

Chugach's 2009 legislative priorities

On Jan. 20, the 26th Legislature will convene in Juneau. As usual, Chugach anticipates it will be discussing a number of issues with elected officials and their staffs.

In 2008, Chugach advocated for funding for the Alaska Energy Authority to take a fresh look at the potential for an appropriately sized, regional hydroelectric project on the Susitna River. The legislature responded by adding more than \$2 million to the capital budget for the AEA study. The results are due soon, and should help planners decide how to best meet the electrical needs of Railbelt Alaskans. In addition, Chugach (and others) suggested that policymakers should also consider whether a bullet line to move North Slope natural gas to the Cook Inlet area or coal gasification would be appropriate to meet the region's future energy requirements.

Here is an overview of some key items on Chugach's 2009 state legislative agenda.

A Unified Power Provider for the Railbelt

In 2008, the Alaska Energy Authority concluded and released a study of the Railbelt power grid. The work was known as the Railbelt Electrical Grid Authority (REGA) study, and was funded by a previous legislative grant. The goal was to take a careful look at how the grid functions today and make recommendations about how it could work to best provide for the future generation and transmission (G&T) needs of Alaskans throughout the region.

Today six different electric utilities provide retail distribution service in the Railbelt. Some of these (like Chugach), along with

the AEA, also provide generation and transmission services for the utilities.

Not surprisingly, the study determined that by working together rather than separately, the utilities and the state could best provide for the electrical needs of the region. The study recommended creating a state power authority, or "Unified Power Provider." The UPP could assume responsibility for a number of activities, including:

- Regional resource planning
- Regional economic dispatch
- Coordinated operation of the transmission grid
- Joint project development

Chugach supports the concept of a UPP for the Railbelt and the work of AEA to move the idea forward. Continued discussion of the UPP, with possible enabling legislation, will be a priority for Chugach in Juneau in the coming legislative session.

Development of a management plan for Cook Inlet natural gas

About 90 percent of the kilowatt-hours Chugach sells annually are generated by burning natural gas,

with the balance coming from hydroelectric projects. Chugach has a long-term goal of reversing this ratio, and moving from a generation mix of 90/10 to 10/90 – where the bulk of the kilowatt-hours sold come from renewable generation. However it will take time to get there, and for years to come Chugach will remain primarily a natural gas fired utility.

Chugach, in partnership with Anchorage Municipal Light & Power, is currently developing a new, efficient, combined-cycle, gas-fired power plant in Anchorage that will use considerably less gas than current generation. This plant will help provide an efficient bridge



to a future with more renewable generation – and buy time for those projects to be developed.

Consequently, natural gas issues (including availability, deliverability and price) will remain vitally important to Chugach and its members for the foreseeable future. Natural gas is the largest single expense for members, accounting for approximately half

of an average monthly residential bill this quarter.

Natural gas is very important to the greater Cook Inlet area. It's important to the economic health of the region, and critical for the basic health and safety of the populace. Gas provides heat and hot water for homes and businesses and is the primary generation fuel for Southcentral.

Many individual organizations are involved in the gas industry in the Cook Inlet area as producers, consumers, resource managers and regulators. Each arguably does a good job watching out for its own interests. Chugach believes there is a need for some entity to take a wider, higher view of the Cook Inlet gas situation.

Toward this end, Chugach is suggesting that the legislature provide funding for a state agency to do a comprehensive Cook Inlet Natural Gas Management Plan. The idea is to look at how the needs of the many – and sometimes competing – interests could be met. In the process, it's important to ensure that the needs of residents will be protected. To Chugach, the option of just continuing on as we have been until someday the region is out of gas does not seem like a reasonable way to proceed.

Other topics

Low-interest loans for Railbelt G&T infrastructure

- A revolving, regional loan fund could help provide financing for projects.

Generation energy efficiency grants to utilities

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Priorities *(continued from page 1)*

• To encourage utility investment in technology that maximizes the conversion of fuel into electricity, the state could make grants that would pay a portion of the capital cost of generation projects that improve efficiency by at least 15 percent.

