



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

REGULAR BOARD OF DIRECTORS' MEETING

AGENDA

Sam Cason, Chair
Sisi Cooper, Vice Chair
Rachel Morse, Treasurer
Susanne Fleek-Green, Secretary

Mark Wiggin, Director
Bettina Chastain, Director
Jim Nordlund, Director

June 28, 2023

4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER (4:00 p.m.)
 - A. Pledge of Allegiance
 - B. Roll Call
 - C. Safety Minute: Wildlife Safety (Freeman)
 - D. Electric Power Factoid: Federal Funding (D. Highers)
- II. APPROVAL OF THE AGENDA* (4:05 p.m.)
- III. PERSONS TO BE HEARD (4:10 p.m.)
 - A. Member Comments
- IV. DIRECTOR REPORTS (4:20 p.m.)
 - A. Alaska Power Association (APA) Report
 - B. Board Committee Reports (Audit & Finance, Operations & Governance)
 - C. Other Meeting Reports
- V. CONSENT AGENDA* (4:40 p.m.)
 - A. Board Calendar
 - B. Training and Conferences
 - 1. 2023 APA Annual Meeting (August 22-25, 2023) – Valdez, AK
 - 2. NRECA Summer School for Directors (July 21-25, 2023) – Santa Fe, NM
 - 3. Region 9 Meeting (September 26-27, 2023) – Omaha, NE
 - C. Minutes
 - 1. May 24, 2023, Regular Board of Directors' Meeting (Hamilton)
 - D. Director Expenses

- VI. CEO REPORTS AND CORRESPONDENCE (4:45 p.m.)
 - A. April 2023 Financial Statements & Variance Report (Golab) (4:45 p.m.)
 - B. Fire Island Wind Report (Skaling) (5:00 p.m.)
 - C. Report on Beluga River Unit Performance (Armfield) (5:15 p.m.)
 - D. One Campus Plan Update (Travis/Resnick) (5:30 p.m.)
 - E. 2nd Quarter 2023 Railbelt Bill Comparison (Kornmuller) (5:45 p.m.)
 - F. Board Policy Scheduled Tasks/Reports (Board/Staff) (5:50 p.m.)
- VII. UNFINISHED BUSINESS (none)
- VIII. NEW BUSINESS* (scheduled) (5:55 p.m.)
 - A. 2024-2033 Financial Forecast* (Sims) (5:55 p.m.)
 - B. 2023 General Rate Case* (Clarkson) (6:15 p.m.)
 - C. Appointment of NRECA Voting Delegate and Alternate* (Board) (6:25 p.m.)
 - D. Appointment of CFC Voting Delegate and Alternate* (Board) (6:30 p.m.)
- IX. EXECUTIVE SESSION* (scheduled) (6:35 p.m.)
 - A. Eklutna Project (Hasquet)
- X. NEW BUSINESS (none)
- XI. DIRECTOR COMMENTS (6:50 p.m.)
- XII. ADJOURNMENT* (7:05 p.m.)

* Denotes Action Items

** Denotes Possible Action Items

WILDLIFE SAFETY



MOOSE SAFETY TIPS

- Cow moose with a young calf are very protective (highest risk encounter) and will most likely defend themselves by charging and kicking forward.
- Always be on high alert when you see a calf on its own.
- If a moose charges you, place a tree or other nearby object between you and the moose as you retreat where possible.



BEAR SAFETY TIPS

- Know what to do ahead of time if you see a bear.
- Carry bear spray and know how to use it.
- Be especially careful in areas of limited sight distance.
- Bears don't like to be surprised. Make noise appropriately.
- If you see a bear before it notices you: stand still, don't approach and enjoy the moment. Then move away quietly in the opposite direction.
- **If a bear approaches you:**
 - ❖ Stand your ground.
 - ❖ Back away only when the bear stops its approach.
 - ❖ Make yourself look bigger by raising your arms and/or standing on a rock or stump.
 - ❖ Yell "Hey bear" loudly.
 - ❖ Get your bear spray out and be ready to use if it approaches within 20-30 feet.



YTD SAFETY INFORMATION

Recordable Injuries			
Business Unit	2022	2022 May YTD	2023 May YTD
Line Operations	6	2	1
Power Generation	5	2	0
Office and Administrative	0	0	0
Total	11	4	1

Lost time Injuries			
Business Unit	2022	2022 May YTD	2023 May YTD
Line Operations	3	1	1
Power Generation	1	0	0
Office and Administrative	0	0	0
Total	4	1	1

Rates and Lost Work Days			
	2022	2022 May YTD	2023 May YTD
OSHA Rate	2.71	2.45	.59
Lost Time Rate	.98	.61	.59
Lost Workdays	179	0	85

Recordable Injury: Injury resulting in medical treatment, lost time, or restricted duty.

OSHA Rate: Number of recordable injuries x 200,000/employee hours worked.

Lost Time Rate: Number of lost time injuries X 200,000/employee hours worked.

Lost workday: A day a worker is absent from the workplace due to a work-related injury.

Electric Power Factoid Federal Funding Opportunities

Regular Board of Directors' Meeting
June 28, 2023



117th Congress – Historic Legislative Action

- Infrastructure Investment and Jobs Act (IIJA)
 - Every section includes a focus on innovation
 - \$550 B new spending over 5 years (“\$1.2T headlines” includes \$650 M previously authorized)
 - Almost 2/3 devoted to the transportation spending
 - About 14.3% dedicated to Power and Grid
 - Government departments establish and administer grant programs
- Inflation Reduction Act (IRA)
 - Projected to reduce greenhouse gas emissions 37%-41% by 2030 compared to 2003
 - \$369 B estimated energy/climate benefits over 10 years*
 - Majority is extended and new clean energy tax credits
 - Projected to reduce deficit due to new revenue raisers

Infrastructure and Investment Jobs Act (IIJA)

Sweeping investment in America's Future



No More
Lead Pipes



High-Speed
Internet Access



Better Roads
and Bridges



Investments in
Public Transit



Upgrade Airports
and Ports



Investment in
Passenger Rail



Network of Electric
Vehicle Chargers



Upgrade Power
Infrastructure



Resilient
Infrastructure



Investment in
Environmental
Remediation

Source: www.Whitehouse.gov

Infrastructure and Investment Jobs Act (IIJA)

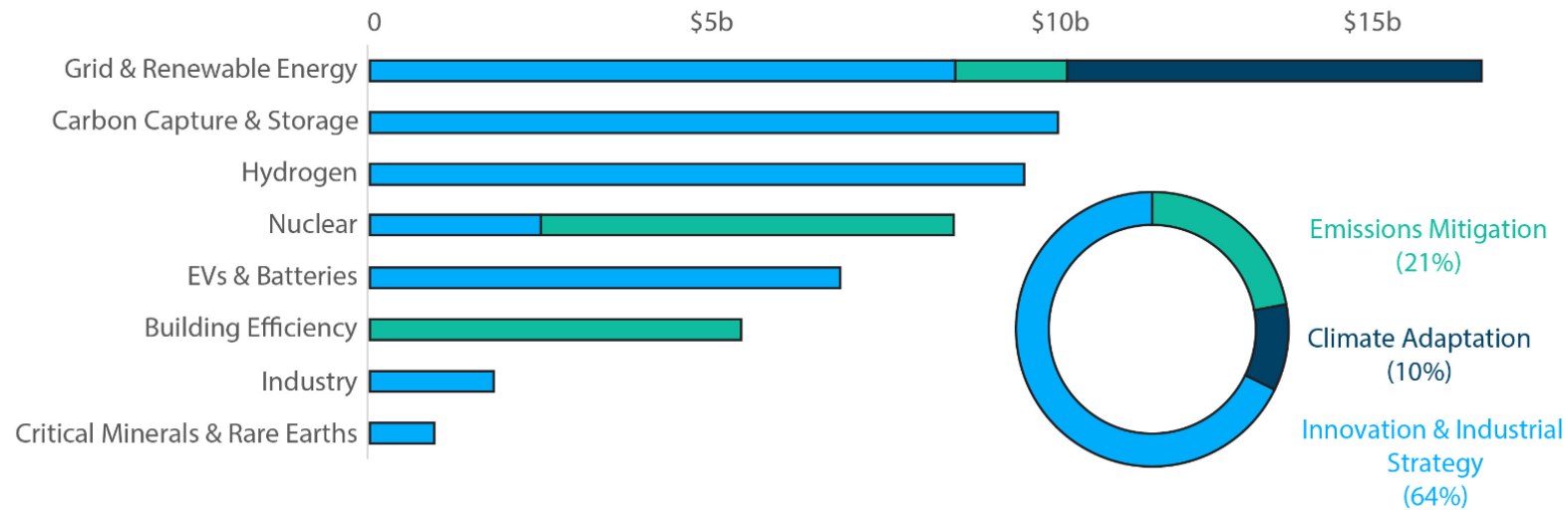


Source: White House & US Chamber of Commerce

Energy-Focused Aspects of IIJA

Department of Energy Appropriations in the Infrastructure Bill: Heavy on **Green Industrial Strategy**, Light on **Emissions Mitigation**

Billions of dollars in fiscal appropriations by sector (FY22-FY26)



Source: Infrastructure Investment and Jobs Act, H.R. 3684, 117th Congress. (2021); forthcoming report from the Information Technology & Innovation Foundation; author's calculations.

NB: "Emissions mitigation" refers to the deployment of existing technologies, "climate adaptation" refers to resilience or maintenance spending, and "innovation & industrial strategy" includes funding for the development, demonstration, or manufacture of an emerging technology.

CSIS | ENERGY SECURITY AND CLIMATE CHANGE PROGRAM

Inflation Reduction Act (IRA)

- Tax Credits
 - PTC and ITC expansions including for stand-alone energy storage projects
 - Direct Pay (now Elective Pay)
 - Bonus credits for domestic content and “energy community” location
- Funding for Rural Electric Cooperatives
 - USDA “New ERA” funding
- Loan Guarantees for Decarbonizing Electric Systems
- Transmission Funding

Inflation Reduction Act (IRA)

IRA Impacts on Tax Credits Under 26 USC §48 “Energy Credit”

		Eligible for transferability	Eligible for direct pay	
→	45, 45Y	Clean electricity production tax credit	✓	✓
→	48, 48E	Clean electricity investment tax credit	✓	✓
	45U	Zero-emission nuclear power production credit	✓	✓
	45Q	Credit for carbon oxide sequestration*	✓	✓
	45Z	Clean fuel production credit	✓	✓
	45V	Clean hydrogen production tax credit*	✓	✓
	30C	Alternative fuel vehicle refueling property credit	✓	✓
	45W	Credit for qualified commercial clean vehicles	N/A	✓
→	48C	Advanced energy project credit	✓	✓
	45X	Advanced manufacturing production credit*	✓	✓

* Note: Direct payments for these credits are available to taxable entities for five years.

Source: Source: Legal Information Institute, "26 U.S. Code § 6417 - Elective payment of applicable credits," available at <https://www.law.cornell.edu/uscode/text/26/6417> (last accessed May 2023).

Table: Center for American Progress

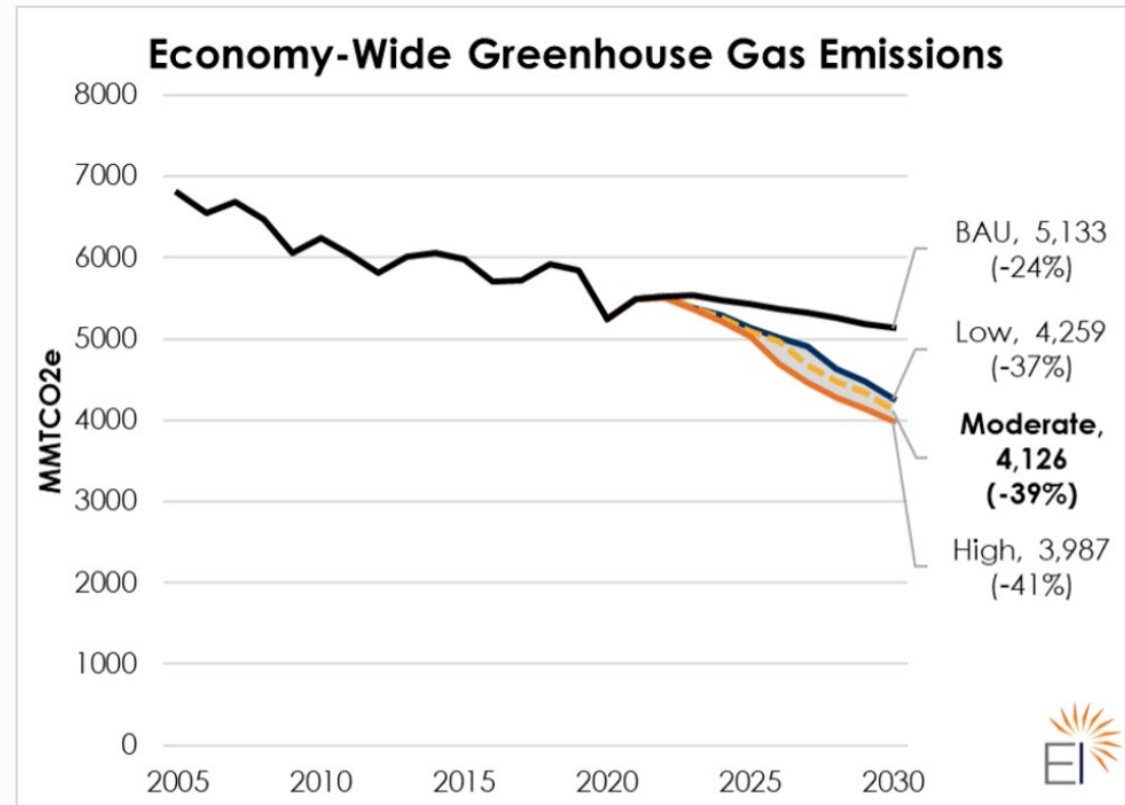
Inflation Reduction Act (IRA)

New ERA (Empowering Rural America)

- Notice of Funding Opportunity (NOFO) RUS-23-ELECTRIC-005
 - Opens on July 31, 2023, from USDA Rural Utilities Service (RUS)
 - Not be confused with FOA 3045 for “Energy Improvements in Rural America” issued by DOE
- \$9.7B to be issued to electric cooperatives
- Chugach is in Category 1 with Total Utility Plant over \$500M
- Grants up to 25% of the value of the project
- Loans available but tied to refinancing of existing debt, retirement of the related asset(s), and a clear connection to a new clean energy project

Inflation Reduction Act (IRA)

The Most Important Climate Action in US History



Emissions reductions under provisions in the Inflation Reduction Act. ENERGY INNOVATION

Source Forbes 8/2/22 "The Inflation Reduction Act Is The Most Important Climate Action In U.S. History by Silvio Marcacci

Questions?



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* Denotes Action Items

** Denotes Possible Action Items

June 2023

June 2023							July 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3							1
4	5	6	7	8	9	10	2	3	4	5	6	7	8
11	12	13	14	15	16	17	9	10	11	12	13	14	15
18	19	20	21	22	23	24	16	17	18	19	20	21	22
25	26	27	28	29	30		23	24	25	26	27	28	29
							30	31					

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
May 28	29	30	31	Jun 1	2 1:00pm ERA Application Discussion (Board Room CR) - Ashton Doyle 3:30pm Operations/Special Board Meeting Packet Reviews (Board Room CR) - Ashton Doyle	3
4	5	6 2:00pm Meeting w/Director Chastain (Board Room CR) - Ashton Doyle	7 4:00pm Operations Committee Meeting (Microsoft Teams Meeting) - Sandra Cacy	8	9 2:30pm New Director Orientation (Fleek-Green, Nordlund, Cason) (Board Room CR) - Ashton Doyle	10
11	12	13 APA Federal Legislative Conference (Washington, D.C.)	14	15	16 3:30pm New Director Orientation - Round 2 (Fleek-Green, Nordlund, Cason) (Board Room CR) - CCBOD 5:00pm Governance Packet Review (Board Room CR) - Ashton Doyle	17
18	19 10:00am Operations Packet Review (Board Room CR) - Ashton Doyle	20	21 4:00pm Governance Committee Meeting followed by Operations Committee Meeting (Board Room CR) - Sandra Cacy	22	23 6:00am NRECA Policy Committee (Morse) 8:00am Board Packet Review (Board Room CR) - Ashton Doyle 2:00pm New Director Orientation - Round 3 (Board Room CR) - Ashton Doyle	24
25	26 11:30am "Make it Monday" forum Anchorage Chamber (Cason, Chastain, Wiggin) (Dena'ina Civic & Convention Center) - Ashton Doyle 1:30pm APA Board Items (Cason) (APA)	27	28 4:00pm Regular Board of Directors Meeting (Board Room CR) - Arden Quezon	29 4:00pm Joint Meeting Chugach Board of Directors and NVE Tribal Council (South Denali CR) - Ashton Doyle	30	Jul 1

July 2023

July 2023							August 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
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16	17	18	19	20	21	22	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28	29	30	31		
30	31												

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 25	26	27	28	29	30	Jul 1
2	3	4 Independence Day	5	6	7	8
9	10 8:00am Operations Packet Review (Boardroom/Micros of Teams Meeting) - Ashton Doyle	11	12 4:00pm Operations Committee Meeting (Board Room CR) - Sandra Cacy 4:00pm Canceled: Operations Committee Meeting (Board Room CR) - Arden Quezon	13	14	15
16	17	18	19 5:00pm Member Advisory Council (MAC) Meeting (Board Room CR) - CCBOD	20	21 9:30am Review Board Packet (CEO's Office) - Arden Quezon	22 Summer School for Directors: West (7/21-7/25) (Santa Fe, NM)
23 Summer School for Directors: West (7/21-7/25) (Santa Fe, NM)	24	25	26 4:00pm Regular Board of Directors Meeting (Board Room CR) - Sandra Cacy 4:00pm Canceled: Regular Board of Directors Meeting (Board Room CR) -	27	28	29
30	31	Aug 1	2	3	4	5

August 2023

August 2023

Su	Mo	Tu	We	Th	Fr	Sa
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September 2023

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jul 30	31	Aug 1	2	3	4	5
6	7	8 APA 2023 Accounting and Finance Workshop	9	10	11	12
13	14	15	16 4:00pm Regular Board of Directors Meeting (Board Room CR) - Sandra Cacy	17	18 9:30am Review Board Packet (CEO's Office)	19
20	21	22	23 NRECA Director Training	24	25 9:00am Review Audit & Finance Packet (Board Room CR) - Sandra Cacy	26
27	28	29	30 4:00pm Audit & Finance Committee Meeting (Board Room CR) - Sandra Cacy 4:00pm Canceled: Audit & Finance Committee Meeting (Board Room CR) - Arden Quezon	31	Sep 1	2

September 2023

September 2023

Su	Mo	Tu	We	Th	Fr	Sa
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17	18	19	20	21	22	23
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October 2023

