

# **OPINION: Proven experience and stability are driving the energy transition at Chugach Electric**

By Harold Hollis, Bettina Chastain and Brad Authier  
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A power line runs along Tudor Road on Wednesday, Aug. 6, 2020. (Loren Holmes / ADN)

Chugach Electric Association and its board of directors are already aggressively working on solutions to the natural gas shortfall challenge identified in a recent Department of Natural Resources report, as well as solutions for integrating renewable energy sources. Demand for Cook Inlet gas is projected to exceed supply by about 2028, which should cause concern since Chugach's annual energy mix is about 81%

natural gas, 17% hydroelectric and 2% wind power. Cook Inlet natural gas will not be depleted at that time, but if currently projected declines cannot be stemmed and new supplies are not discovered and brought online, shortages in supply will occur. The Chugach management team has contracted Black & Veatch, an internationally recognized expert in energy evaluation, to identify and recommend solutions. The Chugach management team and its board are working diligently on this complex issue.

Chugach's board, led by current chair Bettina Chastain, identified ambitious but realistic carbon reduction goals in their December 2022 Strategic Plan. For Chugach, Fire Island is the only wind power resource and the most expensive power in its portfolio. Hydroelectric power is the least expensive and comes mostly from the Bradley Lake Project. As we ramp up a generation of renewables with integrated projects, we must recognize that significant increases in hydroelectric generation are unlikely. Hydroelectric is a clean and inexpensive power source, but permitting a major dam that can yield a utility-scale hydroelectric project is immensely challenged by opposition from special interest groups.

From a pragmatic and logical analysis, our transition to renewables will likely be composed of wind and solar in the near future. For that reason, in 2022, the Chugach Board advanced two proposed utility-scale projects (one wind, one solar) based on recommendations from the Chugach management team. The necessary feasibility studies are in progress. If economically viable, and without negatively impacting rates, these proposed renewable projects together could provide nearly 20% of our annual energy, pushing Chugach to almost 40% renewables. Once advanced, we will learn from these projects, knowing that we will always require a supply of natural gas due to the intermittent and seasonal nature of renewables.

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Chugach has also purchased a 40 MW Tesla mega-battery pack to be installed this year that will improve reliability for our members and aid in integrating renewables. Further, Chugach is aggressively pursuing funding opportunities through the federal infrastructure bill for transmission upgrades.

We believe that the board needs to continue to support the Chugach management team in pursuing market-driven solutions that make sense. If independent solar and wind power producers determine they can compete in the marketplace, there is nothing stopping those organizations from building their projects now and offering their competitive rates to the utilities.

Let's be clear, Chugach must shore up its natural gas supplies before the end of this decade in order to transition to renewables. Evaluating feasibility, permitting, constructing and integrating utility-scale wind and solar projects take time and serious funding, tied in with expensive upgrades to the Railbelt transmission system. It would be foolish to believe that Chugach can ramp up intermittent (wind/solar) power

generation, add impactful battery storage and upgrade the Railbelt transmission system without solving the natural gas shortfall issue. We need one (gas supply) to achieve the other (transition to wind/solar).

Chugach is a \$2 billion enterprise. Its board needs directors who are technically and financially savvy to manage this complex set of issues. The three of us are 100% independent, have more than 80 years of combined engineering/technical management backgrounds, and have a track record of successful careers running private businesses. Additionally, our team's prior experience on the Chugach board of directors brings the proven leadership to address the natural gas shortfall issue, and aggressively transition to renewables while protecting our members/ratepayers. Our transition needs to be responsible, planned, measured and deliberate based on consideration of facts, technology and economics – not emotional or agenda-driven appeals. As board members, we must exercise our fiduciary responsibilities to you, our members.

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This election is critical. Your reliable and affordable electricity is at risk. You have until May 19 to cast your vote. We hope you will support us – Bettina Chastain, Harold Hollis and Brad Authier.

***Bettina Chastain, Harold Hollis and Brad Authier*** are members of the Chugach Electric Association board of directors and candidates in the 2023 CEA directors election.

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