

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

REGULAR BOARD OF DIRECTORS' MEETING

AGENDA

Janet Reiser, Chair
Bettina Chastain, Vice Chair
Sisi Cooper, Treasurer
Jim Henderson, Secretary

Susan Reeves, Director
Harry T. Crawford, Jr., Director
Stuart Parks, Director

August 23, 2017

4:00 p.m.

Chugach Board Room

I. CALL TO ORDER

- A. *Pledge of Allegiance*
- B. *Roll Call*
- C. *Safety Minute - "Fire Extinguisher Safety" (Freeman)*

II. APPROVAL OF THE AGENDA*

III. PERSONS TO BE HEARD

- A. *Member Comments*

IV. CONSENT AGENDA*

- A. *Board Calendar*
- B. *Training and Conferences*
 - 1. *NRECA Region 9 Meeting, October 16-18, 2017, Denver, CO (Deadline for conference and hotel registration is September 14, 2017)*
 - 2. *Director Winter School, December 1-6, 2017, Nashville, TN (Deadline for conference and hotel registration is November 29, 2017)*
- C. *Minutes*
 - 1. *July 26, 2017, Regular Board of Directors' Meeting (Quezon-Vicente)*
- D. *Director Expenses*

V. CEO REPORTS AND CORRESPONDENCE

- A. *2nd Quarter 2017 Key Metrics Dashboard (Thibert)*
- B. *Multi-Stage Energy Storage Project (D. Highers)*

VI. DIRECTOR REPORTS

- A. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*

- B. *Board Committee Reports (Audit and Finance, Operations & Governance)*
 - C. *Other Meeting Reports*
- VII. UNFINISHED BUSINESS (*none*)
- VIII. NEW BUSINESS* (*scheduled*)
- A. *Simplified Rate Filing – June 2017 Test Year* (Miller/Kornmuller)*
 - B. *Approve NRECA Resolutions* (Board)*
 - C. *Discounting Capital Credits* (S. Highers)*
- IX. EXECUTIVE SESSION* (*scheduled*)
- A. *Financial and Legal Matters*
 - 1. *NRUCFC Line of Credit*
 - 2. *Update on Battle Creek*
 - 3. *Update on Fire Island Wind Phase 2*
 - 4. *Public Meeting with RCA / Transco Discussion*
 - 5. *New Issues/Ideas*
 - B. *Strategic Planning Committee Updates*
 - 1. *Fuel and Power Supply*
 - 2. *Railbelt Alignment*
 - 3. *Reputation/Plan C & Ancillary Services*
 - C. *CEO Goals and Parameters and Project Specific Objectives*
 - 1. *CEO Goals and Parameters & Project Specific Objectives*
- X. NEW BUSINESS* (*continued*)
- A. *Approval of the NRUCFC Line of Credit* (S. Highers)*
- XI. DIRECTOR COMMENTS
- XII. ADJOURNMENT*

* *Denotes Action Items*

** *Denotes Possible Action Items*

Fire Extinguisher



CLASSES OF FIRES	TYPES OF FIRES	PICTURE SYMBOL
A	Wood, paper, cloth, trash & other ordinary materials.	
B	Gasoline, oil, paint and other flammable liquids.	
C	May be used on fires involving live electrical equipment without danger to the operator.	
D	Combustible metals and combustible metal alloys.	
K	Cooking media (Vegetable or Animal Oils and Fats)	



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* *Denotes Action Items*

** *Denotes Possible Action Items*

August 2017

July 2017							September 2017						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1						1	2
2	3	4	5	6	7	8	3	4	5	6	7	8	9
9	10	11	12	13	14	15	10	11	12	13	14	15	16
16	17	18	19	20	21	22	17	18	19	20	21	22	23
23	24	25	26	27	28	29	24	25	26	27	28	29	30
30	31												

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	31	<ul style="list-style-type: none"> 1:30PM - 2:30PM Review Board Room Colors, Furniture, Design w/Janet Reiser (BoardRoomCR) 1	<ul style="list-style-type: none"> 11:30AM - 1:00PM Railbelt Alignment - Strategic Planning Committee (Parks/Cooper) (BoardroomCR) 2	<ul style="list-style-type: none"> 11:30AM - 12:30PM Mtg w/Cooper (Audit and Finance Committee Meeting (Cooper) (Highers Office) 3	4	5
6	7	8	<ul style="list-style-type: none"> 4:00PM - 7:00PM Audit and Finance Committee Meeting (BoardroomCR) 9	10	<ul style="list-style-type: none"> 11:30AM - 1:30PM Railbelt Alignment - Strategic Planning Committee (Cooper/Parks) (BoardRoomCR) 11	12
13	14	15	16	17	<ul style="list-style-type: none"> 11:00AM - 12:30PM REAP Public Policy Committee Meeting (641-715-3570 Access code: 711554) 18	19
20	<ul style="list-style-type: none"> 11:30AM - 1:30PM Railbelt Alignment - Strategic Planning Committee (Cooper/Parks) (BoardRoomCR) 1:00PM - 3:00PM Crawford - Tour of MESS (Chugach Headquarters) 21	<ul style="list-style-type: none"> 3:00PM - 4:00PM Review Board Packet w/Thibert (Reiser) (LDT's Office) 22	<ul style="list-style-type: none"> 3:30PM - 4:00PM Board Photos (BoardRoomCR) 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR) 23	<ul style="list-style-type: none"> 11:30AM - 1:30PM Reputation/Plan C & Ancillary Services - Strategic Planning Committee (Crawford, Chastain, Henderson) (BoardRoomCR) 24	<ul style="list-style-type: none"> 11:00AM - 1:00PM Fuel Supply - Strategic Planning Committee (Reiser/Reeves) (BoardRoomCR) 1:00PM - 4:00PM ARCTEC Meeting (Reiser/Crawford) (APA) 25	26
27	28	29	30	31	1	2