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22	23	24	25	26	27	28
29	30	31				

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Aug 27	28	29	30	31	Sep 1	2
3	4 Labor Day	5	6	7	8 9:00am Review Governance Packet (Board Room CR) - Sandra Cacy	9
10	11	12	13 4:00pm Governance Committee Meeting (Board Room CR) - Sandra Cacy 4:00pm Canceled: Governance Committee Meeting (Board Room CR) - Arden Quezon	14 NWPPA Meeting (Morse)	15	16
17	18	19	20	21	22 9:30am Review Board Packet (CEO's Office) - Arden Quezon	23
24	25	26 NRECA Regional Meetings 7&9 (Omaha, NE)	27 4:00pm Regular Board of Directors Meeting (Board Room CR) - Sandra Cacy 4:00pm Canceled: Regular Board of Directors Meeting (Board Room CR) -	28 TENTATIVE: Strategic Planning Session (9/27-9/29) (TBD)	29	30

October 2023

October 2023

Su	Mo	Tu	We	Th	Fr	Sa
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29	30	31				

November 2023

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19	20	21	22	23	24	25
26	27	28	29	30		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Oct 1	2	3	4 5:00pm Member Advisory Council (MAC) Meeting (TBD) - CCBOD	5	6 9:00am Review OPS Packet (Board Room CR) - Sandra Cacy	7
8	9	10	11 4:00pm Operations Committee Meeting (Board Room CR) - Sandra Cacy 4:00pm Canceled: Operations Committee Meeting (Board Room CR) - Arden Quezon	12	13	14
15	16	17	18	19	20 9:30am Review Board Packet (CEO's Office) - Arden Quezon	21
22	23	24	25 4:00pm Regular Board of Directors Meeting (Board Room CR) - Sandra Cacy 4:00pm Canceled: Regular Board of Directors Meeting (Board Room CR) - Arden Quezon	26	27	28
29	30	31	Nov 1	2	3	4

November 2023

November 2023

Su	Mo	Tu	We	Th	Fr	Sa
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December 2023

Su	Mo	Tu	We	Th	Fr	Sa
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Oct 29	30	31	Nov 1	2	3	4
5	6 9:30am Audit & Finance Packet Review (Sherri's Office) - Arden Quezon	7	8 4:00pm Audit & Finance Committee (Budget) (Board Room CR) - Sandra Cacy 4:00pm Canceled: Audit & Finance Committee (Budget) (Board Room CR) - Arden Quezon	9	10 9:30am Board Packet Review (CEO's Office) - Arden Quezon	11
12	13	14	15 4:00pm Regular Board of Directors Meeting (Board Room CR) - Sandra Cacy 4:00pm Canceled: Regular Board of Directors Meeting (Board Room CR) - Arden Quezon	16	17	18
19	20	21	22	23 Thanksgiving Holiday	24	25
26	27 9:00am Audit & Finance Packet Review (Sherri's Office) - Arden Quezon 4:00pm Audit & Finance Committee Meeting (Board Room CR) - Sandra Cacy	28	29	30	Dec 1	2

December 2023

December 2023							January 2024						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2		1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29	30	31			
31													

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Nov 26	27	28	29	30	Dec 1 9:00am Governance Packet Review (Arthur's Office) - Arden Quezon	2
3	4	5	6 APA/AIE Open House December Meeting Series 4:00pm Governance Committee Meeting (Board Room CR) - 4:00pm Canceled: Governance Committee Meeting	7	8 9:00am Review Board Packet (CEO's Office) - Arden Quezon	9
10	11	12	13 4:00pm Regular Board of Directors Meeting (Board Room CR) - Sandra Cacy 4:00pm Canceled: Regular Board of Directors Meeting (Board Room CR) -	14	15	16
17	18	19	20	21	22 Christmas Eve Holiday Observed	23
24	25 Christmas Day	26	27	28	29 New Years Eve Holiday Observed	30
31	Jan 1, 24	2	3	4	5	6

January 2024

January 2024

Su	Mo	Tu	We	Th	Fr	Sa
	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			

February 2024

Su	Mo	Tu	We	Th	Fr	Sa
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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		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Dec 31	Jan 1, 24 New Years Day	2	3	4	5 9:00am Review Governance Packet (Board Room CR) - Sandra Cacy	6
7	8	9	10 4:00pm Governance Committee Meeting (Board Room CR) - Sandra Cacy	11	12	13
14	15	16	17	18	19 9:00am Review Board Packet (Board Room CR) - Sandra Cacy	20
21	22	23	24 4:00pm Regular Board of Directors Meeting (Board Room CR) - Sandra Cacy	25	26	27
28	29	30 APA Managers' Forum meeting and NRECA Director Training class	31 2024 APA State Legislative Col	Feb 1	2	3

February 2024

February 2024

Su	Mo	Tu	We	Th	Fr	Sa
				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		

March 2024

Su	Mo	Tu	We	Th	Fr	Sa
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jan 28	29	30	31	Feb 1 2024 APA State Legislative C	2 9:00am Review Operations Packet (Board Room CR) - Sandra Cacy	3
4	5	6	7 4:00pm Operations Committee Meeting (Board Room CR) - Sandra Cacy	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23 9:00am Review Board Packet (Board Room CR) - Sandra Cacy	24
25	26	27	28 4:00pm Regular Board of Directors Meeting (Board Room CR) - Sandra Cacy	29	Mar 1	2

March 2024

March 2024						April 2024							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2		1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29	30				
31													

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Feb 25	26	27	28	29	Mar 1 8:00am NRECA PowerXchange (March 1 - 6 San Antonio)	2
3 NRECA PowerXchange (March 1 - 6 San Antonio)	4	5	6 8:30am	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22 9:00am Review Board Packet (Board Room CR) - Sandra Cacy	23
24	25	26	27 4:00pm Regular Board of Directors Meeting (Board Room CR) - Sandra Cacy	28	29 9:00am Review Audit & Finance Packet (Board Room CR) - Sandra Cacy	30
31	Apr 1	2	3	4	5	6

April 2024

April 2024

Su	Mo	Tu	We	Th	Fr	Sa
	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				

May 2024

Su	Mo	Tu	We	Th	Fr	Sa
			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	

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Mar 31	Apr 1	2	3 4:00pm Audit & Finance Committee Meeting (Board Room CR) - Sandra Cacy	4	5 9:00am Review OPS Packet (Board Room CR) - Sandra Cacy 10:00am Review Governance Packet (Board Room CR) - Sandra Cacy	6
7	8	9	10 4:00pm Operations Committee Meeting (Board Room CR) - Sandra Cacy 6:00pm Governance Committee Meeting (immediately following OPS Meeting) (Board Room CR) - Sandra Cacy	11	12	13
14	15	16	17	18	19 9:00am Review Board Packet (Board Room CR) - Sandra Cacy	20
21	22	23	24 4:00pm Regular Board of Directors Meeting (Board Room CR) - Sandra Cacy	25	26	27
28	29	30	May 1	2	3	4



ALASKA POWER ASSOCIATION 2023 ANNUAL MEETING – VALDEZ, ALASKA!

The Alaska Power Association (APA) and ARECA Insurance Exchange (AIE) Annual Meetings is the premier conference for Alaska’s electric utilities. Featuring informative presentations, networking opportunities, and collaborative meetings, the conference is designed to continue advancing the industry that powers the Last Frontier.

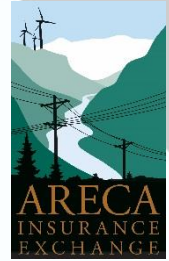
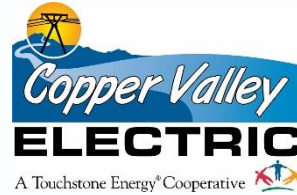
APA & AIE Annual Meeting Trade Show

The APA & AIE Annual Meeting Trade Show is the perfect place for vendors to interact with electric utility employees from across the state. We strategically locate the trade show so our members **MUST** pass through it on their way into the meetings. The APA & AIE Annual Meeting Trade Show will be **THE** place to be this August.



Alaska Power Association 72nd Annual Meeting and ARECA Insurance Exchange Annual Meeting

August 22-25, 2023 Valdez Civic Center, Valdez, Alaska
Hosted by Copper Valley Electric Association



Tuesday August 22, 2023

Afternoon	Tour of local power plant (TBA)	Valdez, AK
Evening Welcome Reception	To be Determined	Valdez, AK

Wednesday, August 23, 2023

7:00 a.m. - 9:00 a.m.	Breakfast	Valdez Civic Center
7:30 a.m. - 4:00 p.m.	Registration desk open	
8:00 a.m. - 8:30 a.m.	ARECA Educational Foundation Meeting	
8:30 a.m. - 4:30 p.m.	NRECA Director Training	
8:30 a.m. - 9:00 a.m.	AK 220 Shareholders Meeting	
9:00 a.m. - 4:00 p.m.	Companion Tour	
9:00 a.m. - 9:30 a.m.	Break	
9:30 a.m. - 12:00 p.m.	APA Managers' Forum	
12:00 p.m. - 2:00 p.m.	Lunch	
2:00 p.m. - 4:00 p.m.	ARECA Insurance Exchange Meeting	
6:00 p.m. - 8:00 p.m.	ARECA Insurance Exchange Reception	To Be Determined

Thursday, August 24, 2023

7:00 a.m. - 9:00 a.m.	Breakfast	Valdez Civic Center
7:30 a.m. - 2:00 p.m.	Registration desk open	
8:00 a.m. - 10:00 a.m.	APA General Session I	
10:00 a.m. - 10:30 a.m.	Break	
10:30 a.m. - 12:00 p.m.	APA General Session II	
12:00 p.m. - 1:30 p.m.	Lunch	
1:30 p.m. - 3:30 p.m.	APA Board of Directors Meeting	
5:00 p.m. - 8:00 p.m.	APA Awards Banquet	Valdez Civic Center
8:00 p.m. - 9:30 p.m.	ARECA Educational Foundation Auction	

Friday, August 25, 2023

7:00 a.m. - 9:00 a.m.	Breakfast	Valdez Civic Center
8:30 a.m. - 10:30 a.m.	APA General Session III	
10:30 a.m. - 10:45 a.m.	Break	
10:45 a.m. - 12:00 p.m.	APA General Session IV	
12:00 p.m. - 1:00 p.m.	Lunch	

*Agenda is subject to change without notice.

Summer School for Directors: West

Santa Fe, NM | July 21 - 25, 2023

Summer School for Directors helps ensure that board leaders develop the knowledge and skills required to meet the challenges of today's increasingly complex utility marketplace through a variety of CCD and BLC courses offered over five days.

[REGISTER](#)

This program offers co-op directors:

- A customizable schedule that meets your unique learning needs and certificate goals
- All required courses to earn the Credentialed Cooperative Director (CCD) certificate
- A variety of Board Leadership Certificate (BLC) courses focusing on specific industry and governance issues
- Director Gold Credential continuing education credits

Summer School for Directors: West

Santa Fe, NM | July 21 - 25, 2023

Schedule

Subject to change. All times are local to the event location.

FRI. 07/21

7:00am - 8:00am	Continental Breakfast
8:00am - 4:00pm	901.1 Rules and Procedures for Effective Board Meetings
8:00am - 4:00pm	950.1 Practical Communication Strategies for Directors
8:00am - 4:00pm	974.1 Rate Making Strategies and Policy Decisions for Electric Cooperative Boards
8:00am - 4:00pm	2600 Director Duties and Liabilities
11:30am - 1:00pm	Lunch on your Own

SAT. 07/22

7:00am - 8:00am	Continental Breakfast
8:00am - 4:00pm	937.1 Applying Emotional Intelligence in the Boardroom
8:00am - 4:00pm	965.1 Electric Vehicles: Strategy and Policy Consideration
8:00am - 4:00pm	973.1 Moving the Fence: A Guide to Shared Services, System Mergers, and Territorial Acquisitions - NEW!
8:00am - 4:00pm	977.1 Equity Management and Boardroom Decision Making
8:00am - 4:00pm	2620 Board Operations and Process
11:30am - 1:00pm	Lunch on your Own

SUN. 07/23

7:00am - 8:00am	Continental Breakfast
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8:00am - 4:00pm	903.1 The Role of the Board Chair in Conducting Effective Meetings
8:00am - 4:00pm	951.1 Developing Effective Boardroom Decision Making
8:00am - 4:00pm	971.1 Governance Challenges of the Evolving Distribution Cooperative
8:00am - 4:00pm	985.1 Considering Broadband: The Due Diligence Process
8:00am - 4:00pm	2640 Financial Decision Making
11:30am - 1:00pm	Lunch on your Own

MON. 07/24

7:00am - 8:00am	Continental Breakfast
8:00am - 4:00pm	918.1 Maximizing Your Grassroots Strategy
8:00am - 4:00pm	927.1 Cybersecurity: The Board's Oversight Role
8:00am - 4:00pm	979.1 ESG and the Cooperative Difference
8:00am - 4:00pm	984.1 The Road to Resiliency: A Director's Responsibility - NEW!
8:00am - 4:00pm	2610 Understanding the Electric Business
11:30am - 1:00pm	Lunch on your Own

TUE. 07/25

7:00am - 8:00am	Continental Breakfast
8:00am - 4:00pm	905.1 Assessing Governance: Taking a Continuous Improvement Approach to Governing Your Co-op
8:00am - 4:00pm	925.1 Co-op Bylaws: Guiding Principles & Current Issues
8:00am - 4:00pm	944.1 Giving and Receiving Effective Feedback
8:00am - 4:00pm	2630 Strategic Planning
11:30am - 1:00pm	Lunch on Your Own

A scenic view of the Omaha skyline, featuring several tall buildings and a large park area with trees and a lake in the foreground. The water reflects the buildings and the sky. The text is overlaid on the image.

Regional Meetings 7&9

Omaha, NE | September 26 - 28, 2023

By attending NRECA Regional Meetings, co-op leaders make vital contributions to the role America's electric cooperatives will play in leading the new energy future.

[REGISTER](#)

JOIN US IN OMAHA!

2023 Regional Meetings 7&9

NRECA Regional Meetings bring together electric co-op CEOs/general managers, directors, voting delegates and key staff to engage with industry experts and colleagues who share common issues.

YOUR REGIONAL MEETING ADVANTAGES

- **Build a valuable network** of fellow co-op leaders who are facing some of the same challenges you face on a daily basis.
- **Gain insights on the issues affecting your community** through region-specific programming offered at each meeting.
- **Exchange ideas and best practices** that will help your co-op survive and thrive during this time of dramatic change.

- **Get up-to-date on the latest news and trends** in the electric co-op industry and the broader energy sector.
- **Engage in the resolutions process** by proposing, debating and discussing the issues that will be voted on at the national meeting.
- **Invest in your own professional development** by attending pre-meeting education opportunities.

Member Resolutions and NRECA Voting Delegates NRECA voting members, remember to [certify a voting delegate](#) and alternate prior to your regional meeting. **Note:** The certification page is accessible by NRECA voting member CEOs, general managers, board presidents/chairs, board secretaries or executive assistants only.

The 2023 Compendium of Proposed Resolutions will be sent to all voting members and posted on [Cooperative.com](#) in mid-July. Proposals in the Compendium will be considered at each Regional Meeting and considered by voting delegates at the [regional business meetings](#).

Regional Meetings 7&9

Omaha, NE | September 26 - 28, 2023

Schedule

Subject to change. All times are local to the event location.

TUE. 09/26

7:00am - 8:30am	Registration – Pre-Meeting Education
8:00am - 4:00pm	Director Education Course: 2630 Strategic Planning
8:00am - 4:00pm	Director Education Course: 950.1 Practical Communication Strategies for Directors
8:00am - 4:00pm	Director Education Course: 984.1 The Road to Resiliency: A Director's Responsibility
1:00pm - 5:00pm	Registration – Regional Meeting and Voting Delegates
1:00pm - 5:00pm	Win Federal Infrastructure Funding: How to Create and Perfect your Project Concept and Pitch
3:30pm - 5:00pm	NISC Update and Reception
5:00pm - 6:30pm	America's Electric Cooperatives PAC Donor Appreciation Reception

WED. 09/27

7:30am - 4:30pm	Registration – Regional Meeting and Voting Delegates
9:00am - 11:00am	First General Session
11:00am - 11:30am	Coffee Break
11:30am - 12:00pm	CFC District Meeting
12:00pm - 1:30pm	Lunch and Address by CFC CEO Andrew Don
1:30pm - 2:00pm	NRECA Broadband Information Session

2:00pm - 3:00pm	Second General Session
3:00pm - 3:30pm	Coffee Break
3:30pm	Resolutions Committee Meeting
4:30pm - 4:45pm	Federated Rural Electric Insurance Exchange Region 9 Director Elections
5:30pm - 7:00pm	Welcome Reception

THU. 09/28

7:30am - 8:30am	NRECA Broadband Breakfast
7:30am - 9:30am	Registration – Regional Meeting and Voting Delegates
8:45am	Region 7 Business Meeting
9:30am	Region 9 Business Meeting
10:15am - 11:15am	Third General Session

Register Today!


September 26 - 3, 2023



In-Person
Omaha, NE

Register before
September 27,
2023

REGISTER

 [View My Co-op's Registrants](#)

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 24, 2023
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Ky'yanna Hamilton

I. CALL TO ORDER

Chair Chastain called the Regular Board of Directors' meeting to order at 4:02 pm in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Pledge of Allegiance

Chair Chastain led the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Bettina Chastain, Chair
Mark Wiggin, Vice Chair
Susanne Fleek – Green, Director
Sam Cason, Secretary
Rachel Morse, Director
Sisi Cooper, Director
Jim Nordlund, Director

Staff and Guests in Attendance:

Present:

Arthur Miller	Paul Johnson	Jean Kornmuller
Matthew Clarkson	Mike Miller	Todd McCarty
Mike Brodie	Karen Griffin	Kate Ayers
Josh Travis	Sherri Highers	Bernie Smith, Member
Marty Freeman	Scarlett Masten	Crysal Enkvist, APA
Andrew Laughlin	Ovi Popovich	Susanne Imlock
Deanna Scott	Julie Hasquet	Trish Baker
Russell Thornton	Bart Armfield, Consultant	Emily Mueller
Dustin Highers	Steve Gerlek, Consultant	Hans Thompson
		David Caye

Via Teleconference:

Eugene Ori	Antony Scott, Member
Sandra Cacy	Eric Booton, Trout Unlimited
Peyton Reid	Todd Glass, WSGR
Mitchell Roth, Member	Shaina Kilcoyne, Member
Aurora Roth, Member	

- C. *Safety Minute*
Marty Freeman, Senior Manager of Safety and security, presented on “*Lawn Mower Safety*”, the year-to-date safety information, and responded to questions from the Board.
- D. *Electric Power Factoid: Electric Power Factoid- SCADA – (Popovici)*
Ovi Popovici, System Analyst, SCADA/EMS, presented an overview of the Electric Power Factoid and responded to questions from the board.

