



2024 SUSTAINABILITY REPORT



CHUGACH

POWERING ALASKA'S FUTURE

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TABLE OF CONTENTS



4

CHUGACH AT A GLANCE



6

SUSTAINABLE CHUGACH



8

**PLANET – ENVIRONMENTAL
STEWARDSHIP**



18

PEOPLE – SOCIAL STEWARDSHIP



30

PERFORMANCE – GOVERNANCE



38

**APPENDIX A – ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT
(ESG)**

CHUGACH AT A GLANCE REPORT 2024



MARK WIGGIN

Board Chair



Sustainability is at the core of all we do. Our vision and strategic priorities shape the decisions that secure the long-term success of our operations and enhance the well-being of the communities we serve. We are committed to reducing carbon emissions, increasing our use of renewable energy, and pursuing innovative, cost-effective solutions that reduce our environmental impact. These efforts also strengthen the resilience of our energy systems amid a changing environment. By keeping sustainability at the forefront, we continue to drive meaningful progress, improve operational efficiency, and deliver lasting benefits to our members.

ARTHUR MILLER

Chief Executive Officer



Our commitment to sustainability goes beyond reducing our carbon footprint. It's about embracing innovation, building resilient systems, and creating lasting economic and reliability benefits for our members. Sustainability is a core component of our strategic direction, guiding our decisions and serving as a benchmark for our progress. Integrating sustainable practices into our operations allows us to address environmental challenges, while enhancing resiliency, and creating new opportunities for long-term growth and success.



Chugach Electric Association, Inc. (Chugach) was founded in 1948 as a member-owned electric cooperative created to serve local Alaskans. Rooted in cooperative principles, Chugach remains committed to delivering safe, reliable, and affordable electricity to homes and businesses across Anchorage and the upper Kenai Peninsula. Guided by its members through democratic governance, Chugach prioritizes maintaining low rates, reinvesting in critical infrastructure, and returning excess revenues to members in the form of capital credits.

Today, Chugach is the largest electric utility in Alaska and a key utility within the Railbelt—an electric grid that spans from the southern Kenai Peninsula to Fairbanks, independent from both the continental U.S. and Canadian power grids.

As a two-thirds working-interest owner in the state's most productive gas field in Cook Inlet, it sources local natural gas directly for its members. This fuel is then transported and burned at Chugach's high-efficiency natural gas facilities to generate electricity.

The generated power is transmitted across 472 miles of Chugach-owned transmission lines before reaching one of 60 substations, where voltage is reduced for distribution. From there, electricity travels through some of the 3,361 miles of distribution lines to homes and businesses throughout our service area. Ultimately, this energy reaches more than 113,000 locations, serving 90,280 members across Anchorage and the upper Kenai Peninsula. From the depths of Cook Inlet to the flip of a light switch, Chugach keeps Alaskans powered—efficiently, reliably, and always with its members in mind.

2024 KEY FACTS

- MEMBERS: 90,280
- SERVICE LOCATIONS: 113,635
- REVENUE: \$358.4 MILLION
- ASSET VALUE: \$1.9 BILLION
- ENERGY SALES: 2.3 BILLION KWH
- INSTALLED GENERATION: 824.3 MW, NET
- TRANSMISSION LINES: 472 MILES
- DISTRIBUTION LINES: 3,361 MILES
- SUBSTATIONS: 60
- PEAK DEMAND: 339 MW
- 100% ALASKA-BASED WORKFORCE

SUSTAINABLE CHUGACH



PLANET

Protecting Alaska's environment
for generations to come



PEOPLE

Empowering our people,
enriching our communities



PERFORMANCE

Driving performance through
integrity and accountability





Sustainability is embedded in Chugach’s business philosophy and is an integral part of the cooperative. Guided by Chugach’s vision to responsibly develop energy resources to build a clean, sustainable future, Chugach carries out its mission to provide safe, reliable, and affordable electricity through superior service and sustainable practices, powering the lives of our members.

Chugach takes a practical approach to sustainability, following the triple bottom line framework that addresses the planet (environment), the people (social), and the overall performance (governance) of the organization. The concept of the triple bottom line dates back over 25 years and has proven successful in guiding pragmatic sustainable business development. Operating sustainably is essential to Chugach’s success and the well-being of its employees, members, community, and the environment.

This 2024 Sustainability Report is a voluntary disclosure of our efforts. Additional Environmental, Social, and Governance (ESG) data is included in Appendix A, following the Edison Electric Institutes’ reporting template.

DISCLOSURE STATEMENT

The objective of this report is to provide a description of Chugach’s 2024 sustainability efforts and achievements. It is not intended to be a roadmap or plan. For information on future initiatives and cooperative goals, please refer to Chugach’s Strategic Plan.



PLANET

ENVIRONMENTAL STEWARDSHIP

At Chugach, our vision for a clean and sustainable future in Alaska begins with environmental stewardship. Aligned with our mission to provide safe, reliable, and affordable electricity through superior service and sustainable practices, we are committed to diversifying our generation portfolio and reducing reliance on natural gas.

To achieve this, Chugach is actively evaluating a broad range of generation options to diversify our portfolio including wind, hydro, solar, and other emerging technologies. During this transition period, Chugach remains focused on securing natural gas resources, including liquified natural gas, as a bridging solution in pursuit of a clean energy future.

Chugach has established carbon intensity goals with a minimum reduction of 35% by 2030 and 50% by 2040, relative to a 2012 baseline, without a negative material impact on rates or reliability. Beyond reducing our carbon intensity, Chugach aims to reduce the community's emissions through supporting beneficial electrification, energy efficiency, and conservation initiatives.



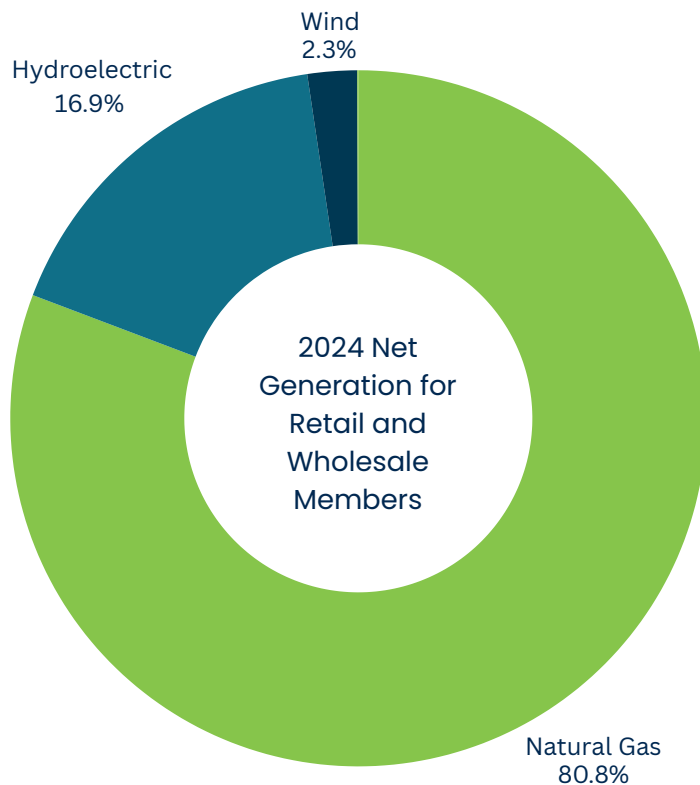
DECARBONIZATION

In 2024, Chugach advanced its Decarbonization Program by evaluating new renewable energy sources such as wind, solar, and hydroelectric projects, paired with power regulation and integration mechanisms. This included exploring additional Battery Energy Storage Systems (BESS), improvements to existing hydroelectric plants, and improving natural gas flow. Improved natural gas flow enables existing thermal plants to ramp up power production on short notice, helping to offset shortfalls when wind and solar generation produce less power than forecasted that day.

Between 2012 and 2024, Chugach achieved a 52% reduction in carbon dioxide equivalent (CO₂e) emissions from its own generation portfolio. During this same time, Chugach has seen a 27% reduction in its carbon intensity (CO₂e MT/MWh), the measure of the net generation to retail members, which includes purchased power and removes generation sold to other Railbelt electric utilities.

