

STRATEGIC PLAN

2023-2027



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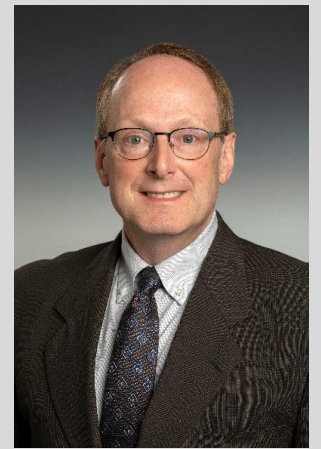
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Message from the Board Chair & Chief Executive Officer



Bettina Chastain
Board Chair

“Chugach’s future is full of new opportunities, including decarbonizing our generation portfolio to reduce emissions and reducing our reliance on non-renewable energy resources.”



Arthur Miller
Chief Executive Officer

For nearly 75 years, Chugach has delivered on its commitment to provide safe, reliable, and affordable electricity through superior service and sustainable practices. As a member-owned electric cooperative, our members and community are at the center of our decision making.

There are strong indications that the Anchorage economy is beginning its recovery toward pre-COVID-19 pandemic levels. The pandemic created significant safety and operational challenges, which also impacted the process to complete the complex acquisition of Municipal Light & Power (ML&P). Nevertheless, Chugach successfully navigated these obstacles and completed the acquisition process. Over the past two years, Chugach has continued its efforts to integrate its business operations and capture operational efficiencies of a combined utility. As a result, our financial reports show that we have achieved substantial cost savings that translate to lower electric bills for our members.

Chugach’s future is full of new opportunities, including decarbonizing our generation portfolio to reduce emissions and our reliance on non-renewable energy resources. Chugach recognizes that incorporating new technologies into its business operations will provide an important alternative in its response to gas supply resources.

Chugach is pursuing projects to increase its renewable generation portfolio and to promote beneficial electrification. Chugach is working with independent power producers on renewable

commercial and residential members to support electric vehicle charging installations.

These opportunities, combined with efficiency improvements, will make our cooperative and the communities we serve better places to live, work, and play.

Chugach’s strategic planning process incorporates our mission, vision, and values to meet targeted objectives and continue operating as an industry and regional leader. As outlined in this plan, our strategic priority areas are:

- Safety
- Integration Synergies & Cost Savings
- Communication, Member Engagement & Community Involvement
- Business Planning & Economic Development
- Leadership, Management & Employee Development
- Decarbonization
- Natural Gas Supply

With these priorities in mind, we will continue delivering reliable service and, working with our member-owners, to adapt and respond to industry changes and challenges. On behalf of Chugach, we are thankful for your engagement on these essential matters and trust in our commitment to achieving our mission of providing safe, reliable, and affordable electricity through superior service and sustainable practices, powering the lives of our members.

Strategic Foundation

Core Values



SAFETY



SUSTAINABILITY



ACCOUNTABILITY



INTEGRITY



TEAMWORK



CONTINUOUS
IMPROVEMENT



RELIABILITY



AFFORDABILITY

Vision Statement

Responsibly developing energy to build a clean, sustainable future for Alaska

Mission Statement

We provide safe, reliable and affordable electricity through superior service and sustainable practices, powering the lives of our members

Values

Guided by our values of safety, accountability and sustainability, we are committed to serving our members, the community, and the Chugach team

Tagline

Powering Alaska's Future

Introduction

The communities served by Chugach are diverse, member expectations are evolving, and technology is advancing rapidly. Chugach's 2023-2027 Strategic Plan is developed by the board of directors as a planning tool that is responsive to changing conditions that may affect business operation. Through the Strategic Plan updates, the board of directors determines corporate priorities and provides direction to Chugach's Chief Executive Officer. The Strategic Plan is updated annually to review priority areas and provide a structure for making informed decisions and strategic investments aligned to meet the goals and objectives set by the board. This plan update continues Chugach's long tradition of innovation by exploring new opportunities to grow and improve business operations and develop initiatives that incorporate changing technology while investing in our employees and community.

