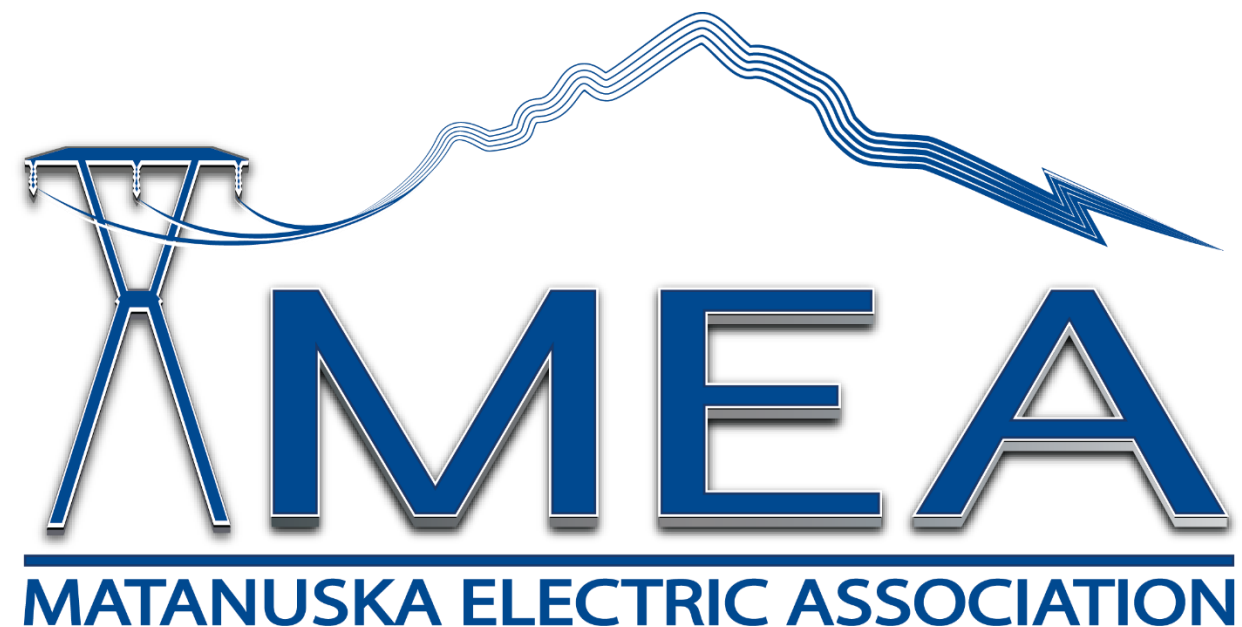


POWERING PROGRESS



Julie Estey, Chief Strategy Officer
julie.estey@mea.coop

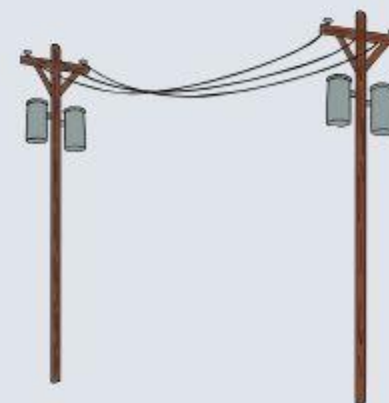


57,000

Cooperative Members

4,800

miles of powerlines
(mostly distribution)