II. APPROVAL OF AGENDA

Director Morse moved, and Director Cason seconded the motion to approve the agenda.

III. PERSONS TO BE HEARD

- A. *Member Comments*
Mitchell Roth, Member, made comments regarding Chugach getting to 100% renewable power generation.
Aurora Roth, Member, made comments regarding the Decarbonization goals.
Antony Scott, Member, made comments regarding Rate design and Board Transparency.

IV. DIRECTOR REPORTS

- A. *Alaska Power Association (APA) Report*
Director Chastain introduced Crystal Enkvist, of Alaska Power Association, Crystal Enkvist provided an update on activities, upcoming events, legislative summary, and presented the National Safety Evaluation Certificate of completion by The Alaska Power Association, on behalf of NRECA to Arthur Miller, Director Chastain, and Marty Freeman.
- B. *Board Committee Reports (Audit and Finance, Operations & Governance)*
Sherri Highers, Chief Financial Officer, reported on the upcoming May 31, 2023, Audit, and finance Committee meeting and stated that the meeting would be going over the 1st Quarter Financial reports, Rate Case update, and the ten year Financial Forecast Assumptions.

Director Wiggins reported the last Operations Committee Meeting was May 3, 2023, and stated they discussed the General Rate Case progress, and the next meeting was scheduled for June 21, 2023.

Director Cason reported the last Governance Committee meeting was April 12, 2023, and he stated the meeting discussed the Board Policies and the NRECA, and the next meeting is scheduled for June 7, 2023.
- C. *Other Meeting Reports:*
Director Morse reported a May 4, 2023, meeting with Nelly Williams, Executive Director with Trout Unlimited. Nelly was interested in the best ways to comment on Eklutna and other ongoing projects.

Director Morse also reported that she was seated as the Alaska Director of the Northwest Public Power Association (NWPPA), at their Annual Meeting on May 16 – 18, 2023.

Director Morse reported that she was nominated and appointed to serve as the NRECA Alaska Representative to the NRECA Regional Policy Committee.

Director Cooper reported the Election Committee held a meeting on May 23, 2023, to discuss things that worked well, could be improved, and changes to be made for next year's Annual Meeting.

V. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
 - 1. *APA Annual Meeting, August 22-25, 2023, – Valdez, AK*
- C. *Minutes*
 - 1. *April 26, 2023, Regular Board of Directors' Meeting (Cacy)*
 - 2. *May 11, 2023, Special Board of Directors' Meeting (Doyle)*
 - 3. *May 19, 2023, Regular Board of Directors' Meeting (Cacy)*
- D. *Director Expenses*

Director Cooper moved, and Director Morse seconded the motion to approve the consent agenda. The motion passed unanimously.

VI. CEO REPORTS AND CORRESPONDENCE

- A. *Eklutna Update (Brodie)*

Mike Brodie, Manager, M&O Services & Transform Shop, provided an update on the Eklutna Project Update.
- B. *2023 General Rate Case Update (Kornmuller/Clarkson)*

Matthew Clarkson, Chief Legal Officer, provided an updated presentation of the General Rate Case rates, filing timelines, and Goals.
- C. *2022 Sustainability Report (Ayers)*

Kate Ayers, Sr. Manager, Key Account and Sustainability, Provided an overview Presentation of the 2022 Sustainability Report.
- D. *Gas Supply Update (Gerlek/Thompson)*

Steve Gerlek, Provided a detailed update on the Gas Supply.
- E. *Board Policy Scheduled Tasks/Reports (Board/Staff)*

Arthur Miller, CEO, discussed the CEO Reports and Correspondence contents and responded to questions from the Board.

VII. UNFINISHED BUSINESS

None.

VIII. NEW BUSINESS

- A. *Board of Directors – Election of Officers* (Board/Clarkson)*

Chair Chastain opened the floor to nominations for Chair of the Board.

Chair Chastain closed the nominations and called for a vote.
The result of the vote: Director Cason was elected as Chair of the Board.

Newly elected Chair Cason, assumed the role of Board Chair for the remainder of the meeting.

Chair Cason opened the floor to nominations for Vice Chair of the Board.
The result of the vote: Director Cooper was elected Vice Chair of the Board.

Chair Cason opened the floor to nominations for Secretary of the Board.
The result of the vote: Director Fleek-Green was elected Secretary of the Board.

Chair Chastain opened the floor to nominations for Treasurer of the Board.
The result of the vote: Director Morse was elected Treasurer of the Board.

B. Appointment of APA Member and Alternate Representatives (Board)*

Chair Cason opened the floor to nominations for an APA Member and Alternative Representative.

Chair Cason closed the nominations and called for a vote.
The result of the vote: Director Cason was elected as APA Member and Director Cooper was elected as the APA Alternative Representative

*C. Adopt 2023 – 2024 Calendar of Regular Meetings of the Board of Directors**

Director Morse and Director Fleek-Green discussed scheduling conflicts.

Director Wiggins moved, and Director Cooper seconded the attached resolution which adopts a schedule for regular meetings of the board as reflected in the board Calendar. The motion passed unanimously.

D. Plant 1 Breaker Replacement (M. Miller)*

Mike Miller, VP of Engineering, Provided a presentation with a break down of Cost and timeline for the Plant 1 Breaker Replacement.

Director Morse moved, and Director Fleek-Green Seconded the attached Motion to authorize the Chief Executive Officer to acquire, construct and install the Plant 1 Breakers Replacement project at Plant 1 Switch Yard.

E. NRECA National Re to acquire solutions Committee: Early Retirement of Generation Assets (Board)

Director Morse informed the board and executive staff of current NRECA policies and processes regarding ongoing discussions from the board about how the NRECA is being directed in terms of early retirement of fossil fuel plant assets, and responded to questions from the Board.

Director Cooper moved and Director Nordlund seconded the attached motion to authorize the Chugach Board NRECA Voting delegate to introduce and participate in the advancement of a resolution to the NRECA Resolutions Committee that recognizes and

allows for alternative remedies associated with the premature retirement of generation assets as may be determined by locally led electric cooperative leadership.

IX. EXECUTIVE SESSION

- A. *1991 Fish and Wildlife Agreement (Glass/Miller)*
- B. *BRU Agreement - Imbalanced Elections (Armfield/Clarkson)*
- C. *Seward Electric System (Miller)*

At 6:55 p.m., Director Cooper moved, and Director Morse seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (3) 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; and 2) discuss with its attorneys matters the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

The meeting reconvened in open session at 8:18 p.m.

X. NEW BUSINESS

- A. BRU Agreement

During Executive Session the board elected to not take action at this time.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 8:28 p.m., Director Morse moved, and Director Cooper seconded the motion to adjourn. The motion passed unanimously.

Susanne Fleek-Green, Secretary
Date Approved: May 24, 2023

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 28, 2023

ACTION REQUIRED

AGENDA ITEM NO. V.D.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Director Expenses

DISCUSSION

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

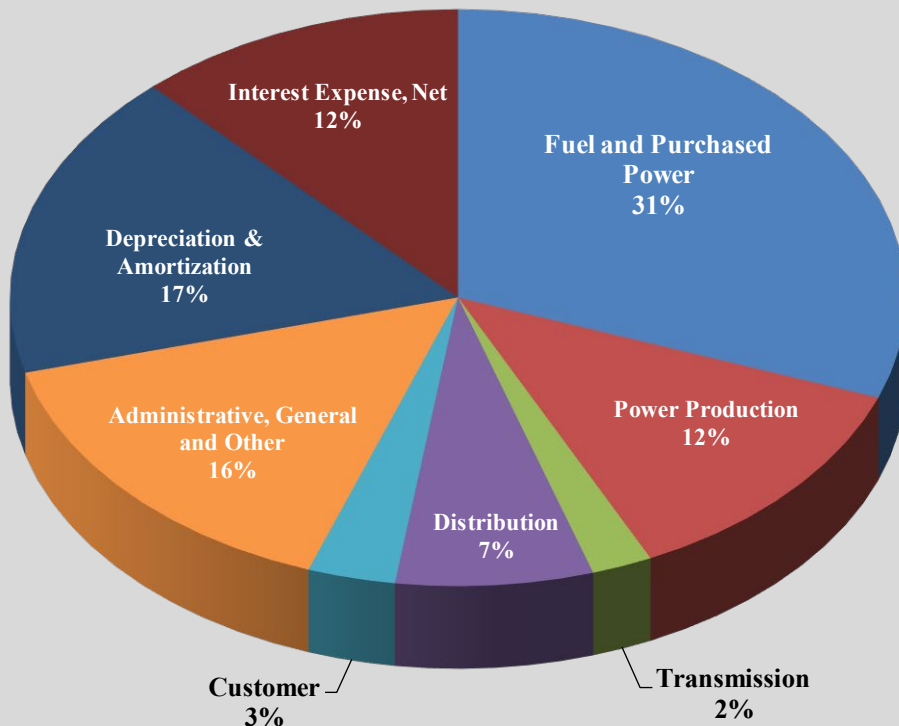
MOTION

(Consent Agenda)

COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS 2023 MTD ACTUAL TO BUDGET

CATEGORY	ACTUAL	BUDGET	VARIANCE
Operating Revenue & Patronage Capital	\$ 28,536,066	\$ 27,935,163	\$ 600,903
Fuel and Purchased Power	8,578,494	8,351,110	227,384
Power Production	3,441,875	3,177,450	264,425
Transmission	611,806	968,100	(356,294)
Distribution	1,994,690	2,073,507	(78,817)
Customer	884,892	857,450	27,442
Administrative, General and Other	4,307,706	4,346,332	(38,626)
Depreciation & Amortization	4,830,878	5,367,361	(536,483)
Interest Expense, Net	3,343,683	3,289,577	54,106
Total Cost of Electric Service	\$ 27,994,024	\$ 28,430,887	\$ (436,863)
Patronage Capital & Operating Margins	\$ 542,042	\$ (495,724)	\$ 1,037,766
Non-Operating Margins - Interest	96,801	81,718	15,083
Allowance for Funds Used During Construction	9,523	12,500	(2,977)
Non-Operating Margins - Other	(18,876)	(10,850)	(8,026)
Patronage Capital or Margins	\$ 629,490	\$ (412,356)	\$ 1,041,846

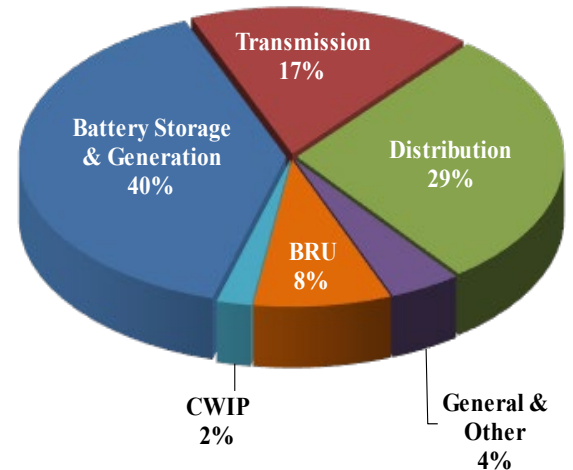
Total Cost of Electric Service (MTD Actual)



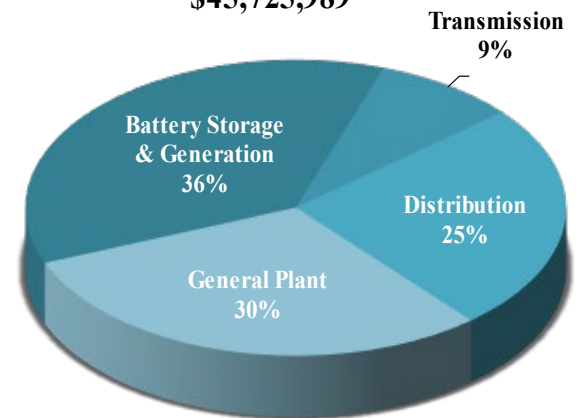
BALANCE SHEET

ASSETS & OTHER DEBITS	4/30/2023	12/31/2022
Electric Plant in Service	2,125,405,281	2,109,990,748
Construction Work in Progress	45,725,989	52,721,736
Total Utility Plant	\$ 2,171,131,270	\$ 2,162,712,484
Accum. Prov. for Depreciation/Amortization	(721,579,616)	(702,820,630)
Net Utility Plant	\$ 1,449,551,654	\$ 1,459,891,854
Nonutility Property - Net	76,889	76,889
Financing & Operating Lease ROU Assets	3,818,294	4,048,789
Investment in Assoc. Organizations	6,634,203	6,993,487
Special Funds	23,792,191	26,275,805
Restricted Cash Equivalents & Other	30,000	30,000
Long-term Prepayments	0	305,854
Total Other Property & Investments	\$ 34,351,577	\$ 37,730,824
Cash & Restricted Cash	36,946,689	15,854,739
Special Deposits	56,800	58,300
Accounts Receivable - Net	47,892,358	50,243,472
Materials and Supplies, Fuel Stock	69,040,501	68,199,774
Prepayments	8,052,478	6,239,353
Other Current & Accrued Assets	21,070,771	20,804,025
Total Current & Accrued Assets	\$ 183,059,597	\$ 161,399,663
Deferred Debits	107,652,790	108,557,249
Total Assets & Other Debits	\$ 1,774,615,618	\$ 1,767,579,590
LIABILITIES & OTHER CREDITS	4/30/2023	12/31/2022
Memberships	1,995,601	1,986,171
Pat. Capital, Margins & Equities	214,312,472	210,349,305
Total Margins & Equities	\$ 216,308,073	\$ 212,335,476
Long-Term Debt - Bonds	1,109,633,329	1,128,549,996
Long-Term Debt - Other	16,872,000	18,924,000
Unamortized Debt Issuance Costs	(5,922,932)	(5,960,113)
Operating Lease Liabilities	3,575,298	3,583,801
Finance Lease Liabilities	197,489	203,786
Total Long-Term Debt	\$ 1,124,355,184	\$ 1,145,301,470
Notes Payable	126,966,091	94,178,851
Accounts Payable	14,153,862	26,356,140
Consumer Deposits	4,342,384	4,874,798
Other Current & Accrued Liabilities	57,196,113	53,272,014
Total Current & Accrued Liabilities	\$ 202,658,450	\$ 178,681,803
Deferred Compensation	1,685,148	1,387,476
Other Liabilities, Non-Current	748,627	658,627
Deferred Liabilities	11,062,518	9,639,703
BRU Regulatory Liability	92,731,078	96,612,203
Cost of Removal Obligation	125,066,540	122,962,832
Total Liabilities & Other Credits	\$ 1,774,615,618	\$ 1,767,579,590

Total Utility Plant
\$2,171,131,270



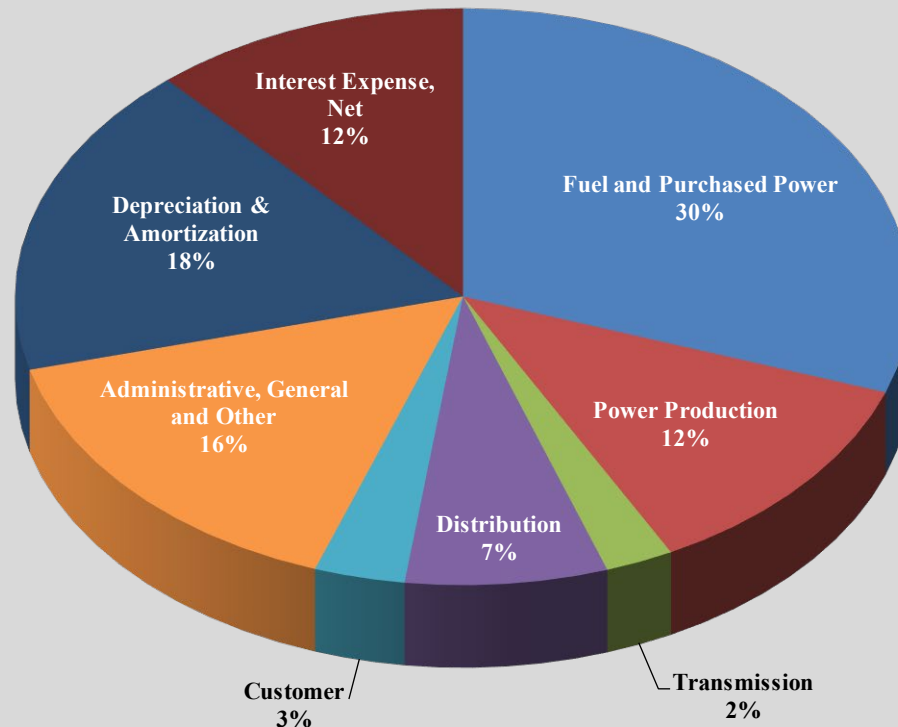
Construction Work in Progress
\$45,725,989



**COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS
2023 YTD ACTUAL TO BUDGET**

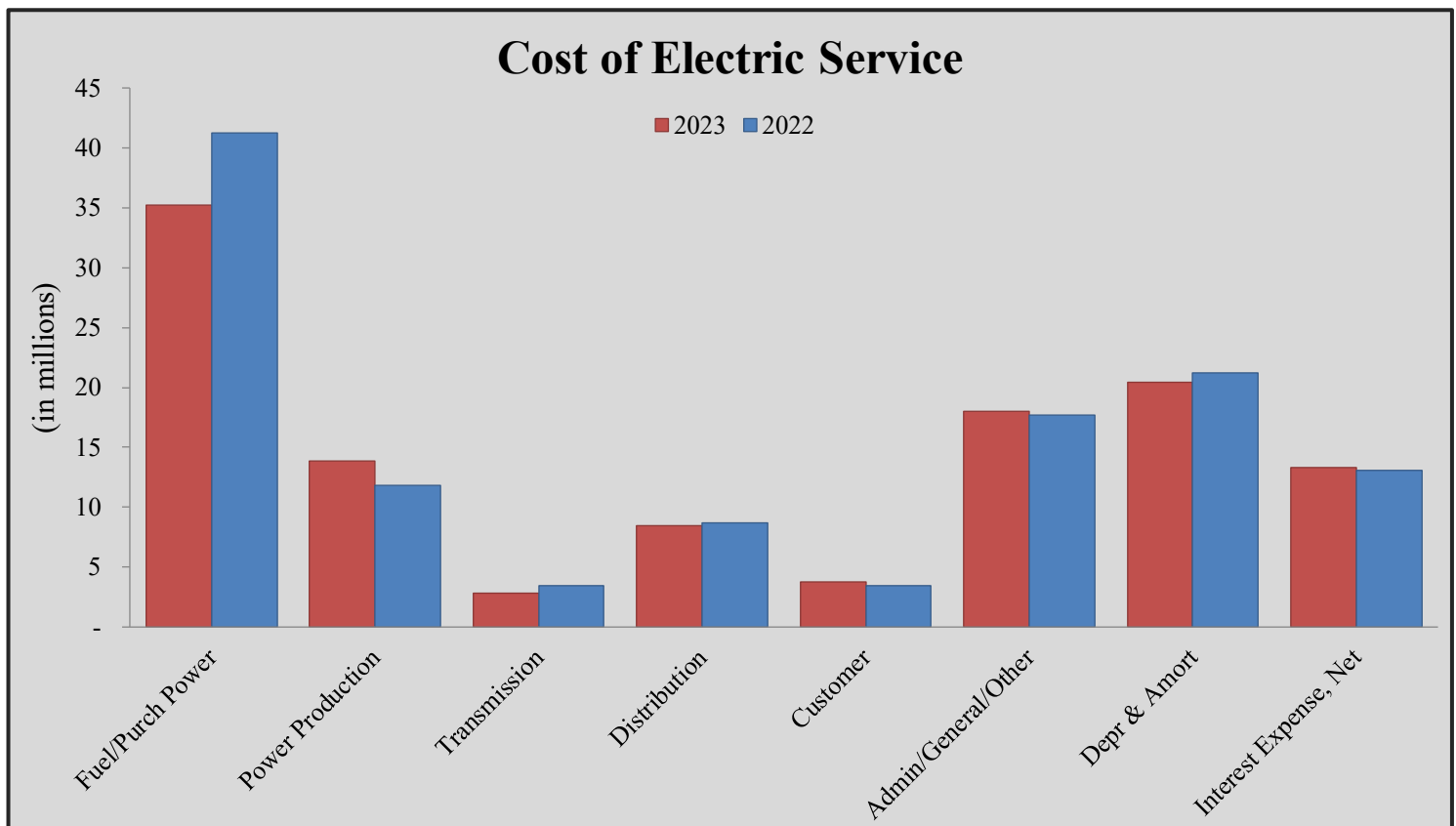
CATEGORY	ACTUAL	BUDGET	VARIANCE
Operating Revenue & Patronage Capital	\$ 119,566,760	\$ 117,871,087	\$ 1,695,673
Fuel and Purchased Power	35,225,292	33,132,068	2,093,224
Power Production	13,824,063	12,185,727	1,638,336
Transmission	2,851,092	3,942,927	(1,091,835)
Distribution	8,461,870	8,735,826	(273,956)
Customer	3,787,247	3,663,271	123,976
Administrative, General and Other	18,026,802	17,842,154	184,648
Depreciation & Amortization	20,421,899	21,517,843	(1,095,944)
Interest Expense, Net	13,295,137	12,930,511	364,626
Total Cost of Electric Service	\$ 115,893,402	\$ 113,950,327	\$ 1,943,075
Patronage Capital & Operating Margins	\$ 3,673,358	\$ 3,920,760	\$ (247,402)
Non-Operating Margins - Interest	393,289	306,394	86,895
Allowance for Funds Used During Const.	50,534	50,000	534
Non-Operating Margins - Other	(119,499)	(43,400)	(76,099)
Patronage Capital or Margins	\$ 3,997,682	\$ 4,233,754	\$ (236,072)
MFI/I	1.28	1.31	
TIER	1.30	1.32	

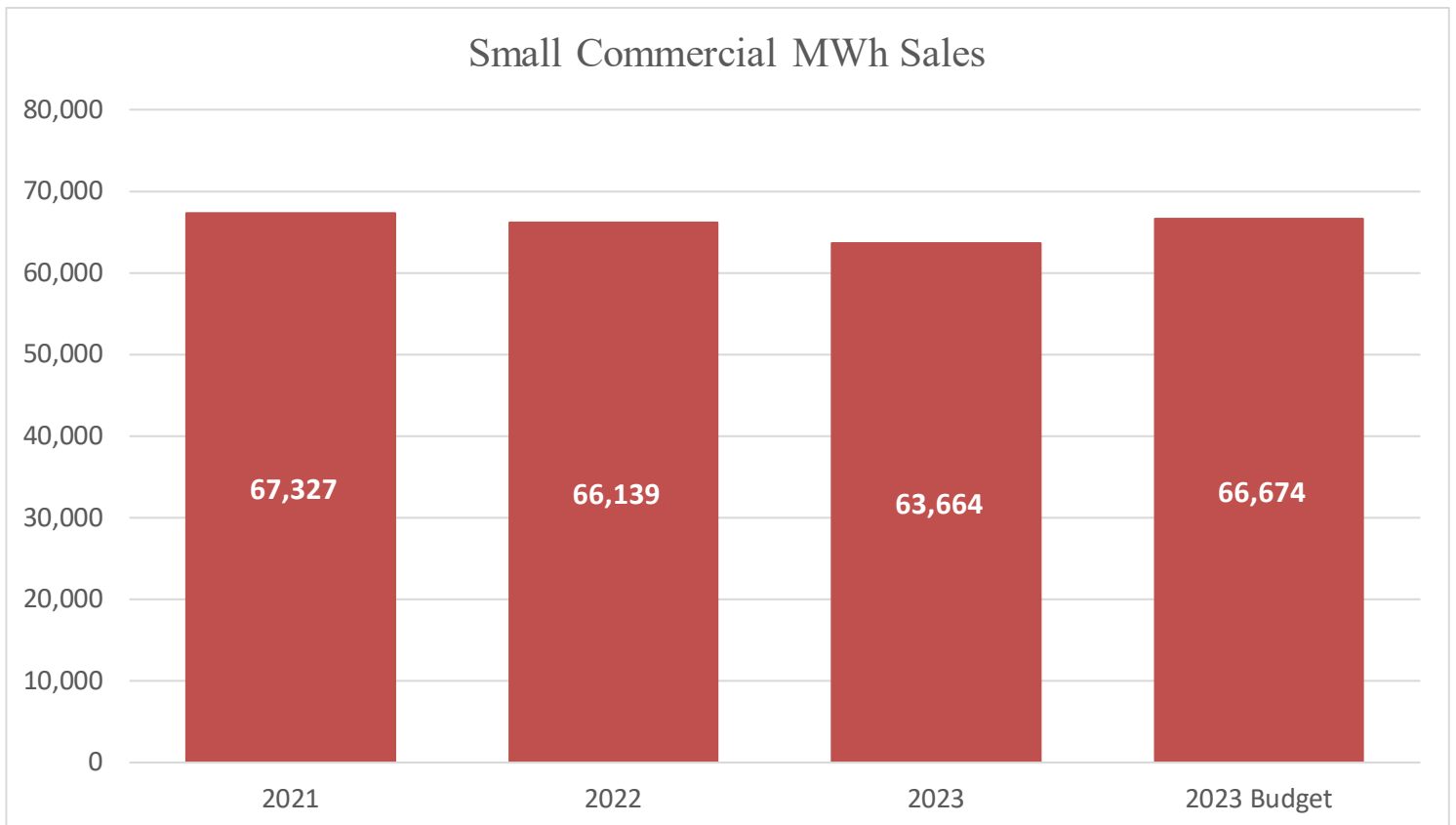
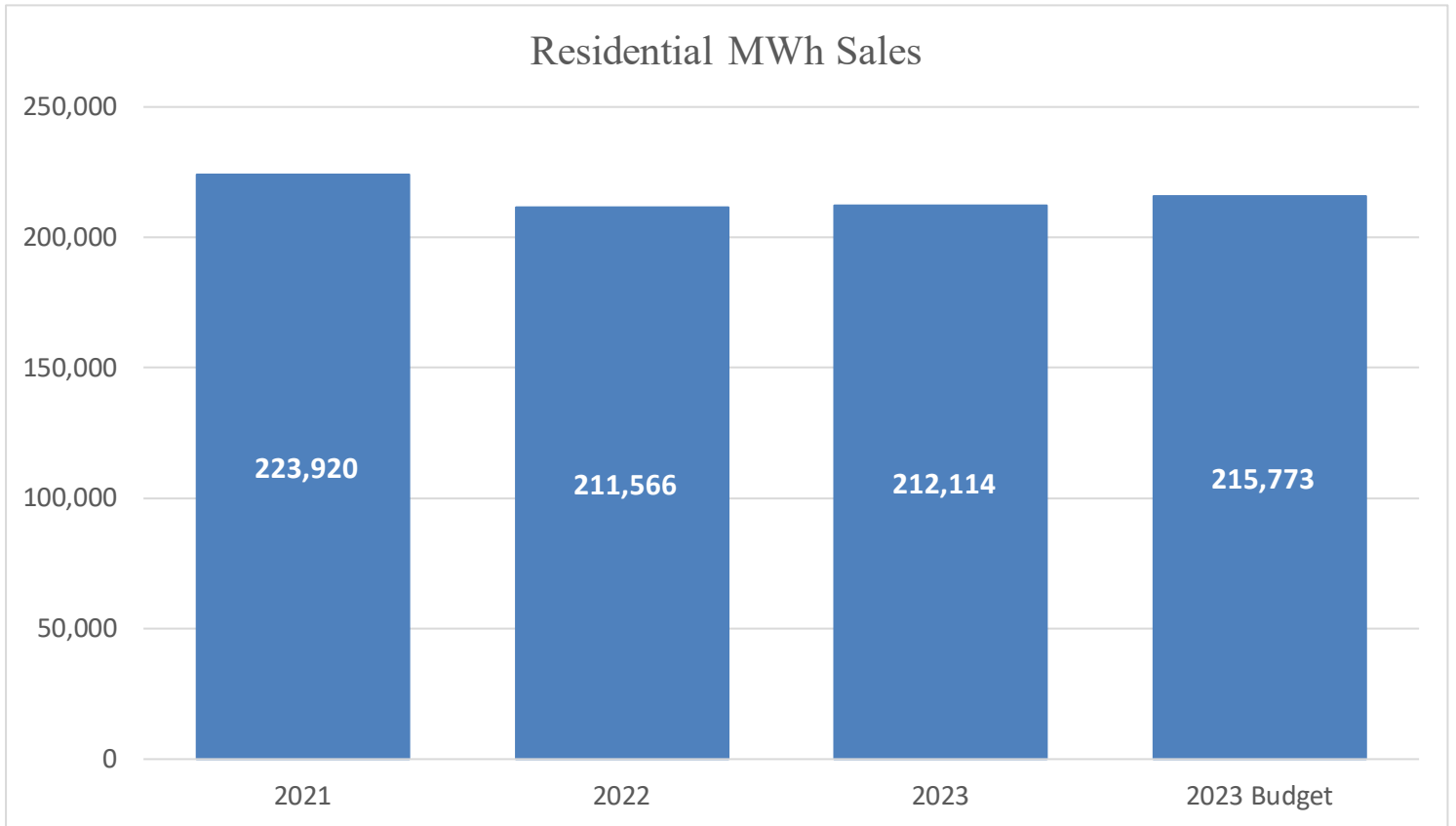
Total Cost of Electric Service (YTD Actual)



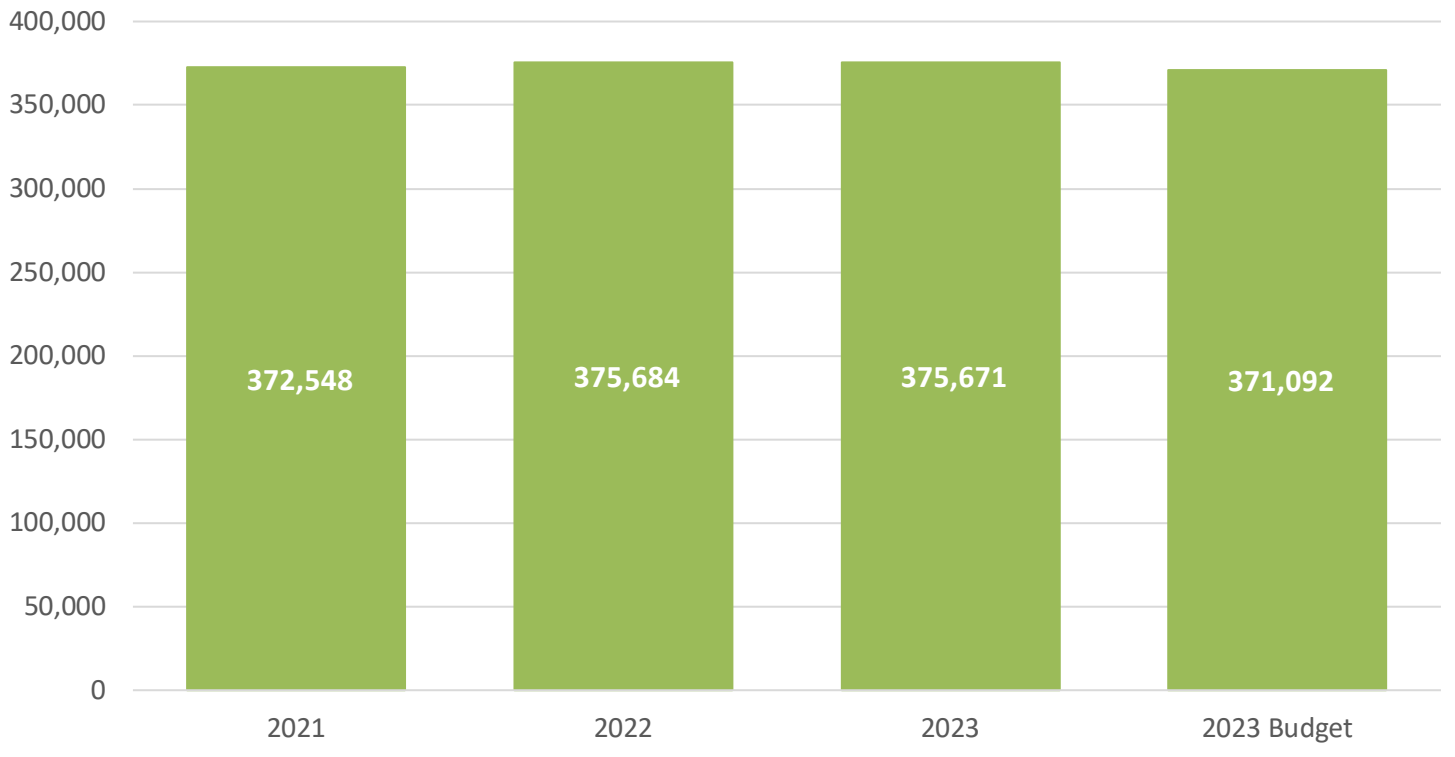
COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS CURRENT TO PRIOR YEAR

CATEGORY	2023 YTD ACTUAL	2022 YTD ACTUAL
Operating Revenue & Patronage Capital	\$ 119,566,760	\$ 125,388,848
Fuel and Purchased Power	35,225,292	41,271,807
Power Production	13,824,063	11,803,799
Transmission	2,851,092	3,449,750
Distribution	8,461,870	8,701,812
Customer	3,787,247	3,471,660
Administrative, General and Other	18,026,802	17,717,797
Depreciation & Amortization	20,421,899	21,207,723
Interest Expense, Net	13,295,137	13,050,346
Total Cost of Electric Service	\$ 115,893,402	\$ 120,674,694
Patronage Capital & Operating Margins	\$ 3,673,358	\$ 4,714,154
Non-Operating Margins – Interest	393,289	107,956
Allowance for Funds Used During Construction	50,534	26,495
Non-Operating Margins – Other	(119,499)	(74,505)
Patronage Capital or Margins	\$ 3,997,682	\$ 4,774,100
MFI/I	1.28	1.34
TIER	1.30	1.35