Chugach was organized as an Alaska electric cooperative in 1948 and much has changed throughout our nearly 75-year history. With the purchase of ML&P, Chugach has become the largest electric cooperative in the state, with approximately 93,000 member-owners and over 113,000 metered locations. Chugach provides electric service from Anchorage to the northern Kenai Peninsula and from Whittier on Prince William Sound to Tyonek on the west side of Cook Inlet. Chugach will continue to be an industry leader that takes a proactive approach to new opportunities and will continue to be responsive to the communities we serve.

Guided by the seven-member board of directors, elected by and from its membership, Chugach is a not-for-profit company, seeking to only generate sufficient revenues to pay the costs of operating the electric utility. The cooperative earns margins, rather than profits, and these margins are returned to members as capital credits.

Chugach is focused on powering Alaska's future while staying true to the seven cooperative principles of voluntary and open membership; democratic control by members; members' economic participation; autonomy and independence; providing education and information to its members; cooperation among cooperatives; and concern for community.

Voluntary
and open
membership

Democratic
member
control

Members'
economic
participation

Autonomy and
independence

Education,
training and
information

Cooperation
among
cooperatives

Concern for
community

7 Cooperative Principles





A Brief History of Power in Anchorage

AEC 900-kW Powerhouse

In 1915, the Alaska Railroad selected Anchorage as the location of its construction camp. At the time, there was no electricity in Anchorage and residents and businesses used oil, carbide lamps and candles for light. In 1916, the first electricity in Anchorage was supplied by a 900 kilowatt steam driven generator owned and operated by the Alaska Railroad. Anchorage was still just a tent city when the Alaska Engineering Commission (AEC) installed the first electrical distribution system in Anchorage. The city of Anchorage operated the distribution system under a lease agreement, first with the AEC and later with the Alaska Railroad. This lease agreement continued until 1932 when the city bought the electrical distribution system and formed ML&P.

In the 1940s, Anchorage experienced a population boom as a result of World War II. Electricity became an essential service and was soon in short supply. The existing steam plant, diesel generators and hydroelectric plant at Eklutna (built in 1929), were soon taxed far beyond their capacity.

By 1947, the growing shortage of electricity caused the city to think outside of the box and purchase the Sackett's Harbor, a wrecked 10,000-ton tanker that had been damaged in the Aleutian Islands. The ship was beached at the mouth of Ship Creek, and the generating equipment onboard was used to meet the city's growing demand for electricity. This makeshift solution was soon generating nearly half of Anchorage's energy requirements. Unfortunately, the cost was nearly one cent per kilowatt-hour more than the city collected in revenue.

Even with the added generation from Sackett's Harbor, the city of Anchorage was hard-pressed to meet the demands for electricity within city limits, and there wasn't much chance that the 1,500 potential consumers living and working in the suburbs outside Anchorage city limits were going to be added to the system.

A solution to this problem was greatly needed and in August of 1947, approximately 200 people gathered in the old Anchorage High School auditorium to talk about forming an electric cooperative to bring power to their homes and businesses. The idea of Chugach Electric Association was created at that meeting. Less than a year later, on March 1, 1948, Chugach was incorporated as a not-for-profit electric cooperative.

With more than 100 years of history surrounding the generation, transmission, and distribution of electric power in Anchorage, the most significant event to date occurred on October 30, 2020, when Chugach Electric Association, Inc. completed the acquisition of ML&P. The consolidation of these two utilities has resulted in a more efficient and cost-effective electric company. As a unified electric company, operating under the electric cooperative framework, Chugach will return the cost-saving benefits to its members.

Sackett's Harbor Power Plant (1947)



Sustainability

“Triple Bottom Line”



Chugach Board of Directors

The Chugach Board of Directors adopted sustainability as a business management philosophy in 2017. Sustainability, also known as the Triple Bottom Line, broadens the focus of the financial bottom line to include social and environmental responsibility measures to create a greater long-term business value for the Association and its members. Operating the electric utility in a sustainable manner is important to the long-term success of Chugach and to the health and well-being of our employees and members, our community, and our environment.