Carbon intensity remained relatively consistent between 2023 and 2024. Upgrades to the Southern Intertie in 2024 reduced our use of the Bradley Lake Hydroelectric Project, resulting in an increased reliance on thermal power. This increased thermal generation was partially balanced by our new 40-megawatt Battery Energy Storage System (BESS), which helps reduce the need to keep turbines idling at low output during sudden system disturbances. This new asset supports emission reduction efforts while contributing to long-term cost savings for Chugach members.

Chugach continues to pursue strategic partnerships to advance decarbonization efforts and strengthen Alaska's energy future. Through collaboration with the Municipality of Anchorage, the Alaska Energy Authority, federal agencies, neighboring utilities, and others, we are advancing projects that enhance grid resilience, diversify energy sources, and expand Long Duration Energy Storage (LDES). These efforts reflect Chugach's commitment to innovation, reliability, and delivering long-term value to our members, solidifying our role as a leader in the clean energy transition.



GENERATION MIX

As of December 2024, Chugach maintained 824.3 MW of winter-rated net capacity. Chugach's energy portfolio includes owned generation, jointly owned generation, and purchased power from Bradley Lake Hydro, Fire Island Wind, and other Railbelt utilities. In 2024, its generation mix was 80.8% natural gas, 16.9% hydro, and 2.3% wind. The system peak load reached 339 MW on February 2, 2024.

POWER POOL

Chugach and Matanuska Electric Association, Inc. (MEA) established a power pooling agreement to improve system efficiency through coordinated economic dispatch. By prioritizing the most efficient baseload generation available, the initiative reduces emissions across the Railbelt electric grid. Since its launch in April 2021, the Chugach/MEA Power Pool has saved 1,322,312 Mcf of natural gas through the end of 2024.



NATURAL GAS SUPPLY

Chugach's natural gas supply in Southcentral Alaska is changing rapidly. Historically, supply was secured through long-term firm gas sales agreements. In 2016, Chugach diversified this approach by acquiring a 10% working interest ownership in the Beluga River Unit (BRU) gas field, which increased to two-thirds following the acquisition of Municipal Light & Power (ML&P) in 2020. With declining production in Cook Inlet, and the scheduled expiration of Chugach's final firm gas contract with Hilcorp in early 2028, Chugach is actively pursuing new strategic supply strategies, including:

- Continued use of BRU gas
- Interruptible (non-firm) gas agreements with Cook Inlet producers
- Development of a Liquefied Natural Gas (LNG) import terminal in Nikiski, in partnership with Harvest Midstream and Marathon Petroleum.

Chugach remains committed to securing reliable, cost-effective natural gas through diversified supply options. Per the U.S. Energy Information Administration, burning natural gas for energy results in fewer emissions of nearly all types of air pollutants and carbon dioxide (CO₂) than burning coal or petroleum products to produce an equal amount of energy. In 2024, Chugach purchased and produced approximately 13.6 Bcf of natural gas, with 64.8% coming from BRU ownership and 35.2% from contracts.

BELUGA RIVER UNIT – NATURAL GAS PRODUCTION

Chugach is one of the few utilities in the nation with direct ownership of a gas field. The BRU gas field provides a significant source of energy for Chugach and continues to support lower electric rates and value to its members. BRU has been a cornerstone of Chugach's energy strategy since 2016, saving members over \$109 million to date, including nearly \$16 million in 2024. As a two-thirds working interest owner, Chugach partners with Hilcorp on field operations and long-term development plans.

Since 2020, 16 new wells have been drilled, with five more planned in 2025—resulting in a 175% increase in BRU production. In 2024, BRU was the highest-producing field in the Cook Inlet.

Chugach also acknowledges its share of the field's carbon emissions, estimated at 27,218 metric tons of CO₂e in 2024. In alignment with its commitment to sustainability, Chugach is exploring emission-reduction initiatives, including a pilot project to convert natural gas-powered well pad systems to compressed air. This effort aims to reduce emissions and support a clean energy future.



ENERGY EFFICIENCY

Chugach remains committed to helping its members reduce their energy use—an effort rooted in long-standing board policies and now more important than ever as part of our decarbonization and sustainability goals. Through targeted outreach, member-focused programs, energy education, and internal initiatives, Chugach is working to ensure our members have the information they need to make smart energy. These efforts directly reduce emissions, improve air quality, and support healthier communities.

In 2024, Chugach's residential members maintained a strong focus on efficiency, with average household usage at 6,089 kWh annually (approximately 507 kWh per month), about 43% below the national average, based on 2023 U.S. Energy Information Administration data. This performance reflects our members' dedication to sustainable energy practices and their role in advancing a cleaner, more resilient energy future.

MEMBER ENERGY MANAGEMENT TOOLS



MY ACCOUNT MEMBER PORTAL

Chugach's My Account member portal offers a variety of energy management tools that help members understand and control their energy use better. In 2024, members received more than 63,000 self-set threshold notifications, helping households monitor and manage their electricity consumption more effectively. Nearly 250 new thresholds were added during the year, a 12% increase from 2023. The portal also includes energy markers, which show how specific actions, such as using an appliance, making a home upgrade, or changing daily habits, impact usage. These tools help identify unusual usage patterns, enabling quicker resolution and giving members greater control over their energy use.



KILL-A-WATT METER PROGRAM

Chugach's Kill-A-Watt Meter Program gives members a simple, yet powerful way, to take charge of their energy use. For up to two weeks, members can borrow a meter to measure the electricity consumption of individual appliances. Kill-A-Watt meters can be programmed with Chugach's current electric rates, helping members pinpoint energy-intensive devices—such as "vampire electronics" that draw power even when not in active use. This hands-on tool equips members with valuable insights to make informed choices and reduce unnecessary energy consumption.