1941

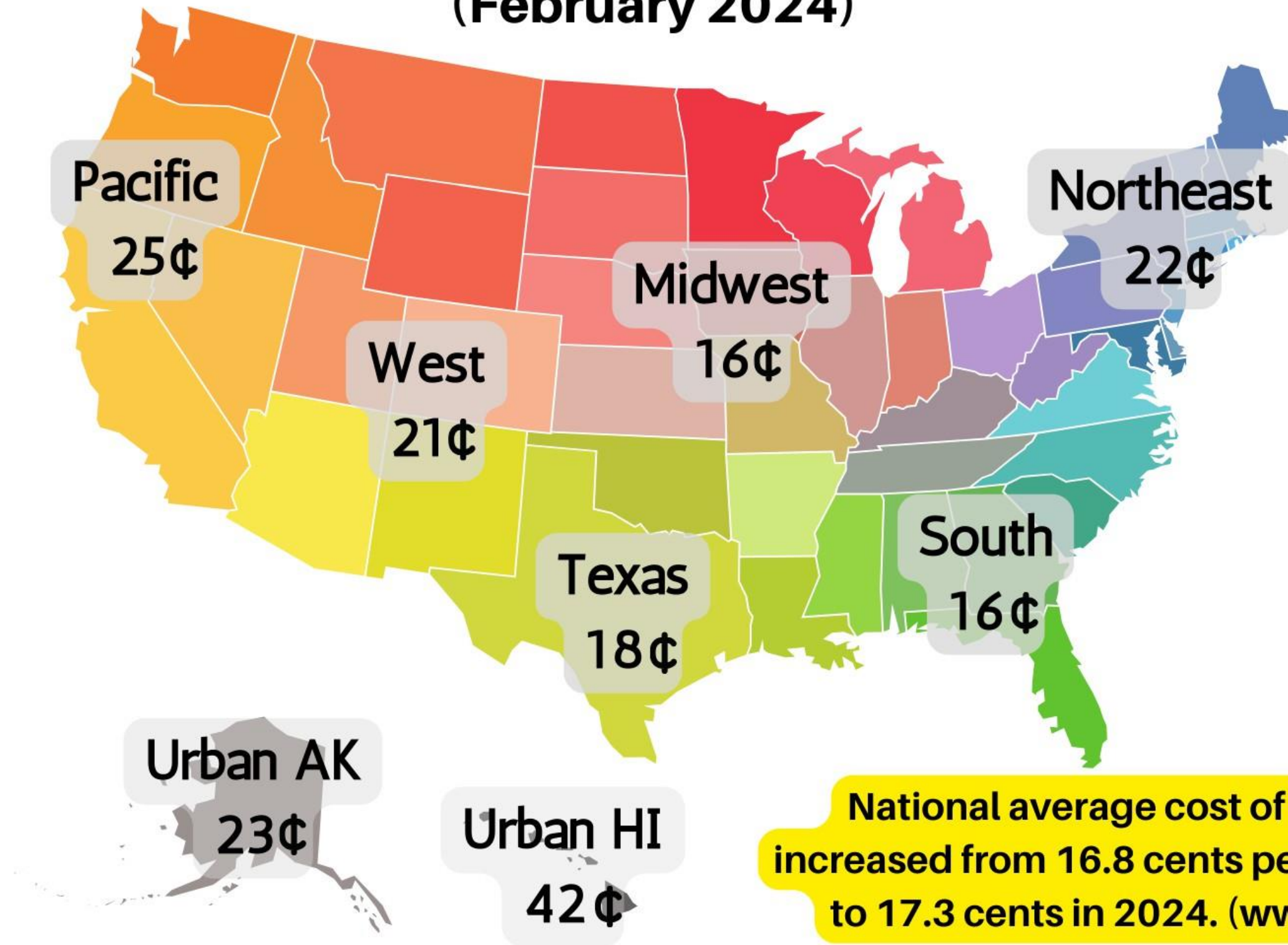
MEA Co-op was established



72,000

Meters

U.S. Regional Average Cost of Electricity per kWh (February 2024)



Current cost to
bring power to
MEA homes and
businesses:



**22 CENTS
PER KWH**

CO-OP PRIORITIES



Fuel Supply

Natural gas supplier shortage by April of 2028.

Energy Diversification

Creating a modern grid with a focus on clean energy and carbon reduction.

Railbelt Collaboration

Ensure grid resilience, resource planning, and long-term cost reduction.

Costs and Rate Stabilization

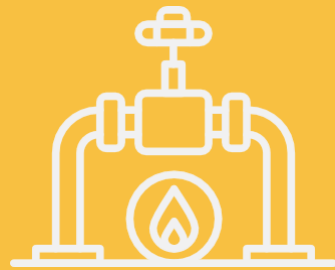
Providing affordable power while navigating cost escalations and supply shortages.