September 2017

August 2017						
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27	28	29	30	31		

October 2017						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1	2
	Labor Day Holiday	Strategic Planning w/Board (9/5-9/8) ♦ Alyeska Resort ♦ Connie Owens				
		<ul style="list-style-type: none"> 11:30AM - 1:30PM Railbelt Alignment - Strategic Planning Committee (Cooper/Parks) (BoardroomCR) 				
3	4	5	6	7	8	9
		Gettysburg Leadership Experience (9/12... ♦ Gettysburg, PA)				
10	11	12	13	14	15	16
17	18	19	20	21	22	23
	<ul style="list-style-type: none"> 4:00PM - 6:00PM Internal Controls Workshop w/Board (BoardroomCR) 		<ul style="list-style-type: none"> 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR) 			
24	25	26	27	28	29	30

October 2017

September 2017						
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November 2017						
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26	27	28	29	30		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6 ● 10:00AM - 2:00PM Member Appreciation Day (Chugach Lobby)	7
8	9	10	11	12	13	14
	NRECA Region 9 Meeting - 10/16 - ... ♦ Denver, CO					
15	16	17	18 ● 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

November 2017

October 2017						
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29	30	31				

December 2017						
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24	25	26	27	28	29	30
31						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	1	2	3	4
5	6	<ul style="list-style-type: none"> 4:00PM - 7:00PM Audit and Finance Committee Meeting (Budget Meeting) (BoardroomCR) 	<ul style="list-style-type: none"> 4:00PM - 7:00PM Audit and Finance Committee Agenda (Budget Meeting) (BoardroomCR) 	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	<ul style="list-style-type: none"> 11:00AM - 2:00PM Special Board of Directors Meeting (Legislative Luncheon) (Embassy Suites) 	<ul style="list-style-type: none"> 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR) 	30	Directors Winter Scho... ♦ Nashville, TN	
					1	2

December 2017

November 2017						
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January 2018						
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21	22	23	24	25	26	27
28	29	30	31			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		<ul style="list-style-type: none"> 11:00AM - 2:00PM Special Board of Directors Meeting (Legislative Luncheon) (Embassy Suites) 	<ul style="list-style-type: none"> 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR) 		Directors Winter Scho... ♦ Nashville, TN	
26	27	28	29	30	1	2
Directors Winter School - December 1-6 ♦ Nashville, TN						
3	4	5	6	7	8	9
			<ul style="list-style-type: none"> 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR) 			
10	11	12	13	14	15	16
					Christmas Eve Hol	
17	18	19	20	21	22	23
	Christmas Day				New Year's Eve Ho	
24	25	26	27	28	29	30
	New Year's Day					
31	1	2	3	4	5	6

January 2018

December 2017						
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17	18	19	20	21	22	23
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31						

February 2018						
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	New Year's Day					
31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)	25	26	27
28	29	30	31	1	2	3

February 2018

January 2018						
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March 2018						
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25	26	27	28	29	30	31

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	31	1	2	3
4	5	6	7	8	9	10
	Tentative (Legislative Visit) ♦ Juneau, AK ♦ Connie Owens					
11	12	13	14	15	16	17
		● 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)		NRECA Region IX - (Director Education 2/2... ♦ Nashville, TN)		
18	19	20	21	22	23	24
NRECA Region IX - (Director Education 2/22 - 2/25) (Annual Me... ♦ Nashville, TN)						
25	26	27	28	1	2	3

March 2018

February 2018						
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April 2018						
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22	23	24	25	26	27	28
29	30					

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
25	26	27	28	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	<ul style="list-style-type: none"> 4:00PM - 8:00PM Audit & Finance Committee Followed by Special Board of Directors Meeting (BoardroomCR) 	21	22	23
25	26	27	<ul style="list-style-type: none"> 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR) 	28	29	30
						11 31

April 2018

March 2018						
S	M	T	W	T	F	S
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May 2018						
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20	21	22	23	24	25	26
27	28	29	30	31		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
NRECA Legislative Confer... ♦ Washington DC						
8	9	10	11	12	13	14
Strategic Planning w/Board ♦ Chugach Headquarters ♦ Connie Owens						
15	16	17	18	19	20	21
			4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)			
22	23	24	25	26	27	28
29	30	1	2	3	4	5