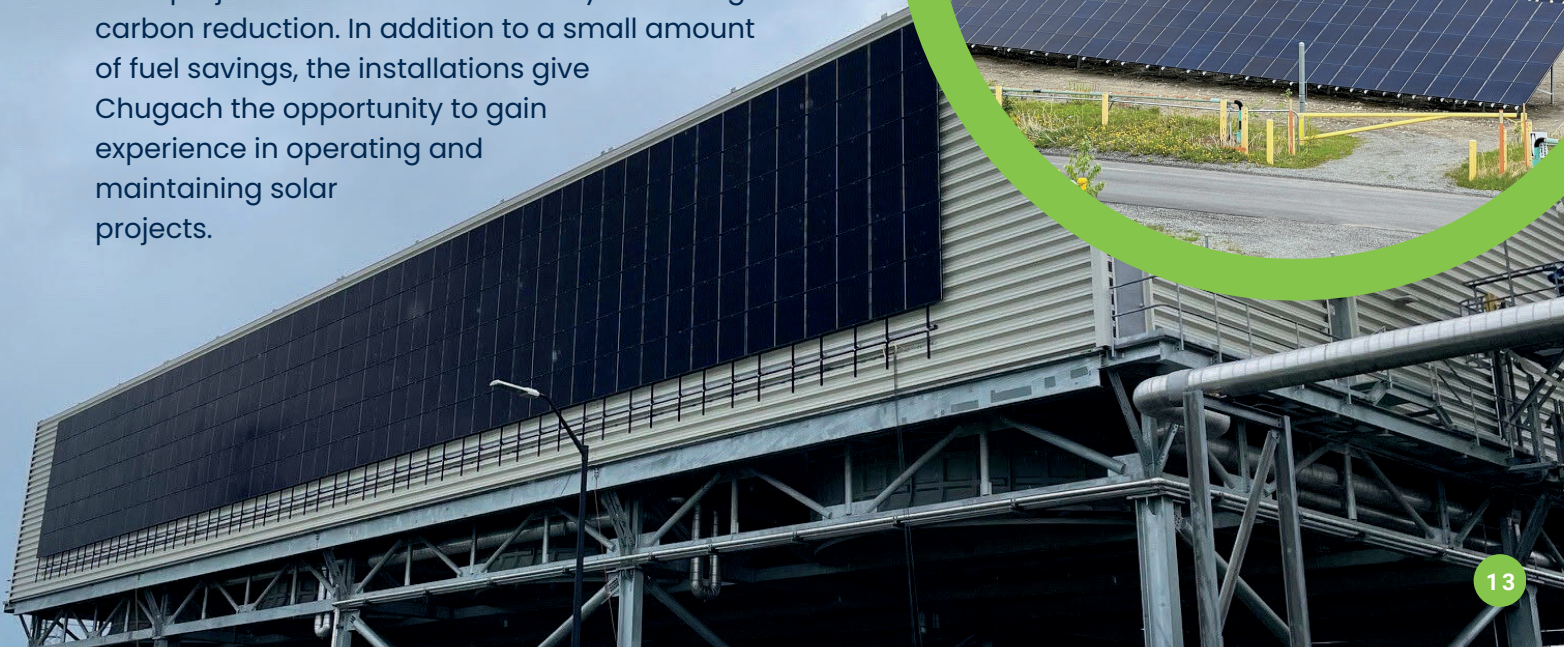
RENEWABLE ENERGY

In 2024, Chugach focused on expanding renewable energy and strengthening our grid to ensure long-term reliability, affordability, and environmental responsibility. We conducted comprehensive evaluations of renewable projects ranging from 1 to 120 megawatts to meet future energy demands. Collaborating with a broad spectrum of stakeholders, Chugach is working to advance the development and integration of these renewable resources into our grid. Our priority remains to add new cost-effective clean energy without significantly increasing costs to our members.

Additionally, we pursued select renewable projects for internal development, focusing on those with strong potential, minimal environmental impact, and competitive economics. Although some of these initiatives are in early stages, we are actively working to move them forward. To support this evolving energy portfolio, we initiated grid modernization efforts, including system upgrade studies, improvements to Cooper Lake and Eklutna hydro facilities, and battery storage planning to enhance the stability of wind and solar power. We are also exploring long-duration energy storage solutions, compressed natural gas as a backup power source, and advanced technologies such as microgrids and a Distributed Energy Resource Management System (DERMS) to optimize grid flexibility. Additionally, we continue to support dispatchable generation projects like Dixon Diversion, a proposed enhancement to the Bradley Lake Hydro Project designed to increase output and provide greater year-round flexibility.

CHUGACH INSTALLS SOLAR

Chugach has added solar power to its two newest power plants. A 70 kW array was added to the Southcentral Power Project at Chugach's headquarters, and a 75 kW ground-mounted system was installed at the Sullivan Power Plant along the Glenn Highway. Each project contributes to the utility's overall goal of carbon reduction. In addition to a small amount of fuel savings, the installations give Chugach the opportunity to gain experience in operating and maintaining solar projects.



BATTERY ENERGY STORAGE SYSTEM

A 40-megawatt, two-hour Battery Energy Storage System (BESS) was commissioned in October 2024. The BESS enhances system flexibility, boosts reliability, saves fuel, and brings cutting-edge technology to the Railbelt. The project, owned 75% by Chugach and 25% by MEA, serves as a backup resource during system disturbances. It responds instantly to power disruptions, supplying or absorbing energy to help stabilize the electric grid for the region.



COMMUNITY ENERGY BILL & CHUGACH COMMUNITY SOLAR

Governor Mike Dunleavy signed a measure into law to boost renewable energy production in Alaska, through the creation of a community solar energy framework, which enables members to subscribe to renewable energy. He signed the bill at the location of Chugach's planned Community Solar Project site. Chugach Community Solar, a 500 kW solar facility, is anticipated to commercially launch in August 2025. This project will be the first Community Solar Project offered in Alaska.



EKLUTNA HYDROELECTRIC PROJECT

After five years of study, analysis, and stakeholder engagement, Governor Mike Dunleavy approved the Final Eklutna Fish and Wildlife Program in October 2024. Presented by Chugach Electric and Matanuska Electric, the two Eklutna project owners, the program fulfills the requirements of a 1991 contract to protect, mitigate, and enhance fish and wildlife impacted by the Eklutna Hydroelectric Project. The governor largely approved the plan submitted by Chugach and MEA to use the Anchorage Water and Wastewater Utility portal valve to restore water to the Eklutna River. The decision also calls for the involved parties to continue studying Pumped Storage Hydro as a potential future resource.



NET METERING

Net metering enables members with renewable systems on their homes or businesses to offset their energy use and sell excess power to Chugach. While all types of renewable generation are eligible, solar installations represent 99% of total installed capacity. Eligible systems must be 25 kW or less per meter to qualify.

By the end of 2024, approximately 1,000 members were enrolled, with 5.4 MW of installed capacity. Compared to the previous year, participation increased by 13% and capacity grew 18%, and energy returned to the grid rose 28%.



BENEFICIAL ELECTRIFICATION



CHUGACH LEADS THE CHARGE

Chugach remains committed to advancing beneficial electrification by promoting the transition from direct fossil fuel use to cleaner, lower-emission electricity.

EV TRACKING & EXPANDING OUR FLEET

Electric vehicle (EV) adoption is growing rapidly in Chugach's service area, with roughly 2,000 of Alaska's 4,500 EVs charging on the Chugach system. Anchorage now hosts the state's largest EV population, with a density of about 70 EVs per 10,000 residents in 2024. Chugach also operates electric fleet vehicles and supports public charging infrastructure. In partnership with ReCharge Alaska, two fast-charging sites were added in Anchorage, including one at Chugach headquarters, which has become a key stop for commuters, rideshare drivers, and travelers.

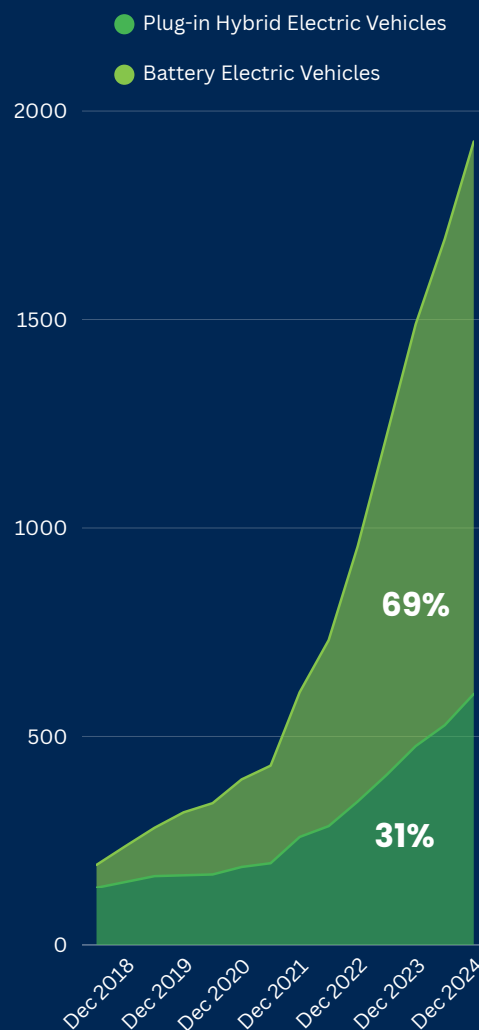
HEATING OUR FACILITY WITH HEAT PUMPS

Chugach is leading the way by adopting mini-split heat pumps, which are already in use in several conference rooms. We plan to expand deployment with hybrid systems to gain hands-on experience and showcase their performance in Alaska's climate.

ELECTRIFYING OUR TOOLS, EMPOWERING OUR CREWS

Chugach continues to embrace this shift internally. Field crews now use battery-powered tools—including chainsaws and guy cutters. The tools offer quieter operation, lower maintenance, and enhanced mobility.

ELECTRIC VEHICLES IN ANCHORAGE





ELECTRIFYING OUR COMMUNITY CHUGACH MEMBER INCENTIVE PROGRAMS



EV CHARGING INCENTIVE PROGRAM

Chugach supports members in electrifying their transportation by offering incentive programs that reduce the cost of installing EV charging infrastructure. In 2024, more than 100 residential members participated in the residential EV charging program, each receiving a \$200 bill credit. Since the program has launched, 405 residential and commercial members have benefited from the program. Chugach also offers a Commercial Level 2 and DC Fast Charging incentive, of up to \$1,000 and \$5,000, respectively. Currently, three members are using Chugach's DC Fast Charging tariff, which helps business members reduce demand charges on their electric bill.



