

## Grid unification, hydropower focus of legislative agenda

At the state level, Chugach's 2015 legislative agenda is focused on providing information about the benefits of grid unification and more hydropower for the Railbelt.

### Grid unification

Grid unification means operating the regional transmission system under a common set of standards and rules, funded by a universal tariff authorized by regulators and collected from all Railbelt ratepayers.

Studies done for AEA have noted significant savings for customers can be achieved through economic dispatch – using the most efficient generating units on the system to meet the needs of collective customers. However, those same studies note that the full benefits of economic dispatch cannot be achieved without additional investments in new regional transmission lines. Today's system of utility governing bodies making decisions focused within their respective service territories does not lend itself to making regional decisions.

Currently, each of the six electric utilities in the Railbelt owns a portion of the transmission grid, as does the Alaska Energy Authority. Under the current system, each entity that owns transmission lines assesses a wheeling charge for their use of the transmission system, often after protracted proceedings before the Regulatory Commission of Alaska.

Although there is considerable agreement on reliability and operating standards, it is not unanimous. Nor is it clear who pays the cost of connecting to the transmission system, and what protections are appropriate to ensure one user doesn't negatively affect the rights of others. Disputes often wind up before the RCA or in court, where resolution of issues can be costly and time-consuming.

Chugach is a proponent of following successful business models from the Lower 48, where for years regional transmission organizations have been successfully unifying the grid. Discussions of the issue led the Legislature in 2014 to appropriate \$250,000 to the Regulatory Commission of Alaska to look deeper into the issue and report back to legislators by July 1, 2015.

### Hydropower opportunities

Hydro projects today provide the least expensive power in the Railbelt. Unfortunately, there are only a few of them, and they have limited reservoir storage capacity. For Chugach, hydropower usually is the source of about 10-12 percent of the kilowatt-hours sold each year.

There are opportunities for new hydro resources in the Railbelt. Chugach is well along on a project to divert Stetson Creek into the Cooper Lake reservoir, adding additional "fuel" for the existing power plant.

AEA is evaluating a similar diversion that could add much of the water from Battle Creek to the Bradley Lake reservoir.

By far the largest potential new hydro resource for the Railbelt would be the Susitna-Watana project. It would dam the upper reaches of the Susitna River. Water from the resulting reservoir would flow through a powerhouse below the dam and generate about half the electric energy required by consumers throughout the Railbelt. With an estimated life of more than 100 years, the project would provide power for generations of Alaskans. AEA has been working to advance the project to licensing for the past few years, and is about two-thirds of the way to submitting an application to the Federal Energy Regulatory Commission.

There are two separate parts to developing the project: securing a license and construction.



*The Southcentral Power Project runs year-round, but the small amount of water vapor in its exhaust is only visible during certain winter conditions. SPP is an efficient, 200-megawatt, gas-fired power plant jointly owned by Chugach (70%) and Municipal Light & Power (30%).*

Chugach supports funding AEA through the license application. FERC conditions on the operation of the project will be included in the license. Power sales agreements with utilities will be necessary to pay for the financing plan to build the project, but before utilities can make business decisions on PSAs they'll need to know the terms and conditions of the project, as well as its cost. Licensing is an important step in the process.

## MEA chooses not to extend interim power sales agreement

In January, Matanuska Electric Association notified Chugach it is not extending the Chugach-MEA interim power sales agreement beyond its original termination date of March 31, 2015. Chugach and MEA negotiated the contract (approved by the Regulatory Commission of Alaska) to provide power to MEA while MEA completed

the Eklutna Generation Station. The agreement provides MEA a secure power supply from Chugach during the 1st quarter of 2015 and allows Chugach to purchase power from MEA-commissioned generation units. Beginning April 1, 2015, MEA plans to meet its full electric load with EGS and MEA's hydroelectric resources.

## Energy Efficiency Q&A

### What simple and free measures can I take to save electricity in my home?

Make it a habit to turn off lights before you leave a room or go to sleep. Encourage other family members to do the same. Extend the habit and turn off your electronics when you're not using them. Plug in your electronics, such as your computer, monitor and printer into a power strip and simply turn off the strip when you go to bed.

