CHUGACH

POWERING ALASKA'S FUTURE

Annual Report 2025

Chugach Board of Directors

2025-26 Chugach Board of Directors
L to R: Treasurer Rachel Morse, Vice Chair Sisi Cooper, Director Dan Rogers, Chair Mark Wiggin, Secretary Susanne Fleek-Green, Director Katherine Jernstrom, Director Jim Nordlund

Arthur Miller
Chief Executive Officer

Andrew Laughlin
Chief Operating Officer

Sherri Highers
Chief Financial Officer

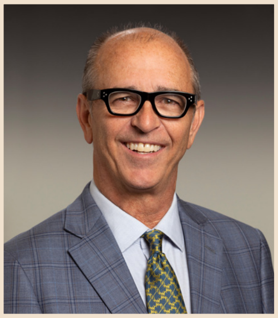
Allan Rudeck
Chief Strategic Officer

Matthew Clarkson
Chief Legal Officer

Katie Millen
VP, Human Resources

Chugach Management

To Our Members



Mark Wiggin
Board Chair

Arthur Miller
Chief Executive Officer

As we reflect on the past year, one theme stands out: progress grounded in reliability. At Chugach Electric, our responsibility is to provide the power our members depend on every day while planning thoughtfully for the future. Over the past year, we made meaningful strides in both areas.

A reliable supply of natural gas remains essential to powering Southcentral Alaska. In 2025, we continued advancing solutions to ensure our members have dependable and affordable energy in the years ahead. One of the most important developments was the progress made toward gas storage, which will play a critical role in strengthening our energy security and helping manage supply during periods of high demand. While this work continues, the momentum we built this year represents an important step forward.

At the same time, we successfully completed several major projects that strengthen our system and expand opportunities for our members. Among them was the launch of Alaska's first community solar project—an exciting milestone that expands opportunities for members to access renewable energy. Investments like this reflect Chugach's commitment to expanding options for our members while maintaining the reliability our system requires.

Equally important is our continued focus on the people we serve. As a member-owned cooperative, Chugach exists to serve its members, and your voices help guide our work. Throughout the year, we expanded opportunities for members to engage with us through meetings, events, and outreach across communities. These efforts are reflected in continued member satisfaction and engagement, something we view as both an achievement and an ongoing priority.

Looking ahead, we remain focused on delivering reliable power, managing costs responsibly, and investing in the resources and infrastructure needed for the future. With thoughtful planning, strong partnerships, and the continued support of our members, we are confident in the path forward.

We thank our employees, members, and community partners for their dedication and trust. Together, we are building an energy future for Alaska that is reliable, innovative, and responsive to the needs of the communities we serve.

2025 In Review

Maintaining natural gas supply

Chugach continues to manage its ownership interest in the Beluga River Unit (BRU) natural gas field, helping ensure a reliable gas supply and power generation for our members. The 2025 drilling season delivered another standout year, marking the second consecutive year the BRU ranked as the top-producing unit in the Cook Inlet Basin.

As regional gas supplies continue to tighten, Chugach remains focused on maximizing the value of the BRU—safely, strategically, and with our members in mind. Working alongside unit operator Hilcorp Alaska, our teams have met the challenge of sustaining production in a mature and declining basin. Through Chugach's 67% ownership in the field, this disciplined approach has delivered strong results, with cumulative savings exceeding $140 million from 2016 through 2025.

At the same time, Chugach is planning for the future. With the Cook Inlet Basin undergoing significant change, storage capacity and reliable deliverability are more important than ever. To strengthen our position, Chugach has secured additional gas storage at Hilcorp facilities and is exploring additional storage opportunities on the west side of Cook Inlet—reducing risk and ensuring flexibility, stability, and long-term value for the communities we serve.

One Campus Plan

One of the final steps in the 2020 acquisition of Municipal Light & Power was to bring all employees to Chugach's South Campus on Electron Drive. In October 2025, the effort was completed with the opening of the Field Operations and Engineering Building. The goal of the One Campus Plan was to bring employees together on one campus to centralize key operations and improve alignment, communication, safety, and emergency response. The new building is approximately 77,000 square feet on three levels, includes 27 heavy equipment bays, and hosts the largest rooftop solar installation in Alaska with 355 bifacial panels at 165 kilowatts of power.

Safety

At Chugach, safety is our top strategic priority. We are committed to a proactive safety culture built on risk assessment, early hazard identification, pre-work planning, and coaching. While extreme weather in early 2025 contributed to a challenging year for worker injuries, we remain focused on continuous improvement. Our safety team is increasing engagement with frontline workers, strengthening safe work practices, and improving incident and near-miss investigations. Collecting data and metrics helps us better understand our challenges, enabling informed business decisions to reduce risk and improve worker safety.

