



FOR IMMEDIATE RELEASE
June 14, 2023

Contact: Julie Hasquet
(907) 717-9619

Chugach signs shared services agreement with Hilcorp Alaska ***Coordination at Beluga River gas field provides significant savings***

Chugach Electric Association, Inc., has signed a shared services agreement with Hilcorp Alaska, LLC (Hilcorp) that will result in improved operational efficiencies and provide significant cost reductions associated with the operation of the Beluga Power Plant and the Beluga River Unit (BRU) gas field.

Chugach and Hilcorp are joint owners of the BRU where Chugach has a two-thirds working interest. As the two companies work together to optimize efficiencies at the Beluga site, they will now share services on the west side of Cook Inlet. Going forward the companies will share equipment such as cranes, loaders, and warehouse space; lodging and catering for camp staff; and barging services to and from Beluga.

“This agreement is a continuation of our joint efforts to increase efficiencies in the operations at Beluga,” said Chugach CEO Arthur Miller. “The efficiencies realized through shared services and the elimination of duplication ultimately result in lower electric rates for our members.”

The agreement, finalized on June 9, 2023, is expected to result in savings to Chugach of over \$700,000 a year, providing value to its more than 92,000 members.

Both the Beluga Power Plant and the BRU gas field are located on the west side of Cook Inlet near Tyonek. The power plant provides reserve and peaking generation capacity with six natural gas fired simple cycle gas turbine generators. The BRU gas field is operated by Hilcorp; activity in 2022 included the drilling of four new wells, while plans in 2023 include drilling five new development wells.

###