

CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA

OPERATIONS COMMITTEE MEETING

AGENDA

Jim Nordlund, Chair
Dan Rogers, Vice Chair
Sisi Cooper, Director

Susanne Fleek-Green, Director
Mark Wiggin, Director

July 9, 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. APPROVAL OF THE MINUTES* (4:10 p.m.)
 - A. April 9, 2025 (Slocum)
- IV. PERSONS TO BE HEARD (4:10 p.m.)
 - A. Member Comments
- V. NEW BUSINESS* (4:25 p.m.)
 - A. Election of Operations Committee Vice-Chair* (Board) (4:25 p.m.)
 - B. Beluga River Unit Performance (Armfield) (4:30 p.m.)
 - C. Legislative Matters (Baker) (4:45 p.m.)
 - D. Microgrids and Virtual Power Plants (D. Highers) (5:05 p.m.)
 - E. Discussion on Potential Rate Case (Szymoniak) (5:30 p.m.)
- VI. DIRECTOR COMMENTS (5:45 p.m.)
- VII. EXECUTIVE SESSION* (scheduled) (5:55 p.m.)
 - (Recess 10-minutes)
 - A. Gas Supply and Storage Update, Subject to NDA (Rudeck/Herrmann) (6:05 p.m.)
 - B. Renewable Update, Subject to NDA (Rudeck) (6:20 p.m.)
 - C. Bradley Lake RECs (Clarkson) (6:35 p.m.)
 - D. HR Matters (Millen/Menefee) (6:45 p.m.)
 - E. CEO Project Specific Initiatives and Priority Area Goals (Miller) (7:05 p.m.)
 - (Recess 15-minutes)

* Denotes Action Items

** Denotes Possible Action Items

VIII. NEW BUSINESS *(continued)* (7:55 p.m.)

A. *CEO Project Specific Initiatives and Priority Area Goals** (Miller)* (7:55 p.m.)

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

* *Denotes Action Items*

** *Denotes Possible Action Items*

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

April 9, 2025
Wednesday
4:00 p.m.

OPERATIONS COMMITTEE MEETING

Recording Secretary: Heather Slocum

I. CALL TO ORDER

Vice Chair Rogers called the Operations Committee meeting to order at 4:00 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Roll Call

Committee Members Present:

Jim Nordlund, Chair – *via teleconference*
Dan Rogers, Vice Chair
Sisi Cooper, Director – *via teleconference*
Bettina Chastain, Director – *via teleconference*
Mark Wiggin, Director

Board Members Present:

Susanne Fleek-Green, Director
Rachel Morse, Director – *via teleconference and in-person*

Guests and Staff Attendance Present:

Arthur Miller	Whitney Wilkson	Sean Skaling
Sherri Highers	Nick Szymoniak	Emily Mueller
Matthew Clarkson	Adam Lutchansky	Mark Henspeter
Andrew Laughlin	Taylor Asher	Kate Ayers
Allan Rudeck	David Caye	Bill Herman, Member
Katie Millen	Josh Resnick	Bernie Smith, Member
Julie Hasquet	Bianca Cross	Marnie Isaacs, Member
Dustin Highers	Eugene Ori	Alex Petkanas, Member
Trish Baker	Dan Herrmann	Sean Ellenson, McMillen
Josh Travis	Randall Chicola	Angela Kuest, HDR

Via Teleconference:

Stephanie Huddell	Samantha Owen,	Mitch Roth, Member
Sandra Cacy	McMillen	Donovan Russoniello, Member
Amanda Mankel	Katherine Jernstrom,	George Donart, Member
Buddi Richey	Member	Gary Newman, Non-member
Brett Pherson	Andrew McDonnell,	Kim Henkel, MEA
Teresa Kurka	Alaska Renewables	Betsy McCracken, Member
David Parish	Walter Chapman, Member	

II. APPROVAL OF THE AGENDA

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

Director Wiggin moved, and Director Chastain seconded the motion to move Director Comments prior to Executive Session. The motion passed unanimously.

III. APPROVAL OF THE MINUTES

Director Wiggin moved, and Director Chastain seconded the motion to approve March 19, 2025, Operations Committee Meeting minutes. The motion passed unanimously.

IV. PERSONS TO BE HEARD

- A. Donovan Russoniello, Member, provided testimony to the Committee.
- B. George Donart, Member, provided testimony to the Committee.
- C. Mitchell Roth, Member, provided testimony to the Committee.
- D. Bill Herman, Member, provided testimony to the Committee.
- E. Bernie Smith, Member, provided testimony to the Committee.
- F. Alex Petkanas, Member, provided testimony to the Committee.

Director Morse arrived in person at 4:25 p.m.

V. NEW BUSINESS**

- A. *Renewable Projects Update, Integration (D. Highers)*
Dustin Highers, Vice President, Corporate Programs, and Adam Lutchansky, Manager, Decarbonization Program, presented on renewable projects update and answered questions from the Committee.
- B. *Legislative Update** (Baker)*
Trish Baker, Sr. Manager, Government & Business Affairs, presented an update on legislative activities and responded to questions from the Committee.
- C. *Chugach & Homer Electric Association Mutual Aid Agreement (Clarkson)*
Matthew Clarkson, Chief Legal Officer, presented the Mutual Aid Agreement and answered questions from the Committee.

VI. DIRECTOR COMMENTS

Director comments were made at this time.

VII. EXECUTIVE SESSION*

- A. *Security Update (Resnick/Cross)*
- B. *Gas Supply Update, Subject to NDA (Rudeck)*
- C. *Renewable Project Update, Subject to NDA (D. Highers)*

At 6:43 p.m., Director Wiggin moved, and Director Nordlund 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 matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 2) discuss with its attorneys matters the im-mediate knowledge of which could have an

adverse effect on the legal position of the cooperative; and 3) discuss personnel matters. The motion passed unanimously.