May 2018

April 2018						
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June 2018						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	1	2	3	4	5
6	7	8	● 4:00PM - 7:00PM Audit and Finance Committee Meeting (Chugach Boardroom)	10	11	12
13	14	15	16	17	18	19
20	21	● 5:00PM - 8:30PM SAVE THE DATE: 2018 Chugach Annual Meeting (Dena'ina Center)	● 4:00PM - 7:00PM Regular Board of Directors Meeting (Board of Directors Meeting)	24	25	26
27	Memorial Day ♦ Ur	29	30	31	1	2
27	28	29	30	31	1	13 2

June 2018

May 2018						
S	M	T	W	T	F	S
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July 2018						
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29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1	2
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24	25	26	27	28	29	30

● 4:00PM - 7:00PM
Regular Board of
Directors Meeting
(BoardroomCR)

July 2018

June 2018						
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3	4	5	6	7	8	9
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17	18	19	20	21	22	23
24	25	26	27	28	29	30

August 2018						
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			Independence 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	1	2	3	4



Oct 16 - Oct 18, 2017
Denver, CO



Cooperative.com (/publicHome/Pages/default.aspx) > Conferences & Education (/conferences-education/Pages/default.aspx) > Conferences & Meetings (/conferences-education/conferences/Pages/default.aspx) > Regional Meetings (/conferences-education/conferences/regionals/Pages/default.aspx) > Regions 7 & 9 (/conferences-education/conferences/regionals/regions-7-9/Pages/default.aspx) > Schedule

MENU ▾

*Schedule subject to change

Monday, October 16, 2017

+	7:00 am - 8:00 am	Registration – Pre-Meeting Education
+	8:00 am - 4:00 pm	Director Courses
+	8:00 am - 4:00 pm	CEO Workshop
+	1:00 pm - 5:00 pm	Registration – Regional Meeting and Voting Delegates

Tuesday, October 17, 2017

+	7:30 am - 4:30 pm	Registration – Regional Meeting and Voting Delegates
+	8:00 am - 4:30 pm	NRECA Insurance and Financial Services
+	8:30 am - 8:50 am	Nominating Committee Meetings

+	9:00 am - 10:20 am	General Session 1
+	10:20 am	Break
+	10:40 am - 11:15 am	Breakouts
+	11:15 am	Break
+	11:30 am - 12:00 pm	CFC District Meeting
+	12:00 pm - 1:30 pm	Lunch (sponsored by CFC) and Address by Sheldon Petersen
+	1:45 pm - 2:45 pm	General Session 2
+	3:00 pm - 3:45 pm	Breakouts
+	4:00 pm	Resolutions Committee Meeting

Wednesday, October 18, 2017

+	7:30 am - 12:00 pm	Registration – Regional Meeting and Voting Delegates
+	7:30 am - 8:30 am	ACRE® Breakfast
+	8:00 am - 11:00 am	NRECA Insurance and Financial Services
+	9:00 am - 10:40 am	General Session 3
+	11:00 am	Regional Business Meeting



[\(/conferences-education/conferences/winter-school\)](/conferences-education/conferences/winter-school)

Dec 1 - Dec 6, 2017
Nashville, TN



Cooperative.com (</publicHome/Pages/default.aspx>) > Conferences & Education (</conferences-education/Pages/default.aspx>) > Conferences & Meetings (</conferences-education/conferences/Pages/default.aspx>) > Winter School for Directors

MENU

Winter School for Directors

As boards are challenged to address multiple large-scale issues, including rising costs, climate-change, power supply constraints, and heightened scrutiny of corporate governance practices, NRECA's Winter School for Directors is designed to ensure that board leaders develop the knowledge and skills required to meet these challenges successfully.

Save the date for Winter School 2017!

December 1-6, 2017
Nashville, TN
Gaylord Opryland Hotel

Why Should You Attend?

Earn your [Credentialed Cooperative Director \(CCD\)](http://conferences-education/certificates/director-certificate/pages/ccd-certificate.aspx) certificate or your [Board Leadership Certificate \(BLC\)](http://conferences-education/certificates/director-certificate/Pages/blc-certificate.aspx) while networking and sharing solutions with fellow directors from co-ops across the country. If you've already earned your CCD and BLC credentials, but still need the additional 3 credits required to earn the NEW Director Gold status, take advantage of 2016 Winter School to get the credits you need!

The new Director Gold credential recognizes directors who have earned their CCD and BLC credentials and are committed to continuing their education throughout their service on the board. If you have already earned your first Director Gold, you may apply the Directors School as one credit of continuing education for maintaining Gold. Working towards earning your initial Director Gold certificate? To earn the initial Gold, one must hold the CCD and BLC credential, and earn three additional credits from the Board Leadership Certificate series of courses.

Learn more about Director Gold [here](http://conferences-education/certificates/director-certificate/Pages/director-gold-program.aspx).



