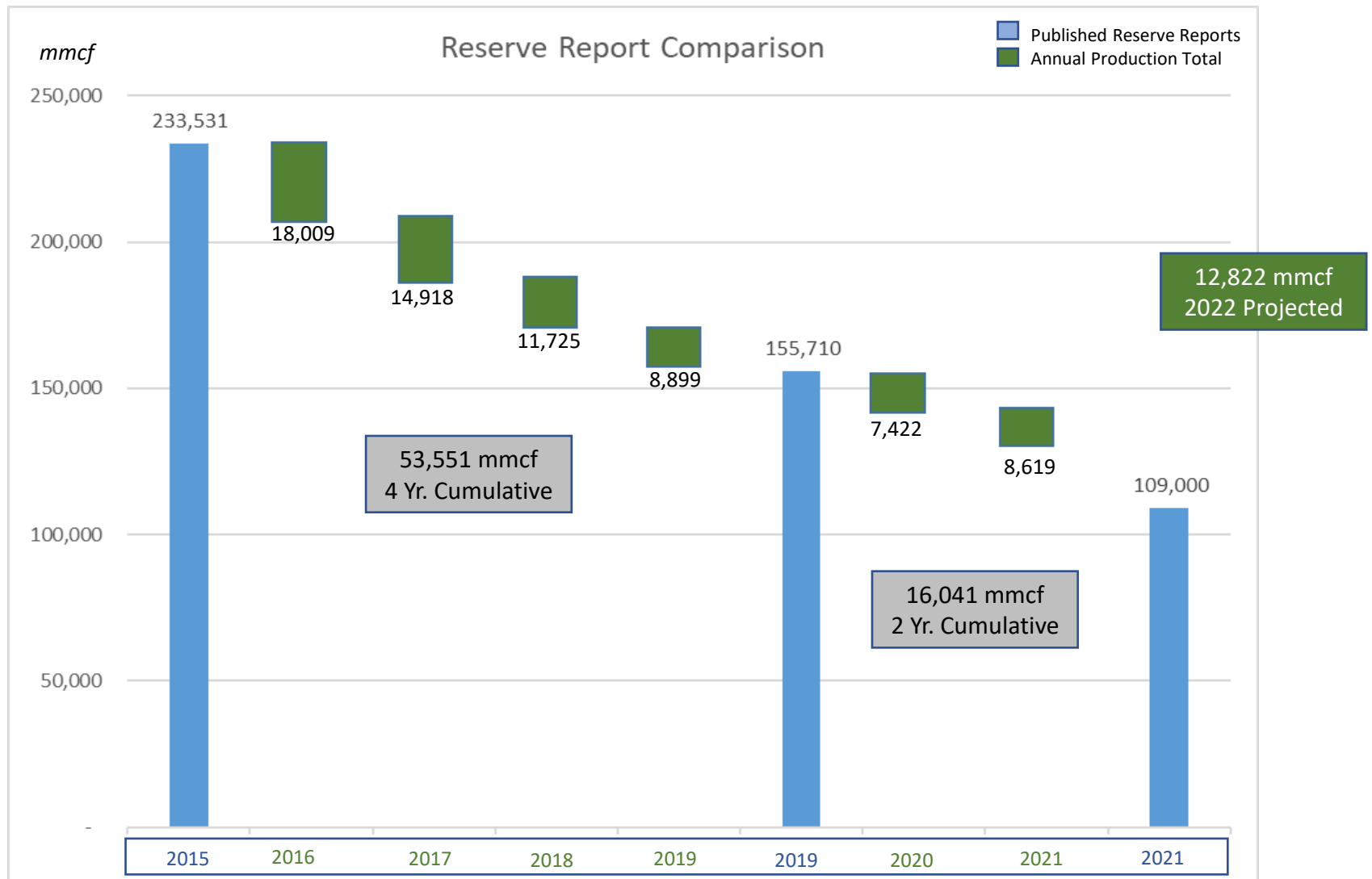
Scheduled
Updates

- Chugach Electric Association, Inc. shall file Beluga River Unit gas transfer price and asset retirement obligation surcharge updates by February 15 and August 15 of each year

