

Battle Creek Project Authorization

WHEREAS, Chugach is a participant in the Bradley Lake Hydroelectric Project, a 120 MW rated capacity hydroelectric facility near Homer on the southern end of the Kenai Peninsula that was placed into service in September 1991, and

WHEREAS, Chugach has a 30.4% share in the Bradley Lake Hydroelectric Project's output, and through a 50-year take-or-pay Power Sales Agreement, pays 30.4% of the annual project costs, including ownership, operation and maintenance, debt-service and amounts required to maintain established reserves, and

WHEREAS, the Battle Creek Diversion Project (Project) is a project to increase water available for generation by constructing a diversion on the West Fork of Upper Battle Creek to divert flows to Bradley Lake, increasing annual energy output by an estimated 37,000 MWh, and

WHEREAS, the Project would replace existing gas-fired energy production with renewable energy production and supports Chugach's business management philosophy of sustainability, and

WHEREAS, the utilities desiring to participate in the Project include Chugach, Homer Electric Association, (HEA), Matanuska Electric Association, (MEA), Golden Valley Electric Association, (GVEA) and The City of Seward (Seward), and are referred to as the Battle Creek Participating Utilities, and

WHEREAS, Municipal Light & Power (ML&P), the Bradley Lake Project Management Committee (BPMC) member choosing not to participate, will have the opportunity to fully participate in the Project in the future under certain reimbursement provisions and must provide notice of its wish to fully participate in the Project prior to the commencement of efforts to acquire financing for the Project, and

WHEREAS, Chugach would be entitled to between 30.4% and 100% of the additional energy produced, subject to final participation decisions, and

WHEREAS, the BPMC passed a motion on October 19, 2016, directing the Alaska Energy Authority (AEA) to proceed with completing the design, environmental, and bid documents for the project, and

WHEREAS, the engineer's estimate for the Project is approximately \$50.0 million, making Chugach's estimated share between \$15.2 and \$50.0 million, subject to final participation decisions, and

WHEREAS, Chugach has offered to finance, procure and manage the Project for the Battle Creek Participating Utilities, in lieu of AEA, and,

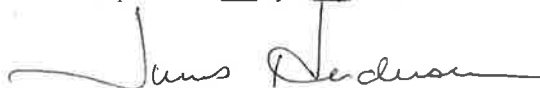
WHEREAS, the Project may commence in the summer/fall of 2017, with an estimated completion date of 2020.

BE IT FURTHER RESOLVED, that the Board of Directors' authorize the Chief Executive Officer (CEO) to enter into an amendment to the Power Sales Agreement to participate in the Battle Creek Diversion Project with an estimated cost to Chugach up to \$50.0 million, should any of the current utilities choose not to participate, with an estimated completion date of 2020 and finance, procure and manage the Project for the Battle Creek Participating Utilities, if necessary.

CERTIFICATION

I, Jim Henderson, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 26th day of July, 2017; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 26th day of July, 2017.


Secretary