Member Service

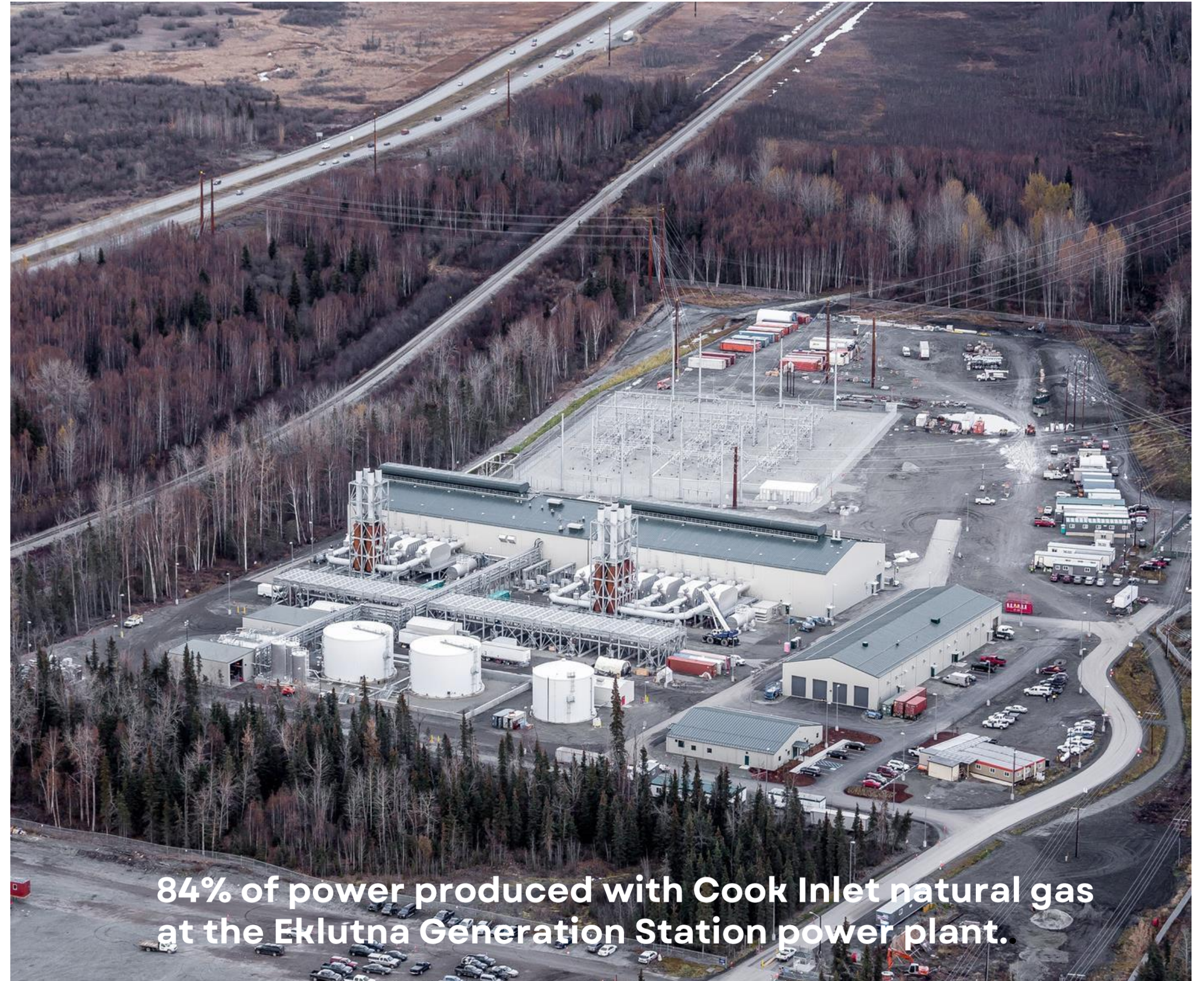
Be there when our members need us.



