

Outlet



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www.chugachelectric.com

SPP nears commercial operation

The Southcentral Power Project is expected to officially be turned over from the contractor to its utility owners in early 2013. The new gas-fired power plant has been under construction since March 2011 at Chugach's headquarters complex – with the past several months spent testing components and systems, and training staff. Both Chugach and ML&P have been taking power from the project during testing, but will be able to schedule the units once the plant becomes a utility asset.

SPP is a joint project between Chugach (70 percent) and Municipal Light & power (30 percent). The new \$369 million plant is very efficient, using only about three-fourths of the natural gas required to make a kilowatt-hour compared to the system average of other units. That will save ratepayers money through avoided fuel costs. For Chugach alone, SPP is expected to save about three billion cubic feet of natural gas a year, compared to current generation. That equates to a projected savings of \$13-\$17 million savings for Chugach members – savings that will rise as natural gas prices increase in the future.

SPP has four generating units – three powered by gas turbines and the fourth with a steam unit. While each gas turbine-generator can run independently in "simple-cycle" mode, the best efficiency comes from using their 800-degree hot exhaust to turn

water into steam for the steam unit. That "combined-cycle" operation allows extra electricity to be produced with no additional fuel consumption. While that technology has been used by both Chugach and ML&P at existing plants, the new equipment is more fuel-efficient than existing plants.

With the combined-cycle operation utilizing most of the heat from the combustion process, the resulting exhaust is less than 250 degrees. The plant uses a closed loop system similar to a car radiator to turn the steam back to water so it can be reused.



The Southcentral Power Project is expected to be turned over to Chugach and ML&P in the first quarter of 2013.

Technology will also significantly reduce emissions. Normally, nitrous oxides are the primary emission from a gas-fired power plant. At SPP, aqueous ammonia is added to the exhaust stream, producing a chemical reaction that results in the stack emission

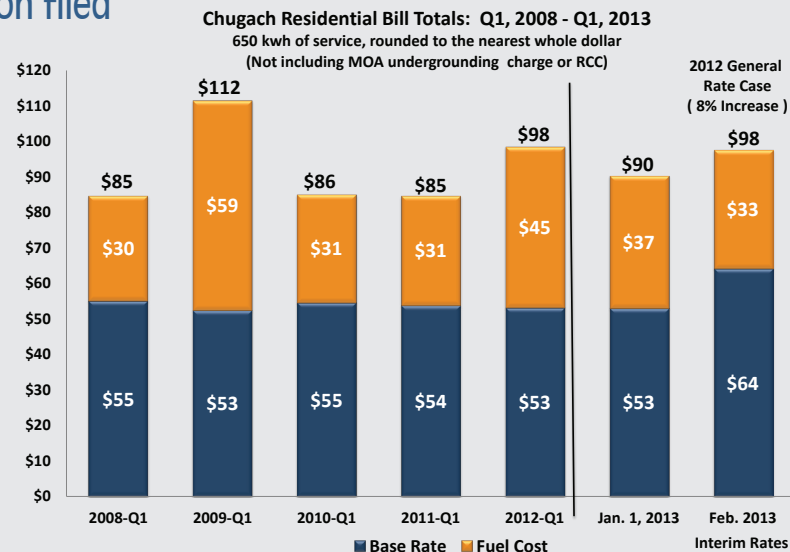
being largely nitrogen (78 percent of air) and water vapor.

SPP's efficiency is also seen in its staffing. While up to 400 workers were on the job during construction, a team of 22 will operate the plant.

Rate case and fuel revision filed

Chugach submitted two filings in late December that – if approved by the Regulatory Commission of Alaska – will cause base rates to rise and the fuel charge to fall in coming months. With each component accounting for significant portions of a customer's bill, the two actions partially offset each other.

In its general rate case, Chugach is seeking to recover the cost of the new Southcentral Power Project and extraordinary storm costs, in addition to addressing other issues. The filing seeks to increase base rates – in other words, the per-kilowatt-hour charges for energy paid by all customers and the per-kilowatt demand charge paid by large commercial customers. The filing also seeks to raise base rates for wholesale customers Homer Electric Association,



Matanuska Electric Association and Seward.

On the same day it filed the rate case, in a separate filing Chugach asked the RCA for permission to lower its fuel & purchased power charge to reflect the savings that will result from the efficiency of SPP.

If approved, the net effect of the rate changes will increase the annual cost of electric service for most retail customers by about 7-8 percent.

Chugach proposed that interim and refundable rates be effective Feb. 4.

Reducing your winter peak usage

There are many reasons why Alaskans use more energy at home in the winter months. If you are experiencing higher bills in the winter, you are not alone and there are steps you can take to reduce your cost and consumption. In addition to changing your furnace filters, keeping your heating system tuned-up and using common sense by shutting off lights, appliances and home electronics when not in use, consider the following factors to reduce your winter consumption.

Still using incandescent bulbs?