HEAT PUMP INSTALLATION INCENTIVE PROGRAM

Chugach continues to support electrified building technologies, including heating and cooling systems. The heat pump pilot program is available to residential and commercial members who install qualifying electric heat pumps for heating and cooling. Members are able to receive up to \$1,500 for an installed heat pump, dependent on eligible technology and rate class.



BENEFICIAL ELECTRIFICATION AND ENERGY STAR® (BEES) INCENTIVE PROGRAM

Chugach relaunched the Beneficial Electrification and ENERGY STAR® (BEES) Incentive Program, providing financial incentives to residential members and landlords for the purchase of approved electric yard equipment and ENERGY STAR® certified appliances. Available to all residential members in the Chugach service area, the program offered bill credits to encourage cleaner, more efficient energy use in homes.



PEOPLE

SOCIAL STEWARDSHIP

At Chugach, our mission extends beyond delivering electricity. We are dedicated to social stewardship and exceptional service for our members. We recognize employees are our greatest asset and foster a culture grounded in safety, respect, and innovation.

Our priorities center on the well-being of both our workforce and the communities we serve, while providing reliable and affordable power across Alaska. Beyond powering homes and businesses, Chugach supports programs that strengthen our region through education, donations, and hosting community events. More than just a utility, Chugach is a trusted partner in building a resilient, sustainable future for Alaska.

445
employees

23%
minorities
in total
workforce



SAFETY

In 2024, Chugach remained committed to maintaining the foundational elements of its safety culture while actively seeking opportunities to refine and enhance them. Key components include addressing identified safety concerns, conducting safety assessments through the Quality Assurance/Quality Control Plan, integrating safety discussions into daily operations, providing comprehensive annual training, responding effectively to incidents, and recognizing employees who actively promote and demonstrate safe practices.



DIVERSITY, EQUITY, AND INCLUSION

Chugach's strength comes from hiring talented individuals and empowering them to pioneer solutions. We foster a safe, healthy, and inclusive workplace grounded in trust, respect, and diversity, providing opportunities for personal and professional growth. Employees' contributions are recognized and supported through recruitment, development, motivation, and retention, while we uphold strict ethical and regulatory compliance.

It is a policy of Chugach to recruit, hire, train, promote and compensate persons without regard to race, color, religion, national origin, sex, marital status, pregnancy, parenthood, physical or mental disability, veteran's status, age or any other classification protected by applicable federal, state or local law.



11%
military in
total
workforce

100%
employees
Alaska-
based

30%
women in total
workforce



BUILDING A CULTURE OF SUSTAINABILITY

In support of the Sustainability Committee's pilot campaign, Tapping Out Plastic Bottles, Chugach leadership continues to demonstrate its dedication to waste reduction and limiting the use of single use plastic bottles.

New employees receive a reusable water bottle in their welcome packets.

As part of Chugach's One Campus plan, water bottle refilling stations were installed to provide clean, fresh water while offering a cost-effective alternative to a single-use water bottle.

Recycling has been a standard practice at Chugach for many years. To better understand the volume of paper, aluminum, and plastic recycled, materials were gathered and weighed during November and December 2024. During this period, nearly 1,300 pounds of recyclable materials were successfully diverted from the landfill.

To enhance convenience and reduce accidental disposal of recyclables, under the desk recycling bins were offered to all employees. At the Southcentral Power Project (SPP), two employees identified an opportunity to improve systematic recycling. A dedicated bin was installed, and SPP now recycles cardboard and mixed paper on a regular schedule. This initiative has cut waste services in half, reduced landfill waste, and saved Chugach over \$4,000 annually in disposal costs.



Reusable and recyclable aluminum bottled water is now a standard offering at Chugach headquarters and is provided during meetings.



EMPLOYEE DEVELOPMENT AND ENGAGEMENT

Chugach is working to strengthen its efforts to engage employees, prioritizing development and engagement, which ultimately contributes to the long-term success and sustainability of the cooperative. As part of this effort, there have been additional training opportunities including communication training for our managers to enhance their leadership skills, and software skill enhancement training for all employees focusing on popular tools like Microsoft Word and Excel. To gain a more comprehensive understanding of Chugach's operations, all employees were invited to participate in educational tours of its power production facilities. To support employees in living healthy lives, Chugach sponsored a Health Fair, weekly workplace massages, a summer softball team, and multiple community walks in support of local charities.



In 2024, Chugach kicked off its first manager development program, which consisted of more than a dozen managers.

MANAGER LEADERSHIP CLASS

In 2024, Chugach graduated its first cohort from the Manager Development Program. The program focused on key management skills, including communication and team development, while also providing education on cooperative operations and Chugach's history.

STRATEGIC PLAN EMPLOYEE ENGAGEMENT GROUP

In 2024, Chugach expanded its efforts to connect employees with the Strategic Plan. Priority area leads shared action items with leadership, and dedicated priority teams were formed to drive key initiatives. At Chugach, employee engagement remains central to driving innovation, fostering collaboration, and securing long-term success.

Chugach strengthened employee engagement in its Strategic Plan through inviting employees to action planning priority area meetings.





EMPLOYEE CIVIC ACTION PROGRAM

In 2024, Chugach launched the Civic Action Program, a non-partisan initiative designed to empower employees with knowledge of political issues, opportunities to engage with elected officials, and participation in civic activities. The program is voluntary and supports individual involvement without representing Chugach's official positions.

EMPLOYEE VOLUNTEER PROGRAM

Chugach's Employee Volunteer Program allows full-time employees to give back to the community by providing 16 paid volunteer hours annually to support local nonprofit organizations during regular work hours. In 2024, employees contributed nearly 65 volunteer hours to nine community organizations, including the Blood Bank of Alaska, Victims For Justice, and Junior Achievement Alaska. This program reflects Chugach's commitment to hands-on community engagement and supporting the communities it serve.

EMPLOYEE MATCH PROGRAM

Through Chugach's Employee Match Program, Chugach matches eligible employee donations to qualifying 501(c)(3) organizations, up to \$100 per employee annually. In 2024, Chugach matched approximately \$2,100, supporting 13 nonprofit organizations.

EMPLOYEE-LED CHUGACH-SUPPORTED COMMUNITY-FOCUSED

Chugach promotes a culture of service, encouraging employees to lead initiatives that benefit the communities where they live, work, and play. Through their time, talent, and generosity, our team members consistently demonstrate a commitment to making a meaningful difference. Supported by Chugach, these employee-led efforts—whether through volunteer programs, matched giving, or community events—reflect our shared dedication to building a stronger, more connected Alaska. Some of these efforts are shown below.



**ALASKA HEART RUN
& WALK**



**ALASKA RUN FOR
WOMEN**



**OUT OF THE
DARKNESS WALK**

CAUSE

Fights heart disease and stroke; promotes health and wellness

Supports breast cancer research, awareness, and care programs

Supports community suicide prevention



**FOOD BANK OF
ALASKA**



**SALVATION ARMY
ANGEL TREE**



**CHAMBER CITYWIDE
CLEANUP**

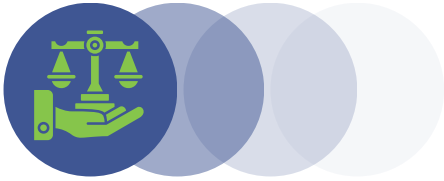
CAUSE

Fights hunger and supports families in need

Provides holiday support for families facing hardship

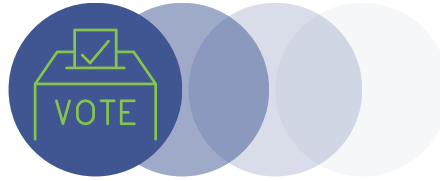
Beautifies Anchorage and promotes environmental stewardship

MEMBER COMMITTEES



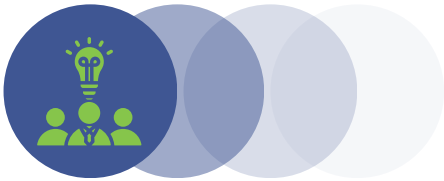
BYLAWS COMMITTEE

The Chugach Board of Directors appoints a committee consisting of a minimum of five and a maximum of seven members to serve on the Bylaws Committee. This committee is tasked with reviewing the Association's bylaws, evaluates proposed revisions, and presents their recommendations to the Board for consideration during the annual election.



