

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 Wiggan, Director

August 13, 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. July 9, 2025 (Mankel)
- IV. PERSONS TO BE HEARD (4:10 p.m.)
 - A. Member Comments
- V. NEW BUSINESS (4:25 p.m.)
 - A. Beluga Solar Update (D. Highers) (4:25 p.m.)
 - B. Avoided Cost Comparison: Thermal Generation (Imported LNG) vs. Alternative Renewable Generation (Clarkson) (4:50 p.m.)
 - C. RRC Update (Rudeck/Baker) (5:30 p.m.)
- VI. DIRECTOR COMMENTS (5:45 p.m.)
- VII. EXECUTIVE SESSION* (scheduled) (6:00 p.m.)
 - (Recess 15-minutes)
 - A. RRC Update (Rudeck/Baker) (6:15 p.m.)
 - B. Power Purchase Agreement with Independent Power Producer, Subject to NDA (Rudeck/Clarkson/Chicola) (6:30 p.m.)
 - C. HR Matters (Millen/Menefee) (7:00 p.m.)
- VIII. NEW BUSINESS (none)
- IX. ADJOURNMENT* (7:20 p.m.)

* Denotes Action Items

** Denotes Possible Action Items

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

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

OPERATIONS COMMITTEE MEETING

Recording Secretary: Amanda Mankel

I. CALL TO ORDER

Chair Nordlund called the Operations Committee meeting to order at 4:07 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Roll Call

Committee Members Present:

Jim Nordlund, Chair

Dan Rogers, Vice Chair – *arrived at 4:12 p.m.*

Sisi Cooper, Director – *via teleconference*

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

Mark Wiggin, Director

Board Members Present:

Rachel Morse, Director

Katherine Jernstrom, Director

Guests and Staff Attendance Present:

Arthur Miller

Sherri Highers

Matthew Clarkson

Andrew Laughlin

Allan Rudeck

Katie Millen

Nick Szymoniak

Dusty Menefee

Mike Miller

Adam Lutchansky

Dustin Highers

Trish Baker

Kate Ayers

Bart Armfield

David Caye

Dan Herrmann

Randall Chicola

Reis Tviet

Via Teleconference:

Stephanie Huddell

Sandra Cacy

Heather Slocum

Buddi Richey

Nat Herz, member

II. APPROVAL OF THE AGENDA

Director Wiggin moved, and Director Fleek-Green seconded the motion to approve the agenda. The motion passed unanimously.

III. APPROVAL OF THE MINUTES

Director Wiggin moved, and Director Cooper seconded the motion to approve April 9, 2025, Operations Committee Meeting minutes. The motion passed unanimously.

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

IV. PERSONS TO BE HEARD (NONE)

V. NEW BUSINESS**

A. Election of Operations Committee Vice-Chair

Chair Nordlund opened the floor to nominations for Vice Chair of the Committee.

The result of the vote: Director Rogers was elected Vice Chair of the Committee.

Director Rogers arrived in person at 4:12 p.m.

B. Beluga River Unit Performance (Armfield)

Bart Armfield, Consultant, presented the Beluga River Unit Performance and answered questions from the Committee.

C. Legislative Matters (Baker)

Trish Baker, Sr. Manager, Government & Business Affairs, presented an update on legislative activities and responded to questions from the Committee.

D. Microgrids and Virtual Power Plants (D. Highers)

Dustin Highers, Vice President, Corporate Programs, and Mike Miller, VP, Engineering Administration, presented on Microgrids and Virtual Power Plants and answered questions from the Committee.

E. Discussion of Potential Rate Case (Szymoniak)

Nick Syzmoniak, VP, Regulatory Economic Affairs, presented on the Potential Rate Case Discussion and answered questions from the Committee.

VI. DIRECTOR COMMENTS

Director comments were made at this time.

Director Wiggin left the meeting at 5:57 p.m.

