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### **REAP Urges Anchorage Voters to Vote “Yes” on Proposed Acquisition of ML&P by Chugach**

On March 12<sup>th</sup>, the Board of Directors of Renewable Energy Alaska Project (REAP) passed Resolution 18-03 supporting the merger of ML&P and Chugach Electric Association and urges a ‘Yes’ vote on Municipal Proposition 10. REAP supports the proposed acquisition of ML&P by Chugach for economic, technical, and policy reasons.

First, the consolidation of two of the six the Railbelt utilities should lead to increased efficiencies, lower operating costs and lower long-term electric rates for Anchorage electric consumers. Though there would be no immediate layoffs as a result of the merger, after attrition, the new combined utility will avoid the administrative duplication that exists today.

Second, combining the two Anchorage utilities should increase Chugach Electric’s ability to integrate variable renewable energy from Fire Island and other future wind and solar installations. By significantly increasing the service area in which fluctuating wind and solar electrons can be used at any given moment, Chugach will be better able to utilize local renewable energy resources and diversify the region’s energy portfolio, while at the same time decrease its heavy reliance on natural gas, a fuel that is likely to have a volatile price future.

Third, decreasing the number of utilities in the Railbelt furthers REAP’s objective of establishing a single operator for the entire Railbelt electric system. REAP Executive Director Chris Rose noted, “If you combined the average annual electric load of the six electric utilities from Homer to Fairbanks, it adds up to only about half of a power plant in the Lower 48. The system as it has evolved is clearly not efficient for ratepayers, yet it’s been very difficult to get the utilities on the same page. The lack of regional cooperation and planning for generation and transmission in the Railbelt has already adversely impacted consumers in the Railbelt. Reducing the number of utilities, even by one, may make it slightly easier to get to agreements on other important issues such as open access to the transmission grid for more renewable energy providers, region-wide reliability standards, and much fairer tariffs to move electricity up and down the transmission system.

*REAP is a statewide, non-profit coalition of over 80 dues-paying member organizations including utility companies, businesses, and non-profits with a mission to increase the development of renewable energy and promote energy efficiency in Alaska through education and advocacy.*

For more information, please contact Chris Rose at 907-232-0908.