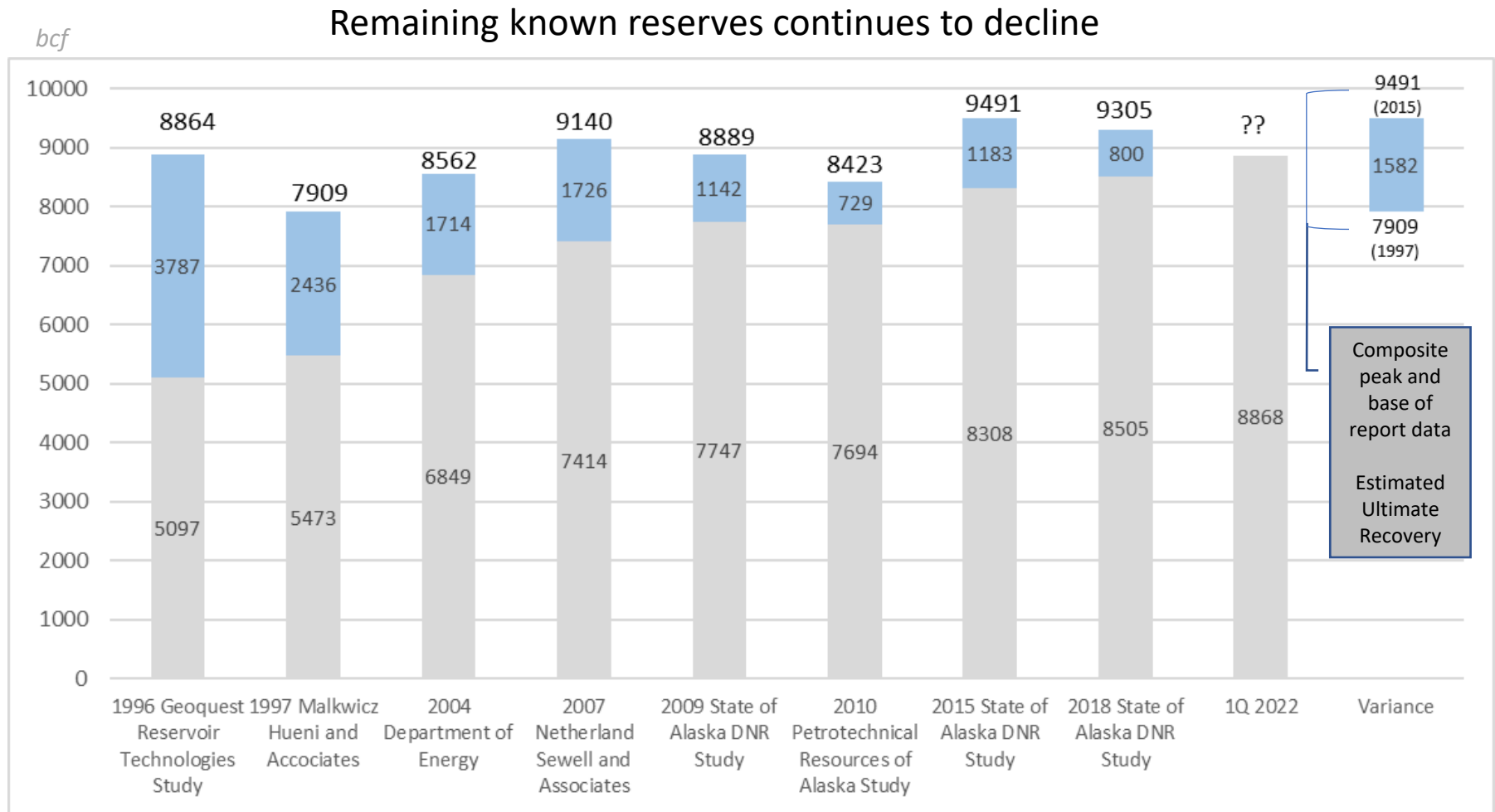


- We are concerned that the BRU surface estate owners may require full removal of gravel pads, roads, airstrip, piping, cables, other buried items, concrete foundations, and concrete slabs, with full site restoration. We are concerned that labor rates are based on a non-union contractor when Chugach is a union shop and may be required by its own labor relations to hire a union contractor. We are concerned that the equipment rates apparently do not include the substantial cost of shipping equipment to the BRU and return shipping after the work is done. We are concerned about the level of study done to support the assumptions that no contaminated soil remediation is required and that no hazardous paint, asbestos, or other hazardous materials are present

Reserve Report Historic Comparison (Gross)



Cook Inlet Reserves Study Comparison



Eight studies over 25+ years

Total above bars show Estimated Ultimate Recovery by study

Cumulative production at time of report

Remaining estimated reserves

BRU Quarterly Performance Report

June 8, 2022
Operations Committee Meeting

BRU Quarterly Performance Report

- This report is designed to provide a single page overview of BRU production and financial performance and highlight key activities in forward planning.
 - Current Production Performance
 - Production vs Forecast
 - OPEX Budget Performance
 - CAPEX Budget Summary
 - Planned activities for Q2/3

Production:

May 2022 Production (mcf)

	May-21	Apr-22	May 2022		Jun-22
			Actual	Forecast	
Gross Production	655,902	927,501	949,281	995,864	944,597
Average daily rate	21,158	30,917	30,183	32,125	31,487
Active wells	12		14		14

mcfpd

Average daily rate

BRU Production Forecast : 2022

mcf	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Forecast	925,000	890,000	895,213	858,961	995,864	944,597	956,698	1,121,566	1,063,828	1,265,633	1,315,469	1,332,322