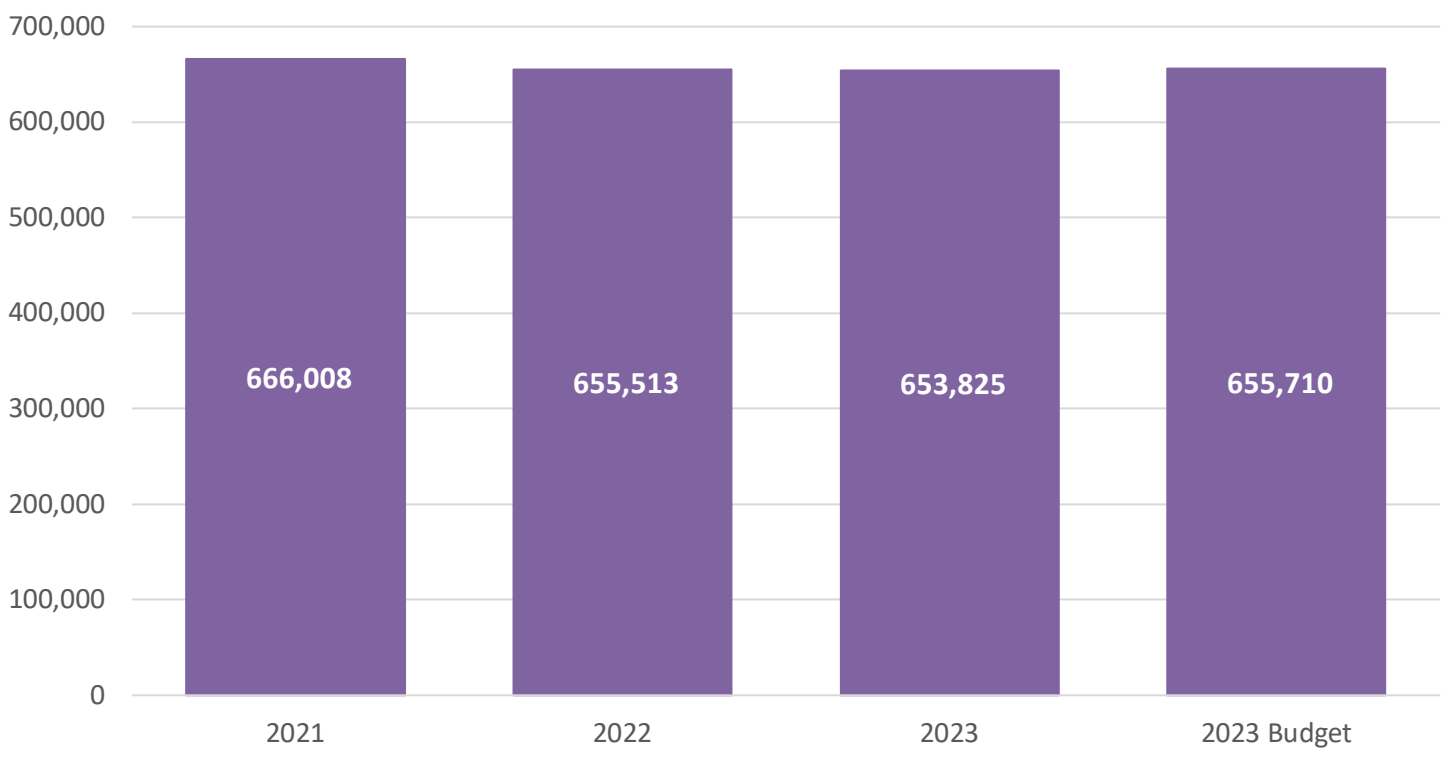




Large Commercial MWh Sales

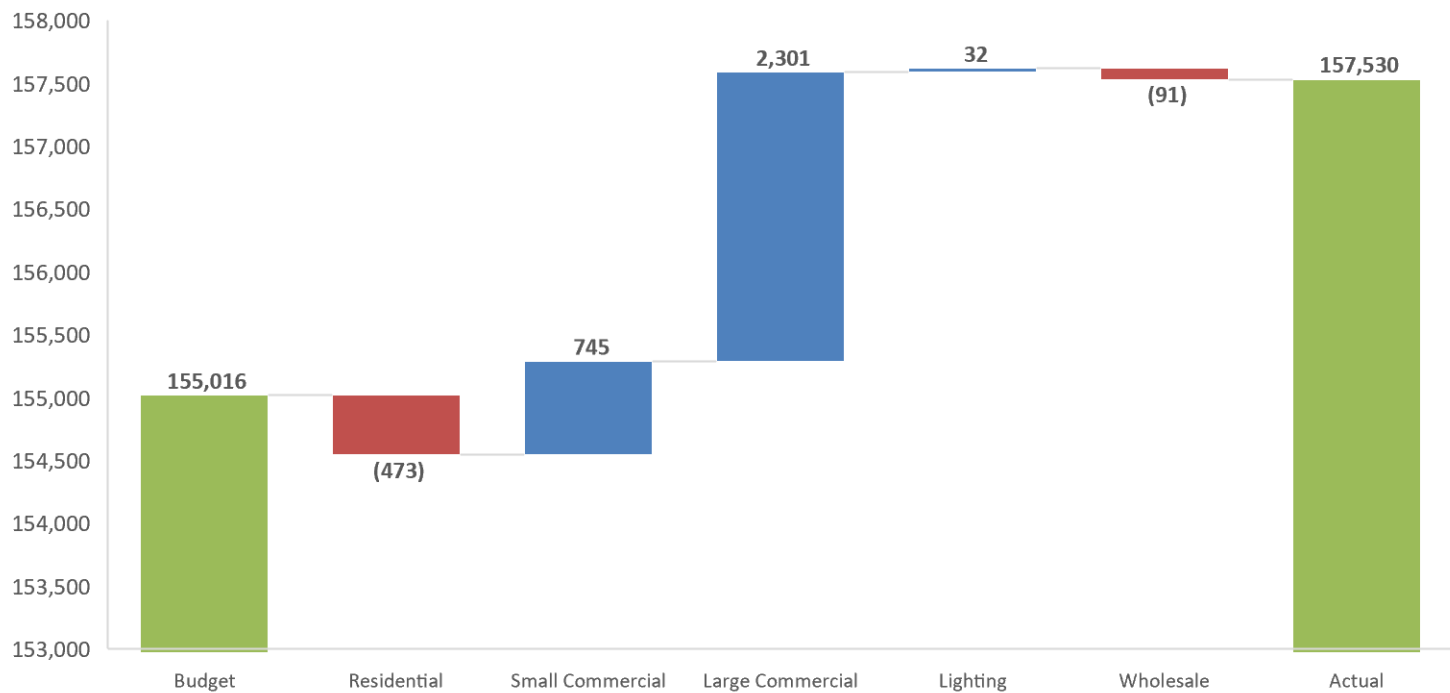


Total Retail MWh Sales



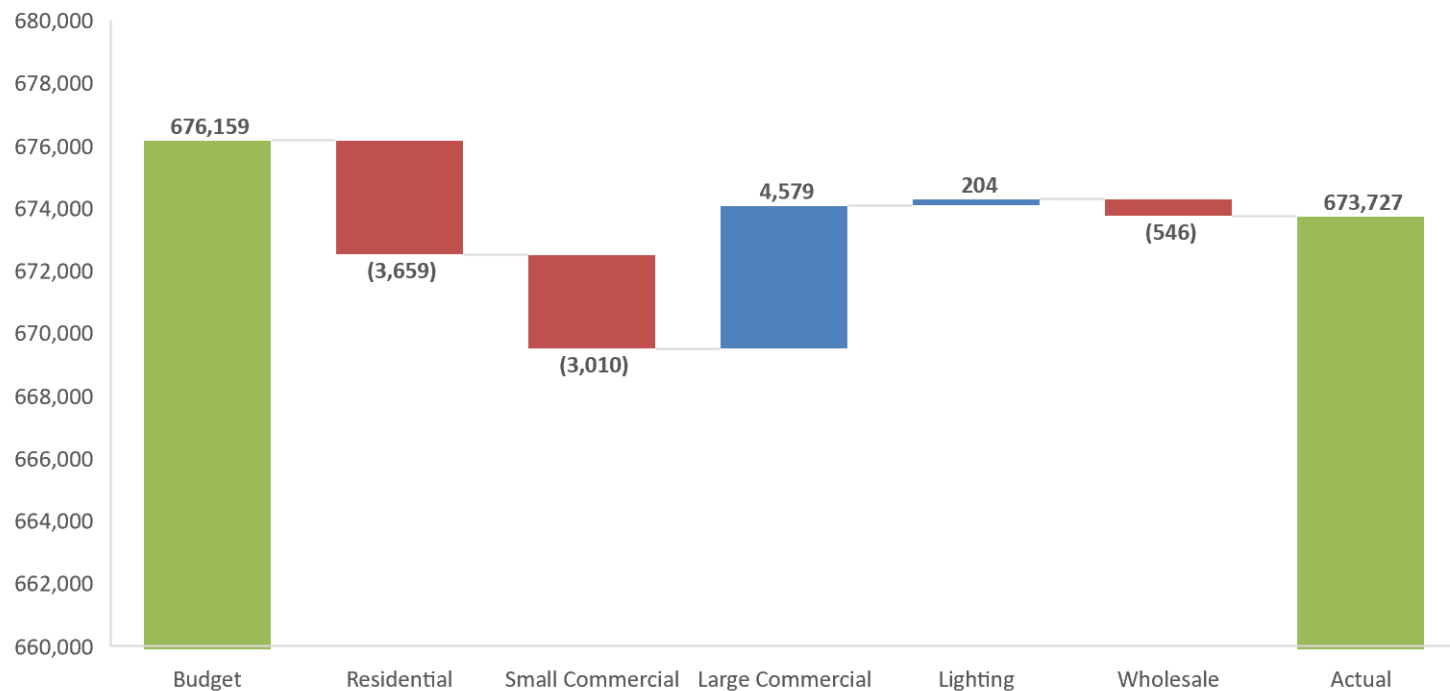
Firm MWh Sales (MTD)

■ Increase ■ Decrease ■ Total

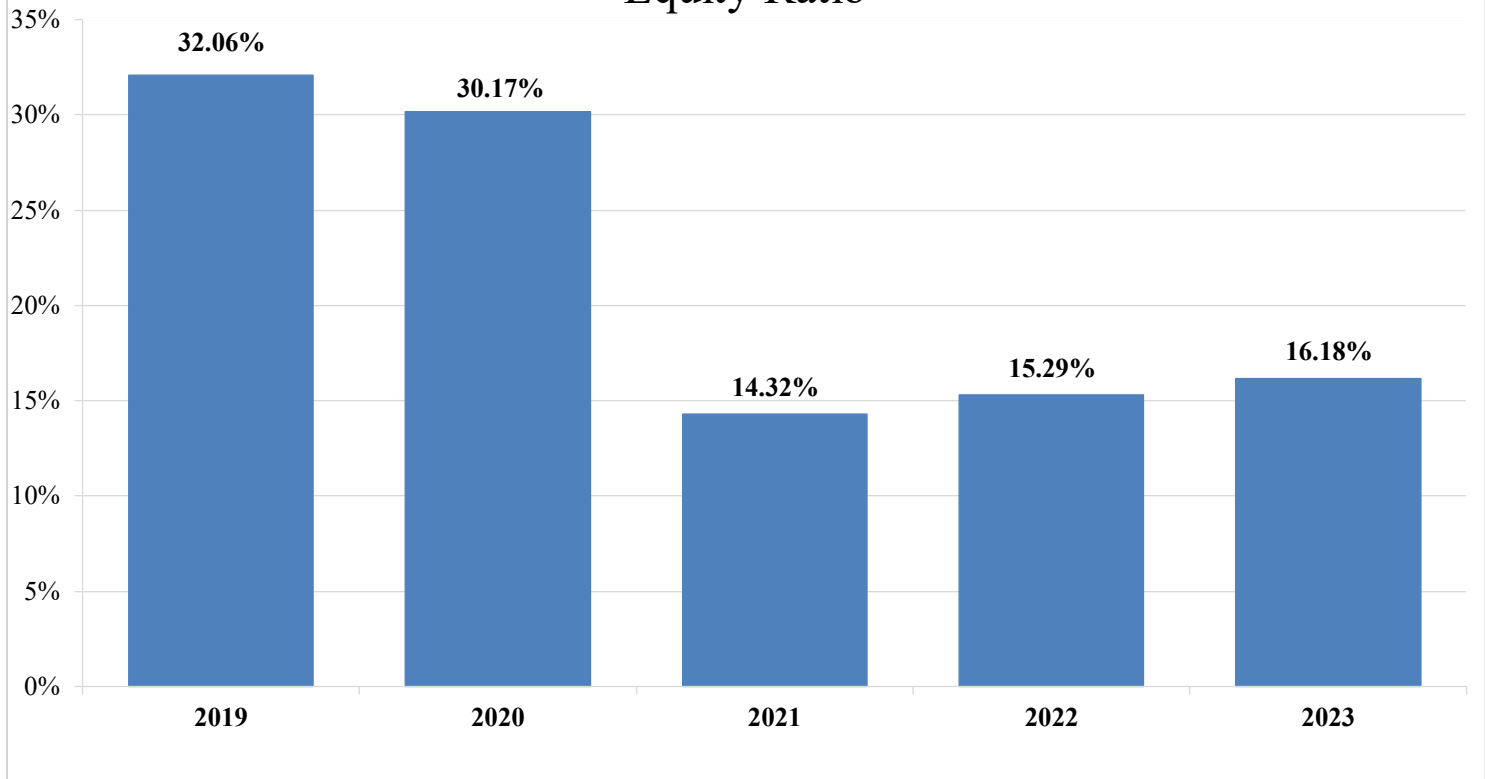


Firm MWh Sales (YTD)

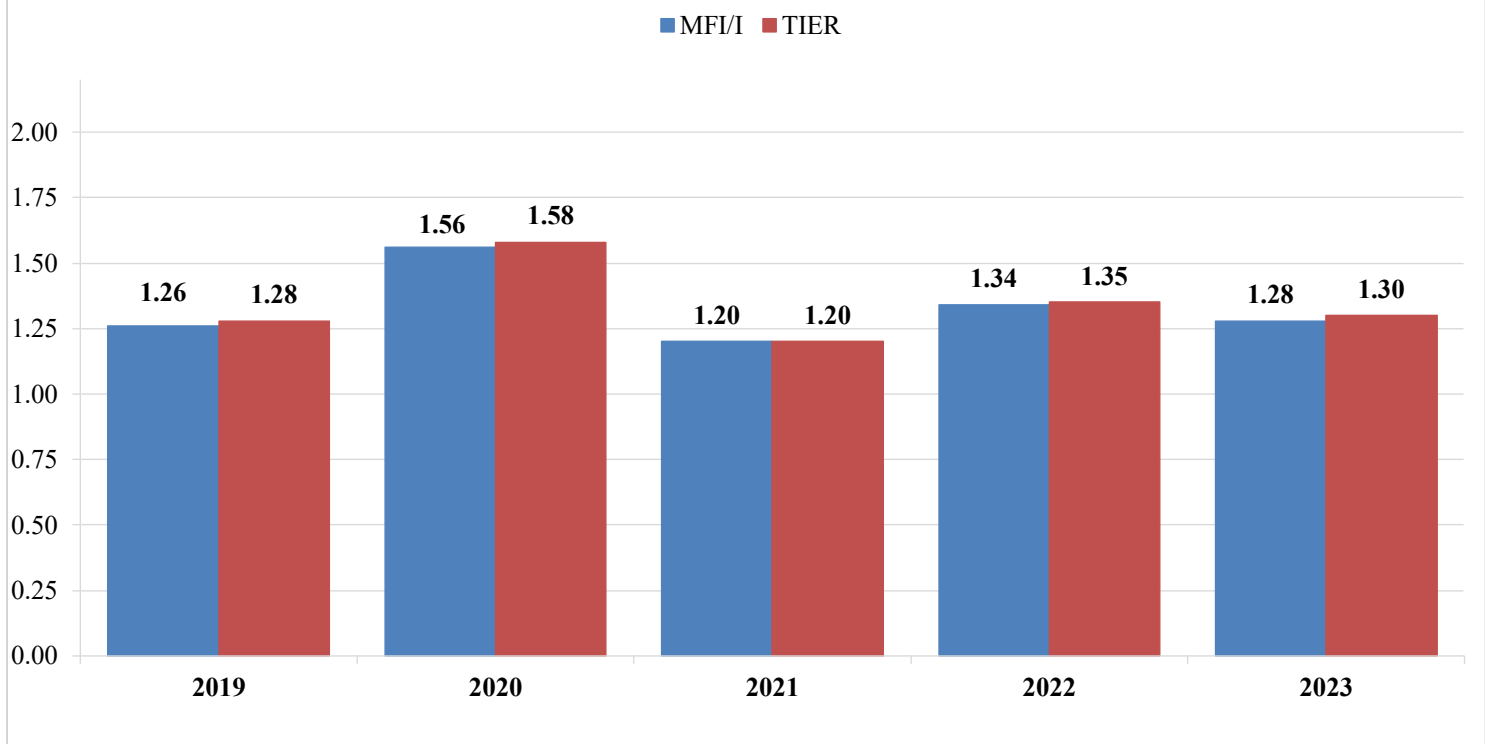
■ Increase ■ Decrease ■ Total



Equity Ratio



MFI/I and TIER



ENERGY SALES (kWh)

	<u>2023 Actual</u>	<u>2023 Budget</u>
Retail Energy Sales	653,824,670	655,710,226
Wholesale Energy Sales	<u>19,902,675</u>	<u>20,448,413</u>
Total Firm Energy Sales	673,727,345	676,158,639
Economy Energy/Capacity	63,100,000	48,396,908
Power Pool Sales	<u>93,354,000</u>	<u>57,000,000</u>
Total Energy Sales	830,181,345	781,555,547

Firm energy sales totaled 673,727,345 kWh, which was a 0.4% unfavorable variance compared to budget. This unfavorable variance was due to lower residential and small commercial sales, which was somewhat offset by higher large commercial sales. Economy energy and capacity sales were over budget by 30.4% due to higher than anticipated sales to GVEA, while power pool sales to MEA were over budget by 63.8%.

ENERGY REVENUE (in millions)

	<u>2023 Actual</u>	<u>2023 Budget</u>
Retail Revenue	\$ 111.3	\$ 112.7
Wholesale Revenue	<u>1.8</u>	<u>1.7</u>
Total Firm Revenue	113.1	114.4
Economy Energy/Capacity Revenue	3.0	0.9
Power Pool Revenue	1.2	0.6
Other Operating Revenue	<u>2.3</u>	<u>2.0</u>
Total Revenue	\$ 119.6	\$ 117.9

Revenue from firm sales was under budget at \$113.1 million compared to a budget of \$114.4 million. This unfavorable variance was due primarily to lower residential and small commercial sales. Economy energy and capacity revenue was over budget by 234.7%, due to higher sales, and higher economy fuel recorded in revenue as a result of our short-term support of GVEA's generation failures during the first quarter of the year. Power pool revenue with MEA was over budget at \$1.2 million compared to a budget of \$0.6 million. Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, grants, AWWU revenue, miscellaneous services, and other electric revenue. Other operating revenue was over budget by 12.3%, due primarily to the sale of renewable energy certificates, and miscellaneous service fees.

FUEL AND PURCHASED POWER (in millions)

	<u>2023 Actual</u>	<u>2023 Budget</u>
Fuel	\$ 25.2	\$ 23.3
Purchased Power	<u>10.0</u>	<u>9.8</u>
Total	\$ 35.2	\$33.1

Fuel expenses include fuel, storage, transportation, and BRU operating costs. Fuel expense was over budget at \$25.2 million compared to \$23.3 million in the budget.

Fuel purchased or withdrawn from inventory for production was 2,008,827 Mcf at an average effective price of \$8.78 per Mcf compared to 1,664,741 Mcf budgeted at an average effective price of \$8.99 per Mcf. Higher fuel cost due to economy sales and less BRU production was somewhat offset by lower BRU operating expense.

Purchased power expense represents energy purchased from Bradley Lake, Fire Island, Eklutna, MEA through power pooling and other utilities as needed, as well as costs associated with dispatching. Purchased power expense was over budget at \$10.0 million compared to \$9.8 million in the budget. This unfavorable variance was due primarily to costs related to studies.

Energy purchased was 144,869 MWh at an average effective price of 5.5 cents per kWh compared to 124,181 MWh budgeted at an average effective price of 6.4 cents per kWh.

POWER PRODUCTION (in millions)

	<u>2023 Actual</u>	<u>2023 Budget</u>
Power Production	\$ 13.8	\$ 12.2

Power production expense was \$13.8 million compared to \$12.2 million in the budget. The unfavorable variance was due primarily to higher warehouse costs allocated to this financial category, unbudgeted regulatory asset amortizations, higher labor at the Sullivan and Beluga plants, higher contract maintenance expense at SPP, and crew transportation to the Beluga camp. The unfavorable labor variance was due, in part, to less capital maintenance performed than budgeted.

TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	<u>2023 Actual</u>	<u>2023 Budget</u>
Transmission	\$ 2.9	\$ 3.9

Transmission operations and maintenance expenses were \$2.9 million compared to \$3.9 million in the budget. This favorable variance was due primarily to lower warehouse costs allocated to this financial category, lower than expected easement costs, and lower costs related to power pool settlement studies.

DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>2023 Actual</u>	<u>2023 Budget</u>
Distribution	\$ 8.5	\$ 8.7

Distribution operations and maintenance expenses were \$8.5 million compared to \$8.7 million in the budget. This favorable variance was due primarily to lower clearing and locating costs, which was somewhat off set by higher warehouse costs allocated to this financial category.

CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>2023 Actual</u>	<u>2023 Budget</u>
Consumer/Customer Information	\$ 3.8	\$ 3.7

Consumer accounts and customer information expense was \$3.8 million compared to \$3.7 million in the budget. This unfavorable variance was due primarily to an increase in the allowance for uncollectible accounts and higher payment processing fees, which was somewhat offset by lower labor costs.

ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	<u>2023 Actual</u>	<u>2023 Budget</u>
Administrative, General and Other	\$ 18.0	\$ 17.8

Administrative, general, and other expenses include tax, donations, other deductions associated with preliminary survey and investigation charges of projects, and obsolete inventory write-offs that are not attributable to operating or maintenance accounts. Administrative, general, and other expenses were over budget by \$0.2 million. The unfavorable variance was due primarily to unbudgeted costs related to regulatory asset amortizations, employee recruitment and worker's compensation claims, which was somewhat offset by lower labor and PILT.

