

## RESOLUTION

### 2022 Test Period General Rate Case Filing

WHEREAS, the Regulatory Commission of Alaska (“Commission”) issued its final order approving Chugach Electric Association, Inc.’s (“Chugach”) acquisition of most of the electric utility assets and service obligations of the Municipality of Anchorage d/b/a Municipal Light & Power (“ML&P”) on May 28, 2020 (“Acquisition Order”);

WHEREAS, the Commission’s Acquisition Order required Chugach to file, by December 31, 2023, a revenue requirement study, cost-of-service study, and rate design proposing unified rates for its combined service territories based on a 2022 calendar year test year (“2022 GRC”);

WHEREAS, Chugach has been working constructively with the Commission and its members to address financial performance concerns over the past several years since close of the acquisition;

WHEREAS, in response to Chugach’s financial performance concerns, the Commission expedited the deadline for filing Chugach’s 2022 GRC from December 31, 2023, to August 15, 2023;

WHEREAS, Chugach has prepared its 2022 GRC in accordance with the Commission’s Acquisition Order and 3 AAC 48.275(a);

WHEREAS, Chugach’s 2022 GRC filing requests approval of retail and wholesale customer, demand, and energy rate changes based on the results of Chugach’s 2022 test period revenue requirement and system sales;

WHEREAS, Chugach’s 2022 GRC filing requests Commission approval for interim demand and energy rate increases effective September 1, 2023, of 5.6 percent (3.6 percent on a total bill basis) to the Chugach retail class and 10.6 percent (4.6 percent on a total bill basis for delivery at transmission voltages) to the wholesale class of Seward Electric System;

WHEREAS, Chugach’s primary 2022 GRC proposal for permanent rates deviates from a strictly cost-of-service based result by offering a rate mitigation plan that constrains rate impacts to certain customer classes (“Primary GRC Proposal”);

WHEREAS, to ensure compliance with the Acquisition Order, Chugach will also file an unmitigated 2022 GRC proposal for review by the Commission (“Alternative GRC Proposal”);

WHEREAS, under Chugach’s Primary GRC Proposal, total retail customer bills (including fuel and purchased power) would increase by a system average of approximately 5.9 percent, with individual customer impacts varying based on cost-of-service results and rate design;



WHEREAS, under Chugach's Primary GRC Proposal Seward Electric System's total wholesale customer bill (including fuel and purchased power) would increase by approximately 6.5 percent, with the ultimate end-use customer increase being significantly less;

WHEREAS, the 2022 GRC filing also includes (1) a proposal designed to encourage beneficial electrification through optional time-of-use rates for residential and small commercial customer classes; (2) a program designed to incentivize cruise ship interconnections thereby reducing carbon emissions while at port, and (3) an update to Chugach's firm and non-firm transmission wheeling rates and attendant ancillary services in support of third-party wheeling transactions on the Chugach system, including dispatch, voltage control, regulation and frequency response, and operating reserves (spin and supplemental) services; and

WHEREAS, the requested rate changes in the 2022 GRC are based on a requested Times Interest Earned Ratio ("TIER") of 1.75 for the Chugach system and 2.20 TIER for the Beluga River Unit operations, which allow Chugach to achieve an equity ratio of 35 percent by 2033 and its targeted equity ratio of 40 percent no later than 2038.

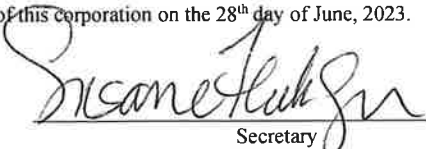
NOW THEREFORE BE IT RESOLVED, the Board of Directors authorizes the Chief Executive Officer to file Chugach's 2022 GRC, including both the Primary and Alternative GRC Proposals, with rates, terms, and conditions substantially similar to those discussed herein;

BE IT ALSO RESOLVED, the Board of Directors directs the Chief Executive Officer to continue investigating and analyzing alternative rate programs and designs that further advance its decarbonization and beneficial electrification goals for consideration by the Board of Directors for future adoption. The Chief Executive Officer shall report back with options, findings, and recommendations no later than July 1, 2025.

#### CERTIFICATION

I, Susanne Fleek-Green, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 28<sup>th</sup> day of June, 2023; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation on the 28<sup>th</sup> day of June, 2023.

  
Secretary