Sustainability is an integral part of Chugach’s strategic planning process, and our strategic priorities and actions are examined through a sustainability lens. Many of the action items that follow are the result of analysis and prioritization of sustainability practices to improve our economic, social and environmental performance. The prioritized action items are embedded within each of the strategic priorities.

The electricity industry is transforming rapidly, from traditional, controllable fossil fuel generation to non-emitting, weather-dependent intermittent resources, energy storage and distributed generation. These changes are driven by technological advancements that are expanding the possibilities of new resources, new services, and lower costs. We are committed to serving our members, our employees and our community, guided by our values of safety, reliability, accountability and sustainability.

Strategic Priority Areas



Strategic Priority 1:

Safety



Strategic Priority 2:

Integration Synergies & Cost Savings



Strategic Priority 3:

Communication, Member Engagement, & Community Involvement



Strategic Priority 4:

Business Planning & Economic Development



Strategic Priority 5:

Leadership, Management & Employee Development



Strategic Priority 6:

Decarbonization



Strategic Priority 7:

Natural Gas Supply

STRATEGIC PRIORITY 1

SAFETY



PRIORITY GOAL:

Continue achieving high levels of safety performance and the prioritization of safety to create an incident and injury-free work environment

OBJECTIVES:

Safety is an unwavering core value of the Association. Chugach is committed to providing a culture of safety for employees, members, contractors, and the general public through training, proactively identifying and communicating hazards, and looking out for the safety of others. Chugach strives for a zero-incident workplace, and its safety program is designed to provide effective training and tracking tools that ensure safety protocols are incorporated into the everyday work environment.

ACTION PLAN:

- Provide frequent training to educate employees about safety procedures and best practices
- Update work practices as additional safety hazards are identified and inform staff about changes to safety procedures
- Use incident reporting tools and reports to track events, identify hazards, and ensure appropriate risk control measures are defined and implemented
- Standardize safe work practices: policies, manuals, and/or other materials



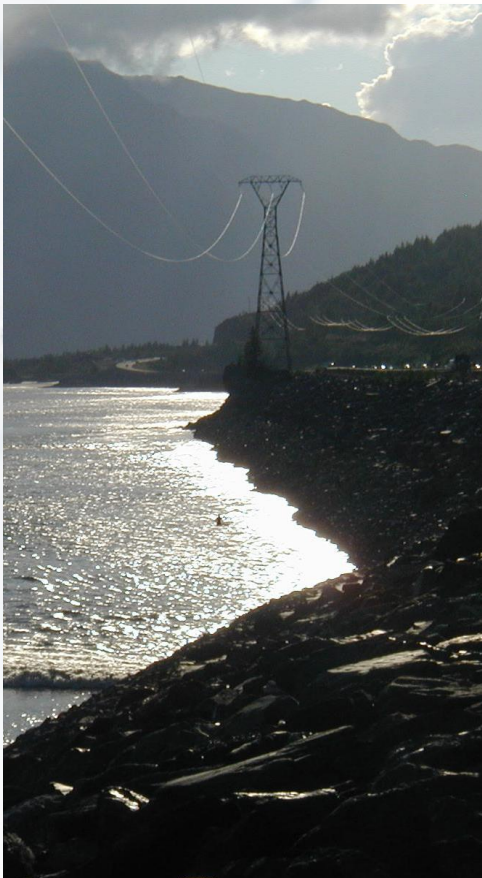
STRATEGIC PRIORITY 2

INTEGRATION SYNERGIES & COST SAVINGS



PRIORITY GOAL:

Complete the integration of combined utility operations and business processes to maximize efficiencies, streamline operations, and increase cost savings



OBJECTIVES:

Integration is a complex and challenging process encompassing culture, strategy, business processes, and mission-critical systems. Chugach continues to be successful in achieving synergies and meeting, or exceeding, its targets for cost savings.