Depreciation, interest, and interest during construction expense totaled \$33.7 million compared to \$34.4 million in the budget. The favorable variance was due primarily to lower than anticipated depreciation rates as approved in our new depreciation study, which was somewhat offset by higher interest expense. The unfavorable interest expense variance was driven by higher short-term interest rates and a larger than budgeted commercial paper balance.

All the foregoing expenses resulted in the cost of electric service of \$115.9 million compared to \$114.0 million in the budget.

Non-operating margins include allowance for funds used during construction (AFUDC), capital credit and patronage capital allocations, extraordinary items, and interest and dividend income. Non-operating margins totaled \$324.3 thousand compared to \$313.0 thousand in the budget due primarily to higher non-operating interest income, which were somewhat offset by the timing of hardship contributions.

The net result of revenue and expenses was margins of \$4.0 million compared to projected margins of \$4.2 million in the budget. This resulted in an MFI/I of 1.28, a TIER of 1.30, and an equity-to-total

capitalization ratio of 16.18%. The current forecast projects year-end margins of \$8.8 million, an MFI/I of 1.20, and TIER of 1.21.

**COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS
2023 YEAR-END FORECAST**

CATEGORY	YTD ACTUAL	YTD BUDGET	REVISED BUDGET	YEAR-END FORECAST
Operating Revenue and Patronage Capital	\$ 119,566,760	\$ 117,871,087	\$ 355,033,525	\$ 354,253,050
Fuel and Purchased Power Expense	35,225,292	33,132,068	100,583,752	100,583,752
Power Production Expense	13,824,063	12,185,727	37,356,737	37,870,613
Transmission Expense	2,851,092	3,942,927	11,617,536	11,617,536
Distribution Expense	8,461,870	8,735,826	26,635,196	26,678,756
Customer Expense	3,787,247	3,663,271	11,055,459	11,055,459
Administrative, General & Other	18,026,802	17,842,154	53,359,769	53,107,721
Depreciation and Amortization Expense	20,421,899	21,517,843	66,472,501	63,860,831
Interest Expense, Net	13,295,137	12,930,511	40,305,418	41,465,343
Total Cost of Electric Service	\$ 115,893,402	\$ 113,950,327	\$ 347,386,368	\$ 346,240,011
Patronage Capital & Operating Margins	\$ 3,673,358	\$ 3,920,760	\$ 7,647,157	\$ 8,013,039
Non-Operating Margins - Interest	393,289	306,394	770,763	770,763
Allowance for Funds Used During Construction	50,534	50,000	150,000	150,000
Non-Operating Margins - Other	(119,499)	(43,400)	(130,200)	(130,200)
Patronage Capital or Margins	\$ 3,997,682	\$ 4,233,754	\$ 8,437,720	\$ 8,803,602
MFI/I	1.28	1.31	1.20	1.20
TIER	1.30	1.32	1.22	1.21

¹ Forecast has been adjusted to reflect anticipated changes



TO: Board of Directors

FROM: Arthur Miller, Chief Executive Officer

DATE: **June 28, 2023**

SUBJECT: *Fire Island Wind Performance: Twelve Months Ended December 2022*

The following pages summarize the performance of the Fire Island Wind Project for the twelve months ended December 31, 2022. The wind project has been in operation since September 2012 under a 25-year contract with Cook Inlet Region, Inc. Since the acquisition of ML&P on October 30, 2020, Fire Island Wind curtailments have declined to near zero.

Summary of Results

Table 1 (page 3) summarizes the wind energy generated and Chugach Electric Association, Inc.'s (Chugach) cost to purchase the energy for calendar-year 2022. The results show:

- Chugach purchased 53,669 MWh of delivered energy for \$5.21 million, which compares with the historic annual average of 46,195 MWh for \$4.48 million, an increase of 16%.
- Curtailed energy was significantly lower in 2022 compared to historic curtailments. 2022 curtailments were 134 MWh (0.2% of delivered energy) compared to historic average curtailments of 3,060 MWh (6.6% of delivered energy), a reduction of 96%.
- The effective price of delivered energy (total cost divided by energy delivered) was 9.7 cents per kWh compared with the historic average of 10.3 cents per kWh. The reduction is due to reduced curtailments primarily due to additional hydroelectric generation resulting from the acquisition of ML&P. Per contract, Chugach pays for both curtailed and delivered energy at 9.7 cents per kWh.

Table 2 (page 3) summarizes the impact of Fire Island Wind purchases on an avoided cost basis.

- Chugach paid \$5.22 million for Fire Island Wind but received \$2.63 million in monetary benefit through reductions in fuel and variable O&M expenses and revenue received from the sale of Renewable Energy Certificates (RECs), resulting in a net cost of \$2.58 million to the Chugach system. The historic average additional cost to the Chugach system has been \$2.41 million per year. The increase is due primarily to the increase in purchased wind energy compared with historical averages, and a reduction in Chugach's avoided cost rate.

- The impact of the purchase of Fire Island Wind on an average monthly residential bill is an increase of \$0.72, or a 0.7% increase for a member using 525 kWh per month. This is a reduction from the historic average increase of \$1.12 per month per residential member including pre-acquisition years and 2021 post-acquisition.

Figure 1 (page 4) summarizes Fire Island Wind production for the two-year period ending December 2022, identifying monthly delivered energy, curtailed energy, and monthly capacity factors. The capacity factor is a measure of the average generation output of the project in relation to its maximum potential output.

Figure 2 (page 5) summarizes the effective cost of the project in relation to Chugach's quarterly average avoided energy cost over the same two-year period. The effective per kWh costs have historically been slightly higher than the purchase price of \$0.097 per kWh due to curtailments.

Figure 3 (page 6) is a graph of the monthly total energy (delivered and curtailed) during highest wind energy year (2016), 2022, and the lifetime average monthly energy from Fire Island Wind for all years of operation. The graph shows an annual 'U' shape indicating that energy production is generally higher in winter months and lower in summer months. 2022 was the second highest since the project began due to above average production from July through October.

Figure 4 (page 6) shows annual generation, curtailments and percent curtailed. Curtailments have dropped from about 10% in the first 5 years of the project to 0.2% in 2022. 2022 was the second lowest year for annual curtailments since the project started. Since acquisition of ML&P, curtailments have been significantly reduced due to greater availability of regulating resources to balance the variable wind power.

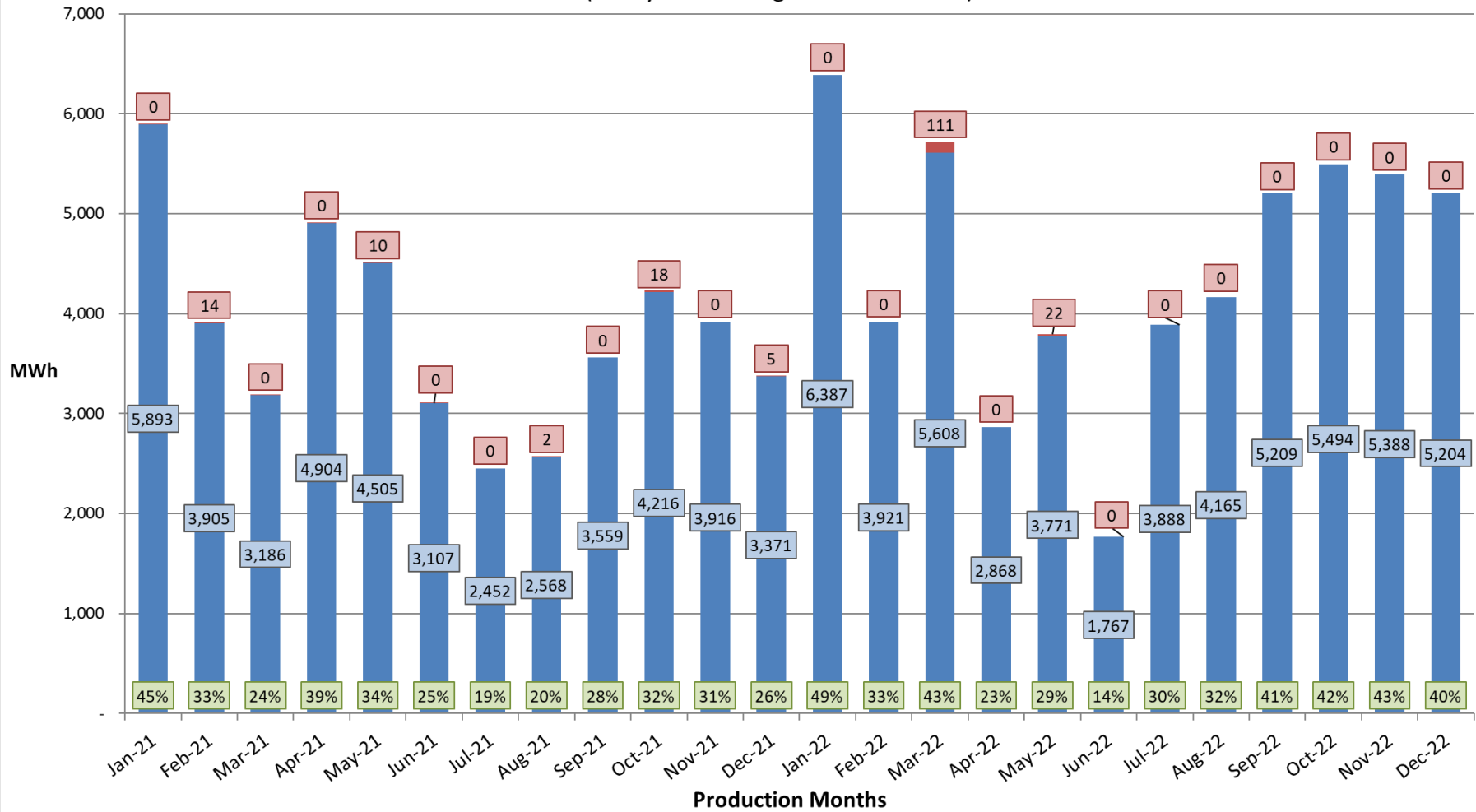
Table 1: Fire Island Wind Purchases

Purchases	Current Period (12 months ending December 2022)			Historic Annual Average (September 2012 to December 2021)			Difference (Current Period minus Historic)		
	kWh	Cost per kWh	Total Cost (\$ Millions)	kWh	Cost per kWh	Total Cost (\$ Millions)	Difference kWh	Difference kWh %	Dif. Total Cost (\$ Millions)
Delivered energy (non-curtailed)	53,669,277	\$0.097	\$5.21	46,195,288	\$0.097	\$4.48	7,473,990	16.2%	\$0.72
Curtailed energy	133,666	\$0.097	\$0.013	3,059,789	\$0.097	\$0.30	(2,926,124)	-96%	(\$0.28)
Total (Delivered + Curtailed)	53,802,943		\$5.22	49,255,077		\$4.78	4,547,866	9.2%	\$0.44
Total Cost per kWh Delivered			\$0.097			\$0.103			(\$0.006)

Table 2: Fire Island Wind Cost Impacts

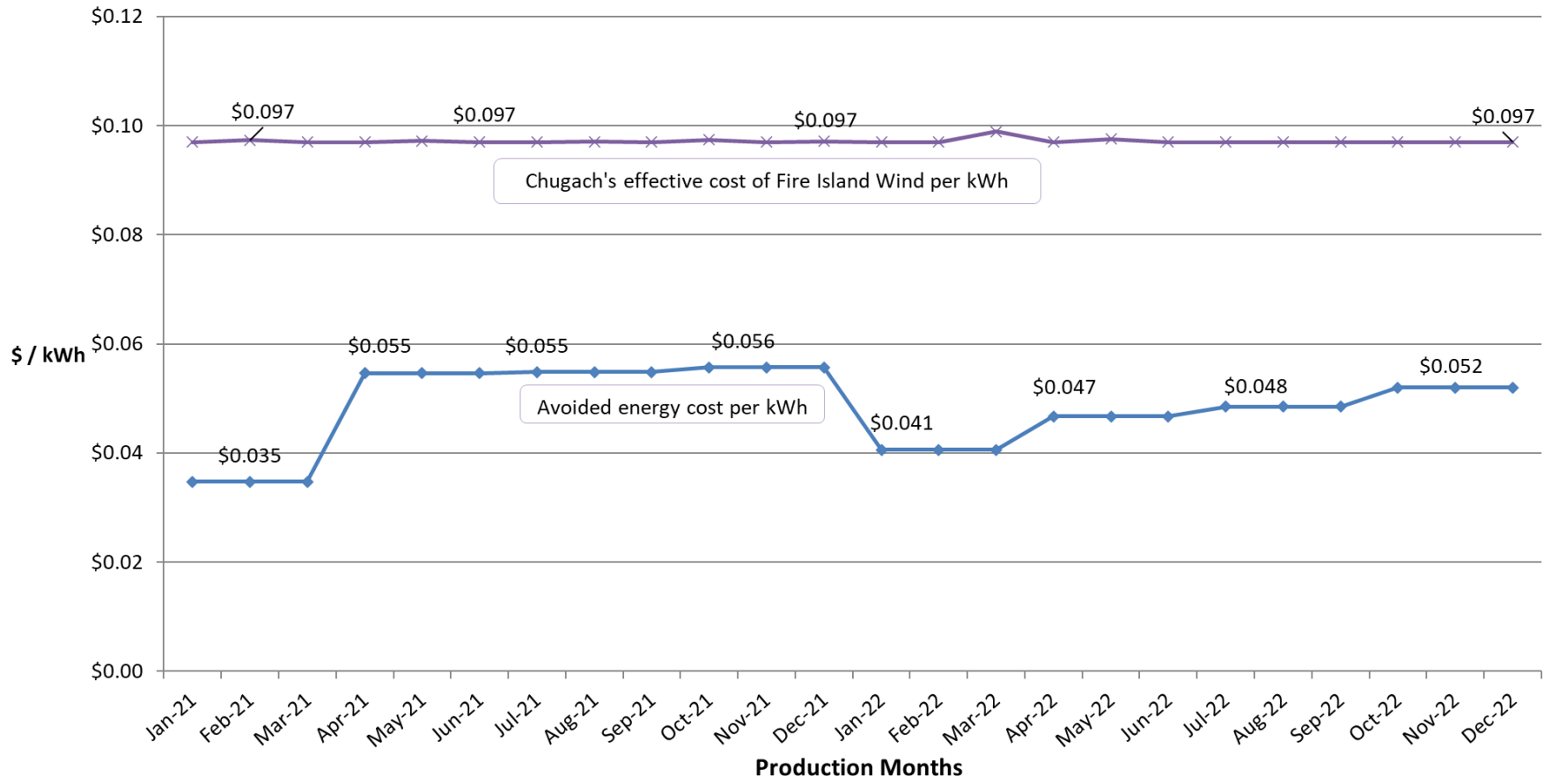
Description	Current Period (12 months ending December 2021)			Historic Annual Average (September 2012 to December 2020)			Difference (Current Period minus Historic)		
	kWh	Cost per kWh	Total Cost (\$ Millions)	kWh	Cost per kWh	Total Cost (\$ Millions)	Difference kWh	Difference \$/kWh	Total Cost (\$ Millions)
Cost of Power Delivered	53,669,277	\$0.097	\$5.22	46,195,288	\$0.103	\$4.78	7,473,990	(\$0.006)	\$0.44
Less:									
Avoided fuel and O&M		\$0.047	\$2.52		\$0.050	\$2.33		(\$0.004)	\$0.19
RECs Sold		\$0.002	\$0.12		\$0.001	\$0.03		\$0.002	\$0.08
Emissions (reduced CO ₂)		---	---		---	---		---	---
Total reductions in cost		\$0.049	\$2.63		\$0.051	\$2.36		(\$0.002)	\$0.27
Net Impact to Chugach		\$0.048	\$2.58		\$0.052	\$2.41		(\$0.004)	\$0.17
Monthly residential bill impact (525 kWh)			\$0.72			\$1.12			(\$0.40)
Percent increase / decrease			0.7%			1.0%			-0.3%

Figure 1: Fire Island Wind Production
 (Two years ending December 2022)



