



Railbelt electric utilities announce plans to develop a gas-fired generation project

Anchorage Municipal Light & Power, Chugach Electric Association and Homer Electric Association are interested in joining together to build a new power plant. The three utilities will jointly pursue the development of an efficient, gas-fired generation project near Chugach headquarters in South Anchorage.

Homer Electric currently purchases its power requirements from Chugach Electric under a wholesale power agreement that expires December 31, 2013. Homer Electric intends to acquire its own generation sources following the expiration of the contract.

ML&P generates its own power with a variety of resources, including gas-fired generation plants along Ship Creek near its headquarters complex, and at its Plant 2 near the Glenn Highway and Muldoon Road.

Chugach is presently in the process of developing a gas-fired generation project in south Anchorage and has offered ML&P and HEA the opportunity to be participants in the project. All three utilities foresee needing additional generation resources at about the same time.

The proposed 260-megawatt generation plant would be located near Chugach's current headquarters in South Anchorage. Under the terms being discussed, ML&P, Chugach and HEA would work together on the planning and construction of the plant and associated transmission facilities. While there are still many details to be worked out, the plant could be on line by 2012.

The utilities hope to have a project agreement completed and ready for presentation to their respective boards and commission later this year.

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