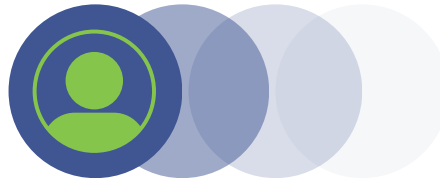
ELECTION COMMITTEE

The Board of Directors appoints a minimum of five and a maximum of 13 members to the Election Committee, who is responsible for election procedures, appointing a master election judge, and recommending a date of record. During the voting period, the committee oversees the election administrator's activities and resolves any issues related to questioned ballots.



MEMBER ADVISORY COUNCIL

The Member Advisory Council (MAC) serves as an ad hoc committee, appointed to provide advice to the board of directors on matters concerning the utility. The committee convenes quarterly meetings to discuss various topics chosen by the board and participants. MAC members are appointed for two-year terms to ensure fresh perspectives and ongoing engagement. Each MAC committee consists of up to 15 members.



NOMINATING COMMITTEE

The Nominating Committee is composed of five to seven members appointed by the Board of Directors. seeks qualified candidates, and screens potential nominees while keeping in mind geographical representation. The committee also approves, prepares and posts the list of nominations.



LEGISLATIVE LUNCHEON



MEMBER ENGAGEMENT

Chugach is committed to cultivating member engagement and meaningful interactions. In 2024, we hosted a series of events to express our appreciation for members. These gatherings also provided opportunities to strengthen relationships with policymakers and key commercial members, reinforcing our ongoing commitment to collaboration and community.



50+ attendees

4 Fridays in October
100s of members were
given information
about sustainability
efforts



EFFICIENT FRIDAYS



MEMBER APPRECIATION DAY

1,200 people attended
100 bucket truck rides
90 power plant tours
17 EVs in showcase
12 community vendors
2 EVs powered the event



NATIONAL DRIVE ELECTRIC WEEK

Ribbon cutting for Level 3 DC fast charger

1,000+ attendees experienced EV capabilities at community events

4th annual event
50% of Key Members represented



KEY MEMBER SUMMIT

ENERGY EDUCATION

Chugach actively supports member and community education through outreach at the local, state, and national levels. In 2024, employees from across departments participated in community events, webinars, school visits, presentations, and industry panels. These initiatives aim to enhance energy literacy and build stronger community relationships.

CLEAN ENERGY OLYMPICS

Chugach supported the 2024 Clean Energy Olympics, where student teams built and tested model wind turbines. Chugach judged and helped teams, with four advancing to the World KidWind Challenge.



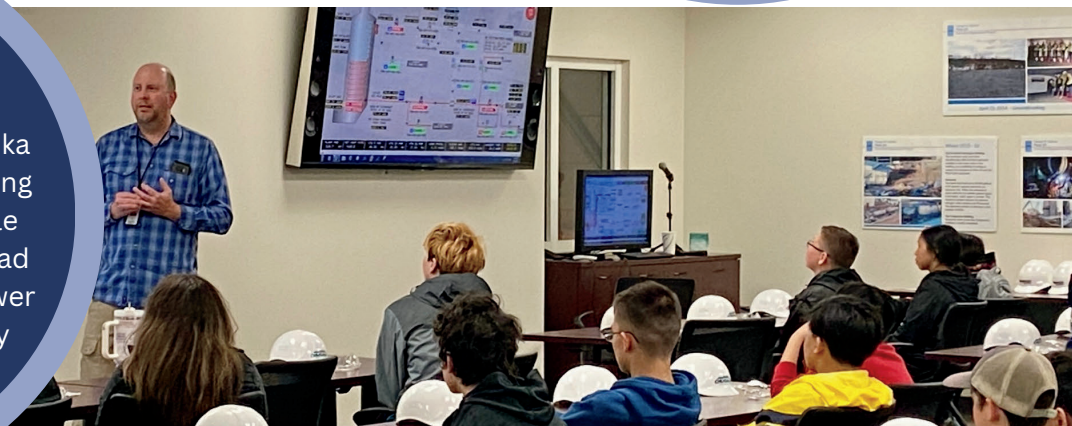
STEM NIGHT

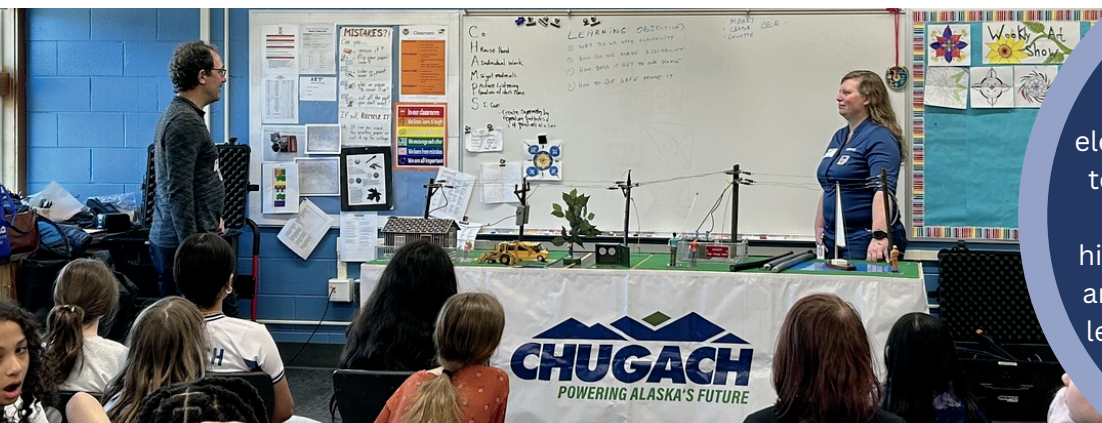
At Trailside Elementary's Math and Science Night, Chugach engaged students with hands-on activities using Kill-a-Watt meters to measure power usage and explore ways to help their families save energy at home.



ENGINEERING PROGRAM

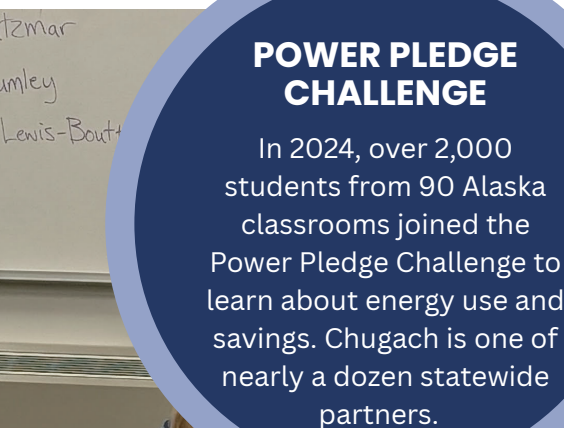
Students enrolled in the Alaska Native Science and Engineering Program (ANSEP), Renewable Energy Career Exploration, had the opportunity to tour a power plant and learn about utility operations and careers at Chugach.





SAFETY CITY

Chugach's safety team visits elementary schools year-round to teach electrical safety using the Safety City model, which highlights hazards from overhead and underground lines. Students learn how electricity is made, its value, and how to stay safe around it.



POWER PLEDGE CHALLENGE

In 2024, over 2,000 students from 90 Alaska classrooms joined the Power Pledge Challenge to learn about energy use and savings. Chugach is one of nearly a dozen statewide partners.



HOME ENERGY WEBINAR

Chugach hosted a residential home energy efficiency webinar to help members save on their electric bills. Participants learned how to monitor and manage their electric use.