Actual	1,014,341	919,297	935,660	927,501	949,281							
Variance	10%	3%	5%	8%	-5%							

mcf

Field Sales mcf

Actual

OPEX Budget Performance:

BRU OPEX NET

	Forecast	Actual
Jan	751,233	725,585
Feb	769,574	577,401
Mar	711,365	805,069
Apr	695,689	766,805
May	745,233	
Jun	820,256	
Jul	735,355	
Aug	724,369	
Sep	741,963	
Oct	852,147	
Nov	789,321	
Dec	761,349	
	9,097,854	2,874,860

2022 NET Expense Budget

Forecast

Actual

CAPEX Commitment :

NET to Chugach

Total CAPEX Budget	\$ 16,978,699
CAPEX Spend to Date	\$ 1,640,216
Balance Remaining	\$ 15,338,483

CAPEX Spend To Date

Balance Remaining

- Activity Plan Forward :
- Spud date for BRU 244-27 F-pad 5/31/22
 - RWO planned on 212-26
 - Investigating compressor options for H-pad Central Facility

- Additional workovers being planned for HAK 401
 - Spud date for NWD 222-24 F-pad planned early July

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

June 8, 2022

ACTION REQUIRED

AGENDA ITEM NO. VII.A.

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

TOPIC

Transition Agreement

DISCUSSION

As discussed in executive session.

MOTION

Move that the Operations Committee recommend the Board of Directors approve the transition agreement as discussed in executive session.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

June 8, 2022

ACTION REQUIRED

AGENDA ITEM NO. VII.B.

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

TOPIC

May 1, 2022 - April 30, 2023 Chief Executive Officer (CEO) Project Specific Initiatives and Priority Areas

DISCUSSION

As discussed in executive session.

MOTION

Move that the Operations Committee recommend the Board of Directors approve the May 1, 2022 through April 30, 2023 CEO Project Specific Initiatives and Priority Areas as discussed in executive session.