VII. EXECUTIVE SESSION*

A. Gas Supply and Storage Update, Subject to NDA (Rudeck/Herrmann)

B. Renewable Update, Subject to NDA (Rudeck)

C. Bradley Lake RECs (Clarkson)

D. HR Matters (Millen/Menefee)

E. CEO Project Specific Initiatives and Priority Area Goals (Miller)

At 6:09 p.m., Director Fleek-Green moved, and Director Cooper seconded 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. The motion passed unanimously.

Director Cooper left the meeting at 8:05 p.m.

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

The meeting reconvened in open session at 8:54 p.m.

VIII. NEW BUSINESS **

*A. CEO Project Specific Initiatives and Priority Area Goals** (Miller)*

No action was made on New Business item. Discussion will continue in the following Governance Committee Meeting.

IX. ADJOURNMENT

At 8:57 p.m., Director Rogers moved, and Director Fleek-Green seconded the motion to adjourn. The motion passed unanimously.

Director Wiggin and Director Cooper were not present at the time of the vote.

DRAFT

Beluga Solar Project

Project Update

Operations Committee Meeting
August 13, 2025



Beluga Solar Project

...

Development Activities

Project Summary

Project Characteristics

Layout

Risks

Summary



Agenda

Development Activities

...

The Project Development Consulting Team consists of DeerStone Consulting, PRC Wind, and Meridian, each of which bring different skill sets to the table.

Resource Assessment

On-site irradiance data to be collected over the next year to refine assumptions.

CapEx / OpEx Estimating

Project costs based on solicited quotes and site inspection.

Economic Evaluation

Focused on NPV calculations to justify the project.

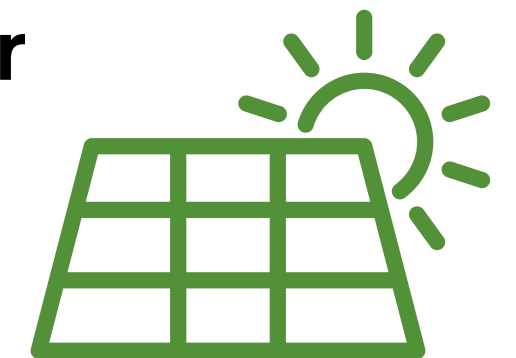


Project Summary

...

Solar PV Capacity (AC)	5 MW
CapEx Cost (Total)	\$14M
CapEx Cost (per Watt)	\$2/Watt-DC
O&M Cost	\$34/kW-DC/Year
Solar Production	6,500 MWh/Year
Avoided Natural Gas	50,000 MCF/Year

