

UPDATE: ACQUISITION COST SAVINGS

Operations Committee Meeting
Chugach Electric Association, Inc.
Anchorage, Alaska

April 25, 2022

Agenda

Acquisition Cost Savings Update

- **Areas of Significant Cumulative Net Savings**
- **Cumulative Net Personnel Savings (Attrited / Vacant)**
- **Economic Dispatch Savings & Environmental Benefits**
- **Comparison of RCA Filing / Order v. Actual Cost Savings**
 - Cumulative Cost Savings through December 31, 2021

Areas of Significant Cumulative Net Savings

- **Other Operating Net Savings: \$30.5m**
 - Economic Dispatch of Fuel: \$12.4m
 - BRU Property Tax: \$1.1m
 - Intergovernmental Charges (IGCs): \$5.0m
 - Settlement - Restricted Rate Refund (RRR): \$12.0m
- **Personnel (All Functional Areas) Net Savings: \$12.1m**
- **Information Technology (IT) Net Savings: \$1.4m**
- **Member Services & Regulatory Net Savings: \$0.6m**
- **Human Resources (HR) & Safety Net Savings: \$0.2m**
- **Accounting & Purchasing Net Savings: \$0.2m**
- **Total Cumulative Net Savings: \$45.1m**

Cumulative Net Personnel Savings

**Full-time
Employee Count**
(Jan. 31, 2019)

517

**Full-time
Employee Count**
(Dec. 31, 2021)

438

Attrited / Vacant Positions ¹
(as of Dec. 31, 2021)

79

Cumulative Net Personnel Savings
\$12.1m

¹ Included are 42 positions that have been attrited from Chugach's budget.

Cumulative Economic Dispatch Savings (as of Dec. 31, 2021)

Month	2020 Savings	2021 Savings
January	---	\$1,036,849
February	---	\$1,363,742
March	---	\$963,941
April	---	\$1,198,324
May	---	\$384,540
June	---	\$732,776
July	---	\$123,314
August	---	\$271,064
September	---	\$694,571
October	\$32,111	\$1,222,955
November	\$1,040,942	\$1,156,639
December	\$1,003,601	\$1,160,633
Total	\$2,076,654	\$10,309,351

Total Economic Dispatch Savings

\$12,386,005

Total Avoided Fuel Usage

1,603,751 (Mcf)

Total Avoided

Carbon Dioxide (CO₂) Emissions

88,367 Metric Tons

Personnel - RCA Filing/Order v. Actual Cost Savings

Functional Area	Cumulative Estimated Personnel Cost Savings RCA Filing & Order ¹	Cumulative Actual Personnel Cost Savings Through Dec. 31, 2021	Personnel Cost Savings Comparison
Accounting & Purchasing	\$870,972	\$1,700,577	\$829,604
CEO	\$0	\$383,941	\$383,941
Dispatch	\$1,326,699	\$1,450,252	\$123,553
Engineering	\$662,222	\$1,612,694	\$950,472
Fuel	\$0	\$11,485	\$11,485
Generation	\$2,447,042	\$4,913,807	\$2,466,766
HR & Safety	\$369,021	\$1,067,493	\$698,472
IT	\$305,434	\$1,631,002	\$1,325,568
Member Svc. & Regulatory	\$456,658	\$1,191,864	\$735,206
Other Operating ²	(\$1,214,349)	(\$5,203,400)	(\$3,989,051)
T&D Operations	\$1,590,910	\$3,348,197	\$1,757,288
Total	\$6,814,609	\$12,107,912	\$5,293,304

¹ Based on RCA filed CHU-020787 Cost Savings Settlement Model and Order No. U-18-102(44)/U-19-020(39)/U-19-021(39).

² Personnel costs are included in Other Operating.

Operating - RCA Filing/Order v. Actual Cost Savings

Functional Area	Cumulative Estimated Operating Cost Savings RCA Filing & Order ¹	Cumulative Actual Operating Cost Savings Through Dec. 31, 2021	Operating Cost Savings Comparison
Accounting & Purchasing	(\$513,344)	\$175,498	\$688,842
CEO	\$0	\$0	\$0
Dispatch	\$86,414	\$0	(\$86,414)
Engineering	\$0	\$0	\$0
Fuel	\$389,511	\$0	(\$389,511)
Generation	\$0	\$0	\$0
HR & Safety	(\$122,573)	\$188,465	\$311,038
IT	(\$474,841)	\$1,434,813	\$1,909,653
Member Svc. & Regulatory	\$144,193	\$622,899	\$478,705
Other Operating ²	\$23,988,356	\$30,544,005	\$6,555,649
T&D Operations	\$0	\$0	\$0
Total	\$23,497,716	\$32,965,680	\$9,467,962

¹ Based on RCA filed CHU-020787 Cost Savings Settlement Model and Order No. U-18-102(44)/U-19-020(39)/U-19-021(39).

² Fuel savings resulting from Economic Dispatch have been included in Other Operating.

Net Total - RCA Filing/Order v. Actual Cost Savings

Functional Area	Cumulative Estimated Cost Savings RCA Filing & Order ¹	Cumulative Actual Cost Savings Through Dec. 31, 2021	Net Total Cost Savings Comparison
Accounting & Purchasing	\$357,629	\$1,876,075	\$1,518,446
CEO	\$0	\$383,941	\$383,941
Dispatch	\$1,413,113	\$1,450,252	\$37,139
Engineering	\$662,222	\$1,612,694	\$950,472
Fuel	\$389,511	\$11,485	(\$378,026)
Generation	\$2,447,042	\$4,913,807	\$2,466,766
HR & Safety	\$246,448	\$1,255,958	\$1,009,510
IT	(\$169,407)	\$3,065,814	\$3,235,221
Member Svc. & Regulatory	\$600,851	\$1,814,763	\$1,213,912
Other Operating ²	\$22,774,007	\$25,340,605	\$2,566,599
T&D Operations	\$1,590,910	\$3,348,197	\$1,757,288
Total	\$30,312,325	\$45,073,593	\$14,761,268

¹ Based on RCA filed CHU-020787 Cost Savings Settlement Model and Order No. U-18-102(44)/U-19-020(39)/U-19-021(39).

² Fuel savings resulting from Economic Dispatch and personnel costs have been included in Other Operating.

Questions?