[education/certificates/director-certificate/Pages/director-gold-program.aspx](http://conferences-education/certificates/director-certificate/Pages/director-gold-program.aspx)

Contact Us

Program Information

Janet Bowers

janet.bowers@nreca.coop (mailto:%20janet.bowers@nreca.coop)

703-907-5622

Registration Questions

Accounts Receivable Department

[AccountsReceivable@nreca.coop \(mailto:%20AccountsReceivable@nreca.coop\)](mailto:AccountsReceivable@nreca.coop)

703-907-6875

General Questions

Member Contact Center

[member-support@cooperative.com \(mailto:%20member-support@cooperative.com\)](mailto:member-support@cooperative.com)

1-877-766-3226

Also of Interest

[Board Leadership Certificate \(BLC\) \(/conferences-education/certificates/director-certificate/Pages/blc-certificate.aspx\)](#)

[Director Certificate Programs \(/conferences-education/certificates/director-certificate/Pages/default.aspx\)](#)

[Summer School for Directors \(/conferences-education/conferences/summer-school\)](#)

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

July 26, 2017
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Arden Quezon-Vicente

I. CALL TO ORDER

Chair Reiser called the Regular Meeting of the Board of Directors to order at 4:04 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Pledge of Allegiance

Chair Reiser led the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Janet Reiser, Chair
Bettina Chastain, Vice Chair
Jim Henderson, Secretary
Sisi Cooper, Treasurer
Susan Reeves, Director
Stuart Parks, Director

Board Member Excused Absent:

Harry Crawford, Director

Director Cooper moved and Director Henderson seconded the motion for an excused absence for Director Crawford from the July 26, 2017, Regular Board of Directors' Meeting. No objections were made. The motion passed unanimously.

Guests and Staff in Attendance:

Lee Thibert	Paul Risse	Tom Schulman
Tyler Andrews	Brian Hickey	Teresa Kurka
Sherri Highers	Julie Hasquet	Marty Freeman
Arthur Miller	Sean Skaling	Renee Curran
Connie Owens	Jody Wolfe	Todd McCarty
Mark Fouts	Kathy Harris	James Mullican
Mark Johnson	Phil Steyer	

- C. *Safety Minute*
Marty Freeman, Manager, Safety discussed “*Basic Driver Safety*” and responded to questions from the Board.

II. APPROVAL OF THE AGENDA

Director Reeves moved and Director Parks seconded the motion to approve the agenda. The motion passed unanimously.

III. PERSONS TO BE HEARD

- A. *Member Comments*
None

IV. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
 1. *Gettysburg Leadership Experience for Co-Op Leaders, September 12-14, 2017, Gettysburg, PA (Deadline for conference and hotel registration is August 10, 2017)*
 2. *NRECA Region 9 Meeting, October 16-18, 2017, Denver, CO (Deadline for conference and hotel registration is September 14, 2017)*
 3. *Director Winter School, December 1-6, 2017, Nashville, TN (Deadline for conference and hotel registration is November 29, 2017)*
- C. *Minutes*
 1. *June 28, 2017, Regular Board of Directors' Meeting (Portades)*
- D. *Director Expenses*

Director Chastain moved and Director Parks seconded the motion to approve the consent agenda. The motion passed unanimously.

V. CEO REPORTS AND CORRESPONDENCE

- A. *May 2017 Financial Statements and Variance Report (Harris/Curran)*
The May 2017 Financial Statements and Variance Report was provided in the meeting packet.
- B. *2nd Quarter 2017 Safety Report (Freeman/Andrews)*
The 2nd Quarter 2017 Safety Report was provided in the meeting packet.
- C. *AMI Update (Risse)*
Paul Risse, Sr. VP, Production & Engineering, presented the AMI Update.

Mr. Risse, Teresa Kurka, Director, Member Services and Arthur Miller, Executive Manager, Regulatory & External Affairs responded to questions from the Board.

- D. *Write-off of Accounts Receivable – Electric/Other (Kurka & Andrew)s*
The Write-off of Accounts Receivable – Electric/Other was provided in the

meeting packet.

Chair Reiser stated that the Boardroom is in the process of being remodeled, which will start soon.

VI. DIRECTOR REPORTS

A. Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report

Lee Thibert, Chief Executive Officer (CEO) stated that there is an ARCTEC meeting tomorrow, July 27, 2017.

Chair Reiser stated that a report on the Railbelt Utility Managers (RUM) meeting will be discussed in the Executive Session.

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

None

C. Other Meeting Reports

None

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

A. Appointment of 2017 NRECA Voting Delegate and Alternate (Board)*

Director Cooper moved and Director Chastain seconded the motion to appoint Director Henderson as the NRECA Voting Delegate and Director Parks as the alternate. The motion passed unanimously.

IX. EXECUTIVE SESSION

A. Financial and Legal Matters

B. Strategic Planning Committee Updates

C. CEO Goals and Parameters and Project Specific Objectives

At 4:39 p.m., Director Chastain moved and Director Cooper seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), (2) and (3) the Board of Directors go into executive session to: 1) discuss financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 2) receive reports upon legal matters that are attorney/client privileged, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative; and, 3) to discuss personnel matters that may tend to prejudice the reputation or character of a person; however, the person may request a public discussion. The motion passed unanimously.