PLANT TOURS

Chugach offers tours of its Southcentral Power Project and Sullivan Plant to various groups from legislators to students. These tours enhance energy literacy by providing an overview of Chugach, insight into plant operations and careers, and a guided facility walk-through.



POWERING OUR COMMUNITY

Chugach is proud to support the community we call home. With our members' help, we gave back in 2024. Here's how we powered the COMMUNITY.

C

COMPUTER DONATIONS

Chugach donated over 1,600 computers to Anchorage schools, helping students access the tools they need to succeed.



O

OUTSHINING THE DARK

Chugach crews lit up Town Square for the annual Tree Lighting Ceremony, bringing warmth and cheer to the heart of Anchorage.



M

MEALS FOR THE HOLIDAYS

350 turkeys were donated to local nonprofits during the holiday season, helping ensure tables were well stocked.



M

MULCHING FOR GOOD

In Cooper Landing, Chugach's tree-trimming crew helped clear and mulch downed trees during a community-wide cleanup.



U

UNITING FOR EDUCATION

Chugach proudly sponsored the Alaska State Spelling Bee and staff participated as a guest judge for this statewide celebration of student excellence.



N

NOISE-FREE EVENTS

Chugach powered community events using its all-electric Ford F-150 Lightning, ensuring clean, quiet energy without gas or noise.



I

INVOLVEMENT IN FUR RONDY

Our line crew helped kick off the 2024 Fur Rondy festival by raising the iconic banner across 4th Avenue.



T

TIMBER TO CHIPS

Chugach's tree-trimming crew helped Girdwood residents turn storm-damaged trees into wood chips and delivered them to the community locations.



Y

YIELDING GOOD, YEAR AFTER YEAR

Chugach has been a Tree Line USA utility since 1999, planting a tree at a different elementary school each year to celebrate Arbor Day and support tree education in our community.



Why is Chugach a member of organizations in its service territory?



Build Trust

Strengthens relationships and shows commitment to the community.



Stay Informed

Keeps Chugach aware of local needs and concerns.



Boost Engagement

Promotes education, feedback, and community participation.

Chugach engages with the community and is a member in various organizations. Involvement in the community helps Chugach build relationships with its members. Below are examples of the organizations Chugach is a member of:

- Building Owners and Managers Association
- Alaska Electric Vehicle Working Group
- Alaska Energy Efficiency Partnership Group
- Alaska Wind Working Group
- Alaska Power Association
- Alaska State Chamber of Commerce
- Anchorage Chamber of Commerce
- Anchorage Economic Development Corporation
- Anchorage Home Builders Association
- Cook Inlet Tidal Power
- National G&T Accounting & Finance Association
- National G&T Managers Association
- National Rural Electric Cooperative Association
- Northwest Public Power Association
- Resource Development Council
- Southcentral Alaska Utility Association



In 2023, the creation of a bill rounding program, or Cents of Community, was one of Chugach's bylaw ballot initiatives members were asked to vote on. More than half of the voting membership voted in favor of the bill rounding program. In 2024, the Chugach Board of Directors approved the formation of Cents of Community and the Chugach Electric Association Charitable Foundation. Cents of Community is an opt-out program that is expected to launch in Fall 2025.

2024 CHUGACH BOARD OF DIRECTORS



MARK WIGGIN
CHAIR



SISI COOPER
VICE CHAIR



RACHEL MORSE
TREASURER



SUSANNE FLEEK-GREEN
SECRETARY



BETTINA CHASTAIN
DIRECTOR



JIM NORDLUND
DIRECTOR



DAN ROGERS
DIRECTOR

PERFORMANCE GOVERNANCE

Chugach is a member-owned cooperative committed to delivering safe, reliable, and affordable electricity, guided by a member-elected Board of Directors. This seven-member board, as shown above, provides oversight, strategic guidance, and direction to Chugach's Chief Executive Officer. Directors are elected to staggered four-year terms in conjunction with the annual meeting each spring.

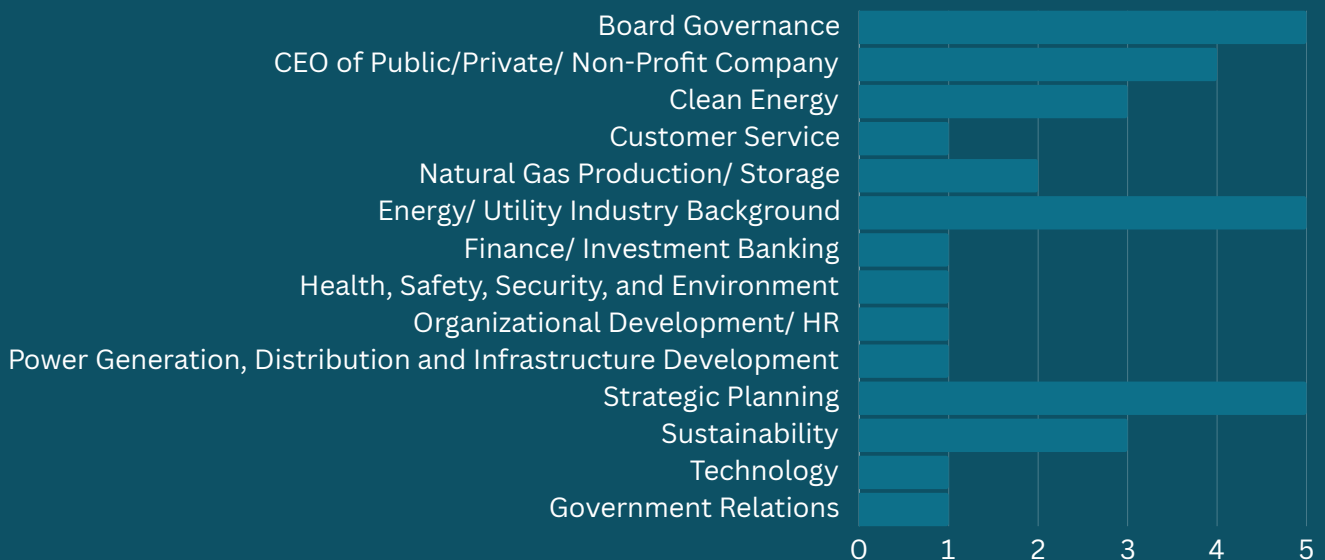
The Board is dedicated to upholding fiduciary duty, strategic oversight, and advocacy for our members' best interest. As a cooperative, it values openness, accountability, and transparency. Members can engage with the Board by phone or email, and participate virtually or in person during regularly scheduled monthly meetings.

To enhance their effectiveness, directors may pursue certification through the National Rural Electric Cooperative Association (NRECA), covering topics such as risk management, power supply, governance, and policy.

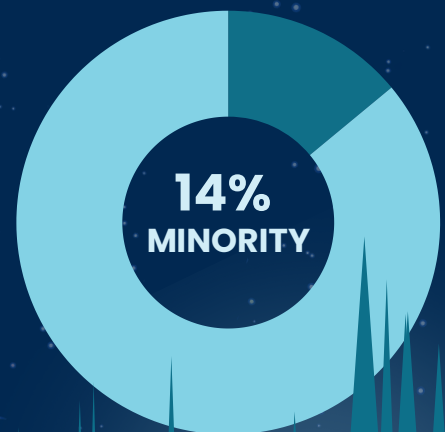
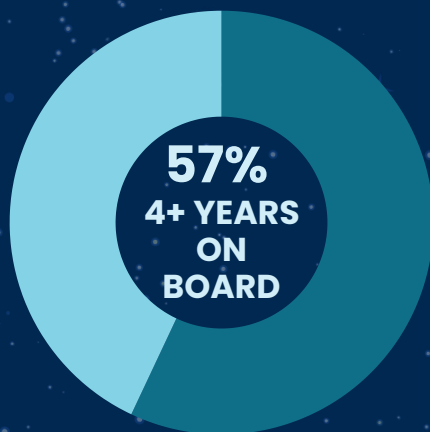
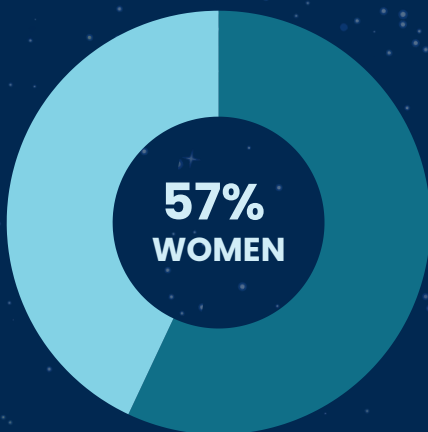
BOARD OVERVIEW

Effective governance relies on the diverse skills, experience, and expertise of a cooperative's Board of Directors. Board competencies ensure that directors can provide strategic oversight, make informed decisions, and guide the organization in alignment with its mission, values, and long-term objectives. This section outlines the key areas of knowledge, experience, and abilities that collectively enable the Board to fulfill its responsibilities and support sustainable organizational performance.