### Weather affects sales

Initial indications are that the relatively warm temperatures in 2014 offset growth in services and caused power sales to remain generally flat. Projections versus actual sales varied among different customer groups. For the year, sales to both Chugach retail and

### How can I find out how much electricity a specific device or electronic is using?

Chugach members may borrow a "Kill-A-Watt" EZ meter for up to two weeks to monitor the power consumption of their home appliances and devices. Any home electrical device, using a standard 120 volt plug, can be used with the "Kill-A-Watt" EZ meter. {1163540}

More information can be found at [www.chugachelectric.com](http://www.chugachelectric.com).

wholesale customers were lower than expected. However, economy energy sales to Fairbanks were higher than anticipated. The net effect was that sales for 2014 were in line with budgeted projections..

### Planning to develop property?

Developers that will need a line extension to unserved property – or the upgrade of existing service – should meet with Chugach early in the planning process. Winter is a good time to begin discussions, so that both Chugach and the developer can reach agreement on electric service needs and associated costs in time to

bid projects before the start of construction season. Plans and permits can take time to develop and secure.

Under Chugach's line extension tariff (approved by the Regulatory Commission of Alaska), developers are responsible for the cost of extending primary service to their property, as

## 2014 peak

The peak demand for electricity on the Chugach system in 2014 came in the hour ending at 10 a.m. on Wednesday, Jan. 22. The temperature at Chugach headquarters was 35 degrees. Demand was 397 megawatts. At the time, Chugach was selling 60

megawatts of power north to Fairbanks-based Golden Valley Electric Association. It was the first year in decades the peak did not include sales to Homer Electric Association, which left the Chugach system at the end of 2013.

## Annual meeting and election notes

Chugach's annual membership meeting will be held on Thursday, May 14, 2015 at the Dena'ina Civic & Convention Center.

Two directors will be elected to the Chugach board in the upcoming 2015 election.

Members who are interested in either meeting with and being considered by the Nominating Committee or running by petition should call 762-4791 to obtain a candidate packet. Can-

didate applications and resumes for the Nominating Committee's review must be received by 5 p.m., Tuesday, Feb. 10, 2015.

Candidate nominations should be submitted to:

*Tom Schulman*  
PO Box 196300  
Anchorage, AK 99519-6300  
[tom\\_schulman@chugachelectric.com](mailto:tom_schulman@chugachelectric.com)

More information and forms may be found at [www.chugachelectric.com](http://www.chugachelectric.com) or by calling 762-4177.

well as the cost of the service line(s) and related equipment to serve the electric load on their property. Line extensions may be either single-phase or 3-phase, depending upon the needs of the customer. For commercial customers, Chugach pays for the needed transformer and applies a credit (based upon the anticipated electric

load) against the cost of the line extension. For residential properties, Chugach contributes a credit, the transformer, and the cost of up to 100 feet of service line.

For more information about line extensions, call 762-4631.

## The Chugach Outlet

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

**Corporate vision:** Powering Alaska's future

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



## Contact us

**Hours**  
Monday - Friday  
8 a.m. - 5 p.m.  
563-7494  
(800) 478-7494  
563-7366  
563-4678  
762-7803  
563-5060  
762-4731  
762-7227  
762-7676  
811  
(800) 390-2782  
276-6222  
To report a power outage  
In Anchorage 762-7888  
Outside Anchorage (800) 478-7494

## Monthly residential service costs

(based on 650 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.09415 x kwh =	\$61.20
Fuel \$0.04763 x kwh =	\$30.96
Purchased power \$0.01442 x kwh =	\$9.37
FIW renewable energy adj. \$0.00230 x kwh =	\$1.50
<small>(Fuel, Purchased power and FIW renewable energy adjustment factors effective January 1, 2015)</small>	
Subtotal	111.03
2% MOA Undergrounding Charge =	\$ 2.22
Regulatory Cost Charge \$0.000754 x kwh =	\$ 0.49
Total bill	\$113.74

## Member number hide-n-seek

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