The meeting reconvened in open session at 7:22 p.m.

X. NEW BUSINESS* (continued)

A. Battle Creek Project Authorization (Highers)*

Director Chastain moved and Director Reeves seconded the motion to authorize the Chief Executive Officer (CEO) to enter into an amendment to the Power Sales Agreement to participate in the Battle Creek Diversion Project with an estimated cost to Chugach up to \$50.0 million, should any of the current utilities choose not to participate, with an estimated completion date of 2020 and finance, procure and manage the Project, if necessary. The motion passed unanimously.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 7:25 p.m., Director Cooper moved and Director Henderson seconded the motion to adjourn. The motion passed unanimously.

James Henderson, Secretary
Date Approved: August 23, 2017

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

August 23, 2017

ACTION REQUIRED

AGENDA ITEM NO. IV.D.

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

TOPIC

Director Expenses

DISCUSSION

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

MOTION

(Consent Agenda)

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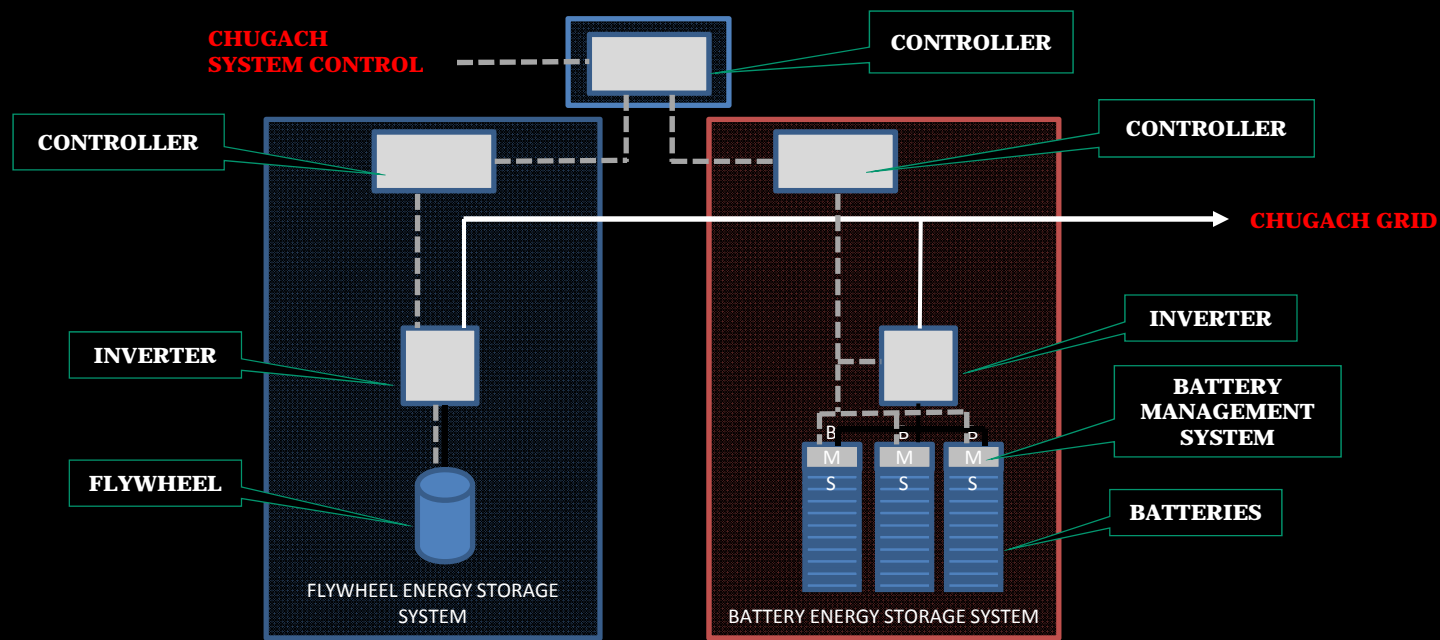
Chugach Electric Association Multi-Stage Energy Storage Project

August 2017



Project Scope

- Design and install a Multi-Stage Energy Storage System using a 1MW Flywheel and 2MW Battery
- Configure a single control system to coordinate and utilize each system's strengths for grid stabilization

