



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

OPERATIONS COMMITTEE MEETING

AGENDA

Bettina Chastain, Chair
Mark Wiggin, Vice Chair

Harold Hollis
Erin Whitney
Rachel Morse

September 15, 2021

4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER (4:00 p.m.)
 - A. Roll Call
- II. APPROVAL OF THE AGENDA*
- III. APPROVAL OF THE MINUTES*
 - A. August 11, 2021 (Quezon)
- IV. PERSONS TO BE HEARD
 - A. Member Comments
- V. NEW BUSINESS (none)
- VI. EXECUTIVE SESSION* (scheduled) (4:05 p.m.)
 - A. Sale of Renewable Energy Certificates (Ayers/Miller) (4:05 p.m.)
 - B. Net Metering (Skaling/Miller) (4:25 p.m.)
 - C. Update to Renewable Energy Plan (Skaling/Miller) (4:45 p.m.)
 - D. Beluga River Unit (BRU) Update (Fouts) (5:00 p.m.)
 - E. BRU Regulatory Plan (Clarkson/Miller) (5:45 p.m.)
- VII. NEW BUSINESS* (scheduled) (6:00 p.m.)
 - A. Sale of Renewable Energy Certificates** (Ayers/Miller) (6:00 p.m.)
 - B. Net Metering* (Skaling/Miller) (6:05 p.m.)
- VIII. DIRECTOR COMMENTS (6:10 p.m.)
- IX. ADJOURNMENT* (6:20 p.m.)

* Denotes Action Items

** Denotes Possible Action Items

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

August 11, 2021
Wednesday
4:00 p.m.

OPERATIONS COMMITTEE MEETING

Recording Secretary: Arden Quezon

I. CALL TO ORDER

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

A. Roll Call

Committee Members Present:

Bettina Chastain, Chair

Mark Wiggin, Vice Chair

Harold Hollis, Director

Erin Whitney, Director (*absent*)

Rachel Morse, Director (*via teleconference*)

Board Members Present:

Sam Cason, Director

James Henderson, Director

Guests and Staff Attendance

Present:

Arthur Miller

Brian Hickey

Matthew Clarkson

Ashton Doyle

Mark Fouts

Sherri Highers

Via Teleconference:

Connie Owens

II. APPROVAL OF THE AGENDA

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

III. APPROVAL OF THE MINUTES

Director Hollis moved and Director Wiggin seconded the motion to approve the July 14, 2021, Operations Committee Meeting minutes, as amended. The motion passed unanimously.

IV. PERSONS TO BE HEARD

A. Member Comments

None.

V. NEW BUSINESS

None.

VI. EXECUTIVE SESSION

A. Labor Update

At 4:05 p.m., Director Hollis moved and Director Wiggin seconded the motion that pursuant to Alaska Statute 10.25.175(c)(4) the Operations Committee go into executive session to discuss personnel matters. The motion passed unanimously.

The meeting reconvened in open session at 7:12 p.m.

VII. NEW BUSINESS

None.

VIII. DIRECTOR COMMENTS

Comments were made at this time.

IX. ADJOURNMENT

At 7:20 p.m., Director Wiggin moved and Director Hollis seconded the motion to adjourn. The motion passed unanimously.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

September 15, 2021

ACTION REQUIRED

AGENDA ITEM NO. VII.A.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Adoption of Renewable Energy Certificate Sale Program

DISCUSSION

Chugach Electric Association, Inc. (Chugach) has adopted sustainability as a business management philosophy. Sustainability broadens the focus of the financial bottom line to include environmental and social responsibility measures to create greater long-term business value for the Association. Chugach's vision is to responsibly develop energy to build a clean and sustainable future for Alaska, guided by the values of providing superior service and sustainable practices.

Chugach purchases energy from the Fire Island Wind (FIW) Project under a long-term agreement and receives a Renewable Energy Certificate (REC) for every megawatt hour of wind energy produced. RECs represent the environmental and other non-power attributes of renewable generation. Chugach currently sells all FIW RECs on the national voluntary market and, on average, 45,000 RECs are sold each year at the wholesale level. FIW RECs may be sold on both the national voluntary market and local retail markets. For Chugach, proceeds from the sale of RECs (net of administrative costs) are returned to members as a credit adjustment against fuel and purchased power costs.

Chugach has reintroduced the Key Member Program and found that members have an interest in purchasing RECs directly from Chugach. When surveyed, those that were interested in purchasing RECs indicated they were willing to pay market price. Depending on the market, REC prices have fluctuated significantly from \$0.30/REC to \$7.10/REC. Chugach has identified an efficient way to provide a REC Sale Program that is expected to result in lower REC prices for our members. RECs not sold under the program would continue to be sold on the national voluntary market.

Conversely, if additional RECs are needed, Chugach can purchase RECs at the wholesale market for re-sale. The sale of RECs will provide members with certified renewable energy, which allows them to claim the value of the environmental attributes associated with the renewable energy that was purchased. A REC program also allows members to purchase both electric power and RECs from Chugach, increasing member value.

MOTION

Move that the Operations Committee recommend that the Board of Directors authorize the Chief Executive Officer to adopt a Renewable Energy Certificate Sale Program to offer to its members to meet the demand expressed by willing local buyers, enhance member relationships, and to keep the environmental attributes of Fire Island Wind RECs within the community.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

September 15, 2021

ACTION REQUIRED

AGENDA ITEM NO. VII.B.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Increase in net metering cap

DISCUSSION

Chugach Electric Association, Inc.'s (Chugach) operating tariff currently provides for members to install their own renewable generation and receive electric service under a net metering tariff. Eligible renewable generation includes solar, wind, biomass, hydroelectric and other renewable sources. Chugach's operating tariff currently limits the nameplate capacity of net metering installations to not more than 1.5 percent of average retail demand, or installed capacity of 3,368 kW. The capacity of all net metered installations on the Chugach system is currently 3,063 kW, which is 91 percent of the allowable capacity under the net metering tariff. Chugach currently has 632 accounts that receive service under the net metering tariff, with 627 solar and 5 wind installations.

Chugach expects to reach the 1.5 percent limit in the first half of 2022 and is requesting approval to submit a request to the Regulatory Commission of Alaska to increase the cap to 3 percent. With this increase, the total impact of net metering installations on the Chugach system shifts cost responsibility by approximately \$0.2 million from net metered participants to all members on the system, which results in a monthly residential bill increase of 0.05 percent (6 cents). Chugach will continue to reserve the right to limit net metering installations in portions of its distribution system as necessary to ensure system stability.

MOTION

Move that the Operations Committee recommend that the Board of Directors authorize the Chief Executive Officer to file a request with the Regulatory Commission of Alaska to increase Chugach's tariffed net metering cap from 1.5 percent to 3 percent of average retail demand.