Director Rogers left the meeting during Executive Session. The time was not noted. The meeting reconvened in open session at 8:28 p.m.

VIII. NEW BUSINESS **

*A. 2030 Energy and Integration Projects** (Rudeck/D. Highers)*

Director Cooper moved, and Director Nordlund seconded the motion 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 final investment decision recommendations to the Board by year-end 2025 for solar and integration projects, and by July 1, 2026, for the wind project. The motion passed unanimously.

IX. ADJOURNMENT

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

BRU Q2 2025 Performance Report

June 2025

Cumulative NET Savings since 2016 \$115,506,087

YTD Saving \$6,502,337

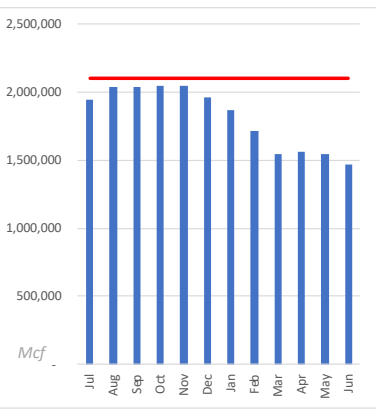
\$1.21 GTP Variance / Mcf

YTD Total Net Production 5,060,044

Gas Inventory Status

Underlift/Storage Volumes (Mcf)	
Current Month Underlift	554,138
Total Cumulative Underlifted Volume	4,069,814
Underlift NET Recovery Volume	3,255,851
Current CINGSA Storage Volume (Mcf)	1,470,397
Marathon Exchange Volume (Mcf)	48,813
Total Inventory Volume	4,775,061

CINGSA Inventory Volumes by Month End (Mcf)



Prior Month Variance
-72,333

Remaining CINGSA Space
557,270

Average Daily Burn (Mcf)
35,700

Available Inventory Gas
1,519,210

HAK Underlift Supply Days
91

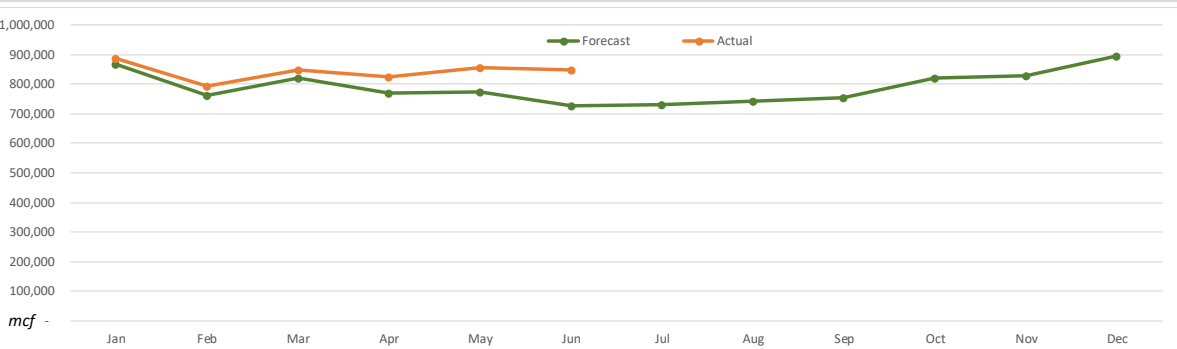
CINGSA Supply Days
43

Production Forecast to Actual - NET to Chugach (Mcf)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
MONTHLY												
Forecast	867,838	761,975	820,080	770,739	773,465	726,929	729,500	741,834	755,424	820,082	828,965	893,883
Actual	886,612	795,291	849,316	824,337	856,367	848,120	-	-	-	-	-	-
Month Variance	18,774	33,316	29,236	53,598	82,901	121,191	-	-	-	-	-	-
Variance %	2%	4%	4%	7%	11%	17%	0%	0%	0%	0%	0%	0%

Year to Date

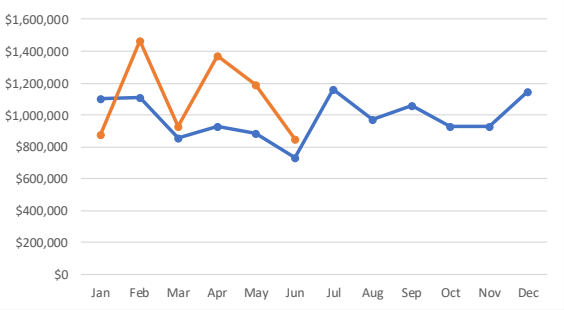
Forecast	867,838	1,629,813	2,449,894	3,220,633	3,994,098	4,721,027	5,450,528	6,192,362	6,947,786	7,767,868	8,596,833	9,490,717
Actual	886,612	1,681,903	2,531,220	3,355,557	4,211,924	5,060,044	-	-	-	-	-	-
YTD Variance	18,774	52,090	81,326	134,924	217,826	339,017	-	-	-	-	-	-
Variance %	2%	3%	3%	4%	5%	7%	0%	0%	0%	0%	0%	0%



