

Working Together Will Save Millions

Railbelt Electric Utilities Pursue Joint Power Plant

Chugach Electric Association, Anchorage Municipal Light & Power (ML&P) and Homer Electric Association (HEA) announced Feb. 22 they will jointly pursue the development of an efficient, combined-cycle, gas-fired generation project. Chugach expects the new plant with its higher-efficiency turbine-generators, will save tens of millions of dollars per year in gas purchases. New generation is 30 to 40 percent more efficient.

Chugach, with power plants in Beluga, Anchorage and on the Kenai Peninsula, has been planning for a new gas-fired generation project in Anchorage and offered ML&P and HEA the opportunity to join in the project. All three utilities foresee needing additional generation at about the same time. By working together, the utilities can gain economies of scale and efficiency.



From left, Bill Nordmark, Board Chair Golden Valley Electric Association; Dave Carey, Board Chair HEA; Jim Posey, General Manager, ML&P; Uwe Kalenka, Vice Chair, Chugach; Elizabeth Vazquez, Board Chair, Chugach; Brad Evans, Acting CEO, Chugach; Alex Gimarc, Secretary, Chugach; Mike Nugent, Director, HEA; and Brad Janorschke, General Manager, HEA.

Railbelt Electric Cooperatives Support Studying a Unified Power Provider

Chugach, Golden Valley Electric Association and Homer Electric Association want to explore the costs and benefits of creating a Unified Power Provider (UPP). The entity would be responsible for providing generation and transmission services for the Railbelt area, and could become the single power provider for distribution utilities over time.

With generation projects increasingly expensive, a UPP may be the best way to finance and construct large projects and gain economies of scale and efficiency. In a joint statement, Chugach Board Chair Elizabeth Vazquez, Homer Electric Board President Dave Carey, and Golden Valley Board President Bill Nordmark said, "The UPP is an attempt to unify the Railbelt and provide reliable electric service at the lowest cost possible."



The new, efficient combined-cycle plant would be similar to the one in the photo. It would produce the same amount of power for about 75 percent of the natural gas compared to current units. The plant would consist of two gas turbine-generators and a steam turbine-generator. The term "combined cycle" refers to the fact that the hot exhaust of the combustion turbines would power the steam unit.

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

The proposed 260-megawatt generation plant would be located by Chugach's Anchorage headquarters complex. Under the terms being discussed, Chugach, HEA and ML&P would work together to plan and construct 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 new plant could cost from \$300-400 million, but would be considerably less expensive than each utility building a separate plant. Specifics about how the plant will be financed, owned and operated will be worked out in the coming months.

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

The concept of a UPP has been discussed by utilities and the Alaska Energy Authority as part of an ongoing review of the Railbelt grid. It could be an organization that utilities could turn to to meet their power requirements as generation facilities of individual utilities are retired. It will not be an immediate solution however, and therefore, projects like the new joint power plant being developed by Chugach, ML&P and HEA will be necessary as a power supply bridge to the future.

The three cooperatives envision the governance of the UPP consisting of representatives of each of the Railbelt utilities and the state.

Six Members Run for Three Board Seats

Six Chugach members are running for three seats on the cooperative's board of directors in this spring's election. Each seat is for a 3-year term. There are no bylaw proposals for members to vote on this year.

The candidates are Tony Izzo, Uwe Kalenka, Rebecca Logan, Janet Reiser, Elizabeth Vazquez and Mark Wiggin. Kalenka, Logan and Vazquez are incumbents.

Izzo is the owner of TMI Consulting, an energy consulting business. He has been a Chugach member since 2000.

Kalenka is a self-employed property manager who has been a Chugach member since 1970, and is currently the Board Vice-Chair. He is an NRECA Credentialed Cooperative Director and received the NRECA Board Leadership certificate.

Logan is President and Chief Executive Officer of the Associated Builders and Contractors, Alaska Chapter. She has been a Chugach member since 2005.

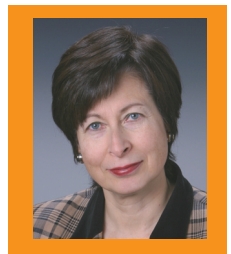
Reiser is an engineer and the CEO of Salus Management Services. She has been a Chugach member since 1995.

Vazquez is an attorney with the State of Alaska. She has been a Chugach member since 1989, and is currently Board Chair. She is a Credentialed Electrical Cooperative Director.

Wiggin is a Project Manager with Arctic Slope Regional Corp. Energy Services and has been a Chugach member since 2001.

Your Board at Work

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



*Elizabeth Vazquez
Board Chair*

- Authorized the Acting Chief Executive Officer to execute a Memorandum of Understanding (MOU) with other Railbelt utilities to study a Unified Power Provider.
- Authorized the Acting Chief Executive Officer to execute MOUs for a new efficient power plant with Homer Electric Association and Anchorage Municipal Light & Power.
- Directed the Acting Chief Executive Officer to work with ML&P to accomplish tasks from the Advisory Panel to enter discussions to combine generation and operations of the utilities to create a substantial savings and report their findings back to the panel within 60 days. An amendment to the Panel's motion asked that Chugach and ML&P ask for participation and cooperation from other Railbelt utilities.
- Voted and testified to support legislative efforts calling for a new study of the Susitna hydroelectric project as one of the long-term solutions to decrease reliance on depleting Cook Inlet natural gas fueled generation.

2008 Annual Membership Meeting and Election Notes

Mail-voting packets will be mailed to Chugach members of record the week of March 24. The packets will include an election brochure with meeting announcement, statements and attendance and voting records, a ballot and a return envelope.

Members have until noon on Monday, April 21 to return mail ballots. Voting will also be allowed at the cooperative's annual meeting, April 24, at the Egan Civic & Convention Center. Registration starts at 6 p.m. The meeting begins at 7 p.m.

This year non-naturals (organizations, businesses, corporations) now have an extended opportunity to designate or update their

designated authorized voter after the March 12 record date but by April 14 to accommodate personnel changes. They may also vote at Chugach's annual meeting on April 24 by completing and signing an affidavit.

Chugach members will also be informed if their ballot envelope is invalidated. The ballot envelope will be immediately returned and the reason for the invalidation (e.g., no signature) will be provided. Most members will have time to submit a corrected ballot envelope before results of the election are announced at the annual meeting.

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
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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5601 Electron Drive	
P.O. Box 196300	
Anchorage, Alaska 99519-6300	

Monthly residential service costs (based on 700 kwh)

Customer charge/month	\$ 8.42
Energy charge \$0.09282 x kwh =	\$64.97
Fuel adjustment \$0.02478 x kwh =	\$17.35
Fuel adjustment effective 1/1/08 -- 03/31/08	
Sub-total	\$90.74
2% MOA Underground Charge =	\$ 1.81
RCC charge \$0.000274 x kwh =	\$ 0.19
Total bill	\$92.74

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