DIRECTOR CORE COMPETENCIES*



** Details a focus area or expertise a director has identified as core competency. This summary is not an exhaustive list of directors' skills or contributions to the board and does not mean additional directors do not have that qualification or skill.*



BOARD COMMITTEES

Chugach is committed to open and transparent governance, fostering active participation from its members. Board meetings are publicly accessible, providing members the opportunity to engage with Directors and stay informed about the cooperative's initiatives. In addition to regular monthly meetings, the Board holds committee meetings, which are also open to the public, offering further opportunities for members to connect with Chugach and its Board of Directors.

AUDIT AND FINANCE COMMITTEE

The purpose of the Audit and Finance Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the Association's systems of internal controls regarding finance, accounting, and legal compliance and the Association's auditing, accounting and financial reporting processes, results and reports.

OPERATIONS COMMITTEE

The purpose of the Operations Committee is to study, examine, and report on matters assigned to it by the Board of Directors, annually conduct the performance evaluation for the Chief Executive Officer, and provide a written report to the Board of Directors detailing the results of such evaluation.

GOVERNANCE COMMITTEE

The purpose of the Governance Committee is to assist the Board of Directors by developing new or enhancing existing policies aimed at Board working relationships and examine the annual election process to determine if improvements can be made that would be beneficial to the Association.



FINANCIAL STANDINGS

Chugach maintains high financial ratings, receiving an "A-" rating from Fitch and an "A" rating from S&P. These ratings enable the cooperative to obtain and secure debt at low rates, reflecting its solid credit profile. Chugach has also been recognized as one of Alaska's Top 49ers, an annual ranking by Alaska Business magazine highlighting the 49 highest-revenue companies that are at least 51% Alaska-owned and operate within the state. In 2024, Chugach proudly retained its #17 position, matching its ranking from 2023.

STRATEGIC PLAN

Chugach's Strategic Plan guides the cooperative's efforts to advance safety, member-focused advocacy, communication, business planning, employee growth, decarbonization, and a reliable natural gas supply. The board annually reviews the plan to validate objectives, identify gaps, and ensure alignment with key priorities such as power reliability, grid resilience, fuel stability, aging infrastructure, and resource diversification.

STRATEGIC PRIORITY AREAS



Safety



Legislative &
Policy
Positions



Communication,
Member Engagement
& Community
Involvement



Business
Planning &
Economic
Development



Employee-
Centric
Development



Decarbonization



Natural Gas
Supply

RATE CASE

In September 2024, the Regulatory Commission of Alaska (RCA) issued its decision on Chugach's June 2023 rate case, approving a final base rate increase of 4.3%. The decision had varying impacts on members, depending on residential or commercial member type and usage. When Chugach purchased Municipal Light & Power (ML&P) in 2020, the RCA required the utility to file a rate case in 2023 to combine the rates of all customer classes regardless of geographic location. Prior to the 2023 filing, former ML&P customers had not had base rates adjusted since 2017, and Chugach legacy members' base rates had not been adjusted since 2020.

CAPITAL CREDIT RETIREMENT

In December 2024, Chugach returned over \$4 million in capital credits to more than 93,000 current and former members. For the first time, the cooperative used a hybrid retirement—paying 75% from the oldest year and 25% from the newest—honoring commitments made during the ML&P acquisition. This included \$2.8 million from 1992, \$0.9 million from 2023, and \$0.3 million to former members no longer receiving service. Capital credits are retained by the cooperative as working capital and returned at the Board's discretion. Returns ranged from a few cents to \$161,000, with an average of \$88 per member.

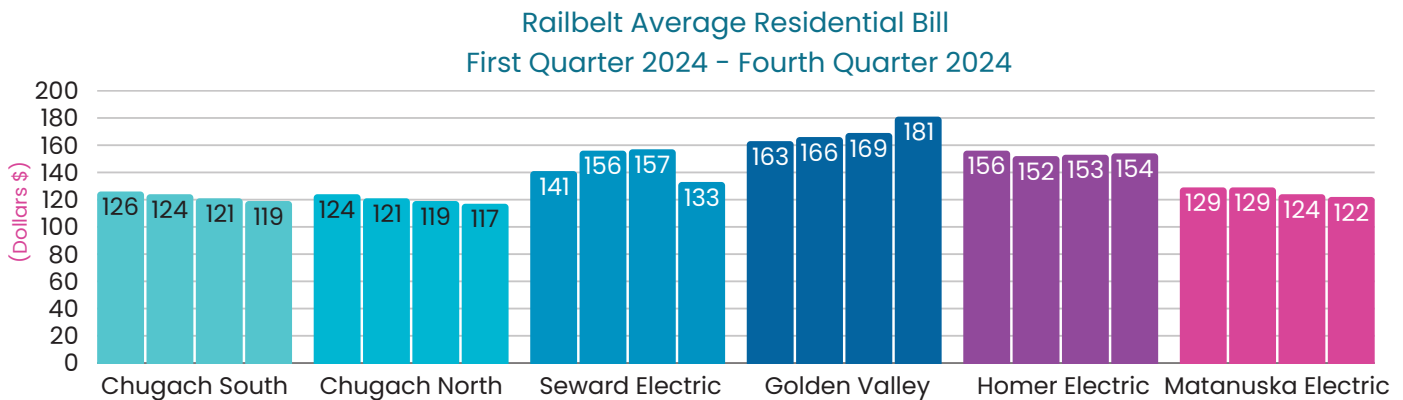


OPERATIONAL EXCELLENCE

PRICE, MEMBER SATISFACTION & RELIABILITY

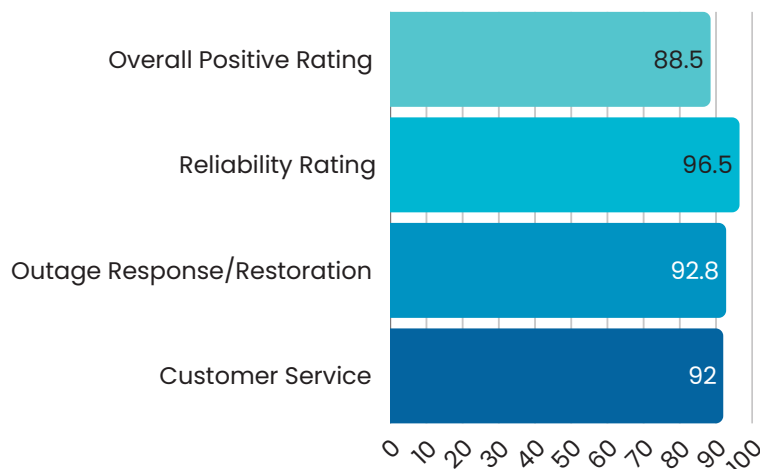
PRICE

In 2024, Chugach maintained the lowest average bills in the Railbelt for residential, small commercial, and large commercial members which highlights Chugach's commitment to affordable, reliable energy. The graph below illustrates the average monthly residential bills for each Railbelt cooperative utility, presented by quarter.



MEMBER SATISFACTION

Chugach conducts an annual member satisfaction survey, expanding participation from 500 to 1,300 members in recent years. Survey results consistently demonstrate high satisfaction with reliability, customer service, and outage response. Reliability continues to be members' top priority, as it has since tracking began in 1995.



