

Legislative agenda backs local, regional & renewable projects

The second half of the 27th Legislature is underway. Chugach's legislative agenda this year seeks support for local and regional capital projects, regional planning, and continuation of funding for renewable energy.

Chugach submitted three capital project requests for consideration this year. In addition, it joined with other Railbelt utilities to create and support the request for capital funding for regional energy projects and studies. Chugach also supports the reauthorization of the Renewable Energy Grant Fund.

Chugach proposes the grants for its three projects flow through the Alaska Energy Authority (AEA).

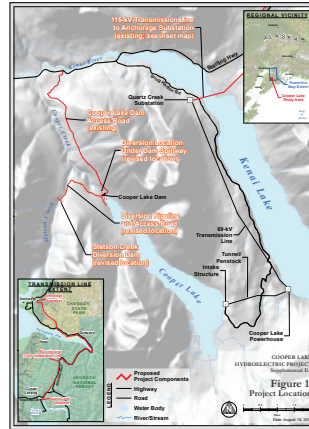
Chugach capital projects

The Stetson Creek Diversion

Estimated cost: \$24,228,440

Requested funding: \$11,650,440

When Chugach received a new operating license in 2007 for its Cooper Lake hydroelectric project it contained a condition requiring Chugach to divert the cold water of Stetson Creek into Cooper Lake, then release water from the reservoir into Cooper Creek to try to improve the habitat for certain species of fish. It was originally estimated to be a \$12 million project. The final cost of this project could total \$24 million. Chugach is seeking assistance with the incremental cost.



Stetson Creek Diversion



Hope Substation

Hope Substation automation

Estimated cost: \$983,000

Requested funding: \$787,000

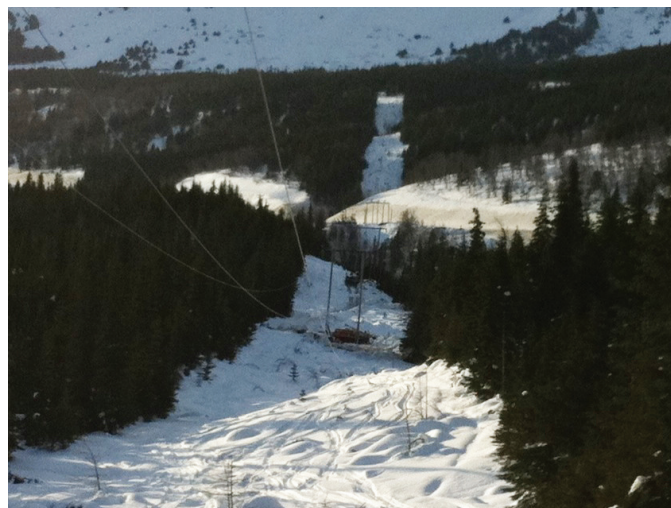
Hope and sunrise customers are served from a substation at Mile 56 of the Seward Highway fed from Chugach's 115-kilovolt transmission line. When the transmission line loses power due to a problem, so do customers in Sunrise and Hope. Circuit switchers located on either side of the substation allow Chugach operations personnel to sectionalize the 115-kv line in the event of a transmission line problem or planned maintenance. Currently the switches can only be operated manually. Automating the circuit switchers would allow dispatchers in Chugach's Anchorage power control center to remotely

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Storm recovery costly & time-consuming

Chugach facilities and customers were battered by an unusually severe series of winter storms beginning in early December 2011 and continuing into January 2012. The early storms packed winds around 100 mph, resulting in lines downed by falling trees. The later storms added heavy snow and ice that tore down lines and damaged structures.

The first storm to hit on the weekend of Dec. 3-4 primarily affected utility infrastructure and customers in the Municipality of Anchorage. The damage pattern shifted southward with succeeding storms. Customers and lines on the northern Kenai Peninsula were particularly hard hit, with some customers and communities off of grid power for weeks and multiple spans of transmission and distribution lines downed and damaged. It took until mid-February to put the system back together and return to normal operations.



Heavy ice broke a transmission structure and downed about 3,000 feet of wire at the Canyon Creek crossing on Jan. 25.

Through mid-February, Chugach estimates the known and anticipated cost of responding to the storms at approximately \$2.4 million (not including future work required). About \$500,000 was spent responding to damage within the Municipality of Anchorage, with the balance

driven by damage within the Kenai Peninsula Borough.

While service has been restored, the storms have caused significant damage that will need to be repaired after winter has passed.

Winter storms lead to KPB disaster declaration

This winter has caused extensive damage to electric facilities, especially on the northern Kenai Peninsula. In response, Kenai Peninsula Borough Mayor Mike Navarre issued a disaster declaration on Feb. 1, creating the opportunity for state assistance should the governor follow suit. The declaration noted the impact on borough residents of Moose Pass, Cooper Landing, Sunrise and Hope – all areas served by Chugach. {74801}

As the Outlet went to press, Chugach was still waiting to hear whether Governor Sean Parnell would issue a disaster declaration that would allow Chugach to recover at least some of the extraordinary costs of responding to the storms.