ACTION PLAN:

- Coordinate tracking and compilation of integration synergies and cost savings across Chugach's departments and provide annual report updates to executive leadership, the Board of Directors, and the Regulatory Commission of Alaska
- Continue post-acquisition consolidation activities to maximize business value, streamline processes, and achieve targeted annual cost savings
- Consolidate the North and South District's operating tariffs into a single operating tariff
- Submit a rate case filing to unify the rate structure no later than August 15, 2023

STRATEGIC PRIORITY 3

COMMUNICATION, MEMBER ENGAGEMENT & COMMUNITY INVOLVEMENT

IT'S YOUR ENERGY.
MAKE THE MOST OF IT.
BE ENERGY EFFICIENT.



PRIORITY GOAL:

Maximize member satisfaction and enhance community involvement

OBJECTIVES:

As a member-owned cooperative, engagement and community involvement are integral to Chugach's long-term success. Chugach is committed to enhancing member engagement and will continue to perform outreach activities to connect with members and key stakeholders. To encourage community involvement with the utility, Chugach provides information on priorities and initiatives, advertises opportunities to get involved with the annual election and on committees, and works to enhance partnerships that will help make Chugach and the communities we serve stronger in the future.

ACTION PLAN:

- Increase awareness of our business, programs and services that are available to members through targeted communication, public presentations, and website updates
- Provide information about Chugach operations and events through our website, monthly newsletter, social media, and press releases
- Continue educating members, the community, and stakeholders about changes in the energy landscape
- Enhance member and community involvement through initiatives including the Employee Volunteer Program, Key Accounts Program, Member Advisory Council, and the Election, Bylaws, and Nominating Committees
- Plan and execute a robust annual election, annual meeting, and member appreciation day in Spring 2023



STRATEGIC PRIORITY 4

BUSINESS PLANNING & ECONOMIC DEVELOPMENT



PRIORITY GOAL:

Increase business value and continuously improve business systems and processes

OBJECTIVES:

Chugach's business plan is designed to be responsive to changing economic conditions, energy technologies, consumer expectations, and regulatory requirements. Chugach's business philosophy encourages adoption of technologies that increase electric load while lowering overall environmental impacts and costs to members.

ACTION PLAN:

- Maintain and enhance Chugach's leadership position in the Railbelt on electric utility policy and related matters
- Manage the Association for resiliency in response to changing conditions, to include installation of charging infrastructure to transition to an electric fleet
- Continue planning and testing processes for Chugach's software upgrade project to its financial, work management, and meter data management systems, including updates to the member engagement portal
- Complete transition to new vendor for member payment processing
- Initiate a program to encourage heat pump installations and develop other beneficial electrification programs
- Advance electric vehicle infrastructure programs and policies



LEADERSHIP, MANAGEMENT & EMPLOYEE DEVELOPMENT



PRIORITY GOAL:

Develop leadership skills and enrich employees

OBJECTIVES:

At Chugach, it is a strategic priority to grow leadership, align management, and support employee development. Chugach strives for an environment where employees feel valued, motivated and empowered to drive the success of the organization.

ACTION PLAN:

- Maintain a workplace that invests in employee development programs and supports diversity, equality, and inclusion; employees who feel valued are engaged, empowered, and motivated to drive the success of Chugach
- Develop and implement succession planning to ensure workforce resiliency, adequate staffing levels, and excellent employee performance
- Continue utilizing NRECA's Management Internship Program and Chugach's internal Continuous Development Program
- Expand contents of online training library and use of online training tools to support employee development



STRATEGIC PRIORITY 6

DECARBONIZATION



PRIORITY GOAL:

Implement decarbonization plan, reduce carbon emissions, support beneficial electrification of buildings, equipment, and vehicles

OBJECTIVES:

Chugach's decarbonization plan considers supply and demand side impacts of transitioning its business model to achieve its carbon reduction goals. Our decarbonization plan supports the diversification of Chugach's generation portfolio while reducing dependency on limited natural gas supplies. The plan supports the development of new load growth through beneficial electrification and provides a framework to address changes in legislation and regulations related to thermal and clean energy generation resources.

