

COMMERCIAL CUSTOMER News

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FROM CHUGACH ELECTRIC

After wave of changes:

Chugach rates among Railbelt's lowest

Despite many changes over the last several years, Chugach commercial and residential rate levels remain among the lowest of Alaska's Railbelt electric utilities. Lower rates allow commercial members to put more dollars toward their businesses and fewer toward utility expenses. As illustrated in the graphs, the cost of electric service for typical small and large commercial customers throughout the Railbelt as of Q3 2015 shows Chugach members with the lowest present bill totals.

Throughout Chugach's recent changes, keeping rates as low as possible remained a goal of the board of directors and staff. The first major change was in 2013 when the 200 megawatt, \$369 million, Southcentral Power

Project (SPP) was completed. The careful planning of this project has paid off. Today, we continue to reap the benefit of significant fuel savings from SPP which helps lower rates.

The latest and perhaps the most significant change to Chugach was the departure of longtime wholesale customers Matanuska Electric Association (MEA) and Homer Electric Association (HEA). MEA left Chugach's system in May 2015 after decades of purchases from Chugach. MEA chose to build its own generation rather than remain a wholesale customer of Chugach. Prior to the departure of MEA, HEA left Chugach's system in January of 2014 after building its own generation facilities. While the departure of these utilities reduced some

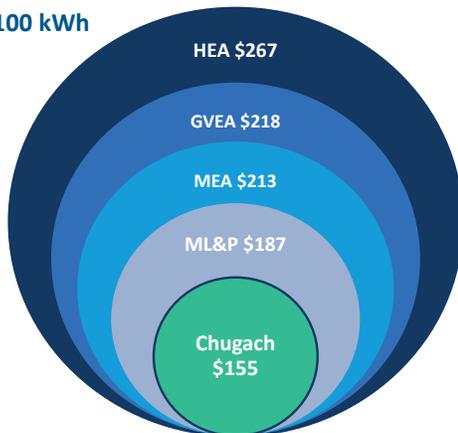
financial efficiencies and cost-sharing, the financial impact of their departure has already been absorbed into Chugach rates.

After getting many of the foreseeable once-in-a-generation changes behind it, Chugach continues to keep low rates and reliability at the forefront, as other factors such as fuel price fluctuations and operational needs are addressed on a going-forward basis.

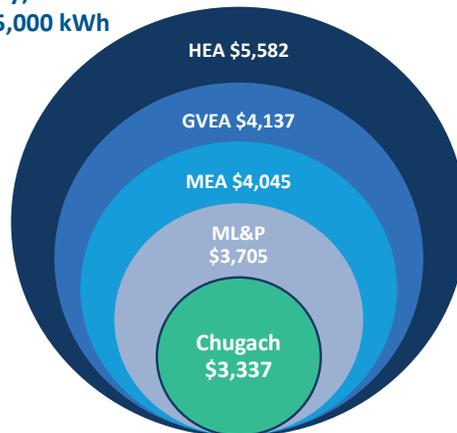
Chugach expects small general and large general service customer bills to increase approximately 10 percent from calendar-year 2015 to calendar-year 2016. The increase, which is primarily attributed to higher fuel costs, is expected to be phased-in over the next several quarters.

Railbelt utilities: Typical small and large commercial member bill totals

Small General Service
1,100 kWh



Large General (Secondary)
63 kW/25,000 kWh



Bill comparisons include all approved and pending rates for third quarter 2015. Taxes and surcharges, such as the Municipality of Anchorage 2 percent undergrounding surcharge, are not applicable to all utilities in this comparison and are therefore excluded from the calculations. The Regulatory Cost Charge is included as this charge is applied equally to all utilities.



The second annual Member Appreciation Week is being held Oct 5-9 from 11 a.m. to 2 p.m. daily.