FUEL SUPPLY

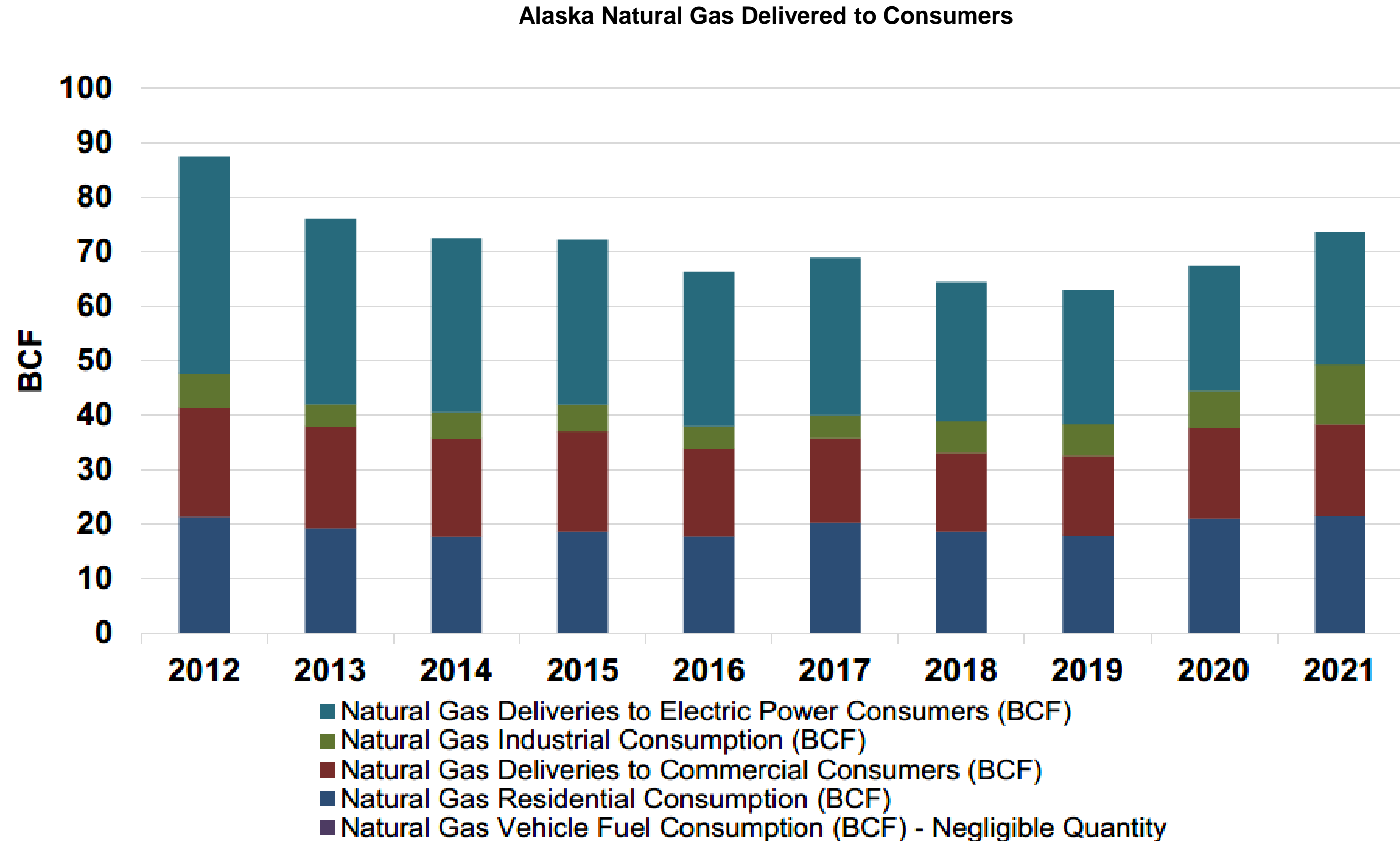


- **Gas contract with Hilcorp expires in Spring 2028.**
- **Exploring solutions with short-term certainty and long-term flexibility.**