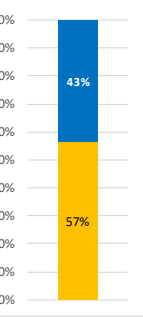
Budget Performance

BRU OPEX (NET to CEA) *				
	Forecast	Actual	YTD Cum Delta	Variance
Jan	\$1,102,790	\$874,726	(\$228,064)	-21%
Feb	\$1,107,678	\$1,464,516	\$128,773	6%
Mar	\$854,826	\$931,425	\$205,372	7%
Apr	\$929,097	\$1,369,875	\$646,150	16%
May	\$888,340	\$1,186,540	\$944,350	19%
Jun	\$735,857	\$850,000	\$1,058,494	19%
Jul	\$1,161,215	\$0	\$0	0%
Aug	\$972,421	\$0	\$0	0%
Sep	\$1,061,369	\$0	\$0	0%
Oct	\$925,780	\$0	\$0	0%
Nov	\$927,337	\$0	\$0	0%
Dec	\$1,144,819	\$0	\$0	0%
	\$11,811,530	\$6,677,082	-	

2025 NET Expense Budget



YTD OPEX Burn

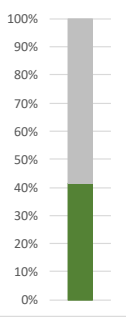


* excludes taxes and royalty payments

CAPEX Commitment

NET to Chugach	
Total CAPEX Budget	\$28,651,190
CAPEX Spend to date	\$11,922,606
Balance Remaining	\$16,728,584
BRU - Gas Transfer Price	
Field Ops	\$3.72
ARO Surcharge	\$0.47
Capital Recovery	\$2.46
GTP / Mcf	\$6.65
Current contract price	\$7.86
* BRU Gas Transfer Price effective 04/01/2025	

CAPEX Burn





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
July 9, 2025



Net Metering Bills



HB 164 Ref: **Energy**, Finance

SB 150 Ref: **Labor & Commerce**, Finance

"An Act relating to a net metering program; relating to reduced rates in the form of credits for consumer-generators; establishing a net metering reimbursement fund; and providing for an effective date."



Sectional Analysis

Section 1: Excludes new section from the existing statutory prohibition that public utilities may not grant an unreasonable preference or advantage to a customer or subject a customer to an unreasonable preference or disadvantage

Section 2: Requires qualifying utilities to:

- provide net metering at the retail rate
- allow the accrual of account credits on an annual cycle ending March 31
- require unused credits to expire after March 31
- allow net metering customers to opt out
- limit participation for reliability reasons or to prevent rates for non-metering customers from being unjust
- to calculate revenue losses from net metering via RCA regulation

Section 3: Establishes a reimbursement fund, appropriated by the legislature, to be administered by the Alaska Energy Authority



HOUSE BILL NO. 164

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 3/28/25

Referred: House Special Committee on Energy, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a net metering program; relating to reduced rates in the form of**
2 **credits for consumer-generators; establishing a net metering reimbursement fund; and**
3 **providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 42.05.391(a) is amended to read:

6 (a) Except as provided in AS 42.05.306 and 42.05.395, a public utility may
7 not, as to rates, grant an unreasonable preference or advantage to any of its customers
8 or subject a customer to an unreasonable prejudice or disadvantage. A public utility
9 may not establish or maintain an unreasonable difference as to rates, either as between
10 localities or between classes of service. A municipally owned utility may offer
11 uniform or identical rates for a public utility service to customers located in different
12 areas within its certificated service area who receive the same class of service. Any
13 uniform or identical rate shall, upon complaint, be subject to review by the
14 commission and may be set aside if shown to be unreasonable.

1 * **Sec. 2.** AS 42.05 is amended by adding a new section to read:

2 **Sec. 42.05.395. Net metering.** (a) A load-serving entity that is served by an
3 electric reliability organization and has total retail sales exceeding 5,000,000 kilowatt-
4 hours during a calendar year shall provide a net metering service that

5 (1) on a monthly basis, credits a consumer-generator's account in an
6 amount equal to the consumer's excess electric energy generation multiplied by the
7 rate per kilowatt-hour that would apply if the consumer was not a consumer-generator;
8 in this paragraph, the rate per kilowatt-hour may be a seasonal or time-of-use rate; and

9 (2) allows a consumer-generator to accrue and use account credit for
10 the consumer-generator's own consumption on an annual cycle that ends March 31 of
11 each year, after which date all accrued and unused credit expires.

12 (b) A consumer-generator may elect to receive net metering service for
13 generating capacity installed before July 1, 2025, or to continue receiving service
14 under tariff terms in effect when the generating capacity was installed.

15 (c) A load-serving entity may not limit consumer-generator participation in the
16 net metering service within its service territory unless the commission, after a hearing,
17 finds that limitation is necessary to protect system reliability or to prevent rates for
18 customers that are not consumer-generators from being unjust and unreasonable.

19 (d) A load-serving entity providing a net metering service may seek recovery
20 of revenue losses attributable to the entity's net metering service by application to the
21 Alaska Energy Authority under AS 42.45.015.

22 (e) The commission shall adopt regulations to implement this section that, at a
23 minimum, establish standards and procedures for calculating a load-serving entity's
24 revenue losses eligible for recovery under (d) of this section.

25 (f) In this section,

26 (1) "consumer" means a customer of an electric utility that consumes
27 electricity purchased from the electric utility;

28 (2) "consumer-generator" means a consumer that generates electric
29 energy

30 (A) on premises owned by, leased by, rented to, or licensed to
31 the consumer at a location where an electric utility provides service;

(B) that has a capacity of 25 kilowatts or less;

(C) through a generation system that produces the electric energy from solar photovoltaic and solar thermal energy, wind energy, biomass energy, hydroelectric energy, geothermal energy, hydrokinetic energy, ocean thermal energy, or other renewable energy source that has a similar environmental impact;

(D) that is interconnected and operates in parallel with the load-serving entity; and

(E) that offsets part or all the consumer's own electrical use;

(3) "electric reliability organization" has the meaning given in AS 42.05.790;

(4) "load-serving entity" has the meaning given in AS 42.05.790.