2025 In Review

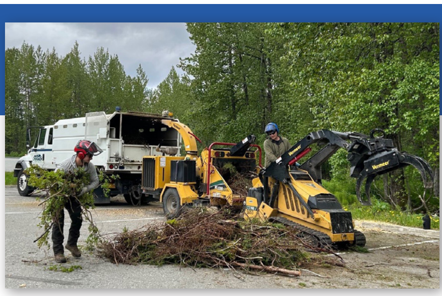
Community Solar – first in Alaska

Chugach members own Alaska's first Community Solar Project. Enrollment opened in April 2025, allowing members to subscribe to between one and 20 bifacial panels. The program was so popular, the 1,560 available panels were quickly oversubscribed, and a lottery was used to select the members who could participate. The 500-kilowatt project allows members who can't or don't want to install solar panels on their dwelling to participate in a clean energy project. Participants receive credits on their electric bills that reflect their share of the energy produced. Located next to Chugach's Retherford Substation in South Anchorage, the project started producing power in August. It is so popular among members, there is a waiting list, and a second project is being considered.

Line clearing promotes safety, reliability

Keeping Chugach's easements clear is a key part of providing safe and reliable power to our members. Clearing Chugach easements is a year-round program to remove trees and other vegetation from the right-of-way. Trees falling into power lines is one of the leading causes of power outages. Keeping the easements clear reduces tree-related outages and allows crews safe access to efficiently restore power after an outage or to perform routine maintenance. In 2025, Chugach crews and contractors cleared just over 212 miles. Trees outside of Chugach's easements that are threatening a power line can be removed with signed permission from the property owner. The utility's clearing program utilizes best practices in vegetation management and Chugach has been a Tree Line USA designated utility since 1999.

2025 In Review



Wildfire prevention

Clear easements are also an important part of wildfire prevention in the Chugach service territory. In 2025, Chugach participated with the Municipality of Anchorage and several other agencies in the Community Wildfire Protection Plan. Finalized in December, the plan is the result of coordinated interagency collaboration, providing a framework for building wildfire resilience. As part of the effort, fire officials expressed support for Chugach's vegetation management efforts, citing clear easements as critical fire breaks as well as potential evacuation routes in the event of a major wildfire. Chugach's wildfire prevention planning includes a number of progressive steps that could be taken in the event of increasing wildfire danger including disabling automatic reclosing mechanisms that allow for visual inspection before a line is re-energized and, in a worst-case scenario, public safety power shutoff, where power lines would be de-energized proactively in a high-fire danger situation.

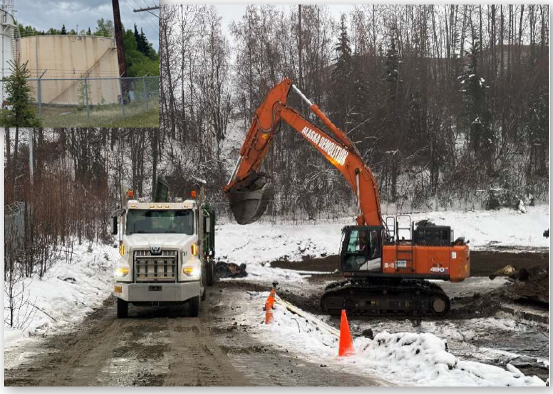
Beluga operations go remote

At nearly 60 years old, the Beluga Power Plant is the oldest plant in Chugach's portfolio. But, while older, it remains an important part of providing backup generation. With six natural gas fired simple cycle gas turbines, the Beluga plant provides peaking and reserve capacity important for reliable power. In 2025, with technology upgrades, Chugach was able to convert the plant to remote operations, recognizing it could be effectively maintained and utilized from across the Inlet in Anchorage. The move is part of Chugach's overall goal of creating efficiencies and saves the utility at least $500,000 annually.

Beluga Solar moving forward

The Chugach Board of Directors approved plans to build up to a 10-megawatt solar project near the Beluga Power Plant across Cook Inlet. In fourth quarter 2025, the board authorized spending up to $26.4 million for the project at the site west of Anchorage, near Tyonek. Chugach's goal is to take advantage of federal tax credits which would result in a roughly 40% reduction on the cost of the project. The solar project will help diversify Chugach's generation mix and reduce the need for natural gas. Targeted to be operational in mid-2027, when complete, the Beluga Solar Project will be the largest solar project in Alaska.