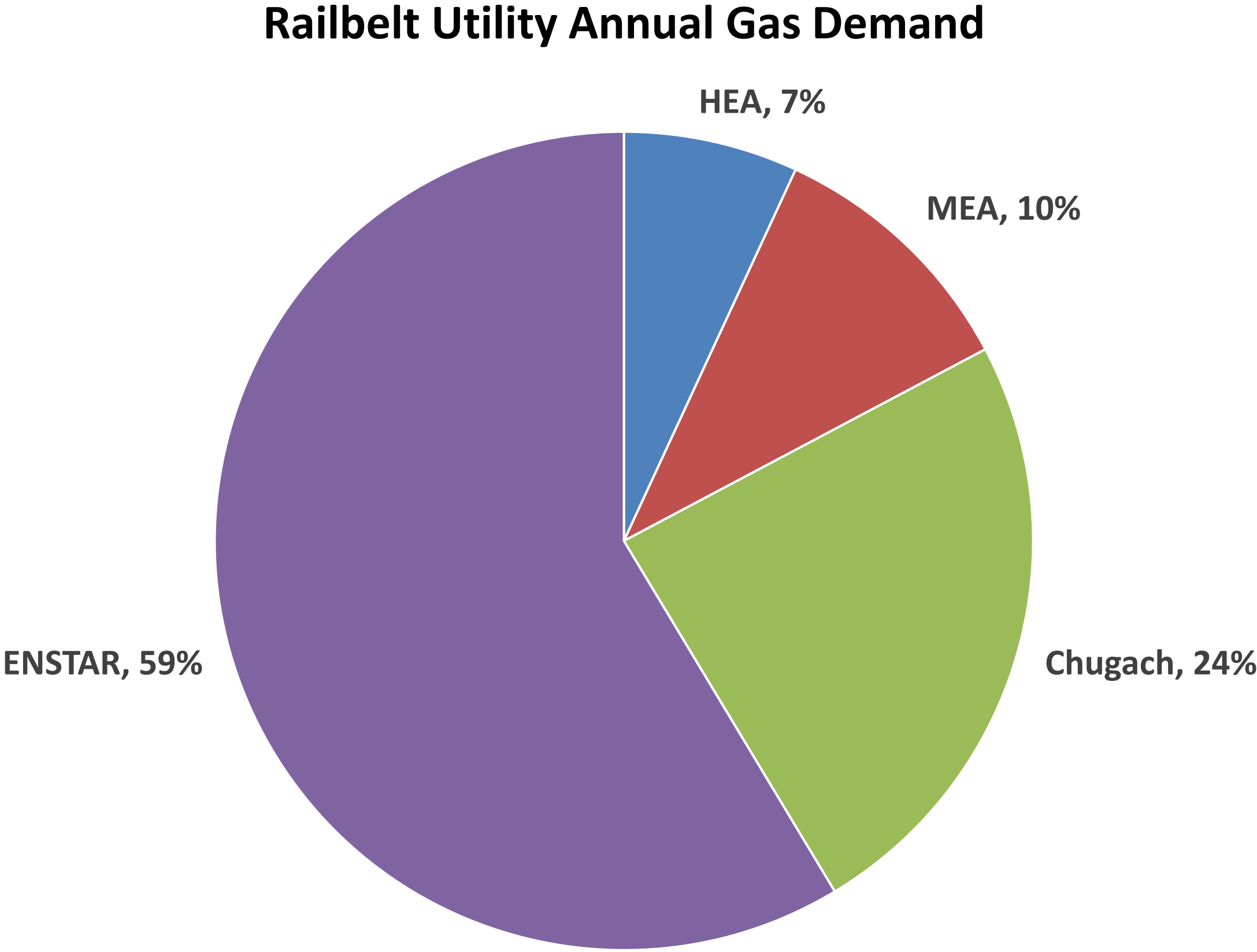
84% of power produced with Cook Inlet natural gas at the Eklutna Generation Station power plant.