* **Sec. 3.** AS 42.05 is amended by adding a new section to read:

Sec. 42.45.015. Net metering reimbursement fund. (a) The net metering reimbursement fund is established as a separate fund. The fund consists of

(1) money appropriated to the fund by the legislature;

(2) gifts, bequests, contributions from other sources, and federal money; and

(3) interest earned on the fund balance.

(b) The authority shall administer the fund and serve as the fiduciary of the fund under AS 37.10.071.

(c) Subject to appropriation, the authority may make payments from the fund to a load-serving entity eligible for recoverable costs under AS 42.05.395 and implementing regulations adopted by the Regulatory Commission of Alaska.

(d) Nothing in this section creates a dedicated fund.

* **Sec. 4.** This Act takes effect July 1, 2025.

Decarbonization Program

Grid Integration Overview #2

Operations Committee Meeting

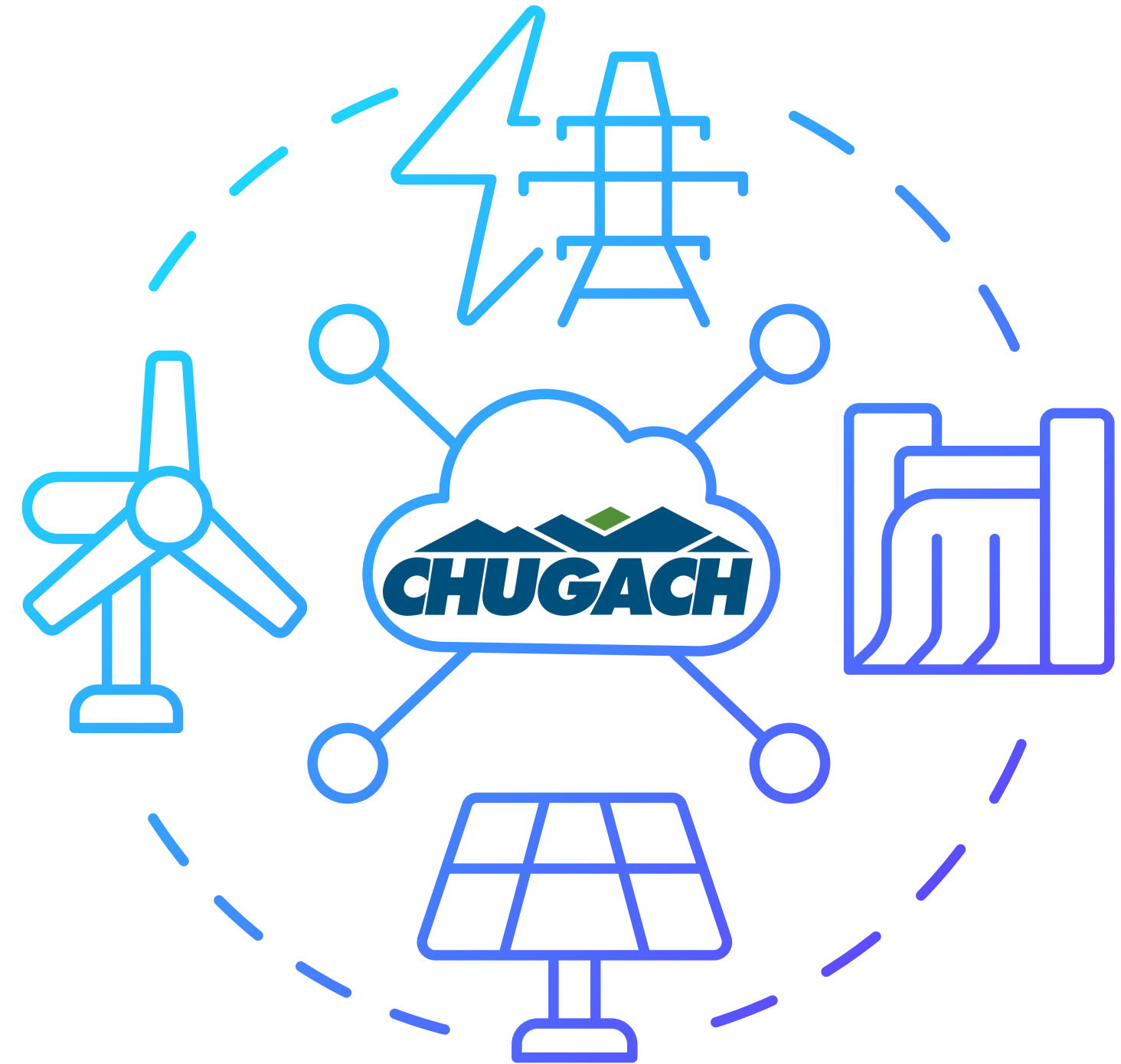
July 9, 2025



...

A fast-acting control system will be required to balance VRE with BESS, hydro, and thermal power plants without affecting normal daily operations. This is called a **Virtual Power Plant** concept.

Microgrids and **DER** are in development and these systems are important elements to a future vision of the grid.



