

Three years later: The success of the acquisition of ML&P

The end of October marked the third anniversary of the acquisition of Municipal Light & Power by Chugach, and we are pleased to report it has been a major success. As part of the approval of the acquisition, Chugach submits annual updates on the net savings to the Regulatory Commission of Alaska.

Based on operating results through Dec. 31, 2022, Chugach has realized estimated net savings of over \$72 million. Those savings are the result of operational efficiencies realized through economies of scale through all facets of electric utility operations, including but not limited to the consolidation of accounting, member services, human resources, regulatory,

dispatch, and information services activities. Additionally, as a combined utility, generation requirements are met through the two most efficient thermal generation power plants in the state, the George M. Sullivan Plant 2A and the Southcentral Power Project. Overall, the acquisition has resulted in a permanent reduction in Chugach's overall cost structure, both today and in the future.

Combining the workforces of the two utilities has been a high priority with significant progress towards a unified and cohesive culture. This includes a "One Campus Plan" which will bring employees from the North Campus (downtown) to Chugach's South Campus on Electron Drive. Having



the employees on one campus will increase workforce productivity and collaboration while improving safety, reliability, and security. The move is expected to save an estimated \$31 million over 20 years.

In addition to having a more efficient utility, for Chugach members, savings from the acquisition result in electric rates lower than they otherwise would have been without combining the two utilities.

Valuing the Eklutna Hydroelectric Project

The Eklutna Lake Hydroelectric Project has reliably served Southcentral Alaska for more than 60 years and provides about 4% of Chugach's annual energy requirements.



The dam at Eklutna Lake

This energy is among the lowest cost energy in the region and helps maintain low rates for Chugach members. But Eklutna Hydro provides significant value in addition to affordable energy. The most visible of these benefits is long duration energy storage by holding water in Eklutna Lake to generate

electricity at different time periods. When electric demand is low, Eklutna Hydro generation is reduced and the lake level rises, allowing water to be stored until it is needed to generate electricity.

Another benefit of Eklutna Hydro is the ability to regulate, or balance, variable renewable energy resources like wind and solar. Variable resources must be regulated with controllable, also called firm, resources like hydro that can be turned up and down in response to changes in variable generation resources. The capacity of Eklutna Hydro to regulate variable renewables is incredibly valuable since it doesn't require natural gas or battery energy storage. {1150417}

Eklutna Hydro is a unique and versatile asset that provides immense benefits to Southcentral Alaska, including low-cost energy, energy storage, and regulation capacity in support of variable generation renewables.

Annual meeting and election planning begins

As we close out the year, Chugach staff is making plans for the 2024 annual meeting and election. The annual meeting is scheduled for Friday, May 17, 2024, at ChangePoint Alaska. The annual meeting will be held the same day as Chugach's Member Appreciation Event. More details to come in future Outlets and at chugachelectric.com.

Applications accepted for board seats

Voting in the annual election will begin in mid-April. Two candidates will be elected to 4-year terms on the Chugach Board of Directors. Members interested in being considered

by the Nominating Committee should visit chugachelectric.com/media/annual-meeting-election or call (907) 762-4489 for a candidate packet. Applications and resumes for the Nominating Committee's review must be received by 5 p.m. Tuesday, Jan. 24, 2024.

Bylaw submissions open

Members may submit proposed bylaw changes for consideration by the Bylaws Committee until 5 p.m. Tuesday, Jan. 24, 2024. Bylaw proposals should be submitted to: Julie Hasquet, 5601 Electron Dr. Anchorage, AK 99518 or julie_hasquet@chugachelectric.com. Members with questions can call (907) 762-4489.

Chugach among top employers in Alaska



Chugach is proud to once again be among Alaska's Top 49ers in business.

Ranked by revenue,

Alaska Business magazine annually lists the top 49 Alaska companies that are 51% or more Alaska-owned and have operations in Alaska. Chugach came in at #17 this year. Our 450 employees all live and work in Alaska, and we are proud to provide affordable, reliable electricity to our members.

Taking root at Huffman Elementary

We teamed up with Ms. Seebold's 4th graders, the Arthur Campbell Nursery, and Carlos Tree Service to plant an Evans Sour Cherry Tree at Huffman Elementary in September.



Chugach has been a Tree Line USA utility since 1999, planting a tree at a different school each year and talking to the students about the benefits of trees and the importance of a healthy urban forest.



CHUGACH EMPLOYEE SPOTLIGHT

From Engineering to Operations to Member Services, all of Chugach's roughly 450 employees live and work in Alaska.

Each month we will introduce you to one of our employees who works every day to provide safe, reliable power to our members.



Name: Nat Lewis
Position: Sullivan Plant Manager
Time at Chugach: 10 years

Nat has worked at ML&P and then Chugach since 2013. He says the most challenging part of his job is that the plant runs 24/7/365 and employees are always on-call to respond to issues. He enjoys traveling, kayaking, and beekeeping.

Green Corner Reducing our carbon footprint



Trim your holiday energy costs by choosing energy efficient LED lights. LED holiday lights use less energy and can last up to 40 seasons. They're also easier to install – you can connect up to 25 LED strings without overloading a wall socket.

Source: energy.gov



The Outlet

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Member number hide-n-seek

Find your member number in (brackets) in the Outlet and get a \$100 credit on your electric bill. Call Chugach at 907-563-7366 to claim your prize.