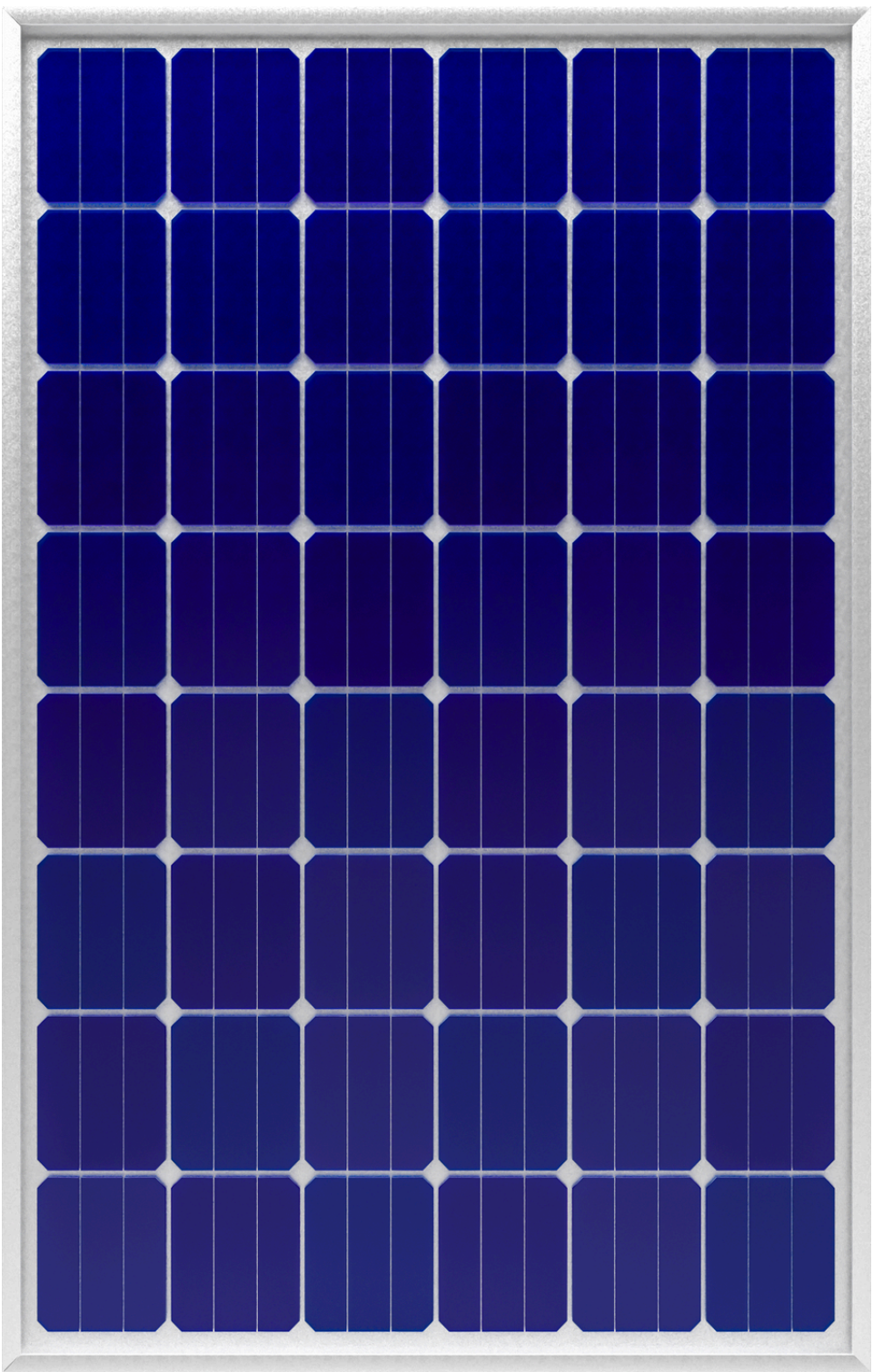
(Estimates as of August 2025 to be updated before FID request)

