

Utilities continue to work together

Chugach, MEA, Seward support Railbelt G&T organization

Chugach, Matanuska Electric Association and the City of Seward continue to support the creation of an entity to meet the combined generation and transmission needs of customers in the Railbelt.

Leaders of the three organizations held a joint meeting Nov. 13 and agreed to continue backing legislation to create the Greater Railbelt Energy and Transmission Corporation, or GRETC. Directors from the two utility boards were unanimous in their support, and the representatives of City of Seward agreed to seek formal support for the GRETC concept at an upcoming council meeting.

The organizations outlined their vision in a resolution that noted many of the benefits the new

organization would bring. These include joint planning, state-assisted financing, and utility technical expertise to operate and maintain projects.

The organizations note that the successful Bradley Lake hydroelectric project provides a model for GRETC activities. Bradley Lake is a state-owned, utility-operated project whose low-cost power is shared through power sales contracts with each of the six Railbelt electric utilities. The state provided the financing for Bradley Lake through a combination of grants and bonds, with the utilities covering the debt service in exchange for power from the project.

"Bradley has been a great success and an example of what we can do when utilities and the

state work together," said Bradley Evans, Chugach CEO.

Legislation to create GRETC was introduced in both the House and Senate earlier this year, but the legislature adjourned with the bills still in the energy committees of the two bodies. Legislators and utilities have devoted a great deal of time to energy issues during the interim, and the GRETC bills will continue to receive attention when the legislature reconvenes in 2010.

The GRETC concept
See GRETC, page 2



Among other things GRETC could develop interconnection standards and enable renewable projects throughout the Railbelt

Board approved \$3.3 million capital credit retirement

Past and long-term Chugach members will receive a share of a capital credits retirement the board approved at its Nov. 19 meeting. Retail members of record from 1989 will share about \$1.7 million through credits on current accounts, or by checks, starting in December. The retire-

ment returns a portion of capital credits earned in 1989.

Capital credits are returned to the members of record for a given year when the utility board votes to return margins. Chugach uses a "first in, first out" method for retiring credits, paying the oldest

margins first.

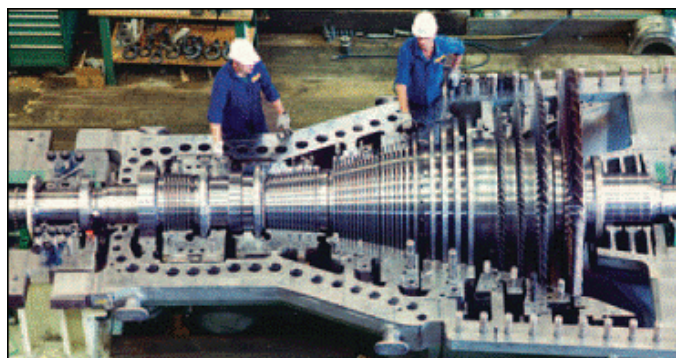
Members leaving the Chugach system should provide a forwarding address and keep Chugach updated on future moves until all of their allocated capital credits have been retired.

A wholesale retirement of about the same amount will be split between Homer Electric Association (\$656,410), Matanuska Electric Association (\$962,271) and Seward Electric System (\$56,128) for 1998.

Southcentral Power Project update

Good progress continues to be made on the Southcentral Power Project. SPP is a 183-megawatt, combined cycle gas fired power plant that will be jointly owned by Chugach and Anchorage Municipal Light & Power. Chugach's share is 70 percent of the project and ML&P's is 30 percent.

The project will have three natural gas-fired turbine-generators, plus a steam turbine-generator that makes power from the hot exhaust of the gas units.



GE photo from the Web site, www.gepower.com

General Electric's steam turbine offering is the axial exhaust, non-reheat SC4 model. Alstom Power recommended a similar model from their fleet.

The plant will be built on land at Chugach's headquarters complex near Minnesota Drive and International Airport Road, where Chugach has operated a gas-fired power plant since 1964.

In October a Request for Qualifications was issued seeking input from firms interested in bidding on the EPC contract to "engineer, procure and construct" the new power plant. From the responses, Chugach and ML&P will narrow the list to three contractors that will then be asked to respond to a Request for Proposal.

Regional generation & transmission planning continues

Railbelt Integrated Resources Plan takes long-term view

The state is nearing completion of a major review of how to meet the electric needs of Railbelt Alaskans over the next 50 years.

The project, known as the Railbelt Integrated Resources Plan (RIRP), was led by the Alaska Energy Authority. The engineering and consulting firm Black and Veatch was selected by AEA to do the study. The AEA and study authors consulted with Chugach and other regional electric utilities throughout the process.