ACTION PLAN:

- Chugach's goal is to reduce its carbon intensity by at least 35% by 2030 and at least 50% by 2040, using 2012 as the baseline year without a negative material impact on Chugach members' rates
- Consistent with established targets, reduce reliance on natural gas generation through development of a decarbonization plan specific to Chugach and compliments Railbelt resource planning efforts.
- Advance beneficial electrification initiatives, including electric vehicle charging infrastructure, battery operated tools and equipment, and air/ground source heat pumps
- Adopt business practices that reduce carbon, integrate sustainability, and promote innovation
- Increase education to members and stakeholders on carbon reduction initiatives
- Support development of time-of-use rates that incentivize beneficial electrification programs
- By March 31, 2025, increase renewable generation on the Chugach system by 100,000 MWh
- Support clean energy generation without losing system reliability
- Ensure continued compliance with the requirements of the 1991 Eklutna Fish & Wildlife Agreement, balancing renewable energy from Eklutna Lake water against other uses

STRATEGIC PRIORITY 7

NATURAL GAS SUPPLY



PRIORITY GOAL:

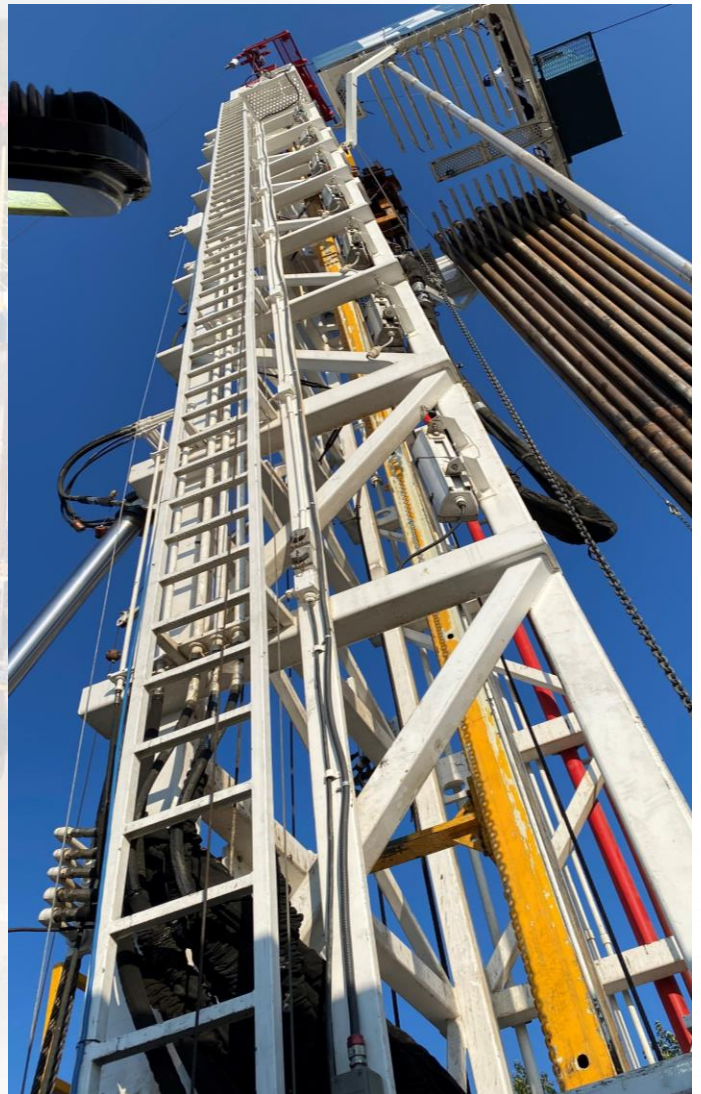
Ensure a sustained natural gas supply

OBJECTIVES:

Chugach relies on natural gas to generate over 80% of the energy it currently produces. To ensure gas supply security, Chugach will seek long-term gas supply contracts, will increase drilling programs at the Beluga River Unit (BRU), and will evaluate opportunities for additional gas supplies from the Cook Inlet region, the Alaska LNG project, the in-state Alaska pipeline, and other LNG supply options.