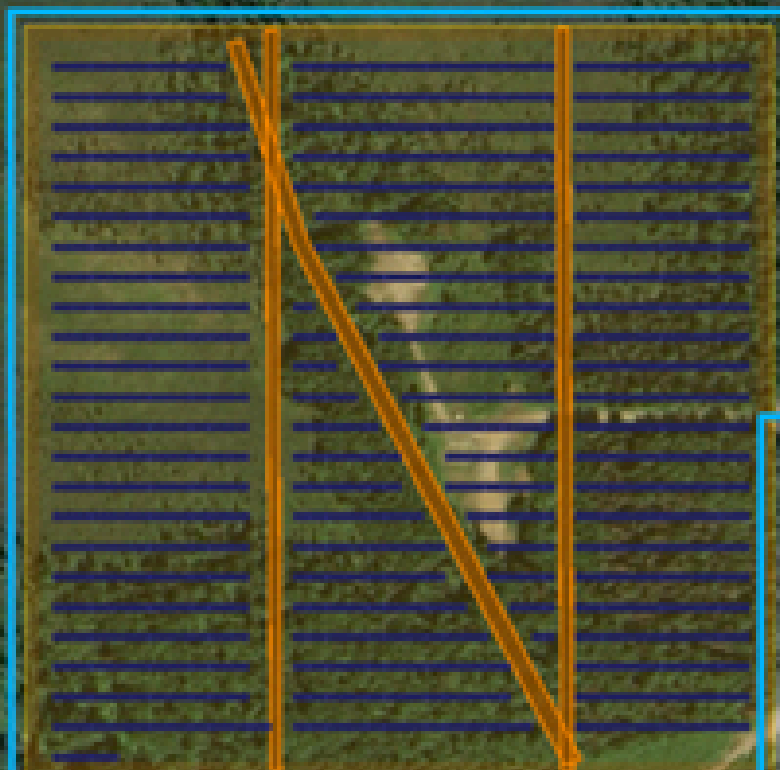


Project Characteristics

Solar PV Capacity AC	5 MW
DC/AC Ratio	1.4
Land Requirement	40 acres
Row Spacing	40 feet
Tilt	35°
Azimuth	180°
Array Layout	Portrait, 2-high
Inverter	98% minimum efficiency
Module	Bifacial, 21% minimum efficiency

...





PARCEL ID: 20129039

Layout at the Beluga
Power Plant Site

Layout

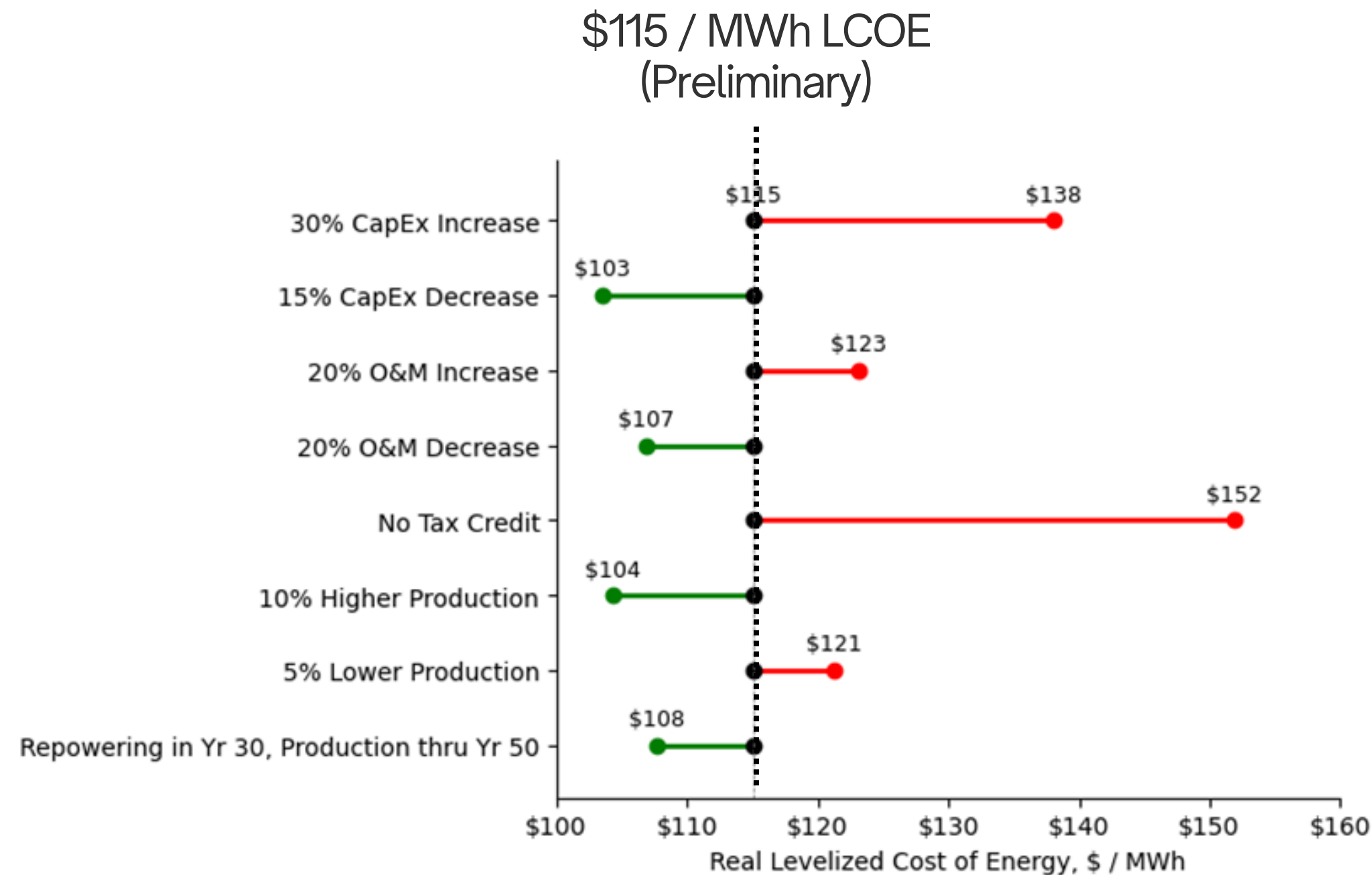
...

