



CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA

OPERATIONS COMMITTEE MEETING

AGENDA

Bettina Chastain, Chair
Mark Wiggin, Vice Chair

Harold Hollis, Director
Erin Whitney, Director
Rachel Morse, Director

December 8, 2021

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. October 13, 2021 (Doyle)
- IV. PERSONS TO BE HEARD (4:15 p.m.)
 - A. Member Comments
- V. NEW BUSINESS (none)
- VI. EXECUTIVE SESSION* (scheduled) (4:20 p.m.)
 - A. 4th Quarter Update to Renewable Energy Plan (Skaling/Miller)
 - B. Review 2022-2026 Strategic Plan (Miller)
 - C. Battery Energy Storage System (BESS) Project (Hickey/Laughlin)
 - D. Press Release – Chugach Seeks COVID-19 Rate Relief (Hasquet)
- VII. NEW BUSINESS* (scheduled) (7:20 p.m.)
 - A. Recommendation on Approval of 2022-2026 Strategic Plan* (Miller)
 - B. Battery Energy Storage System (BESS) Project* (Hickey/Laughlin)
- VIII. DIRECTOR COMMENTS (7:30 p.m.)
- IX. ADJOURNMENT* (7:45 p.m.)

* Denotes Action Items

** Denotes Possible Action Items

12/8/2021 8:46:26 AM

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

October 13, 2021
Wednesday
4:00 p.m.

OPERATIONS COMMITTEE MEETING

Recording Secretary: Ashton Doyle

I. CALL TO ORDER

Acting Chair Wiggin 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 *(via teleconference)*

Mark Wiggin, Vice Chair

Harold Hollis, Director

Erin Whitney, Director

Rachel Morse, Director

Board Members Present:

Sam Cason, Director

James Henderson, Director *(via teleconference)*

Guests and Staff Attendance

Present:

Lee Thibert

Brian Hickey

Mike Brodie

Matt Clarkson

Julie Hasquet

Katie Millen

Via Teleconference:

Arthur Miller

Sherri Highers

Arden Quezon

Mark Fouts

Connie Owens

II. APPROVAL OF THE AGENDA

Director Hollis moved and Director Whitney seconded the motion to approve the agenda.

Director Morse requested to add a discussion on Search Committee Selection Process Update under Executive Session as item VI.B. No objections were made.

The motion to approve the agenda, as amended, passed unanimously.

III. APPROVAL OF THE MINUTES

Director Morse moved and Director Hollis seconded the motion to approve the September 15, 2021, Operations Committee Meeting minutes. The motion passed unanimously.

Approval of the Minutes agenda item was addressed after item V.A. Review Matrix of Operations Committee.

IV. PERSONS TO BE HEARD

- A. *Member Comments*
None.

V. NEW BUSINESS

- A. *Review Matrix of Operations Committee Agenda Items (Chastain/Thibert)*
Director Chastain and Lee Thibert, Chief Executive Officer (CEO) discussed the Matrix of Operations Committee Agenda Items and responded to questions from the Committee.
- B. *Member Survey (Hasquet/Clarkson)*
Julie Hasquet, Senior Manager, Corporate Communications and Lee Thibert, CEO discussed the Member Survey and responded to questions from the Committee.
- C. *Eklutna Update (Brodie/Hickey)*
Mike Brodie, Plant Manager, Peaking Hydro Plants, Brian Hickey, Chief Operating Officer (COO), and Julie Hasquet, Senior Manager, Corporate Communications discussed the Eklutna Update and responded to questions from the Committee.

VI. EXECUTIVE SESSION

- A. *Labor Update (Clarkson)*
B. *CEO Search Selection Process Update*

At 4:43 p.m., Director Morse moved and Director Hollis seconded the motion that pursuant to Alaska Statute 10.25.175(c)(3) and (4) the Board of Directors' Operations Committee go into executive session to discuss: 1) legal matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative and, 2) personnel matters. The motion passed unanimously.

The meeting reconvened in open session at 6:11 p.m.

VII. NEW BUSINESS

None.

VIII. DIRECTOR COMMENTS

Comments were made at this time.

IX. ADJOURNMENT

At 6:19 p.m., Director Morse 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

December 8, 2021

ACTION REQUIRED

AGENDA ITEM NO. VII.A.

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

TOPIC

2022 - 2026 Strategic Plan

DISCUSSION

Chugach Electric Association, Inc. (Chugach) Board Policy 306 (Strategic Planning) requires that the strategic plan be approved on an annual basis by the Board of Directors. Chugach's strategic plan has been updated based on the results of strategic planning sessions held in September and December 2021, and subsequent discussion in executive sessions held during November and December 2021.

MOTION

Move that the Operations Committee recommend the Board of Directors approve the 2022 – 2026 Strategic Plan as discussed in executive sessions.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

December 8, 2021

ACTION REQUIRED

AGENDA ITEM NO. VII.B.

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

TOPIC

Battery Energy Storage System (BESS) – Project Authorization

DISCUSSION

The Battery Energy Storage System is primarily identified as a reliability project, focused on improving the primary frequency response on the Railbelt Transmission System. Further detailed analysis of the project identified an estimated \$96M savings associated with avoided outages, fuel and O&M costs, and greenhouse gas emission reduction.

The project evaluated the installation of 70MW battery with a two-hour duration, adding a total capacity of 140MWh to the system. Located just south of Electron Drive at the Chugach Campus, the battery system will tie into International Substation and will be referred to as the International Battery System. The battery yard will consist of 30 to 40 large battery packs mounted on shallow foundation concrete pads, each feeding through a 480V to 35kV step-up transformer into the Power Distribution Center (PDC). From the PDC, two 35kV circuits running north from the yard, will tie into two separate busses at the 35kV switchgear at International Substation. The project will also include a looped fiber optic system for communication.

The total project cost is estimated at \$58,500,000. It is anticipated that \$900k of the project costs will be charged to the project in 2021, \$20.6M in 2022, and \$37M in 2023.

A discussion was held at the July 14, 2021, Operations Committee and July 21, 2021, Regular Board of Directors' meetings during executive session.

MOTION

Move that the Operations Committee recommend the Board of Directors authorize the Chief Executive Officer to proceed with the Battery Energy Storage System project at an estimated total cost of \$58,500,000 with an estimated final completion date of December 2023 and as discussed in Executive Session.