COMMERCIAL ENERGY AUDITS

The Alaska Energy Authority announced 2012 funding for the Alaska Commercial Energy Audit Program. The program provides high-quality energy audits for privately owned commercial buildings (up to 160,000 square feet). This year, it is expected to fund 100 to 150 building audits.

The application period is open Feb. 13 to March 28, and will be scored on commitment to implementing identified energy efficiency measures, the annual cost of energy and other factors. Qualifying applications will be awarded on a first-come first-served basis.

All program materials are available at www.akenergyauthority.org/efficiencyaudits.html.

Last year's program identified more than \$2.5 million of cost-effective annual energy savings in just 94 commercial buildings totaling 1.3 million square feet.

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open and close the circuit switchers, cutting outage time and reducing the risk of hours of driving during often-bad weather.

Relocate a portion of the Hope distribution line

Estimated cost: \$415,000
Requested funding: \$310,000



Hope distribution line

Customers in the communities of Sunrise and Hope receive electric service from Chugach from a 17.7-mile distribution line. The line has been battered over time by falling trees and heavy icing. The requested state grant funds for this project will allow the relocation of about 1.6 miles of line nearer the highway to improve reliability and outage restoration time.

ARCTEC grant requests

ARCTEC (the Alaska Railbelt Cooperative Transmission & Electric

Company) is a generation and transmission cooperative. It was formed by Railbelt electric utilities (including Chugach) in December 2010 to provide a means to work together on projects beneficial to the regional grid.

Here are ARCTEC's requests for the FY2013 budget.

Cook Inlet Gas Assurance Plan \$8 million

ARCTEC recommends that the state endorse an engineering and permitting study to evaluate a short-term LNG import option that leverages existing facilities in Cook Inlet and allows for minimal investment to import LNG.

Improve the transmission backbone \$5.5 million for two projects

- **Remove Bradley Lake transmission constraints (\$2 million)**
ARCTEC recommends that the state fund an overall plan to unconstrain the Bradley Lake-to-Anchorage transmission segment consistent with AEA's recent plan update. ARCTEC is requesting routing, engineering and permitting efforts in FY2013.

- **Increase energy transfers between Anchorage and Fairbanks (\$3.5 million)**

Converting the existing 138-kilo-volt transmission link to 230-kv will allow greater power flows between Southcentral and the Interior. The requested funding will support routing studies, preliminary engineering, permitting, right of way and environmental work.

Bradley Lake Hydroelectric Project Enhancements

\$15 million

Diverting Battle Creek into the existing Bradley project reservoir will boost the energy output of the project by 10 percent. ARCTEC is requesting funding for AEA for the project. Railbelt utilities have agreed to fund half of the cost of the project through bonds per the Bradley Lake model.

Extension of the Renewable Energy Grant Fund

House Bill 250 would extend the Renewable Energy Grant Fund for another 5 years, restating legislative intent that it be funded at \$50 million per year. The program, established by the legislature in

Annual meeting and election notes

Chugach's Annual Membership meeting will be held on Thursday, May 17, 2012 at the Dena'ina Civic & Convention Center. Registration will open at 6 p.m. and the meeting will begin at 7 p.m.

Two directors will be elected to the Chugach board in the upcoming 2012 election.

Members may petition to have their names on the ballot. The petition deadline is 5 p.m., Friday, Mar. 16, 2012.

Chugach members who are interested in running by petition as a director candidate should call 762-4791 to obtain candidate packets for more information.

Director candidate forms for the petition process, as well as a copy of the current bylaws, can be found at www.chugachelectric.com.

Petitions should be submitted to:

Tom Schulman
PO Box 196300
Anchorage, AK 99519-6300
tom_schulman@chugachelectric.com
or at
Chugach's headquarters
5601 Electron Drive
Anchorage, Alaska

2008, is currently set to expire in 2013. The program is administered by AEA, and has issued grants for renewable energy projects across the state. Chugach supports HB 250 and the extension of the Renewable Energy Grant Fund.

Contact us

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

Hours

5601 Electron Drive
Monday - Friday
8 a.m. - 5 p.m.

The Chugach Outlet

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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://chugachelectric.applications.com>. Chugach only accepts applications for open vacancies.

Monthly residential service costs (based on 700 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.06962 x kwh =	\$48.73
Fuel \$0.06618 x kwh =	\$46.33
Purchased power \$0.00357 x kwh =	\$ 2.50
(Fuel & purchased power rates effective 1/1/12 - 3/31/12)	
Subtotal	\$ 105.56
2% MOA Undergrounding Charge =	\$ 2.11
RCC \$0.000492 x kwh =	\$ 0.34
Total bill	\$108.01

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