40 acres required for the layout of the solar PV facility

Located on the north side of the Beluga Power Plant on Chugach-owned property

Wet ground and existing stream will reduce area coverage

Economic & Financial Risks



Overall project risks appear to maintain LCOE in a reasonable range around the \$115/MWh estimate.

Loss of ITC and/or increased costs due to tariffs or other market conditions would challenge project economics.

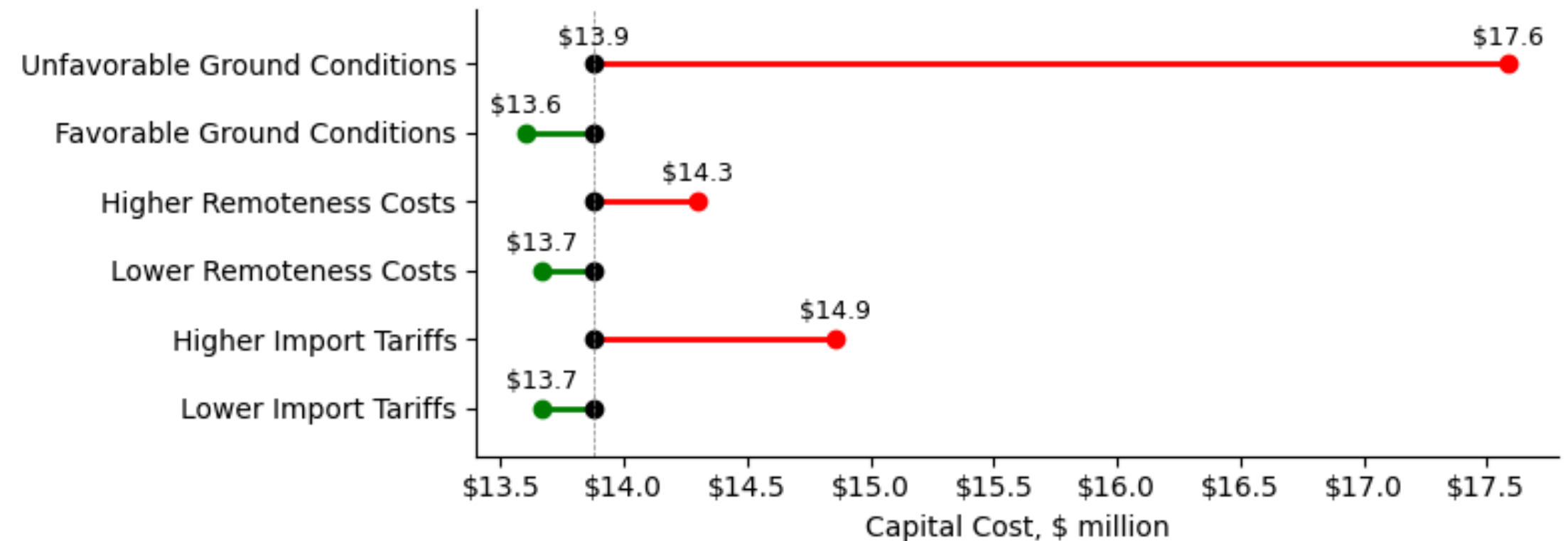
...