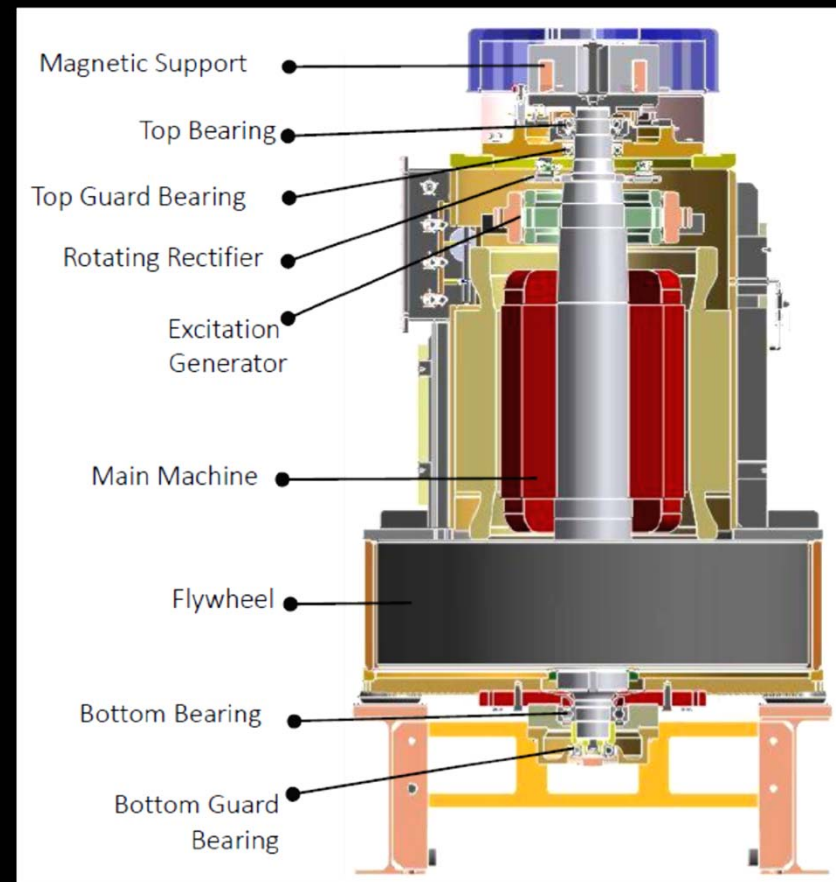


Project Scope

- **MSESS Control Algorithms**
 - **Frequency regulation**
 - System frequency support
 - Inertia support
 - **Area Control Error (ACE) regulation**
 - **Wind ramp rate control**

Flywheel

- **Manufacturer: Piller**
- **Rotational Speed: 1,800 – 3,400 RPM**
- **Flywheel Rotating Mass: 3 Metric Tons**
- **Power rating: 1MW**



Samsung Batteries



System check in the BESS enclosure

- Manufacturer: Samsung SDI
- Battery type: Lithium Ion
- 132 Trays, 105 lbs each (16 cells per tray)
- Power rating: 2MW

ABB Power Conversion System

- Manufacturer: ABB
- PCS100 Inverters
- Convert DC to AC power in the BESS
- Convert variable AC power to stable AC power in the FESS
- Rated at ~100kVA each; combine units to reach target system power rating



FESS module interior with PCS100 inverters

Project Milestones

- Studies & planning – October 2013 to March 2015
- Beacon contracted to provide flywheels – March 2015
- Beacon contract termination – January 2016
- Board approval for increased scope & cost – May 2016
- ABB contract (FESS) – July 2016
- Samsung contract (BESS) – November 2016
- Start of construction – April 14, 2017
- Construction completion – June 30, 2017
- Commissioning completion & turnover – July 25, 2017
- 12-month testing period begins – July 26, 2017

Site work & Installation

- IGT #3 air intake removal – September 2016
- Foundation/structural installation – April 2017
- Below-grade electrical installation – June 2017
- Construction completion – June 30, 2017



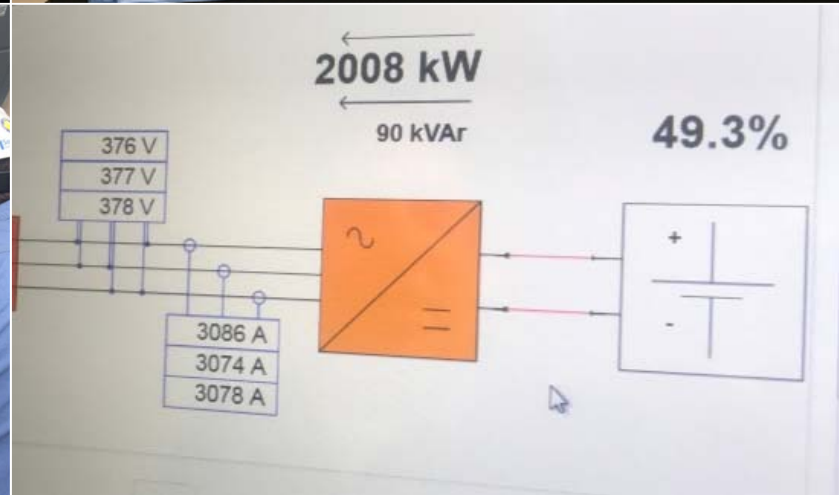
Battery PCS enclosure being set on foundation



BESS AC Termination Cabinet

Commissioning & SAT

- Commissioning started on July 6, 2017
- Site Acceptance Testing (SAT) completed July 25, 2017
- Full discharge test on July 27, 2017



Project Completion

- Project operational starting 7/27/2017
- A 12-month period of testing will evaluate the different operational modes of the system



