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Battery Energy Storage System Officially Commissioned ***Project to save fuel and boost reliability on the Railbelt***

Today, representatives from Chugach Electric Association, Inc. (Chugach), Matanuska Electric Association, Inc. (MEA), the Alaska Energy Authority, state lawmakers, and other officials gathered to celebrate the commissioning of the new Battery Energy Storage System (BESS) at Chugach's south campus.

The BESS, a 40-megawatt, two-hour storage system, is co-owned by Chugach (75%) and MEA (25%). Situated near Chugach's Southcentral Power Project, the system consists of 24 Tesla Megapack modules. It is set to bring significant benefits to the Railbelt's electric grid.

“The BESS enhances system flexibility, boosts reliability, saves fuel, and brings cutting-edge technology to the Railbelt,” said Chugach CEO Arthur Miller. “It’s a crucial step as we work to diversify power generation and create a more dynamic system.”

“We’re excited to see this project contribute to our region’s energy future,” said MEA CEO Tony Izzo. “We understand that reliability of power is the number one priority for our co-op members, and this initiative will improve power quality from the Bradley Lake Hydro project while reducing costs and increasing generation options for the entire region.”

The BESS will serve as a backup resource for both Chugach and MEA during disturbances, such as transmission line interruptions, generation issues, or other load shed events. It can instantly respond to power disruptions, injecting or absorbing power as needed to stabilize the grid. It will also increase the resiliency of the Bradley Lake Hydroelectric Project, which benefits the Railbelt.

Another advantage of the BESS is its ability to reduce reliance on spinning reserve—capacity that must currently be kept in reserve on natural gas and hydro generators. By moving spinning reserves to the BESS from existing generators, the system is projected to lower natural gas consumption by about 5% annually for both Chugach and MEA.

The \$65 million project may also qualify for Investment Tax Credits. The current BESS footprint allows for potential future expansion of up to 70 megawatts.

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