ACTION PLAN:

- Establish a long-term sustained natural gas supply
- Coordinate efforts to increase gas supply options with commercial entities, Railbelt utilities and state and federal government agencies
- Investigate opportunities for alternative gas supplies
- Implement updates to the BRU development plan to meet long-term gas production targets



2022 Key Accomplishments



SAFETY



Chugach prioritizes safety and promotes a strong safety culture to ensure secure working conditions that protect our employees and the public.

- **REDUCED NUMBER AND SEVERITY OF INJURIES:** Through third quarter 2022, Chugach's year-to-date (YTD) injury rate was 33% lower than the previous year. The lost time rate (based on the number of lost time cases per 100 full time employees) was .33, which is significantly below the 5-year rolling average of 0.86. These statistics show that Chugach's safety culture is focused on reducing the number of injuries.

INTEGRATION SYNERGIES & COST SAVINGS



Chugach has successfully integrated operations as a post-acquisition combined utility and is continuing efforts to consolidate procedures and systems to improve efficiencies.

- **SYNERGIES AND SAVINGS:** Through attrition and operational efficiencies, Chugach has achieved cost savings that exceed the targeted levels and net operating savings are currently estimated to be over \$50 million. The savings include efficiency gains resulting from the combined generation system and reduction in Chugach's overall average heat rate, translating to lower gas volumes needed to generate the electricity needed to meet system load requirements.

2022 Key Accomplishments (continued)

COMMUNICATION, MEMBER ENGAGEMENT & COMMUNITY INVOLVEMENT



Chugach fosters and embraces an environment of teamwork, support and continuous improvement.

- **COMMUNITY PARTNERSHIPS:** Chugach has formed new partnerships with YWCA Alaska to connect with young Alaskans and help build future energy leaders. Chugach employees participate in events to teach students about the electric utility industry, energy efficiency, careers, and safety.
- **ANNUAL MEETING, ELECTION & MEMBER APPRECIATION:** For the first time in 2022, Chugach combined its annual meeting and member appreciation event, in its first in-person member event since 2019. Over 1,000 members participated in the combined event and enjoyed bucket truck rides, power plant tours, and games.
- **MEMBER ADVISORY COUNCIL:** The Member Advisory Council (MAC) was re-established to advise the Chugach Board of Directors on issues impacting the member-owned electric cooperative. MAC volunteers assist in the overall effort to increase member engagement, provide feedback on emerging issues within the electric utility, and connect members to the governance structure of the cooperative.
- **KEY ACCOUNTS PROGRAM:** Chugach works closely with multiple commercial businesses to maintain and further develop trusted relationships. Chugach hosted its inaugural Key Member Summit to provide an informational forum and opportunity to ask questions to Chugach's leadership team. In addition, Key Members began to receive a quarterly electronic newsletter, titled Inside the Grid: Key News for Key Members.



2022 Key Accomplishments (continued)

BUSINESS PLANNING & ECONOMIC DEVELOPMENT



Chugach's business plan is structured for long-term viability, aligned with the strategic priorities of the organization, and responsive to changing economic conditions.

- **RELIABILITY:** Chugach continues to provide reliable electric service to its members. Chugach's System Average Interruption Duration Index (SAIDI) was 142.1 in 2021 and 124.5 for the 12-month period ending June 2022. Chugach's SAIDI results are lower than the U.S. median cooperative SAIDI averages of 390.4 and 402.9 in 2020 and 2021, respectively.
- **SUSTAINABILITY REPORT:** In 2022, Chugach published its first sustainability report that includes achievements as measured by our triple bottom line (planet, people and performance) business philosophy. The report also includes industry standard Environmental, Social and Governance (ESG) reporting metrics.
- **SUSTAINABILITY COMMITTEE:** Chugach launched its first employee-led sustainability committee to shine a light on sustainable practices from the inside out. This employee-powered committee worked together to identify and help implement best practices to demonstrate Chugach's commitment to sustainability and its leadership as a champion of sustainable habits in the community. The nine-person committee prioritized seven action items for 2022 from a list of more than 70 action items created by the team.

LEADERSHIP, MANAGEMENT & EMPLOYEE DEVELOPMENT



Chugach strives for a business environment that empowers employees to drive the success of the organization.