Overview

2030 Projects Portfolio

System Integration

Retherford BESS

Sullivan Gas Storage

Integration Controls

Owned Renewables

SPP Solar

Sullivan Solar

Retherford Solar

One Campus Solar

Projects Self-Development

Beluga Solar

JBER Solar + Storage

Muni Solar

Future Wind Resources

Future Hydro Resources

PPA/Leased Resources

Houston Solar Phase II

Dixon Diversion

Shovel Creek
Little Mt Susitna

Port Microgrid

Other Renewables

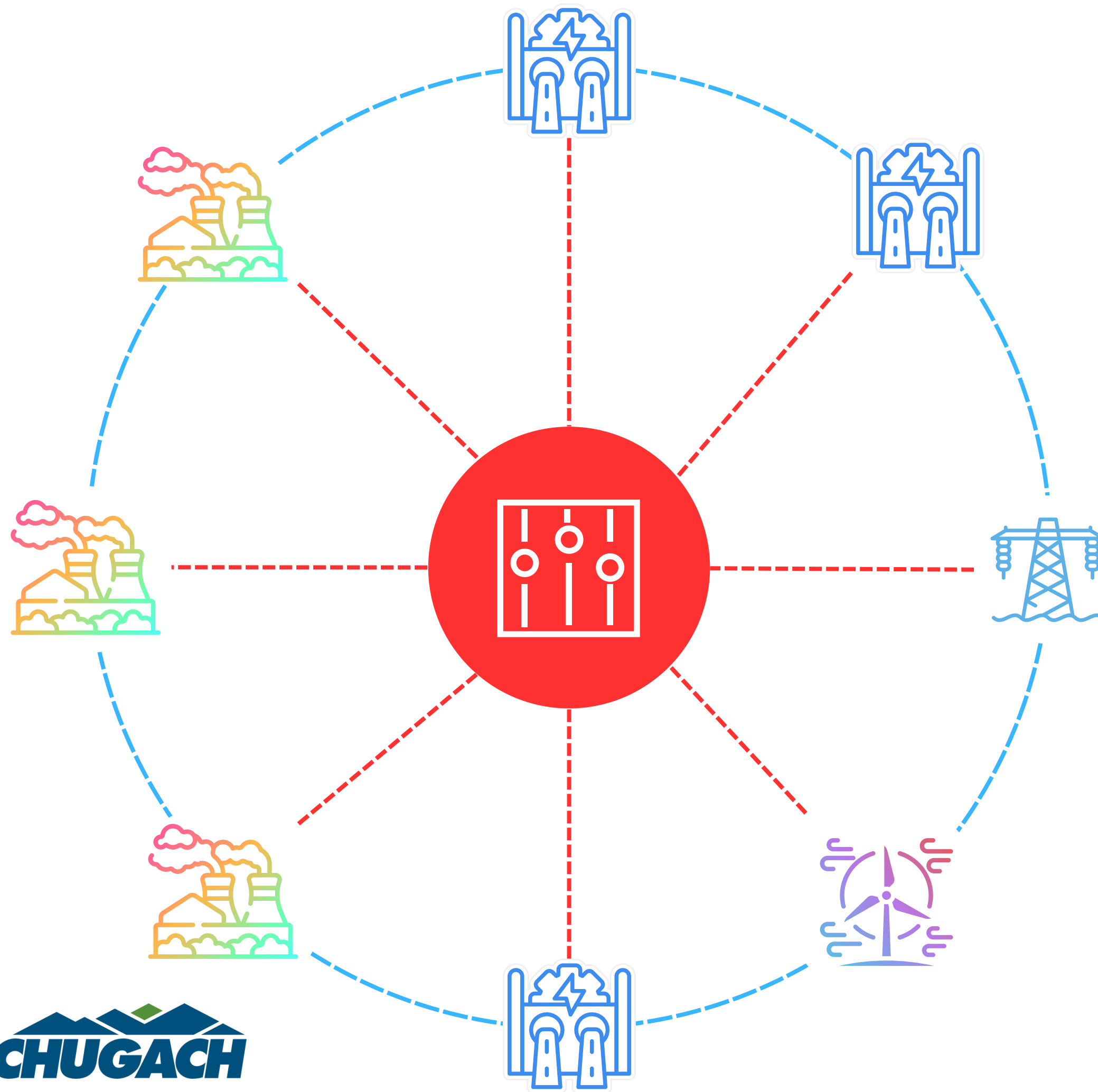
Proposed

In Planning

In Progress

Completed

Dispatching Today



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Load changes throughout the day and is followed by a single “regulation” unit.