MEMBER QUOTES

"Chugach has definitely met my 'WOW' quota for the year."

"The woman who helped me was knowledgeable, courteous, and made me feel that I mattered. I learned a lot about Chugach and realized what a good company it is."

"A joyful experience from the start to the end of the service."

RELIABILITY

Alaska’s electric grid operates independently, without connection to other grids in the Lower 48 states. This isolation requires a heightened focus on reliability to ensure consistent, resilient service. Chugach’s 2024 continual improvement review identified the following key reliability processes:

- Modifications to shift schedules benefited the entire service territory
- Increased danger tree clearing in outlying areas (Hope, Tyonek, Girdwood and Moose Pass)
- Cleared additional Right-of-Way (Hope and Tyonek)
- More aggressive clearing of easements
- New reclosers for additional sectionalizing capabilities in Girdwood and Cooper Landing
- Land rights research for a second feeder in Cooper Landing

The U.S. Energy Information Administration collects data from electric distribution utilities and power marketers nationwide. Key measures include the System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI), which reflect the total duration and frequency of outages in a given year, and the Customer Average Interruption Duration Index (CAIDI), which measures the average length of time customers experience a power outage. Chugach consistently maintains SAIDI and CAIDI performance levels below both national and Alaska averages, demonstrating above-average reliability.

In 2024, Chugach enhanced its reliability tracking by reporting in two categories: all events (including major weather incidents) and events excluding days with significant storm impacts. The table below compares weather-related and non-weather-related outages for 2023 and 2024, showing that outages outside of major storms remain at or better than national averages.

2024 YEAR END OUTAGE STATISTICS

	All Events (With Major Event Days)			Without Major Event Days		
	SAIDI	SAIFI	CAIDI	SAIDI	SAIFI	CAIDI
2023 Chugach System	210	1.61	130	130	1.14	114
2024 Chugach System	209	1.99	105	121	1.50	81
2023 EIA Alaska	375	2.70	139	326	2.37	138
2023 EIA US Average	367	1.35	272	124	1.02	121

INFRASTRUCTURE RESILIENCE

In 2024, Chugach began the Girdwood to Indian Transmission Line Rebuild, replacing 12 miles of aging infrastructure as part of a broader initiative to modernize the transmission corridor from Anchorage to Cooper Landing. This investment strengthens long-term system reliability across Southcentral Alaska. Chugach also operates a year-round right-of-way clearing program to minimize outages and mitigate wildfire risk. In response to severe winter storms, crews removed more than 7,000 danger trees in the Cooper Landing area and secured property for a satellite operations facility to improve outage response capabilities in remote communities.



DISASTER PREPAREDNESS

In response to increasing wildfire and avalanche risks, Chugach updated its emergency protocols to strengthen safety and preparedness. During dry conditions, lines are no longer automatically re-energized; crews now perform on-site inspections to minimize fire hazards. Chugach also conducts annual avalanche training, equipping lineworkers for real-world rescues in snow-prone areas, emphasizing quick response and safety. These measures improve preparedness and enhance safety for both crews and the public.



STRATEGIC DEVELOPMENT & INNOVATION

Chugach is advancing strategic growth through beneficial electrification and innovative rate design. While energy efficiency and warmer winters continue to curb demand growth, emerging technologies such as EVs, heat pumps, and data centers, present new opportunities. In 2024, Chugach received Regulatory Commission of Alaska approval for a cruise ship shore power rate, a pilot Time of Use rate, and Alaska's first community solar program—set to launch in 2025. These initiatives support system optimization, economic development, and environmental goals while aligning member needs with long-term grid planning.



RISK MANAGEMENT & CYBERSECURITY

Chugach's governance framework prioritizes digital and operational risk management. A comprehensive cybersecurity strategy, built on proactive risk mitigation, employee training, and secure technologies, protects critical infrastructure and data. These measures safeguard the reliability and integrity of utility operations amid a rapidly evolving threat landscape. By integrating cybersecurity into governance practices, Chugach strengthens organizational resilience and reinforces member trust.



APPENDIX A

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) REPORT EDISON ELECTRIC INSTITUTES' TEMPLATE

Portfolio	2022	2023	2024
Owned Nameplate Generation Capacity at end of year (MW)¹			
Coal	0	0	0
Natural Gas	759.8	745.8	793.4
Nuclear	0	0	0
Petroleum	0	0	0
Other			
Biomass/Biogas	0	0	0
Geothermal	0	0	0
Hydroelectric ¹	30.9	30.9	30.9
Solar	0	0	0
Wind	0	0	0
Owned Net Generation for the data year (MWh)			
Coal	0	0	0
Natural Gas	2,045,389	1,810,745	1,945,703
Nuclear	0	0	0
Petroleum	0	0	0
Other			
Biomass/Biogas	0	0	0
Geothermal	0	0	0
Hydroelectric	89,933	115,425	75,203
Solar	0	0	0
Wind	0	0	0
Retail Electric Accounts (at end of year)			
Large Commercial	2,465	2,514	2,543
Small Commercial	13,745	13,690	13,622
Residential	96,873	96,984	97,048
Streetlights	167	167	165

¹ Total System Winter Capacity Rating (MW @ 30° F) net of mothballed units. The Eklutna Hydroelectric Project is jointly owned by the Municipality of Anchorage, Chugach, and MEA. The capacity shown is Chugach's ownership share.

Emissions	2022	2023	2024
The 2024 carbon intensity (emission factor) for Chugach members, delivered to their meters, was 0.3743 CO2e MT/MWh, or 825.2 CO2e lbs/MWh.			
GHG Emissions: Carbon Dioxide (CO2) and Carbon Dioxide Equivalent (CO2e)			
Owned Generation			
Carbon Dioxide (CO2)			
Total Owned Generation CO2 Emissions (MT)	861,469	814,356	872,044
Total Owned Generation CO2 Emissions Intensity (MT/Net MWh)	0.4046	0.4228	0.4315
Carbon Dioxide Equivalent (CO2e)			
Total Owned Generation CO2e Emissions (MT)	862,401	815,197	872,941
Total Owned Generation CO2e Emissions Intensity (MT/Net MWh)	0.4050	0.4232	0.4320
Non-Generation CO2e Emissions of Sulfur Hexafluoride (SF6)			
Total CO2e emissions of SF6 (MT)	1,263	9,427	1,699
Leak rate of CO2e emissions of SF6 (MT/Net MWh)	0.0006	0.0049	0.0008
Nitrogen Oxide (NOx)			
Total NOx Emissions (MT)	0	0	0
Total NOx Emissions Intensity (MT/Net MWh)	0.00	0.00	0.00
Sulfur Dioxide (SO2)			
Total SO2 Emissions (MT)	0	0	0
Total SO2 Emissions Intensity (MT/Net MWh)	0.00	0.00	0.00
Resources	2022	2023	2024
Human Resources			
Total Number of Employees	432	443	445
Percentage of Women in Total Workforce	31%	32%	30%
Percentage of Minorities in Total Workforce	22%	23%	23%
Total Number on Board of Directors	7	7	7
Percentage of Women on Board of Directors	57%	57%	57%
Employee Safety Metrics			
Recordable Incident Rate	2.71	2.20	2.42
Lost-time Rate	0.98	0.98	1.45
Days Away, Restricted, and Transfer (DART) Rate	1.72	1.95	1.70
Work-related Fatalities	0	0	0
Fresh Water Resources used in Thermal Power Generation Activities			
Water Withdrawals - Consumptive (Millions of Gallons)	100.5	100.5	134.1
Water Withdrawals - Non-Consumptive (Millions of Gallons)	0	0	0
Water Withdrawals - Consumptive Rate (Millions of Gallons/Net MWh)	5.06E-05	5.81E-05	7.12E-05
Water Withdrawals - Non-Consumptive Rate (Millions of Gallons/Net MWh)	0	0	29.1
Waste Products			
Amount of Hazardous Waste Manifested for Disposal	1.2 MT	1 MT	1 MT
Percent of Coal Combustion Products Beneficially Used	0%	0%	0%



CHUGACH
POWERING ALASKA'S FUTURE

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