- **NEW CHIEF EXECUTIVE OFFICER:** In mid 2022, Chugach named Arthur Miller as its Chief Executive Officer. Mr. Miller brings 32 years of experience working at Chugach and will continue to lead the company to accomplish the objectives established by the Board of Directors.
- **REORGANIZATION OF EXECUTIVE LEADERSHIP:** A strong and effective leadership team is integral to the success of Chugach. Additionally, the structural organization of the business segments should foster collaboration and reduce duplicative work. The executive leadership has been reorganized to improve communication and coordination throughout the organization.
- **EMPLOYEE DEVELOPMENT:** Chugach strives for a business environment that empowers employees and recognizes the contributions of each of its employees. Through succession planning, Chugach is investing in its employees and providing opportunities for professional advancement.

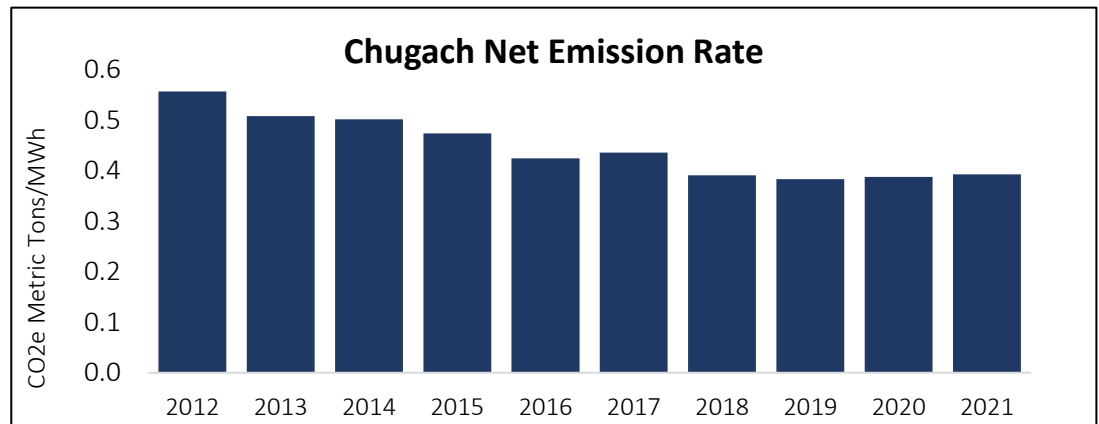
2022 Key Accomplishments (continued)

DECARBONIZATION



Chugach is developing a program to reduce carbon output and conserve limited gas supplies through beneficial electrification and the implementation of renewable energy projects.

- **DECARBONIZATION:** Chugach drafted a decarbonization plan to reduce emissions and support beneficial electrification, including electric vehicle charging infrastructure, and battery-operated tools.
- **RENEWABLE ENERGY DEVELOPMENT:** Consistent with Chugach's Renewable Energy Development Plan, Chugach issued a Request for Proposal for the addition of 100,000 MWh of renewable generation and received many diverse proposals. Two respondents have been invited to the study phase which began in October 2022.



Chugach has reduced its carbon by 30% since 2012

NATURAL GAS SUPPLY



Natural gas generation comprises over 80 percent of Chugach electricity production. Chugach is exploring new gas supply contracts and potential new sources of natural gas, including liquified natural gas. Chugach owns 66% of the Beluga River Unit (BRU) gas field which currently provides 50% of Chugach's natural gas supply requirements.

- **BELUGA RIVER UNIT:** Chugach's working interest ownership in the BRU provides natural gas at a price that is substantially below the market price. As of October 1, 2022, Chugach's BRU gas transfer price was \$4.50 per Mcf, whereas the market price that Chugach pays to purchase gas under its contract with Hilcorp Alaska, LLC, was \$7.61 per Mcf, which represents a savings of \$3.11 per Mcf. The natural gas production from the BRU increases Chugach's gas supply security and provides economic benefits to Chugach's members.