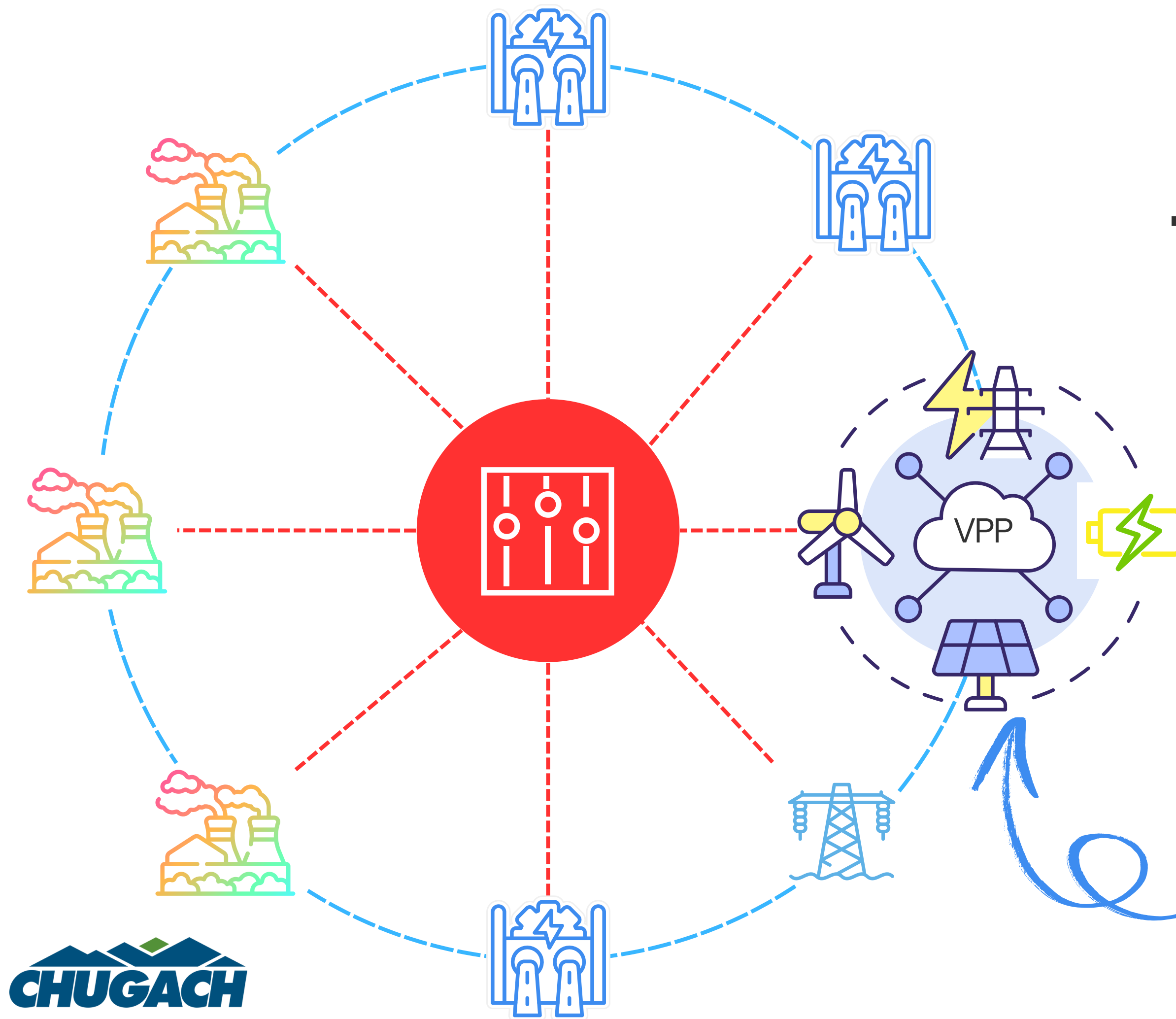
Online units are shifted hourly to reset the regulation unit to be ready for the next hour of load change.

Dispatching Tomorrow

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Loads will continue to be followed in the usual style while VRE power and associated power regulation devices are forecast and “dispatched” as a single unit.

Grid-Scale Virtual Power Plant

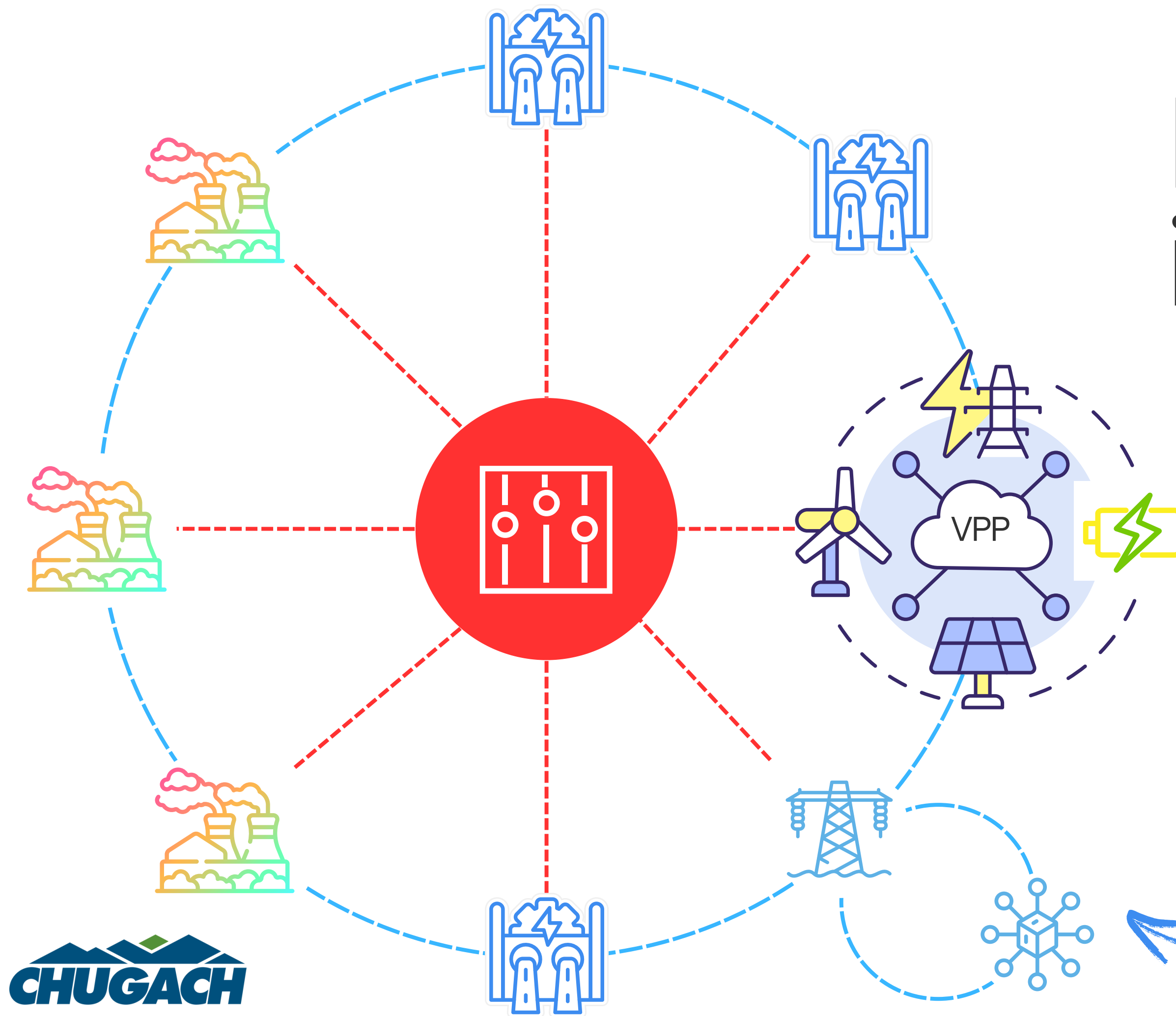


Dispatching in the Future

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Distributed Energy
Resources (DER) and
Microgrids will become
important elements in
supporting the grid.