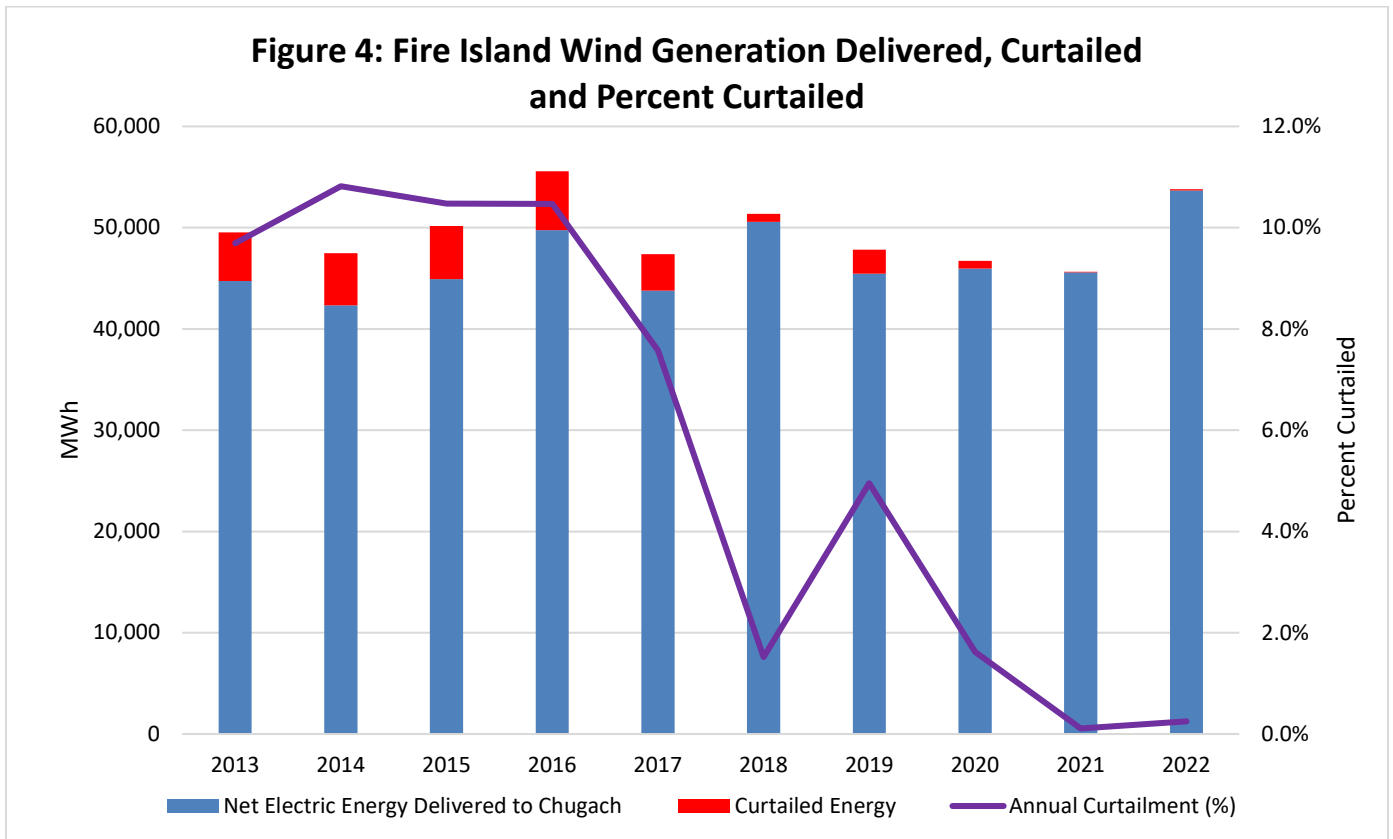
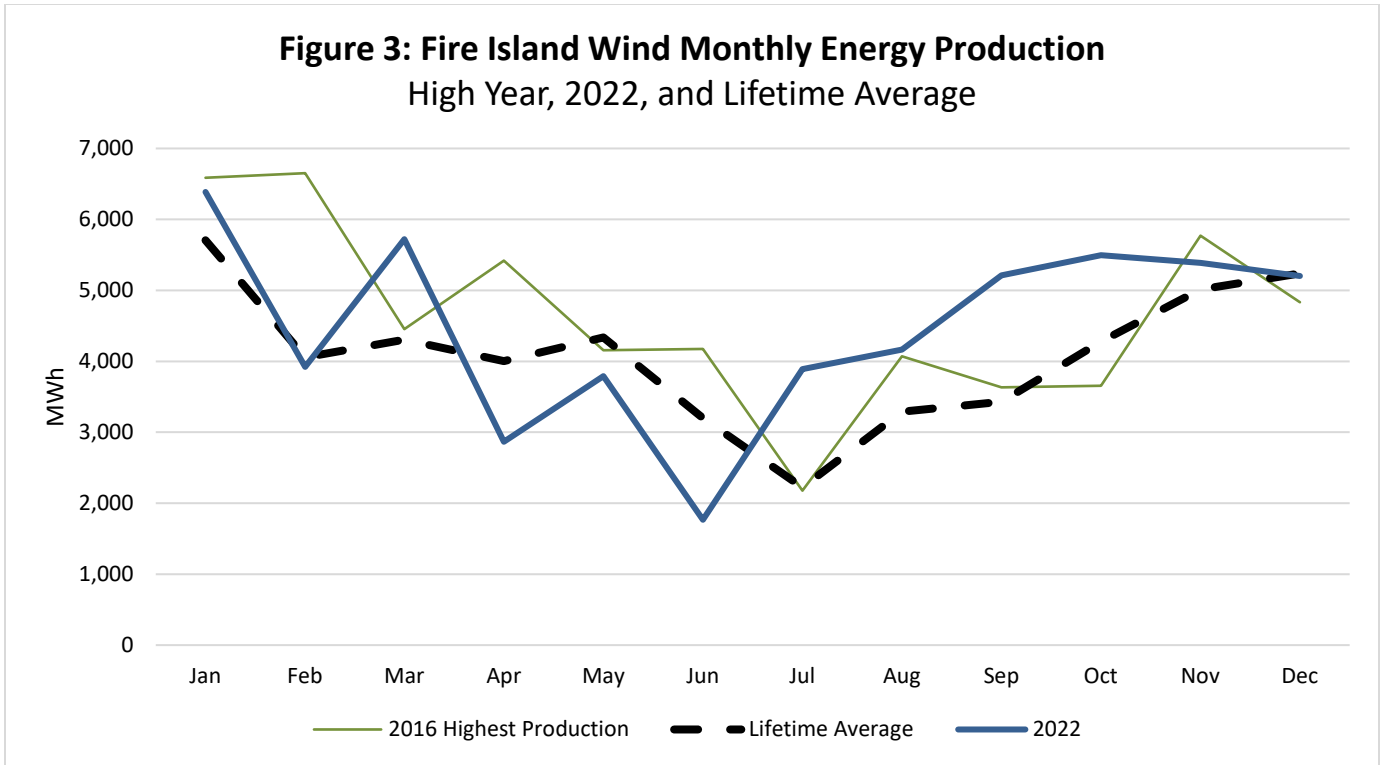
■ Curtailed Energy
 ■ Delivered Energy
 ■ Capacity Factor - measure of wind project utilization in relation to its maximum potential output.

Figure 2: Effective Cost of Fire Island Wind vs. Chugach's Average Avoided Energy Cost
 (Two years ending December 2022)



✖ Effective Cost of Fire Island Wind Purchases (\$/kWh) - measure of total cost for curtailed and delivered energy at \$0.097 per kWh divided by total delivered energy.

◆ Average Avoided Cost (\$/kWh)



BRU Q2 2023 Performance Report

EFFECTIVE MAY SAVINGS @ \$ 2.88 NET / mcf \$ 1,852,140

May 2023

Cumulative NET Savings since 2016 \$ 79,853,261 YTD Saving \$ 10,753,428

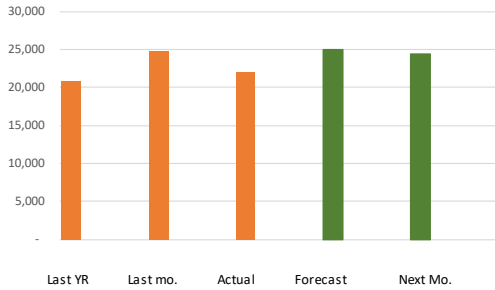
Total Production mcf 3,575,795

Production - NET to Chugach

May 2023 Production (mcf)

	May-22	Apr-23	May-23		Jun-23
			Actual	Forecast	Forecast
NET Production	632,885	685,198	645,345	775,063	735,163
Average daily rate (G)	20,818	24,798	22,103	25,002	24,505
Active wells	14	18	18		18

Average Daily Rate

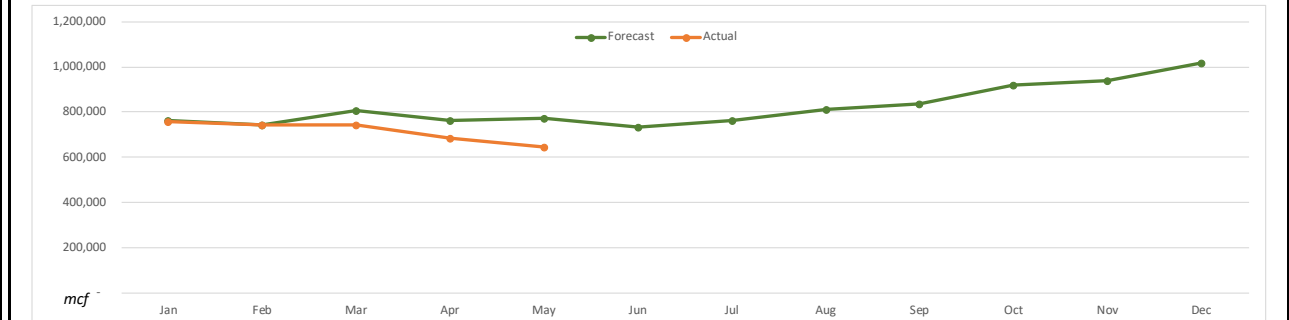


Production Forecast to Actual - NET to Chugach

MONTHLY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Forecast	760,551	742,992	806,793	765,260	775,063	735,163	760,451	813,092	835,997	918,377	940,307	1,016,391
Actual	759,764	741,549	743,939	685,198	645,345							
Month Variance	(787)	(1,443)	(62,854)	(80,062)	(129,718)							
Variance %	0%	0%	-8%	-10%	-17%							

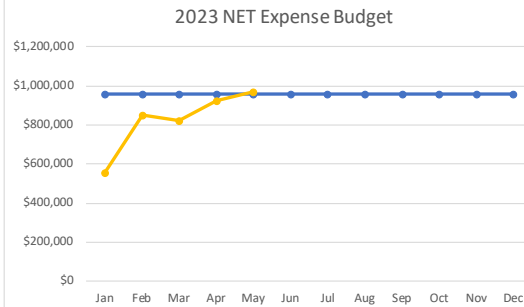
Year to Date

Forecast	760,551	1,503,543	2,310,336	3,075,596	3,850,659
Actual	759,764	1,501,313	2,245,252	2,930,450	3,575,795
YTD Variance	(787)	(2,230)	(65,084)	(145,146)	(274,864)
Variance %	0%	0%	-3%	-5%	-7%

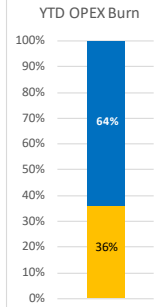


Budget Performance

	BRU OPEX (NET to CEA) *			
	Forecast	Actual	YTD Cum Delta	Variance
Jan	958,420	555,165	(403,255)	-42%
Feb	958,420	851,293	(510,382)	-27%
Mar	958,420	819,904	(648,898)	-23%
Apr	958,420	922,015	(685,303)	-18%
May	958,420	969,760	(673,963)	-14%
Jun	958,420	-	-	0%
Jul	958,420	-	-	0%
Aug	958,420	-	-	0%
Sep	958,420	-	-	0%
Oct	958,420	-	-	0%
Nov	958,420	-	-	0%
Dec	958,420	-	-	0%
	11,501,040	4,118,137	-	



* does not include taxes and royalty



CAPEX Commitment

NET to Chugach		CAPEX Burn
Total CAPEX Budget	\$ 34,127,388	
CAPEX Spend to date	\$ 5,349,331	
Balance Remaining	\$ 28,778,057	64%
BRU - Gas Transfer Price		36%
Field Ops	\$ 2.35	
ARO Surcharge	\$ 0.54	
Capital Recovery	\$ 1.92	
GTP / mcf	\$ 4.81	

effective 4/1/2023

ONE CAMPUS PLAN – UPDATE

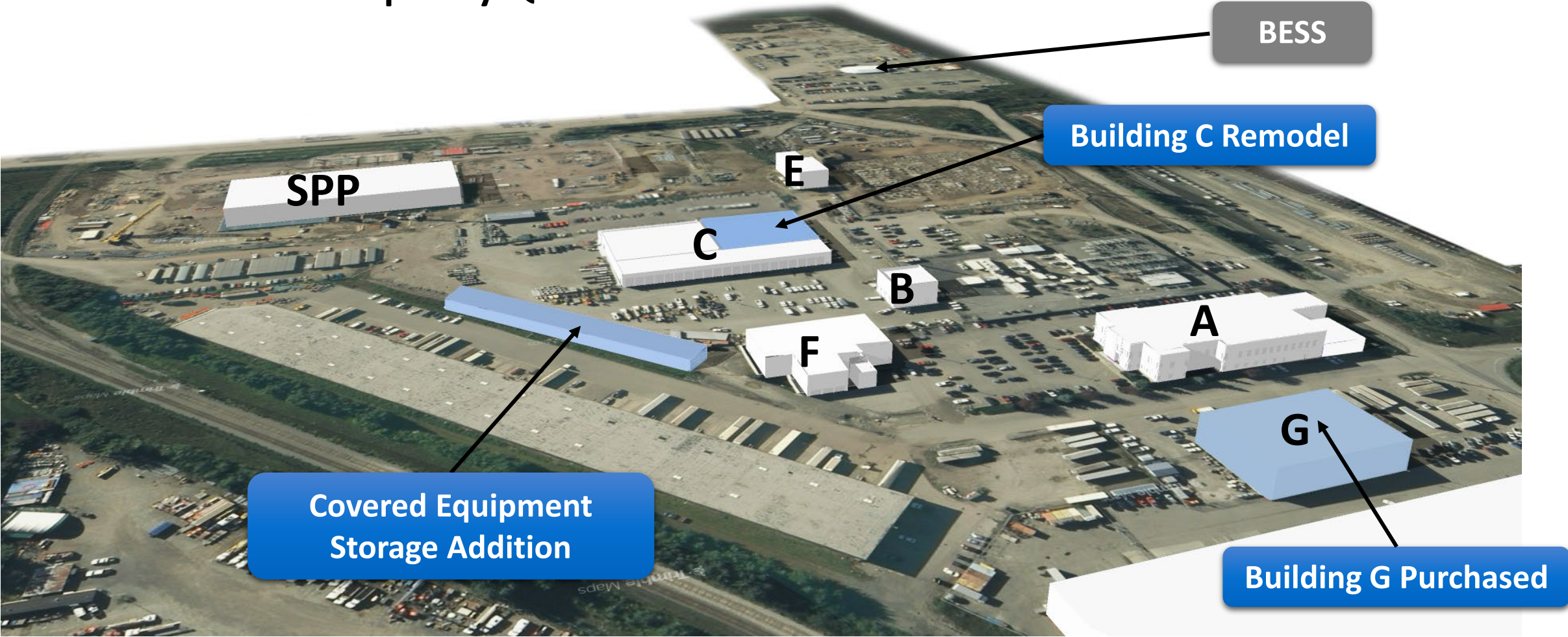
Regular Board of Directors Meeting
June 28, 2023

Agenda

- **Project**
- **Budget**
- **Schedule**
- **Questions**

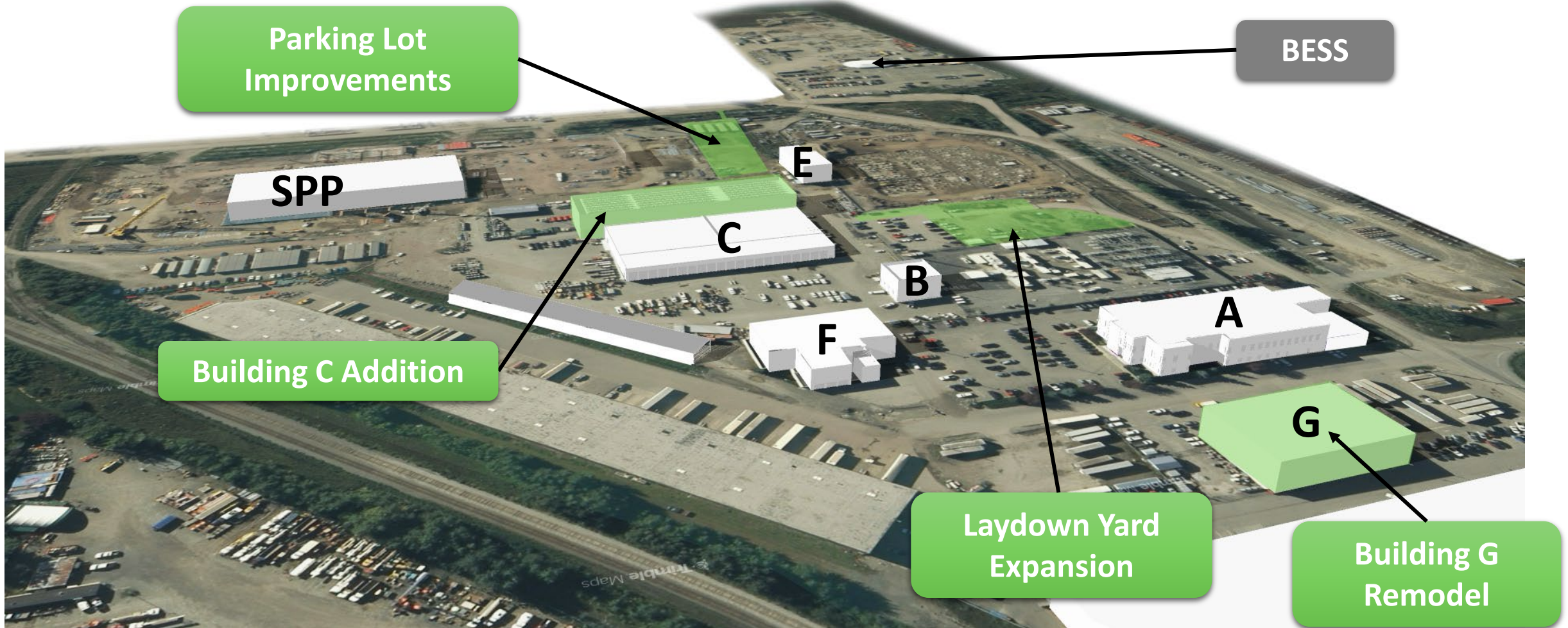
2023 Work

- Consolidates 35 Line Operations, Fleet and the Operations Warehouses employees to the South Campus by Q1 2024



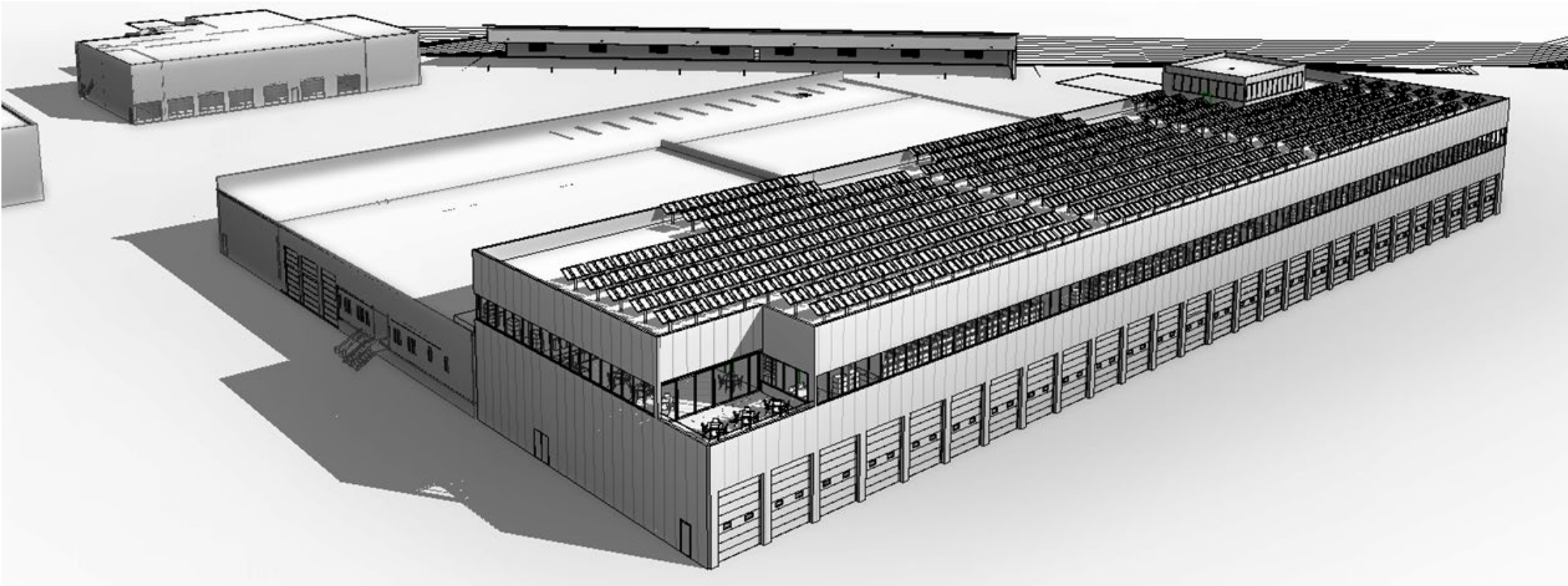
2024/2025 Work

- Consolidates the remaining 130 north employees including the Engineering, Relay, Substation, Facility, Transformer, Meter Shops by the end of 2025