The RIRP analyzed a range of power plant options and technologies. The goal was to identify how best to meet the projected electric requirements of the

Railbelt for the next 50 years. The study authors considered existing generation, load growth, transmission links, regional geography, reliability and the electrical characteristics of the region. Varying ownership options were also acknowledged, but this study did not attempt to identify the best organizational structure to build, own and operate projects.

Work began on the project in July. Results were expected to be available for initial review in November, with presentation at a technical conference scheduled for December. The January issue of the Outlet will discuss the results of the IRP.

GRETC continued from page 1

of a single Railbelt organization to provide generation and transmission services emerged from a study of how the region's grid works today and how it could best meet the needs of Alaskans in the future. The Railbelt Electrical Grid Authority study, completed in September 2008, was led by the Alaska Energy Authority with funding from the legislature. The REGA study identified an average annual present worth net savings of between \$10.5 and \$30.9 million which equates to between a 3.6 percent to 10.1 percent net savings for Railbelt consumers. In a related effort, AEA is completing an integrated resource plan to determine how to meet the gen-

eration and transmission needs of the Railbelt for the next 50 years.

GRETC could also arrange for fuel supplies for regional utilities.

The Parnell administration, like the Palin administration before it, continues to support the GRETC legislation. The governor's senior energy advisors and AEA leadership have met repeatedly with Railbelt electric utilities to discuss the legislation and seek consensus on the issues.

A task force of the boards of all Railbelt electric utilities will continue their work on GRETC and related issues.

The Smart Power program now has its own Web site.



www.smartpowerak.com

Fuel adjustment decreases

Chugach filed a request with the Regulatory Commission of Alaska to decrease its fuel and purchased power rates, for the first quarter of 2010. If approved, the total monthly bill for a Chugach residential customer using 700

kilowatt-hours of electricity will decrease about 7.7 percent, from \$99.04 to \$91.43, excluding the 2 percent Municipality of Anchorage underground charge. Commercial customers will see similar reductions.

Simplified rate filing update

The board approved the use of simplified rate filing procedures for adjustments to energy and demand rates at its Nov. 19 meeting. The SRF process is intended to allow modest rate changes while avoiding undue expense. Chugach's last general rate case cost upwards of \$1.2 million and took nearly 20 months to resolve. If approved by the Regula-

tory Commission of Alaska, SRF changes the procedures from the rate cases Chugach currently files to periodically adjust rates. While the board has the major responsibility for setting the rates, Chugach is still required to submit filings to the RCA for approval before any rates changes can be implemented.

LED lights save energy on holiday lighting ...

Light Emitting Diode (LED) lights have a number of benefits over conventional lighting:

Energy-efficient – 0.08 watts per LED C7 multicolor bulb (compared with 0.48 watts for an incandescent mini-light and 6.0 watts for a standard incandescent C7 bulb).

Long life-span – up to 100,000

hours or more used indoors, half that outdoors, and some manufacturers provide limited lifetime warranty.

Safety – no chance of combustion since the bulbs are cool to the touch, regardless of how long they are left on.

Sturdy bulbs – the epoxy lenses are virtually indestructible.

Member number hide-n-seek

Find your member number in the Outlet and get a \$100 credit on your Chugach electric bill.

Call Chugach's service center at 563-7366 to claim your prize.

Contact us

Main number	563-7494
Toll free	(800) 478-7494
Member Services	563-7366
Member Services fax	762-4678
24-hour payment line	762-7803
Credit	563-5060
Power theft hotline	762-4731
Danger tree hotline	762-7227
Street light hotline	762-7676
Underground locates	278-3121
Regulatory Commission of AK or	(800) 390-2782 276-6222
To report a power outage	
In Anchorage	762-7888
Outside Anchorage	(800) 478-7494

Hours

Main office:	
Monday - Friday	
8 a.m. - 5 p.m.	
Member Services lobby:	Member Services phone:
5601 Electron Drive	Monday - Friday
Monday - Friday	8 a.m. - 6 p.m.
8 a.m. - 6 p.m.	

The Chugach Outlet

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5601 Electron Drive
P.O. Box 196300
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Monthly residential service costs (based on 700 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.07181 x kwh =	\$50.27
Fuel \$0.05330 x kwh =	\$37.31
Purchased power \$0.00452 x kwh =	\$3.16
(Fuel & purchased power adjustments effective 10/1/09 - 12/31/09)	
Subtotal	\$ 98.74
2% MOA Underground Charge =	\$ 1.97
RCC charge \$0.000432 x kwh =	\$ 0.30
Total bill	\$101.01

Personnel policy

"It is a policy of Chugach Electric Association, Inc., to recruit, hire, train, compensate and promote persons without regard to race, color, religion, national origin, sex, marital status, pregnancy, parenthood, disability, veterans status, age or any other classification protected by applicable federal, state, or local law." Chugach is also an affirmative action employer."

Corporate Mission: Through superior service, safely provide reliable and competitively priced energy.

Corporate vision: Powering Alaska's future