Diesel tanks removed



As part of Chugach's commitment to responsible environmental management, two 1 million-gallon diesel tanks were removed from the Sullivan Power Plant site along the Glenn Highway. The tanks, installed in the 1980s and retired in 2015, had been emptied and cleaned before remaining idle for several years. In late 2025, crews removed the tanks, associated piping, and related infrastructure. Full ground remediation is scheduled to be completed by mid-2026. Removal of the tanks fulfills a key remediation commitment by Chugach and our ongoing environmental stewardship efforts.

2025 In Review

Community outreach

Connection to community is at the heart of a member-owned cooperative. At Chugach, we look for meaningful ways to show up for the communities we serve—not just by providing reliable power, but by being active partners in the places we live and work.

Throughout the year, Chugach employees volunteer their time and energy in dozens of community events, including the Alaska Run for Women, the Heart Run, and the Alaska State Spelling Bee. Our crews help mark the seasons in Anchorage as well, hanging the holiday lights in Town Square and raising the traditional Fur Rendezvous banner across Fourth Avenue.

During the holidays, employees delivered more than 300 turkeys to local nonprofit organizations, helped prepare holiday meals, and assembled food boxes for local families. They also serve on nonprofit boards, participate in public conversations about Alaska's energy future, and visit schools to teach electrical safety. Chugach employees are more than the people who keep the lights on—they are neighbors, volunteers, and community leaders who care deeply about the places we serve.

Dispatch Center upgrade

Chugach completed a remodel and upgrade of its primary dispatch center and relocated and enhanced its secondary backup dispatch center in a secure location. As the central control point for the electric system, these improvements strengthen reliability, resiliency, and operational readiness. Chugach's dispatchers routinely operate from both centers to ensure each location remains fully functional and ready at all times.

Undergrounding improves reliability, landscape

In 2025, Chugach completed three significant undergrounding projects in busy commercial and residential areas across Anchorage. The work involved removing overhead poles, wires, and equipment and replacing them with underground systems.

Undergrounding helps improve reliability by reducing tree-related outages and increasing feeder transfer capacity. It also improves the overall look of the areas where the work is completed.

Projects include:

- Bragaw/Northern Lights – 1.25 miles from Bragaw Street to E. Northern Lights Boulevard and the Glenn Highway
- Huffman Road – approximately one mile from Lake Otis Parkway to the Old Seward Highway
- Dimond Boulevard – one mile from Jewel Lake Road to Roy Street

This undergrounding work is part of an ongoing commitment. Under a 2005 Municipality of Anchorage ordinance, electric utilities are required to maintain a five-year undergrounding program. Chugach invests about $6.6 million annually—approximately 2% of local retail electric revenues—to continue moving overhead infrastructure underground.

CHUGACH At a Glance

NOT-FOR-PROFIT • MEMBER-OWNED • ELECTRIC COOPERATIVE

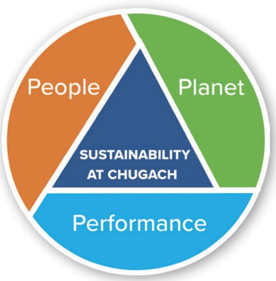
764.5 megawatts of installed generation, net