Microgrids & DER
Aggregators



What is a Grid-Scale Virtual Power Plant?

...

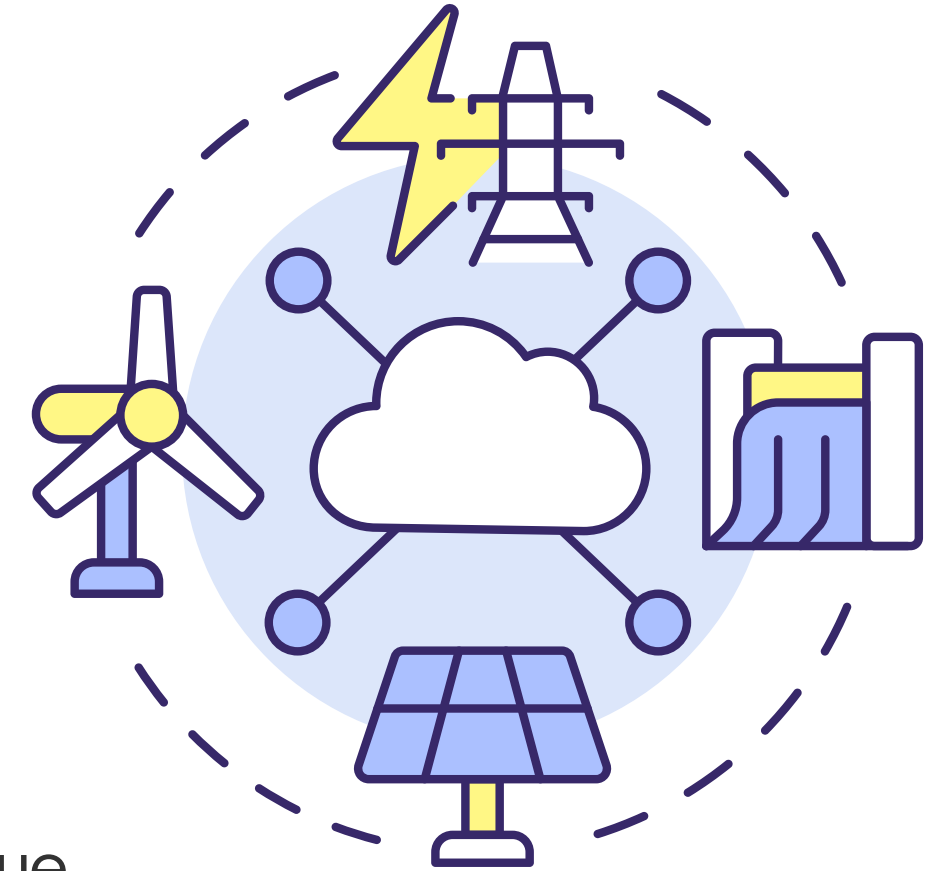
Portfolio of power generation and power regulation equipment recognized by the Energy Management System as a single unit even though each asset operates on the same electrical grid.

Benefits

Allows normal grid operations to continue while VRE (wind and solar)

Separate control system supports fast-acting power regulation for highly variable wind and solar plants

Supports economies of scale for power regulation projects to support multiple VRE projects



Microgrids

...

“A group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the grid. A microgrid can connect and disconnect from the grid to enable it to operate in both grid-connected or island mode.”

U.S. Department of Energy (DOE)



Don Young Port of Alaska

Benefits

Localized electrical resiliency, especially for critical infrastructure like the Port of Alaska

Enables higher penetration of solar, wind, and other renewable energy sources locally.

Allows for demand response, peak shaving, and intelligent dispatch of stored or generated energy

Improves Chugach's connections with the Municipality and other key member stakeholders



- The challenge is to change basic grid operations without impacting reliability.
- VPP is a “bolt on” to the existing system allowing Chugach to maintain current operations while adding renewables to achieve Board goals.
- Microgrids provide additional tools on the grid to support transmission system stability, localized resilience, and renewables penetration.

Summary

Decarbonization Program

Grid Integration Overview

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Questions?

