Chugach Electric Association, Inc.

OUTLET

February 2017 Number 348

www.chugachelectric.com

Utilities sign Power Pooling Agreement Collaboration to save millions for Railbelt customers

Chugach Electric is one of three Alaska Railbelt electric utilities that signed an agreement to collectively utilize their generation and transmission assets to benefit tens of thousands of customers. The Power Pooling and Joint Dispatch Agreement, signed by Chugach Electric Association (Chugach), Municipal Light & Power (ML&P), the Municipality of Anchorage (MOA), and Matanuska Electric Association (MEA), was filed with the Regulatory Commission of Alaska (RCA) on January 30, 2017.

Signing of the agreement solidifies work of the utilities on a power market, allowing the utilities to buy and sell power when it is more economic than generating their own. By running the most efficient units first, regardless of location or ownership, the utilities estimate the arrangement will jointly save \$12 million to \$16 million a year in fuel, operations and maintenance costs, and will reduce CO2



Power Pooling Agreement was announced at the Southcentral Power Project on Jan. 30. Pictured L to R: GM Mark Johnston, ML&P; CEO Lee Thibert, Chugach; GM Tony Izzo, MEA; Anchorage Mayor Ethan Berkowitz and Board Chair Janet Reiser, Chugach.

Section of transmission line to be rebuilt

Chugach will be rebuilding another section of the 115-kilovolt transmission line that links Anchorage and the Kenai Peninsula. The line was originally constructed in 1962 to carry power from the Cooper Lake Hydro Electric Project to Anchorage. Today this line carries power produced at the Cooper Lake, Bradley Lake and Nikiski power plants.

The project will rebuild approximately four miles of transmission line between mile post 61 and 55 along the Seward Highway, using 230-kilovolt standards to maintain reliability and accommodate anticipated load growth in the future.

The scope of work for the project includes:

- Remedial Clearing of the existing Right-of-Way
- · Restoration of lost or overgrown accesses
- · Removal of existing structures and conductors
- Installation of new structures and conductors

Line construction is planned to begin in January and be concluded by May 2017. Clearing for the construction began in December 2016.

More information regarding this project can be found at www.chugachelectric.com/inside-chugach/projects.

Board fills vacancy

Anchorage resident Stuart Parks has been appointed to the Chugach Board of Directors. Parks is Vice President, Director of Business Development and Strategy at NANA WorleyParsons, LLC. in Anchorage. He fills a vacancy created by the resignation of former director Bruce Dougherty, who left in December



Stuart Parks

2016. After interviewing multiple applicants for the director's seat, the Chugach board appointed Parks at a meeting on January 26. In accordance with the bylaws, a member will be elected in this year's election to serve the three years remaining on Dougherty's original four year term.

See Agreement, page 2

Annual Meeting and Election notes

The 2017 Chugach Annual Meeting and Election is scheduled for May 18, 2017 at the Dena'ina Civic and Convention Center. Plans are already underway to make the 2017 Annual Meeting interesting and meaningful to you, the co-op member. We are changing it up some for 2017, adding entertainment, and educational and informational booths on such topics as job training, emergency preparedness, and energy efficiency. {1118272}

Two directors will be elected to the Chugach Board in the upcoming 2017 election.

Members who are interested in either meeting with and being considered by the Nominating Committee, or running by petition, should call 907-762-4791 to obtain a candidate packet. Candidate applications and resumes for the Nominating Committee's review must be received by 5 p.m. Friday, Feb. 3, 2017. Petition applications must be received by 5 p.m. Thursday, March 9, 2017.

Candidate packets should be submitted to:

Tom, Schulman PO Box 196300 Anchorage, AK 99519-6300 tom_schulman@chugachelectric.com.

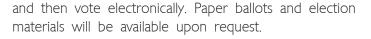
More information and forms may be found at www. chugachelectric.com or by calling 907-762-4177.

Paperless election coming

We are moving to a paperless election. Chugach has encouraged members to reduce paper waste and postage expense by going paperless and viewing election materials online. Electronic voting and telephone voting will begin on Monday, April 17.

In the past, you have received your election packet in

the mail. For the 2017 election season, all the election materials will be conveniently located at www.chugachelectric.com. Members will be able to view all the election publications in one place, become fully informed



Please update your email in order to electronically send you important election materials. Email service@ chugachelectric.com or call Member Services @ 563-7366.



Agreement (cont'd from page 1)

emissions by 90,000 to 120,000 tons per year. In addition to the reduced cost of power and reduced CO2 emissions, power pooling and economic dispatch of power will also reduce natural gas usage.

The Power Pooling and Joint Dispatch Agreement is the framework for a commitment to jointly dispatch and share in the benefits of power pooling. The filing with the RCA is considered informational as the utilities continue to work out details of the dispatch and payment reconciliation process—called settlement—throughout 2017.

A filing requesting RCA approval of the final, long-term agreement is expected in 2018.



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The Outlet

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