Budget Update

Authorized Project Budget	Actuals through May 31, 2023	Notes
\$ 64,298,000	\$ 4,006,429	Includes Building G Purchase



Schedule

- Covered Equipment Storage Addition awarded to Watterson Construction
- Building C Remodel currently out to bid
- New Building C going to bid in October

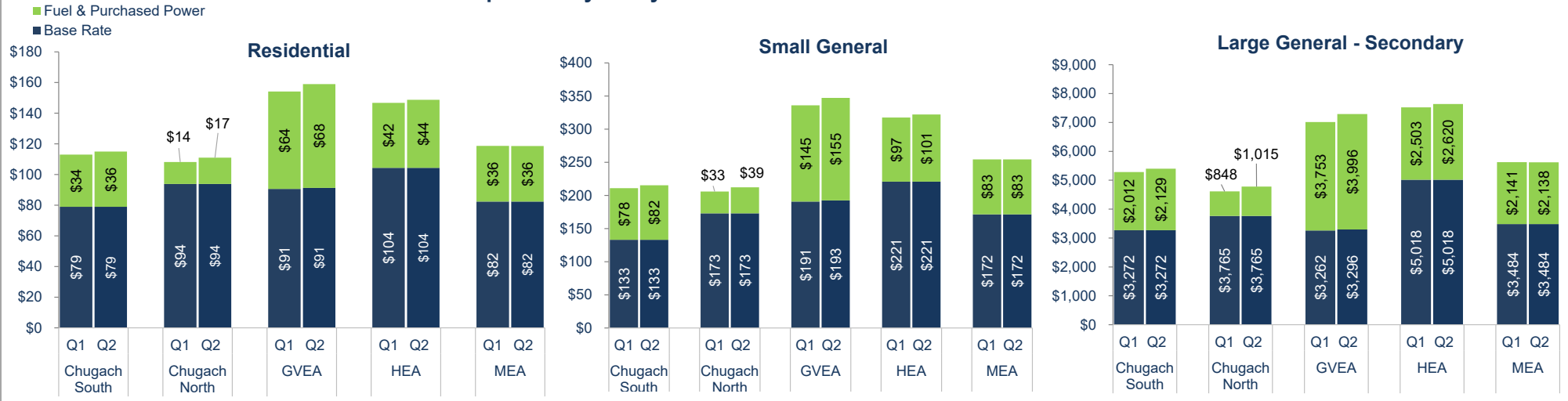
Schedule	2023			2024				2025			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Covered Equipment Storage Addition Construction		◆									
Building C Remodel		◆									
Laydown Yard Resurface		◆									
Design Complete			◆								
Building G Remodel				◆							
New Building C Addition Construction and Laydown Yard Expansion/Improvements					◆						
Building C Addition Ribbon Cutting											◆

Questions?

Railbelt Electric Utility Bill Comparison

Q2 - 2023

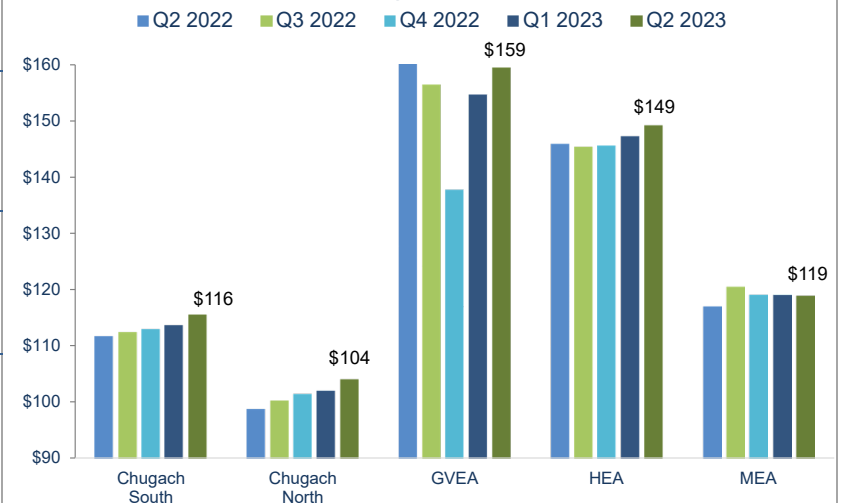
Bill Comparison by Utility and Rate Class: Quarter 1 2023 vs Quarter 2 2023



Bill Comparison by Utility and Rate Class: Q2 2023

	Chugach				
	South	North	GVEA	HEA	MEA
Residential (525 kWh)	\$116	\$104	\$159	\$149	\$119
Cost Per kWh	\$0.220	\$0.198	\$0.304	\$0.284	\$0.227
% Change from Prior Quarter	1.7%	2.0%	3.1%	1.4%	(0.0%)
% Variance from Chugach South Bill	--	(9.9%)	37.8%	29.0%	2.9%
Small General (1,200 kWh)	\$217	\$197	\$348	\$323	\$255
Cost Per kWh	\$0.181	\$0.164	\$0.290	\$0.269	\$0.213
% Change from Prior Quarter	2.1%	2.4%	3.3%	1.4%	(0.1%)
% Variance from Chugach South Bill	--	(9.4%)	60.4%	48.9%	17.6%
Large General -Secondary (31,000 kWh / 79 kW)	\$5,444	\$4,378	\$7,319	\$7,666	\$5,650
Cost Per kWh	\$0.176	\$0.141	\$0.236	\$0.247	\$0.182
% Change from Prior Quarter	2.2%	2.9%	3.9%	1.6%	(0.1%)
% Variance from Chugach South Bill	--	(19.6%)	34.4%	40.8%	3.8%

Railbelt Average Residential Bill



CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS MEETING
AGENDA ITEM SUMMARY

June 28, 2023

ACTION REQUIRED

AGENDA ITEM NO. VIII.A.

 Information Only
 X Motion
 Resolution
 Executive Session
 Other

TOPIC

2024-2033 Financial Forecast

DISCUSSION

The Operations Committee reviewed the 2024-2033 Financial Forecast assumptions and projected financial results on June 7, 2023, and June 21, 2023, respectively, which measured the results of strategic decisions, highly probable events and core service expenditures occurring over the ten-year forecast period.

The Operations Committee discussed the establishment of an equity to total capitalization goal of at least 35% by 2033 and at least 40% by 2038 and recommended the Board of Directors approve the attached 2024-2033 Financial Forecast and equity to total capitalization goals.

The 2024-2033 Financial Forecast is expected to produce margins beginning in 2024 and ending in 2033 of \$8.1 million and \$22.2 million, respectively; a Margins for Interest/Interest (MFI/I) ratio beginning in 2024 and ending in 2033 of 1.18 and 1.73, respectively; an Equity to Total Capitalization Ratio beginning in 2024 and ending in 2033 of 17.6% and 35.0%, respectively; and a Debt Service Coverage Ratio beginning in 2024 and ending in 2033 of 1.36 and 1.41, respectively. These results are based on a Total Cost of Service of \$353.8 million in 2024 and \$433.5 million in 2033 and Total Revenue of \$361.3 million in 2024 and \$455.4 million in 2033.

MOTION

Move that the Board of Directors approve the 2024-2033 Financial Forecast and equity to total capitalization goal of at least 35% by 2033 and at least 40% by 2038 as summarized on the attached Projected 2024-2033 Financial Forecast Results.

PROJECTED 2024-2033 FINANCIAL FORECAST RESULTS

PROJECTED STATEMENT OF OPERATIONS

(In Millions)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Revenue	\$361.3	\$402.9	\$408.0	\$409.3	\$387.9	\$373.5	\$388.6	\$446.6	\$452.2	\$455.4
Fuel Expense	71.3	77.3	77.7	77.9	57.6	44.4	59.3	115.9	120.5	124.2
Purchased Power Expense	39.0	40.1	40.2	40.9	42.1	43.4	44.7	46.1	47.6	49.0
Operating & Maintenance Expense	78.3	85.1	88.7	90.7	91.7	93.6	95.9	98.1	100.3	102.8
General & Administrative Expense	39.3	40.2	41.5	42.7	43.5	44.0	45.4	46.8	48.3	49.8
Total Operations & Maintenance Expense	227.9	242.7	248.1	252.2	234.9	225.4	245.3	306.9	316.7	325.8
Depreciation/Amortization Expense	71.9	70.4	71.4	72.5	71.6	71.3	70.8	70.8	70.3	67.8
Net Interest Expense	43.4	45.3	43.7	41.9	40.3	37.8	35.4	33.7	32.0	30.2
Tax Expense/Other Deductions	10.6	10.6	12.5	12.0	11.4	10.9	10.6	10.2	9.9	9.7
Total Cost of Electric Service	353.8	369.0	375.7	378.6	358.2	345.4	362.1	421.6	428.9	433.5
Non-Operating Margins	0.6	0.3	0.3	0.4	0.3	0.3	0.3	0.2	0.4	0.3
Margins	\$8.1	\$34.2	\$32.6	\$31.1	\$30.0	\$28.4	\$26.8	\$25.2	\$23.7	\$22.2

PROJECTED BALANCE SHEET

(In Millions)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Assets										
Net Utility Plant	1,519.7	1,525.3	1,502.0	1,471.3	1,435.2	1,397.4	1,360.4	1,333.4	1,307.7	1284.9
Total Other Property & Investments	38.3	42.2	46.3	52.5	72.0	82.7	90.2	94.9	99.5	104.2
Total Current & Accrued Assets	145.7	150.4	150.6	150.5	148.4	147.1	148.1	152.6	152.9	152.7
Deferred Debits	120.6	114.5	110.3	102.3	83.7	63.6	44.1	37.1	31.2	26.4
Total Assets	\$1,824.3	\$1,832.4	\$1,809.2	\$1,776.6	\$1,739.3	\$1,690.8	\$1,642.8	\$1,618.0	\$1,591.3	\$1,568.2
Liabilities & Patronage Capital										
Total Margins & Equities	223.1	254.5	278.3	299.8	320.7	340.2	358.7	376.0	392.4	407.6
Total Long Term Debt	1044.2	1210.8	1149.6	1088.9	1044.0	983.6	925.9	867.2	812.4	757.6
Total Current & Accrued Liabilities	325.7	134.4	146.7	151.0	138.7	133.3	126.3	137.6	143.3	153.4
Total Other Non-current Liabilities	231.3	232.7	234.6	236.9	235.9	233.7	231.9	237.2	243.2	249.6
Total Liabilities & Patronage Capital	\$1,824.3	\$1,832.4	\$1,809.2	\$1,776.6	\$1,739.3	\$1,690.8	\$1,642.8	\$1,618.0	\$1,591.3	\$1,568.2

PROJECTED STATEMENT OF CASH FLOWS

(In Millions)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Assignable Margins	\$8.1	\$34.2	\$32.6	\$31.1	\$30.0	\$28.4	\$26.8	\$25.2	\$23.7	\$22.2
Total Adjustments to Assignable Margins	73.5	69.1	70.4	74.0	74.5	84.8	84.5	68.6	71.2	68.0
Net Cash Provided by Operating Activities	\$81.6	\$103.3	\$103.0	\$105.1	\$104.5	\$113.2	\$111.3	\$93.8	\$94.9	\$90.2
Net Cash Used in Investing Activities	(85.7)	(73.8)	(45.6)	(39.3)	(38.4)	(38.6)	(38.4)	(38.5)	(38.6)	(38.5)
Net Cash Provided by/(Used In) Financing Activities	2.9	(28.2)	(57.4)	(65.8)	(66.1)	(74.6)	(72.9)	(55.3)	(56.3)	(51.7)
Net Changes in Cash and Cash Equivalents	(\$1.2)	\$1.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cash and Cash Equivalents at Beginning of Period	5.5	4.3	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
Cash and Cash Equivalents at End of Period	\$4.3	\$5.6	\$5.6	\$5.6	\$5.6	\$5.6	\$5.6	\$5.6	\$5.6	\$5.6

SUMMARY FINANCIAL INFORMATION & RATIOS

(In Millions)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Margins	\$8.1	\$34.2	\$32.6	\$31.1	\$30.0	\$28.4	\$26.8	\$25.2	\$23.7	\$22.2
Margins for Interest/Interest (MFI/I)	1.18	1.75	1.74	1.73	1.74	1.74	1.75	1.74	1.73	1.73
Times Interest Earned Ratio (TIER)	1.22	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Equity Ratio	17.6%	17.4%	19.5%	21.6%	23.5%	25.7%	27.9%	30.2%	32.6%	35.0%
Debt Service Coverage Ratio (DSC)	1.36	1.47	1.40	1.41	1.39	1.39	1.38	1.42	1.39	1.41

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 28, 2023

ACTION REQUIRED

AGENDA ITEM NO. VIII.B.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Chugach Electric Association, Inc.'s (Chugach) 2022 calendar year test period rate case filing (2022 Rate Case).

DISCUSSION

See attached resolution.

MOTION

Move that the Chugach Board of Directors approve the attached resolution authorizing the Chief Executive Officer to file the 2022 Rate Case with the Regulatory Commission of Alaska.



RESOLUTION

2022 Test Period General Rate Case Filing

WHEREAS, the Regulatory Commission of Alaska (“Commission”) issued its final order approving Chugach Electric Association, Inc.’s (“Chugach”) acquisition of most of the electric utility assets and service obligations of the Municipality of Anchorage d/b/a Municipal Light & Power (“ML&P”) on May 28, 2020 (“Acquisition Order”);

WHEREAS, the Commission’s Acquisition Order required Chugach to file, by December 31, 2023, a revenue requirement study, cost-of-service study, and rate design proposing unified rates for its combined service territories based on a 2022 calendar year test year (“2022 GRC”);

WHEREAS, Chugach has been working constructively with the Commission and its members to address financial performance concerns over the past several years since close of the acquisition;

WHEREAS, in response to Chugach’s financial performance concerns, the Commission expedited the deadline for filing Chugach’s 2022 GRC from December 31, 2023, to August 15, 2023;

WHEREAS, Chugach has prepared its 2022 GRC in accordance with the Commission’s Acquisition Order and 3 AAC 48.275(a);

WHEREAS, Chugach’s 2022 GRC filing requests approval of retail and wholesale customer, demand, and energy rate changes based on the results of Chugach’s 2022 test period revenue requirement and system sales;

WHEREAS, Chugach’s 2022 GRC filing requests Commission approval for interim demand and energy rate increases effective September 1, 2023, of 5.6 percent (3.6 percent on a total bill basis) to the Chugach retail class and 10.6 percent (4.6 percent on a total bill basis for delivery at transmission voltages) to the wholesale class of Seward Electric System;

WHEREAS, Chugach’s primary 2022 GRC proposal for permanent rates deviates from a strictly cost-of-service based result by offering a rate mitigation plan that constrains rate impacts to certain customer classes (“Primary GRC Proposal”);

WHEREAS, to ensure compliance with the Acquisition Order, Chugach will also file an unmitigated 2022 GRC proposal for review by the Commission (“Alternative GRC Proposal”);

WHEREAS, under Chugach’s Primary GRC Proposal, total retail customer bills (including fuel and purchased power) would increase by a system average of approximately 5.9 percent, with individual customer impacts varying based on cost-of-service results and rate design;



WHEREAS, under Chugach’s Primary GRC Proposal Seward Electric System’s total wholesale customer bill (including fuel and purchased power) would increase by approximately 6.5 percent, with the ultimate end-use customer increase being significantly less;

WHEREAS, the 2022 GRC filing also includes (1) a proposal designed to encourage beneficial electrification through optional time-of-use rates for residential and small commercial customer classes; (2) a program designed to incentivize cruise ship interconnections thereby reducing carbon emissions while at port, and (3) an update to Chugach’s firm and non-firm transmission wheeling rates and attendant ancillary services in support of third-party wheeling transactions on the Chugach system, including dispatch, voltage control, regulation and frequency response, and operating reserves (spin and supplemental) services; and

WHEREAS, the requested rate changes in the 2022 GRC are based on a requested Times Interest Earned Ratio (“TIER”) of 1.75 for the Chugach system and 2.20 TIER for the Beluga River Unit operations, which allow Chugach to achieve an equity ratio of 35 percent by 2033 and its targeted equity ratio of 40 percent no later than 2038.

NOW THEREFORE BE IT RESOLVED, the Board of Directors authorizes the Chief Executive Officer to file Chugach’s 2022 GRC, including both the Primary and Alternative GRC Proposals, with rates, terms, and conditions substantially similar to those discussed herein;

BE IT ALSO RESOLVED, the Board of Directors directs the Chief Executive Officer to continue investigating and analyzing alternative rate programs and designs that further advance its decarbonization and beneficial electrification goals for consideration by the Board of Directors for future adoption. The Chief Executive Officer shall report back with findings and recommendations no later than July 1, 2025.

CERTIFICATION

I, Susanne Fleek-Green, 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 28th day of June, 2023; 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 28th day of June, 2023.

Secretary

**CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY**

June 23, 2023

ACTION REQUIRED

AGENDA ITEM NO. VIII.C.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Appointment of NRECA Voting Delegate and Alternate

DISCUSSION

The voting delegate and alternate to the NRECA meetings are chosen from those who will be participating.

The current NRECA voting delegate is Director Rachel Morse and former Director Harold Hollis served as the alternate.

MOTION

Motion 1:

Move that the Board of Directors appoint _____ as the NRECA Voting Delegate.

Motion 2:

Move that the Board of Directors appoint _____ as the NRECA Voting Alternate.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 23, 2023

ACTION REQUIRED

AGENDA ITEM NO. VIII.D.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Appointment of CFC Voting Delegate and Alternate

DISCUSSION

The voting delegate and alternate to the CFC meetings are chosen from those who will be attending.

The current CFC voting delegate is Sisi Cooper and Sam Cason serves as the alternate.

MOTION

Motion 1:

Move that the Board of Directors appoint _____ as the CFC Voting Delegate.

Motion 2:

Move that the Board of Directors appoint _____ as the CFC Voting Alternate.

Chugach Electric Association, Inc.
Anchorage, Alaska

Summary of Executive Session Topics for
Regular Board of Directors' Meeting on June 28, 2023
Agenda Item IX.

Discussion of confidential information concerning the Eklutna Project, public disclosure of which could have an adverse effect on the finances of the Association. (AS 10.25.175(c)(1))