Electric Utilities Combined ~ 1/3 of Cook Inlet Gas



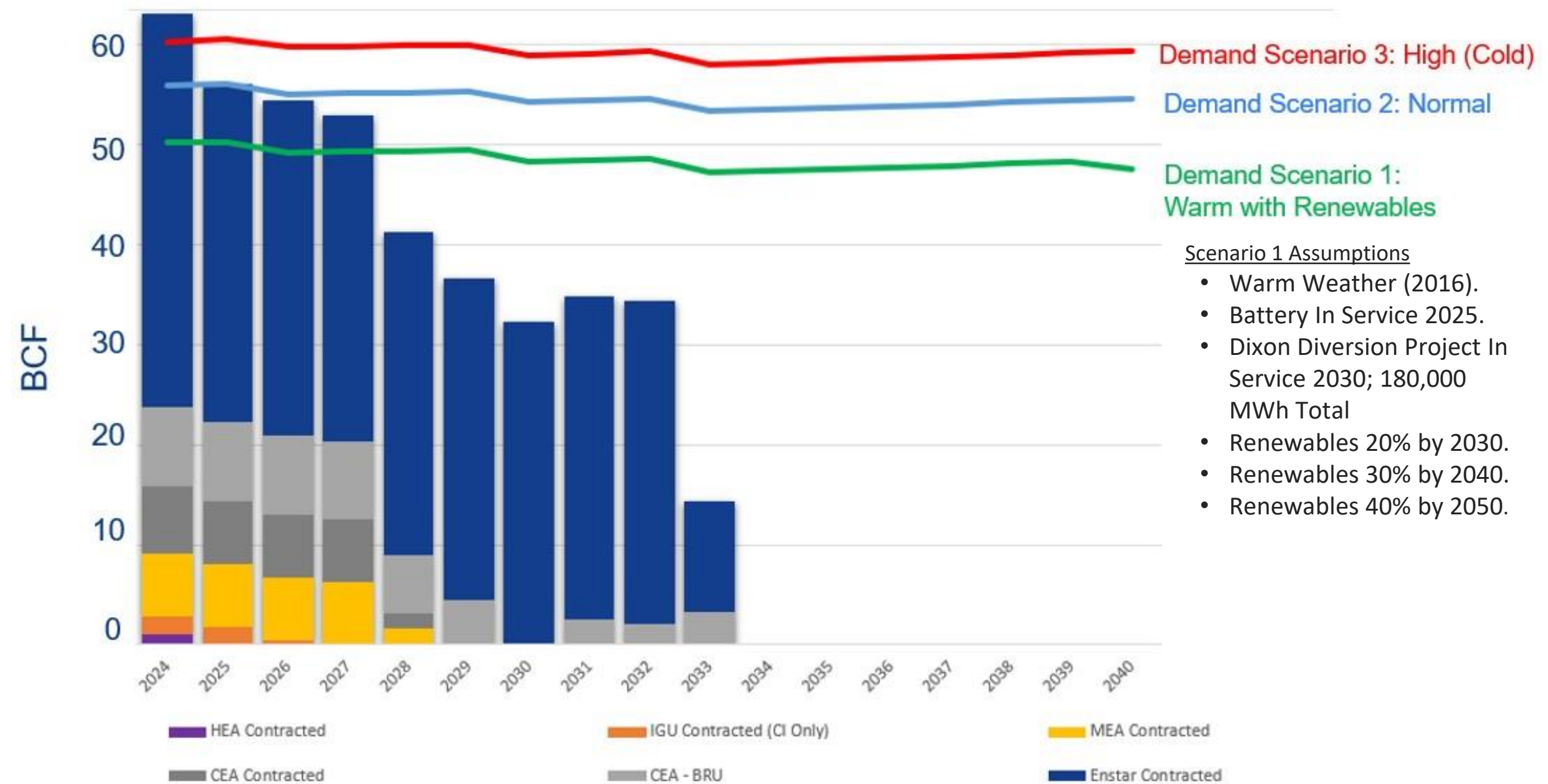
Source: ALASKA UTILITIES WORKING GROUP PHASE I ASSESSMENT: COOK INLET GAS SUPPLY PROJECT (June 28, 2023).

