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Chugach Electric's Beluga River investment surpasses \$100 million in savings for members

Chugach Electric Association, Inc.'s (Chugach) investment in the Beluga River Unit (BRU) natural gas field in Cook Inlet has saved members more than \$100 million over the past eight years. Chugach holds a two-thirds working interest in the BRU, with Hilcorp Alaska, LLC (Hilcorp) owning the remaining one-third and serving as operator of the field.

Chugach acquired a 10% interest in 2016, and another 57% interest in the field as part of the acquisition of Municipal Light & Power in 2020. The cumulative net savings to Chugach since 2016 surpassed \$100 million in May and was \$101.2 million at the end of June.

“We are very pleased to see the ongoing savings for our members from this investment,” said Chugach CEO, Arthur Miller. “These savings translate to overall lower electric rates for the more than 91,000 members of the cooperative.”

Miller added that with the ownership interest of the BRU, Chugach is the second largest producer of natural gas in Cook Inlet. The savings from the ownership is calculated by comparing Chugach's contract price with Hilcorp to the gas transfer price of BRU gas. The current contract price to Chugach is \$7.78 per mcf and the current BRU gas transfer price is \$6.45 per mcf, which provides Chugach members a savings of \$1.33 per mcf.

Chugach completed five wells in the Beluga River field in 2023, and there are plans to drill five more development wells in 2024. The BRU currently supplies 18% of total Cook Inlet gas production.

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