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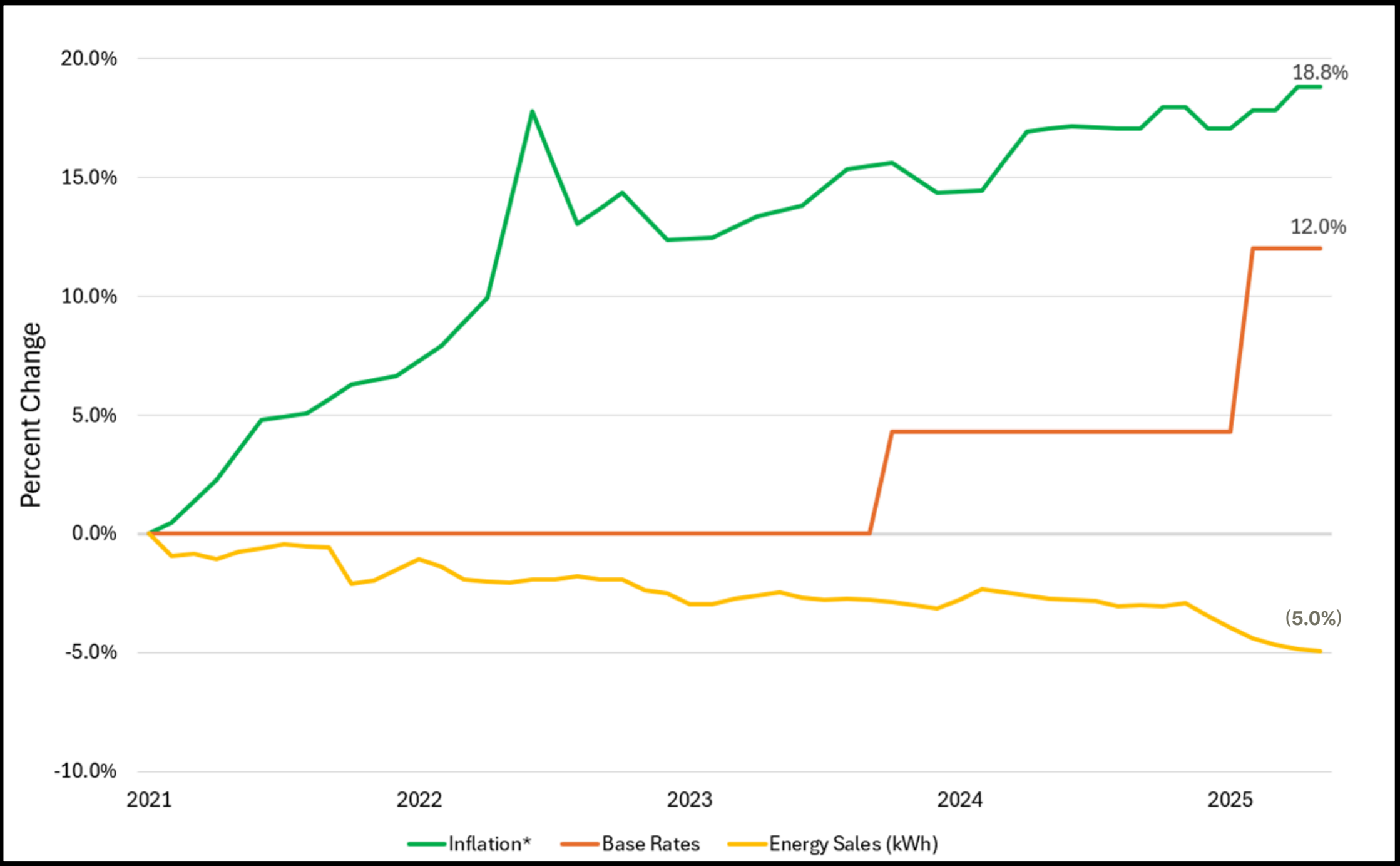


Potential Rate Case

Operations Committee Meeting
July 9, 2025



INFLATION, SALES DECLINE, AND BASE RATE CHANGES



Cumulative Change
(January 2021 - May 2025)

Inflation	Base Rates	Energy Sales
18.8%	12.0%	(5.0%)

*Source: U.S. Bureau of Labor Statistics - Anchorage Region



Sales and Revenue Variance (YTD April 2025)

	2024	2025	Variance	% Change	Annualized Revenue Impact
Retail (kWh)	662,506,976	643,936,007	(27,570,969)	(4.2%)	Approximately (\$11,500,000)
Retail (kW)	907,706	862,112	(45,594)	(5.0%)	

Cost Increases (April 2025)

September 2024 TY	April 2025 TY	% Change	Variance
\$273,573,954	\$281,105,544	2.80%	\$7,531,590



April 30, 2025 Test Year Results (Preliminary)

Description	Total
System Revenue Requirement	\$281,105,544
Proforma Revenue	\$265,854,562
Revenue Surplus (Deficiency)	(\$15,250,982)
Percent Change to Total Rates	4.10%
Percent Change to Base Rates	5.70%
Percent Change to Demand and Energy Rates	6.20%



Rate Case Timeline

Date	Action
July 9, 2025	Status Update
July 23, 2025	Summary of Filing to the Board
July 30, 2025	Board Review and Final Decision
August 5, 2025	File with the RCA
October 1, 2025	Interim Rates / Final Rates Effective Date



Executive Session Motion
(Financial, Legal and Personnel)
July 9, 2025

Chugach Electric Association, Inc.
Board of Directors Operations Committee Meeting

Agenda Item VII.

Move 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 matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 2) discuss with its attorneys matters the immediate knowledge of which could have an adverse effect on the legal position of the cooperative; and 3) discuss personnel matters.

Chugach Electric Association, Inc.
Anchorage, Alaska

Summary of Executive Session Topics for
Board of Directors Operations Committee Meeting on July 9, 2025
Agenda Item VII.

- A. Discussion of confidential and sensitive information regarding an update of the natural gas supply and storage, which is subject to 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))
- B. Discussion of confidential and sensitive information regarding Bradley Lake RECs, 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 HR matters, 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))
- D. Discussion regarding personnel matters concerning the Chief Executive Officer's Project Specific Initiatives and Priority Areas of the Association. (AS 10.25.175(c)(4))

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

July 9, 2025

ACTION REQUIRED

AGENDA ITEM NO. VIII.A.

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

TOPIC

May 1, 2025 - April 30, 2026, Chief Executive Officer (CEO) Project Specific Initiatives and Priority Areas

DISCUSSION

As discussed in executive session.

MOTION

Move that the Operations Committee recommend the Chugach Electric Association, Inc. Board of Directors approve the May 1, 2025, through April 30, 2026, CEO Project Specific Initiatives and Priority Areas as discussed in executive session.