Project Execution Risks







...

Geotech will be required to fully understand subsurface conditions, and this work is being scheduled.

Remote work typically results in higher costs, although some degree of cost has already been included in the cost estimate.



Project Schedule

	2025	2026	2027
Development, Permitting, Design			
Initiate Procurement			
Site Clearing			
Foundation, Racking, Module Installation			
Electrical Work & Interconnection			
Commissioning			



- \$14M before ITC and taking risk elements into consideration
- \$2/W-dc estimated
- \$115/MWh LCOE estimated
- Estimates may be adjusted by September when brought to Board for final investment decision

Summary

Gas and Wind Generation Equivalent Cost Analysis

Operations Committee Meeting
Aug 13, 2025

Avoided Cost Primer

What is Avoided Cost?

- **Short-run avoided cost (energy):** *The incremental costs (fuel and variable operations and maintenance) to generate electric energy (measured hourly, monthly, or quarterly) that the utility would avoid if it instead purchased that energy from another source.*
- **Long-run avoided cost (capacity):** *The costs to build additional generation capacity that the utility would avoid if it instead purchased that capacity from another source.*

What is Chugach's Current Avoided Cost?

- Short-run avoided cost (energy): \$55 - \$60/MWh.
- Long-run avoided cost (capacity): *None. No capacity additions required over next 25 years.*

What is Chugach's 10-Year Projected Avoided Cost?

- Short-run avoided cost (energy): \$100 - \$110/MWh.
- Long-run avoided cost (capacity): *None. No capacity additions required over next 25 years.*

How does Avoided Cost typically factor into power purchase decisions?

- *Avoided Cost establishes the maximum price a utility can pay for electricity from a third-party source without economically harming its ratepayers.*

Gas Cost Equivalent on a \$/MWh Basis

Gas Heat Rate	7.5	8	8.5	9	9.5	10
LNG \$/Mcf	Equivalent \$/MWh					
\$6	\$45	\$48	\$51	\$54	\$57	\$60
\$8	\$60	\$64	\$68	\$72	\$76	\$80
\$10	\$75	\$80	\$85	\$90	\$95	\$100
\$12	\$90	\$96	\$102	\$108	\$114	\$120
\$14	\$105	\$112	\$119	\$126	\$133	\$140
\$16	\$120	\$128	\$136	\$144	\$152	\$160
\$18	\$135	\$144	\$153	\$162	\$171	\$180
\$20	\$150	\$160	\$170	\$180	\$190	\$200
\$22	\$165	\$176	\$187	\$198	\$209	\$220
\$24	\$180	\$192	\$204	\$216	\$228	\$240
\$26	\$195	\$208	\$221	\$234	\$247	\$260
\$28	\$210	\$224	\$238	\$252	\$266	\$280
\$30	\$225	\$240	\$255	\$270	\$285	\$300
\$32	\$240	\$256	\$272	\$288	\$304	\$320
\$34	\$255	\$272	\$289	\$306	\$323	\$340
\$36	\$270	\$288	\$306	\$324	\$342	\$360
\$38	\$285	\$304	\$323	\$342	\$361	\$380
\$40	\$300	\$320	\$340	\$360	\$380	\$400

Diesel Cost Equivalent on a \$/MWh Basis

Diesel Heat Rate:		10.0	14.0	18.0	22.0	26.0
Diesel \$/Gal	Equivalent \$/MWh					
\$3	\$173	\$242	\$312	\$381	\$450	
\$5	\$289	\$404	\$520	\$635	\$750	
\$7	\$404	\$566	\$727	\$889	\$1,051	

Executive Session Motion
(Financial, Legal and Personnel)
August 13, 2025

Chugach Electric Association, Inc.
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
Operations Committee Meeting on August 13, 2025
Agenda Item VII.

- A. Discussion of confidential and sensitive information regarding a Power Purchase Agreement with Independent Power Producer, which is subject to a Nondisclosure Agreement, 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 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))