Net metering

• The Regulatory Commission of Alaska is planning to open a docket to investigate the potential for individual customers to install generation to meet a portion of their own needs and potentially those of others on the grid. Chugach believes the RCA – not the legislature – is the best place to thoroughly explore the many issues associated with this topic.

RCA OKs credit card fee

In December the Regulatory Commission of Alaska approved Chugach's proposal to route members wishing to pay with a credit card to a third party processor that would process their payment for a fee of \$3.50 per transaction. The fee will be assessed to transactions beginning Jan. 22, 2009. All of the fee goes to the processor, with none coming to Chugach.

Members who have recently used a credit card to pay a Chugach bill will receive a letter outlining the charge as well as noting ways to pay that do not entail paying a fee to a third party.

Chugach made this decision after the cost of taking credit cards climbed to nearly \$800,000 per year, and in a 2007 survey the majority of members said the cost should be borne by those who choose to use a credit card rather than all members. In May 2008 Chugach announced that the new charge would begin in September. The Commission subsequently opened a docket to review testimony and Chugach's plan. Implementation of the charge was suspended during the RCA's proceeding.

Programs can help with bills

A variety of state, municipal and Chugach programs can help qualified members pay their electric bills. Here is contact information:

- State of Alaska Energy Assistance ... 1-800-470-3058
- Municipality of Anchorage, Department of Health and Human Services "Safety Link" program ... 343-6589
- Chugach Energy Assistance Program (screening done by MOA DHHS) ... 343-6589

Each program has its own restrictions. Chugach's is income-restricted and limited to Chugach members who are 65 or older or disabled.

Contact us

Main number	563-7494
Toll free	(800) 478-7494
Member Services	563-7366
Member Services fax	762-4678
Business and commercial desk	762-7876
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	(800) 390-2782
or	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:
5601 Electron Drive
Monday - Friday
8 a.m. - 6 p.m.

Member Services
phone:
Monday - Friday
8 a.m. - 9 p.m.

The Chugach Outlet

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

Corporate vision: Powering Alaska's future

Your board at work

Your board is charged with the management of the business and the affairs of the Association. Recently the board:

- Approved expenditures of \$256 million for the Southcentral Power Project, a joint generation project with Anchorage Municipal Light & Power.
- Approved expenditures of \$4.86 million to purchase land for the joint generation project
- Approved increasing Chugach's line of credit with the National Rural Utilities Cooperative Finance Corporation from \$45 million to \$75 million
- Approved Board Policy 135, Approval of Collective Bargaining Agreements
- Approved forwarding proposed bylaw amendments on creating a campaign conduct and finance commission, bylaw language clean up and responsibility for election recount expenses to the Bylaws Committee
- Appointed Chugach members to the Bylaws, Election and Nominating committees



Rebecca Logan
Chairman

CFL program expands



Chugach is expanding its program to help members use compact fluorescent lights (CFLs) to conserve energy and cut their monthly bills. The efficient fluorescents provide illumination equal to a conventional incandescent bulb for a fraction of the energy and cost.

Chugach and Anchorage Municipal Light & Power have a goal of adding 70,000 CFLs to sockets in 2009. The two utilities are partnering on the following new offerings to help customers:

• **Discount coupons** Beginning Jan. 15, Chugach and ML&P customers can receive coupons good for \$2.00 off the purchase price of Satco Compact Fluorescent Lights. The coupons are good only for purchases at all locations of Brown's Electrical Supply Co. For Chugach, the offer is limited to residential members. Coupons will be available in bills, online at www.chugachelectric.com, and at Brown's.

• **Quarterly workshops** Brown's will present workshops on CFLs. The first is scheduled to begin at 11 a.m., Jan. 24, at the Lighting Center by Brown's. Satco will do a presentation about CFLs.

For more information, Chugach members can call 563-7366.

Monthly residential service costs (based on 700 kwh)

Customer charge/month	\$ 8.00
Energy charge \$0.06848 x kwh =	\$47.94
Fuel adjustment \$0.09088 x kwh =	\$63.62
<small>(Anticipated fuel adjustment effective 1/1/09 -- 3/31/09)</small>	
Sub-total	\$119.56
2% MOA Underground Charge =	\$ 2.39
RCC charge \$0.000362 x kwh =	\$ 0.25
Total bill	\$122.20

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.