Platform installation



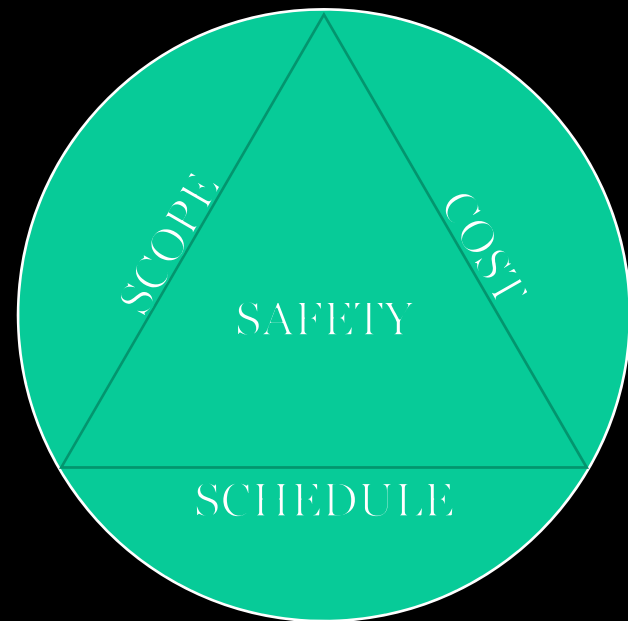
Grating installation



First start on the FESS

Project Metrics

- **Safety**
 - No recordables or lost time accidents
- **Scope**
 - Full scope successfully installed
- **Schedule**
 - Construction completion 6/30/2017
 - System turnover on 7/25/2017
- **Cost** (including grant funding \$720,000)
 - Budget: \$2,495,191
 - Actual to Date: \$2,347,411 (8/15/2017)
 - Forecast: Under budget



Questions?



CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

August 23, 2017

ACTION REQUIRED

AGENDA ITEM NO. VIII.A.

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

TOPIC

Simplified Rate Filing (SRF) – June 2017 Test Year

DISCUSSION

The results of Chugach's June 30, 2017 Test Year SRF indicate that demand and energy rates should increase 1.9 percent. On a customer class basis, the results show a demand and energy rate increase of 2.0 percent to Chugach retail and a demand and energy rate decrease of 2.0 percent to the wholesale class of Seward Electric System (Seward). The difference in rate changes between the two rate classes is attributed to the wholesale power sales agreement with Seward, which places a limit on generation cost responsibility in recognition of Seward's generation facilities and the capability to generate on their own. If approved, the total bill for a residential customer using 600 kWh will increase approximately 1.2 percent.

The increase in system rates is primarily attributed to increases in interest expense associated with Chugach's commercial paper program which increased from 0.6 percent to 1.4 percent, as well as increases to Depreciation and Amortization Expense and Administrative and General Expense. The increase also reflects the result of a recent settlement in the determination of Chugach's Beluga River Unit gas transfer price. Although this settlement does not impact Chugach's overall rate and recovery levels, it does result in higher base rates and an equivalent reduction in fuel costs. The results are based on a Chugach system Times Interest Earned Ratio (TIER) of 1.35, with G&T at 1.10 and Distribution at 2.87.

It is recommended that the demand and energy rates to Chugach retail be adjusted upwards by 2.0 percent and adjusted downwards by 2.0 percent to Seward Electric System, and that Chugach

submit its June 2017 test period SRF and its calculated demand and energy rate changes with the Regulatory Commission of Alaska for rates effective November 1, 2017.

MOTION

Move that the Board of Directors approve the Resolution authorizing filing with the Regulatory Commission of Alaska, the Simplified Rate Filing described therein.

RESOLUTION

Simplified Rate Filing – June 2017 Test Year

WHEREAS, the Chugach Electric Association, Inc. (Chugach) Board of Directors has approved the use of quarterly Simplified Rate Filings (SRF) to adjust base demand and energy rates for Chugach retail and the wholesale customer class of Seward Electric System, and the Regulatory Commission of Alaska has authorized its use;

WHEREAS, calculations under the SRF procedures based on operating results for the test year ended June 30, 2017 indicate a Chugach system demand and energy rate increase of 1.9 percent; and,

WHEREAS, on an individual customer class basis, the results show a demand and energy rate increase of 2.0 percent to Chugach retail, and a demand and energy rate decrease of 2.0 percent to the wholesale class of Seward Electric System.

NOW, THEREFORE, BE IT RESOLVED, Chugach shall submit its SRF based on the June 2017 test year to the Regulatory Commission of Alaska requesting approval to adjust the demand and energy rates charged to Chugach retail upward by 2.0 percent and adjust the demand and energy rates charged to Seward Electric System downward by 2.0 percent, for electric rates effective November 1, 2017.

CERTIFICATION

I, James Henderson, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 23rd day of August 2017; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation on the 23rd day of August 2017.

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CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

August 23, 2017

ACTION REQUIRED

AGENDA ITEM NO. VIII.C.

