

Early estimate puts Cook Inlet gas costs higher for 2011

Commercial customers preparing their 2011 utility budgets should assume an increase because of higher natural gas costs we pay to Cook Inlet producers. As a result we will have to increase rates between 5 and 10 percent. The expected increase is driven

primarily by higher fuel prices.

Chugach's annualized projection for 2011 comes with caveats, since electric bill levels are impacted by factors outside of Chugach's direct control.

These factors include market

conditions for natural gas and the availability of hydroelectric generation due to changes in reservoir water levels. Fuel prices currently average between \$4.00 and \$4.50 per mcf. For 2011, the cost is expected to average \$5.50 to \$6.00 per mcf.

The gas price estimate for 2011 does not change Chugach's projection for current 2010 electric bill levels. We projected that costs for 2010 would stay fairly flat and that forecast remains accurate.

ENERGY STAR offers tools for commercial sector

Regardless of the type or size of business, controlling and cutting costs are always top of mind. Reducing energy use and increasing energy efficiency have proven to be effective strategies for controlling costs with good returns, according to ENERGY STAR.

A joint program of the U.S. Protection Agency and the U.S. Department of Energy, ENERGY STAR offers an array of free tools and services for the commercial sector. http://www.energystar.gov/index.cfm?c=business.bus_index.

Step by step program

Its Guidelines for Energy Management <http://www.energystar.gov/index>.

[cfm?c=guidelines.guidelines_index](http://www.energystar.gov/index.cfm?c=guidelines.guidelines_index) is a seven-step program to help organizations improve their energy and financial performance, and establish credentials as environmentally conscious members of the community.

Professional help

ENERGY STAR maintains a directory of expert service and product providers that can help you identify, prioritize and implement quality projects that will improve your total energy management. The ENERGY STAR Service and Product Provider partners listed have demonstrated expertise in leveraging ENERGY STAR to help clients meet important energy management goals. Use this

tool to see which companies are doing the most for their clients through ENERGY STAR.

Earning an ENERGY STAR

Buildings and facilities can earn the ENERGY STAR by meeting strict energy performance standards. ENERGY STAR buildings use less energy, are less expensive to operate and cause fewer greenhouse gas emissions than their peers.

To qualify for the ENERGY STAR, a building or manufacturing plant must score in the top 25 percent based on EPA's National Energy Performance Rating System. To determine the performance of a facility, EPA compares energy use among other, similar types of facilities on a scale of 1-100;

buildings that achieve a score of 75 or higher may be eligible for the ENERGY STAR. The EPA rating system accounts for differences in operating conditions, regional weather data, and other important considerations.

To learn how your facility measures up, go to EPA's free online tool, Portfolio Manager at http://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager. It will calculate a score for your building on a scale of 1-100. Buildings that score a 75 or greater may qualify for the ENERGY STAR.



Watt Buster – Commercial

Research project: Does information lead to action?

Chugach Electric has been recruiting commercial customers for a research project on energy savings assessments. The goal is to determine whether such assessments spur decisions to improve energy efficiency.

Project participants receive valuable analysis of their energy use, including specific recommendations for reducing energy consumption. These assessments normally cost thousands of dollars, but because this is a research project, there is no cost to participate.

The project, dubbed “Watt Busters – Commercial,” is funded in part by a grant Chugach received from the Alaska Energy Authority. Altogether, 20 commercial sites will be

monitored in the Chugach service area. All assessments must be completed by August.

Participation in the project involves several meetings, data gathering, placement of monitors and a follow up report on the results. The report includes information on low cost fixes as well as ones that would require a return on investment. After the assessment, customers participate in a brief follow-up survey.

As many as 10 monitors are deployed at a facility for up to one week (depending on building size), gathering data on electricity and gas use, HVAC, air quality and CO2. The monitors are small (6”h x 5”w x 4”d) and unobtrusive.



Control Contractors, Inc. (CCI) is working with Chugach on the project. CCI, a Chugach member, was established in 1976 in Seattle. Over the last 30 years, CCI has established offices in Alaska and throughout the Pacific Northwest.

CCI’s access to “Smart Building Solutions” monitors has enabled the project to also assess HVAC air quality, carbon footprint, and establish a bridge between the ENERGY STAR buildings program and project participants.

In addition to the latest in monitoring programs, CCI is known nationally for providing “multi-vendor, multi-industry” control systems. CCI is the authorized representative for many leading building control solutions.

For more information on this program and to check on any future opportunities contact Carol Heyman at 762-4707 or carol_heyman@chugachelectric.com



Chugach works to maintain natural gas supplies

Chugach is serious about developing alternative sources of energy; its goal is to flip the current ratio of 90% fossil fuels and 10% renewables. Wind and hydroelectric could become economically viable within 10 years, but until then, we will continue to rely on natural gas fired generation.

The hitch is that natural gas supplies and deliverability –

the ability to meet demand on a cold winter day – are declining in Cook Inlet.

Chugach has worked with the state, other local utilities and Cook Inlet gas producers on a plan to ensure local needs are met for many years to come. Part of the plan is to provide producers with adequate financial incentives to cover the cost of continued Cook

Inlet development. Recent decisions by the Regulatory Commission of Alaska (RCA) – including approval of Chugach’s new gas contracts – have been positive steps in that direction.

In addition, the Alaska Legislature made major strides this past session through a Cook Inlet Recovery plan. This plan was made possible by

the leadership of Chugach, the state and other stakeholders. The work to ensure a solid energy future is far from done and Chugach will continue these cooperative efforts as we prepare to meet future energy needs. In the future, as now, Chugach will always seek the lowest price fuel.