Monday, October 5

Chugach Operations Tours*

Tuesday, October 6

Energy Efficiency and Renewables

Wednesday, October 7

For Your Convenience: Member Options

Thursday, October 8

Electrical and Emergency Safety

Friday, October 9

Chugach's Past, Present & Future

***Register for the Chugach Operations Tour at www.chugachelectric.com. Tour space is limited.**

A drawing will be held for a chance to win a \$250 Chugach gift certificate, which may be used to pay any Chugach account. During the week of Oct. 5, members can enter the drawing in the Chugach Lobby or online at www.chugachelectric.com. The winner will be announced the week of October 12th.





RCA releases transmission report

A yearlong analysis of the Railbelt transmission system by the Regulatory Commission of Alaska concluded the transmission system in the Railbelt could be

managed and operated in new ways to better serve Alaskans. The RCA report contained five findings and associated recommendations, summarized

below. Many of the conclusions in the report are in line with what Chugach has been saying publicly for the past two years.

For more information and the full analysis visit: http://rca.alaska.gov/RCAWeb/Documents/RCA_Recommendation_to_Legislature.pdf.

Findings	Recommendations
The present Railbelt electrical transmission system requires institutional reform.	An independent transmission company should be created to operate the transmission system. In addition, the RCA should be granted siting authority for new generation and transmission and granted explicit authority to regulate integrated resource planning in the Railbelt
Although energy sales between utilities take place, true economic dispatch of generation units across the system does not occur.	The RCA should use all the regulatory and statutory authority it currently has to strongly promote economic dispatch. Initially, voluntary loose power pools should be encouraged, with utilities reporting to the RCA on the costs and benefits as tighter pooling evolves. Lacking voluntary efforts, the RCA should take steps to achieve system-wide economic dispatch.
Many past efforts to reform and rationalize the Railbelt electric system have failed.	The RCA believes the utilities must be given the opportunity to succeed before compulsory steps are taken.
Reliability standards for the Railbelt electric grid are voluntary and not all electric utilities have adopted the same standards.	Enforceable and consistent Railbelt operating and reliability standards are necessary for consistent, safe, reliable and efficient operation of the Railbelt electric system.
The first four RCA recommendations above will be challenging and time consuming. Obstacles exist, and full implementation is likely to take years. RCA resources will be stretched to achieve progress.	If the RCA receives the necessary support from the Administration and Legislature to pursue the goals identified in the report, an adjustment will be necessary in the Regulatory Cost Charge paid by customers to fund the Commission.

Open Source Building Monitoring System available

You cannot manage what you cannot measure. That is why the Alaska Housing Finance Corporation developed a unique building monitoring system that monitors everything from lights to water flow in eight of their buildings to ensure efficient building operation. One thing that sets their building monitoring system apart from the others is its ability to receive inputs from multiple sources.

These multiple sources can include sensors that have been placed by staff in strategic locations, weather data from weather stations outside of the building, databases designed to compile building information, and it can also integrate outputs from an existing building automation system.

Using this electronic building monitoring system, AHFC

identified ways to optimize morning warm-up times, sequencing of condensing boilers, reductions of supply air during winter operations and many more measures to reduce energy consumption and demand. Combined savings on these and other measures exceeded \$10,000 per year. To explore AHFC's near real-time data visit their website at <https://bms.ahfc.us>.

AHFC is now allowing its building monitoring software, known as BMON, to be used by anyone – for free. The open source project has been made available at <https://code.ahfc.us/energy/bmon> for anyone to adapt and use in their established infrastructure. Benefits of the AHFC BMON system can be seen in the table below.

AHFC BMON System Benefits	
Single Interface	Access multiple buildings from any web-connected computer. Anywhere. Anytime.
Data Graphing	Explore multiple options to display data; including graphs, spreadsheets, scatter plots and more.
Programming	Download the relatively easy, non-proprietary and open source system.
Monitoring Dashboard	Give access to multiple operators with different capabilities to monitor the visual dashboard.
Energy Costs	Monitor real-time energy flows and determine the energy costs of specific systems.
Replacement equipment sizing	Real data for sizing replacement equipment
Troubleshooting	Diagnose and correct problems with building systems