

RESOLUTION 18-03

SUPPORT OF THE EFFORT TO CONSOLIDATE CHUGACH ELECTRIC ASSOCIATION AND ANCHORAGE MUNICIPAL LIGHT AND POWER

WHEREAS, REAP’s mission is to increase the development of renewable energy and promote energy efficiency in Alaska through collaboration, education, training and advocacy; and

WHEREAS, REAP is composed of a coalition of over 80 dues-paying member organizations made up of three core constituencies: utility companies, businesses, and non-profits; and

WHEREAS, REAP’s current initiatives include working to improve the efficiency of the Railbelt electricity grid; and

WHEREAS, Anchorage residents have been talking about consolidating Chugach Electric Association “Chugach” and Municipal Light and Power “ML&P” for at least 30 years; and

WHEREAS, the Anchorage Bowl does not need two electric utilities serving a relatively small population and electric load; and

WHEREAS, Chugach and ML&P have proposed that the consolidation would mean increased efficiencies, lower costs, lower long-term electric rates, and the opportunity to save millions of dollars over time; and

WHEREAS, the consolidation is consistent with REAP’s advocacy for better cooperation between the Railbelt utilities which should lead to better economic dispatch, increased reliability, and non-discriminatory open access to the transmission grid which could allow for more renewable energy providers; and

WHEREAS, ML&P’s generation system will provide Chugach with additional electrical regulation possibly enabling better utilization of wind power from Fire Island, and increased capacity to regulate other intermittent sources of renewable energy; and

WHEREAS, the officials of Chugach and ML&P have arrived at a sale price for the acquisition of ML&P by Chugach that appears to be beneficial to both the residents of Anchorage and the members of Chugach; and

WHEREAS, the offered price of \$1.024 billion includes paying off the entire \$542 million debt of ML&P; \$142 million in payments in lieu of taxes; a \$170 million upfront payment which will be placed in a municipal trust fund to help pay for city services and/or reduce property taxes; and another \$170 million which will be paid over a 30-year period; and

WHEREAS, the Municipality and Chugach have stated there will be no property tax increases or rate increases necessary to pay for this transaction; and