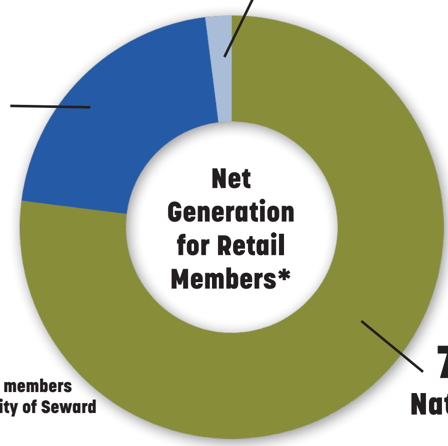
472 miles of transmission line

61 substations

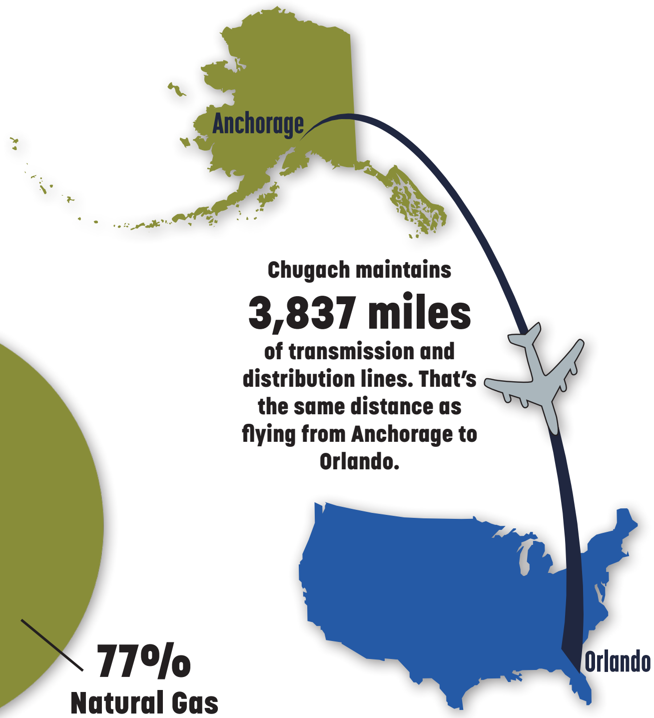
3,365 miles of distribution lines

113,883 service locations & **88,368** cooperative members





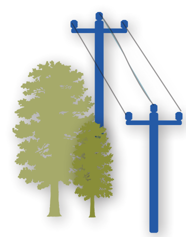
*Retail members includes City of Seward



Chugach maintains **3,837 miles** of transmission and distribution lines. That's the same distance as flying from Anchorage to Orlando.

Reliability

212 miles of line cleared of trees to increase reliability



4.88 hours average outage length per customer in 2025, up 1.42 from 3.46 in 2024

3.24 hours 5-year average outage length per customer, up 0.56 from 2.68 in 2024

Incorporation

Chugach Electric Association, Inc. was incorporated in Alaska on March 1, 1948, with funding under the Rural Electrification Act of 1936, as amended. In 1991, Chugach refinanced and paid off its federal debt, leaving the Rural Electrification Administration. Chugach remains a cooperative and ranks among the largest of the more than 900 electric cooperatives in the nation.

Equal Employment Opportunity

It is a policy of Chugach Electric Association, Inc. 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.

HOW THE DOLLAR WAS EARNED

Residential Sales

30¢

Commercial Sales

58¢

Lighting & Other

2¢

Military

7¢

Sales to Other Utilities

3¢

HOW THE DOLLAR WAS SPENT

Fuel & Purchased Power

27¢

Depreciation

19¢

Power Production

12¢

Maintenance & Operation

12¢

Interest & Long-term Debt

13¢

Administrative & General

12¢

Margins

3¢

Other

2¢

Treasurer Report

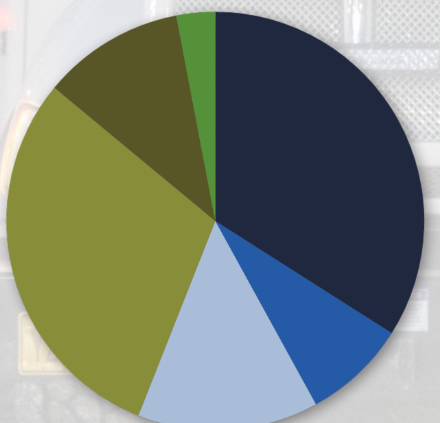
Rachel Morse
Treasurer

As a member-owned, not-for-profit cooperative, our financial objective is to collect only the revenues necessary to reliably serve our members. These revenues provide recovery of operating and maintenance expenses; fuel and purchased power costs; investments in our electric system; debt service costs; and the establishment of prudent reserves. In 2025, these reserves or margins, revenues less expenses, totaled $12.4 million, compared to $6.2 million in 2024. These margins are retained as patronage capital and serve as our primary source of equity and are ultimately returned to our members. Over time, Chugach has returned over $112 million to our members.

Energy sales to our retail, wholesale, economy, and power pool customers totaled 2.3 billion kilowatt-hours (kWh) in 2025, consistent with 2024. Total revenue in 2025 was $375.7 million, higher than $358.4 million in 2024. Cost recovery through revised rates and higher power pool and other revenue, was somewhat offset by lower economy and wheeling revenue. Despite continued cost management efforts, expenses increased due to outage restoration, purchased power, system clearing activities, labor increases, discontinued projects, and interest. Lower fuel, power production, and depreciation expenses helped partially mitigate these increases.