Ongoing Opportunities

Chugach is dedicated to providing reliable energy at an affordable price, while supporting the vision of a renewable and sustainable future for its communities. In response to shifts in community expectations and technological improvements, the electric industry is experiencing transformative changes. Although modern thermal generation technology incorporates steam generation units to recycle heat produced by thermal, or gas fired generation to increase electric power output and reduce emissions, there is a limited supply of natural gas resources. The impacts of climate change are driving communities to want to move away from fossil fuel generation towards cleaner, sustainable, and clean energy generation systems. In response to these changes, Chugach is pursuing projects that incorporate advancements and innovations in generation technology with a focus on clean energy resources. A summary of Chugach's key projects is provided below.

- **REDUCE RELIANCE ON NATURAL GAS:** Chugach is exploring opportunities to diversify its generation portfolio to support the transition from natural gas, which is a non-renewable limited supply resource, and to increase its portfolio of clean energy powered generation.
- **RAILBELT COORDINATION:** Chugach has been actively engaged in coordination activities with the other Railbelt utilities; Golden Valley Electric Association, Inc., Homer Electric Association Inc., Matanuska Electric Association, Inc and Seward Electric System. The Railbelt utilities are working together to integrate new regulatory requirements for an electric reliability organization, standardized transmission systems, and systemwide cybersecurity protocols.
- **POWER POOL:** Chugach has realized savings and efficiencies from its power pool with Matanuska Electric Association, Inc. The purpose of this power pool is to combine generation resources to support an optimal schedule for these resources. The optimized generation requires less volumes of natural gas, which lowers emissions and costs to our members. Chugach is in the process of modifying the power pool agreement to ensure equitable savings between both utilities.
- **TECHNOLOGY INNOVATIONS:** In an ever-changing world, Chugach's business practices are adapting to embrace technological innovations. For example, batteries can be used to mitigate the fluctuation in renewable resource generation, and advances in battery technology have lowered costs and improved the quantity of energy that can be stored. Chugach has been testing and exploring battery storage systems and is working on a project to purchase a battery system for grid stability purposes. Chugach is also exploring expansion projects that could serve to regulate the energy produced by future renewable generation projects.
- **ENERGY EFFICIENCY AND CONSERVATION:** Chugach actively promotes energy efficiency and conservation. Chugach provides information to its members through a variety of outreach methods. In recognition of Chugach's highly efficient generation portfolio, Chugach encourages its members to transition from higher emission gas powered vehicles and yard equipment to electric powered alternatives. As more people utilize electric vehicles and equipment, Chugach's load will increase, while reducing emissions that harm the environment.

Ongoing Opportunities (continued)

- **PORT OF ALASKA:** Chugach cooperated with the Port of Alaska (POA) on a grant proposal for a project to build a battery energy storage system supported microgrid. The proposal was successful, and Chugach is currently working with POA to upgrade their facilities by providing remote controlled switching capability to equipment in the field. Additional joint efforts include updating GIS mapping data of the meters and equipment located at the POA facilities and working closely with the largest Port users to identify additional opportunities for system improvements. This project will eliminate manual field switching, which requires Chugach personnel to be in on-site to switch feeder sources, and the project will provide localized energy security through construction of the microgrid.
- **HEAT PUMP PROGRAM:** In 2023 Chugach will launch a targeted heat pump pilot program to encourage the adoption of air source heat pumps in the service area, focusing on Chugach members who do not have access to natural gas for heating. Heat pumps are a type of beneficial electrification technology which reduces regional carbon emissions, increases Chugach's energy sales, and provides members an alternative to the volatile cost of heating fuel. The pilot program will be offered to residential and small general service members and will help Chugach gain insights on the performance and economics of heat pump systems in the service area.
- **DECARBONIZATION PROGRAM:** The newly formed Decarbonization program will seek to leverage funding opportunities from the Department of Energy programs related to the Infrastructure Investment and Jobs Act (the IIJA) and the Inflation Reduction Act (the IRA). These federal bills seek to bolster electric infrastructure and increase clean energy production by providing funding incentives. Chugach will leverage federal funding to build and support clean energy projects to meet decarbonization targets and support the transition from fossil fuel generation to increased reliance on clean energy generation sources. Chugach's Decarbonization program seeks to build partnerships with other utilities, tribal organizations, and community programs.

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