If so, they are costing you 80 percent more to light your home than light-emitting diode (LED) or compact fluorescent (CFL) bulbs. Whether indoors or outdoors,

switching to LED or CFL bulbs will reduce your lighting cost. LEDs are more expensive than CFLs to purchase, but use the least amount of energy over time, perform better in cold weather and last the longest. If on a budget, CFLs are the least expensive to purchase and still save energy and money.

Using electric space heaters?

If so, they will cost you. Commonly electric space heater energy consumption is 750-1500 watts. The cost to operate at Chugach residential rates is approximately 10-20 cents per hour respectively. Instead of adding heat sources, consider weatherizing your home to conserve heat energy. Visit www.akrebate.com or www.weatherizeme.org for information about

Alaska Housing Finance Corporation programs.

Plugging in a vehicle?

If so, use a timer and limit your plug-in time to 2-3 hours before you drive. Anything more is unnecessary. Head bolt/block heaters help with cold starts and engine operation, but will cost you unnecessarily if run too long. Wattage levels range from 350-1,500 watts, depending on engine size. Cost will equally range from 5-20 cents per hour depending on wattage.

Visit www.smartpowerak.com for more resources and ways to save {233031}

Snowmachiners be alert!

Chugach has begun rebuilding a 15-mile section of its transmission line up and through Turnagain Pass. The project began in November 2012 and is expected to end in November 2013.

The transmission line section being reconstructed parallels the Seward Highway from mile 60 to mile 76. Snowmachiners in

particular should be aware of the project and related activities, including:

- Material stockpiles on the right of way
- Construction equipment operating in the right of way
- Disruption of trail surfaces



For more information, contact Chugach's project manager at (907) 441-4510.

Contact us

Hours	Monday - Friday 8 a.m. - 5 p.m.
Main number	563-7494
Toll free	(800) 478-7494
Member Services	563-7366
Member Services fax	762-4678
24-hour payment line	762-7803
Credit	563-5060
Power theft hotline	762-4731
Danger tree hotline	762-7227
Street light hotline	762-7676
Underground locates	278-3121
Regulatory Commission of AK or	(800) 390-2782 276-6222
To report a power outage	
In Anchorage	762-7888
Outside Anchorage	(800) 478-7494

Corporate Mission: Through superior service, safely provide reliable and competitively priced energy.

Corporate vision: Powering Alaska's future

Personnel policy: It is a policy of Chugach Electric Association, Inc., to recruit, hire, train, compensate and promote persons without regard to race, color, religion, national origin, sex, marital status, pregnancy, parenthood, disability, veterans status, age or any other classification protected by applicable federal, state, or local law." Chugach is also an equal opportunity/affirmative action employer. Current openings are posted on the employment page at <http://chugachelectricapplications.com>. Chugach only accepts applications for open vacancies.

The Chugach Outlet

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Monthly residential service costs (based on 650 kwh)

Customer charge/month	\$ 8.00
Energy charge $\$0.06937 \times \text{kwh} =$	\$45.09
Fuel $\$0.04243 \times \text{kwh} =$	\$27.58
Purchased power $\$0.0139 \times \text{kwh} =$	\$8.57
FIW renewable energy adj. $\$0.00183 \times \text{kwh} =$	<u>\$1.19</u>
<small>(Proposed Fuel, Purchased power and FIW renewable energy effective 1/1/13 - 3/31/13)</small>	
Subtotal	\$ 90.43
2% MOA Undergrounding Charge =	\$ 1.81
RCC $\$0.000568 \times \text{kwh} =$	<u>\$ 0.37</u>
Total bill	\$92.61

Member number
hide-n-seek

Find your member number (in brackets) in the Outlet and get a \$100 credit on your electric bill. Call Chugach's service center at 563-7366 to claim your prize.

CHUGACH
POWERING ALASKA'S FUTURE

Annual Meeting and Election notes

Chugach's Annual Membership meeting will be held on Thursday, May 16, 2013 at the Dena'ina Civic & Convention Center.

Members may submit proposed bylaw changes to the Bylaws Committee until 5 p.m., Tuesday, Jan. 15, 2013.

Two directors will be elected to the Chugach board in the upcoming 2013 election. Members who are interested in either meeting with and being considered by the Nominating Committee or running by petition as a director candidate should call 762-4791 to obtain a candidate packet. Candidate applications and resumes for the Nominating Committee's review must be received by 5 p.m., Friday, Feb. 15, 2013. The petition deadline is 5 p.m., Friday, Mar. 15, 2013.

Bylaw proposals or nominations should be submitted to:

Tom Schulman
PO Box 196300
Anchorage, AK 99519-6300
tom_schulman@chugachelectric.com

More information and forms may be found at www.chugachelectric.com or by calling 762-4791.

Cool year

Through mid-December, 2012 was shaping up to be the coldest year in 30 years in Anchorage, according to National Weather Service records. The average temperature through Dec. 15 was 35.2 degrees. 1956 was the coldest year on record, with an average temperature of 31.7 degrees.