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

TOPIC

Discounting Capital Credits

DISCUSSION

Chugach's Bylaws require Board approval of capital credit payments. At the November 26, 2016, Regular Board of Directors' Meeting, the Board of Directors approved making early payments of capital credits to former members and estates who request early retirements under the plan in the actual discounted amount, not to exceed \$250,000 in cash payments for 2017. Due to an increase in demand as a result of an increase in communication, Chugach has paid \$247,794.78 year-to-date and has \$13,975.62 awaiting payment. The plan provides that the amount available for discounted capital credit payments to former members can be increased or decreased at the discretion of the Board of Directors. This resolution authorizes an increase to the amount of the payment during 2017 to retire early (discounted) capital credits to former members and estates by \$25,000.

MOTION

Move that the Board of Directors approve the resolution increasing the authorization for early (discounted) capital credit payments to former members and estates for 2017 by \$25,000.

RESOLUTION

Discounting Capital Credits

WHEREAS, Chugach Electric Association, Inc. (Chugach) has developed a plan to pay discounted capital credits to former members before normal retirements; and

WHEREAS, Chugach has received a Private Letter Ruling from the Internal Revenue Service stating the discounted capital credits retirement plan does not jeopardize Chugach's tax-exempt status; and

WHEREAS, Chugach's bylaws require Board approval of capital credit retirements; and

WHEREAS, early payments of capital credits include payments to estates of deceased patrons; and

WHEREAS, at the November 26, 2016, Regular Board of Directors' Meeting, the Board of Directors approved making early payments of capital credits to former members and estates who request early retirements under the plan in the actual discounted amount, not to exceed \$250,000 in cash payments for 2017.

WHEREAS, due to an increase in demand as a result of an increase in communication, Chugach has paid \$247,794.78 year-to-date and has \$13,975.62 awaiting payment.

WHEREAS, the plan provides that the amount available for discounted capital credit payments to former members can be increased or decreased at the discretion of the Board of Directors; and

WHEREAS, the Board of Directors has determined that increasing the amount available under the plan by \$25,000 in cash payments for 2017 will not impair the financial condition of the Association; and

NOW THEREFORE, BE IT RESOLVED, Chugach increase the amount available under the plan for early payments of capital credits to former members and estates who request early retirements under the plan in the actual discounted amount, by \$25,000 in cash payments for 2017.

BE IT FURTHER RESOLVED, before receiving a payment under this plan, any member with an outstanding electric debt will be required to first pay the outstanding debt or acknowledge the capital credit payment will be reduced by the amount necessary to satisfy the outstanding debt.

BE IT FURTHER RESOLVED, any payments under the plan for 2017 will be in accordance with Board Policy 304.

CERTIFICATION

I, James Henderson, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska; that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 23rd day of August, 2017; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 23rd day of August, 2017.

Secretary

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CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

August 23, 2017

ACTION REQUIRED

AGENDA ITEM NO. X.A.

 Information Only
 X Motion
 X Resolution
 Executive Session
 Other

TOPIC

Approval of the National Rural Utilities Cooperative Finance Corporation (NRUCFC) line of credit.

DISCUSSION

Chugach's current line of credit agreement is due to expire on October 12, 2017. Having this instrument in our suite of short-term financing alternatives augments our Commercial Paper Program, providing additional liquidity without an unused balance fee. A new Revolving Line of Credit Agreement (Agreement), in an amount not to exceed \$50 million, with a maturity date of sixty months and containing substantially the same terms and conditions, was discussed in executive session.

MOTION

Move that the Board of Directors authorize the Chief Executive Officer to enter into a Revolving Line of Credit Agreement (Agreement) with NRUCFC in an amount not to exceed \$50 million for a term of sixty months, subject to the provisions of the Agreement substantially in the form discussed in executive session at the August 9, 2017, Audit and Finance Committee meeting.

RESOLUTION

National Rural Cooperative Finance Corporation (NRUCFC) Line Of Credit

WHEREAS, Chugach Electric Association, Inc., an Alaska electric cooperative (the “Company”), has determined that it is in the best interests of the Company to renew its \$50 million line of credit with National Rural Cooperative Finance Corporation (“NRUCFC”), a cooperative association;

WHEREAS, the NRUCFC line of credit is due to expire October 12, 2017;

WHEREAS, the NRUCFC line of credit provides \$50 million of liquidity for general corporate purposes;

WHEREAS, the Company intends to enter into a new Revolving Line of Credit Agreement (Agreement) with NRUCFC, in an amount not to exceed \$50,000,000, with a maturity date of sixty months from the effective date and on such terms and conditions as agreed upon by the Chief Executive Officer of the Company, pursuant to the Agreement;

WHEREAS, the Company has the power and authority to enter into, deliver and perform its obligations under the Agreement; and,

WHEREAS, it is in the best interests of the Company to enter into, deliver and perform its obligations under the Agreement.

NOW THEREFORE, BE IT RESOLVED, the Board of Directors authorize the Chief Executive Officer to enter into a Revolving Line of Credit Agreement with NRUCFC in an amount not to exceed \$50,000,000 for a term of sixty months, subject to the provisions of the Agreement, substantially in the form discussed in executive session on August 9, 2017, Audit and Finance Committee meeting.

CERTIFICATION

I, James Henderson, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 23rd day of August, 2017; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 23rd day of August, 2017.