MEA Uses Only 10% of Utility Gas Supply

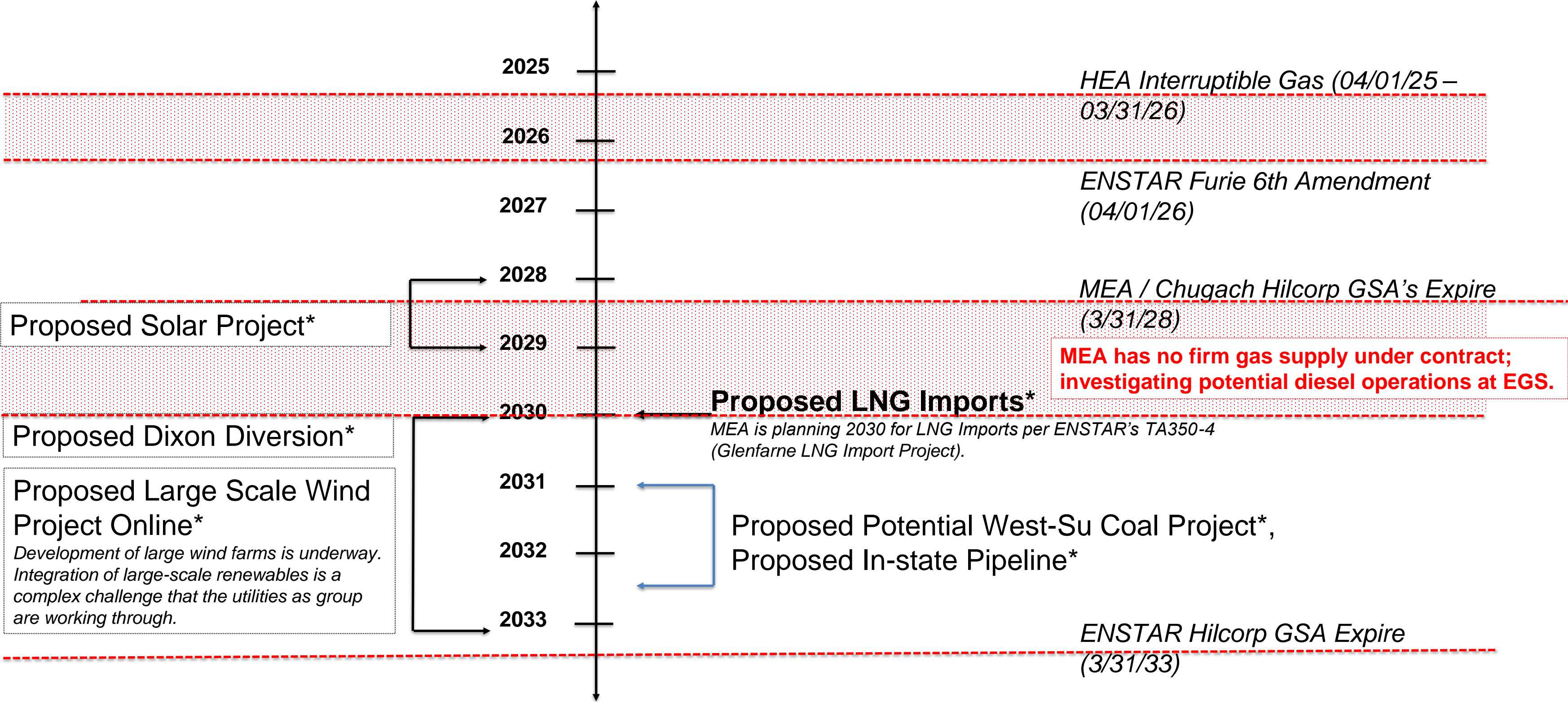


Looming Shortfall

Combined Utilities' Annual Demand



Timeline of Key Fuel Supply Milestones



* The represents potential project(s), no contract(s) have been submitted to the Regulatory Commission Alaska for approval as of 12/2024.