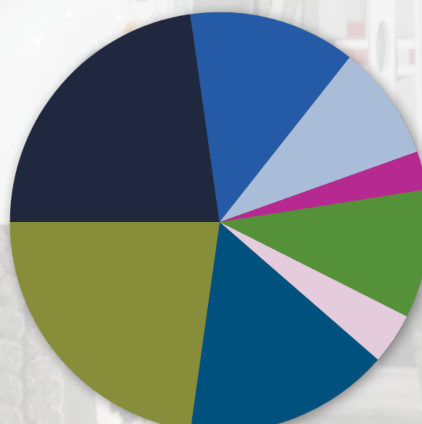
We continued to invest in the long-term reliability and resilience of our electric system, investing more than $104 million in utility plant during 2025. At the same time, we repaid approximately $61 million of long-term debt. We ended 2025 with a margins-for-interest coverage ratio of 1.24, exceeding our indenture requirement of 1.10, and our equity-to-total capitalization ratio increased to 17.2% from 15.7%. Credit ratings from S&P Global Ratings and Fitch Ratings remained unchanged, supporting continued access to capital at competitive rates for the benefit of our members.

2025 NET UTILITY PLANT
$1,550,862 (in thousands)



- Generation: 34%
- BRU: 8%
- Transmission: 14%
- Distribution: 30%
- General & Other: 11%
- Battery Energy Storage: 3%

2025 TOTAL OPERATING EXPENSES
$319,357 (in thousands)



- Fuel: 22%
- Production: 12%
- Purchased Power: 9%
- Transmission: 3%
- Distribution: 10%
- Consumer Accounts: 4%
- Administrative, General & Other: 18%
- Depreciation & Amortization: 22%

Financial Results

CHUGACH
POWERING ALASKA'S FUTURE

Consolidated Balance Sheets as of December 31 *(in thousands)*

Assets	*2025*	*2024*
Net Utility Plant	$1,550,862	$1,546,456
Other Property & Investments	58,816	48,022
Current Assets	219,818	218,918
Deferred Charges, net	96,684	100,915
Total Assets	$1,926,180	$1,914,311
Liabilities, Equities and Margins		
Equities and Margins	$233,489	$221,444
Long-Term Obligations	1,130,149	1,189,364
Current Liabilities	309,250	247,724
Long-Term and Deferred Liabilities	253,292	255,779
Total Liabilities, Equities and Margins	$1,926,180	$1,914,311

Consolidated Statements of Operations *(in thousands)*

	2025	*2024*
Operating revenues	$375,695	$358,414
Fuel	71,349	72,378
Production	38,204	38,948
Purchased power	29,161	27,548
Transmission	10,130	9,277
Distribution	32,256	29,911
Consumer accounts	12,163	11,174
Administrative, general and other	55,633	49,306
Depreciation and amortization	70,461	71,751
Total operating expenses	319,357	310,293
Interest expense, net	48,740	46,797
Net operating margins	7,598	1,324
Total nonoperating margins	4,810	4,897
Assignable margins	$12,408	$6,221

Consolidated Statements of Changes in Equities and Margins *(in thousands)*

Balance, January 1, 2025	$221,444
Assignable margins	12,408
Retirement/net transfer of capital credits	(672)
Unclaimed capital credit retirements	(20)
Memberships and donations received	329
Balance, December 31, 2025	$233,489

Consolidated Statements of Cash Flows *(in thousands)*

	2025	*2024*
Cash flows from operating activities:		
Assignable margins	$12,408	$6,221
Adjustments to reconcile assignable margins to net cash provided by operating activities:		
Depreciation and amortization	80,980	80,689
Allowance for funds used during construction	(341)	(1,018)
Other	(3,425)	5,035
(Increase) decrease in assets:	2,666	(20,827)
Increase (decrease) in liabilities:	(21,335)	2,830
Net cash provided by operating activities	$70,953	$72,930
Cash flows from investing activities:		
Investment in special funds	(5,951)	(5,555)
Extension and replacement of plant	(104,332)	(157,810)
Other/proceeds from capital grants	360	215
Net cash used in investing activities	$(109,923)	$(163,150)
Cash flows from financing activities:		
Net increase (decrease) in short-term obligations	74,000	(16,000)
Proceeds from long-term obligations	0	150,000
Repayments of long-term obligations	(60,693)	(48,921)
Other	28,294	24,916
Net cash provided by financing activities	$41,601	$109,995
Net change in cash and cash equivalents	2,631	19,775
Cash* at beginning of year	25,191	5,416
Cash* at end of year	$27,822	$25,191

*Cash includes cash, cash equivalents and restricted cash

Corporate Information
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