GENERATION - ALL OPTIONS HAVE TRADEOFFS

GAS SUPPLY

COOK INLET INVESTMENT

- PROVEN RESOURCES BUT EXPENSIVE TO DEVELOP AND DELIVER
- QUESTIONABLE LIFE EXPECTANCY
- SINGLE SUPPLIER

NORTH SLOPE INVESTMENT

- SIGNIFICANT RESOURCES AVAILABLE
- LARGE AND SMALL DIAMETER PIPELINES HAVEN'T MATERIALIZED
- OPTIONS TO PRODUCE THERE AND BUILD TRANSMISSION DOWN TO GRID

IMPORT LNG

- AVOIDING BIG INVESTMENT INCREASES PER MCF COSTS
- DECREASES ENERGY SECURITY
- HIGH DEMAND GLOBAL MARKET
- LIKELY OUR ONLY SHORT TERM OPTION

RENEWABLES

HYDRO

- FIRM, CHEAP POWER, LONG LIFE
- REQUIRED HIGH INITIAL INVESTMENT
- ENVIRONMENTAL OPPOSITION

SOLAR

- INEXPENSIVE TO DEVELOP, SCALABLE
- FLUCUATING POWER SUPPLY
- NOT AVAILABLE DURING OUR PEAKS

WIND

- INEXPENSIVE TO DEVELOP, SCALABLE
- FLUCUATING POWER SUPPLY
- SOME AVAILABILITY DURING PEAKS

GEOHERMAL, TIDAL, ETC

- MORE EXPLORATION, PROVING AND PERMITTING REQUIRED
- PROMISING IN THE LONG TERM

OTHER CLEAN ENERGY

NUCLEAR

- 10+ YEARS OUT
- ECONOMICS ARE NOT THERE YET
- PERMITTING AND SPENT FUEL QUESTIONS

COAL WITH CARBON MANAGEMENT

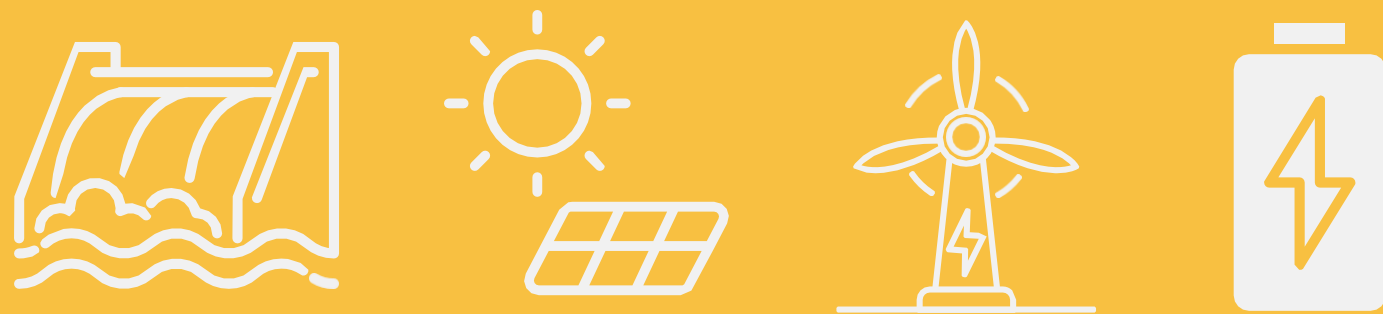
- INCREASING OPTIONS TO CAPTURE AND/OR SEQUESTER CARBON

EFFICIENCY

- SUPPLY SIDE EFFICIENCY BURNS LESS FUEL NUMBER OF KILOWATTS
- DEMAND SIDE EFFICIENCY MEANS CONSUMERS USE LESS

OTHER FUELS (BIOFUELS, ETC)

ENERGY DIVERSIFICATION

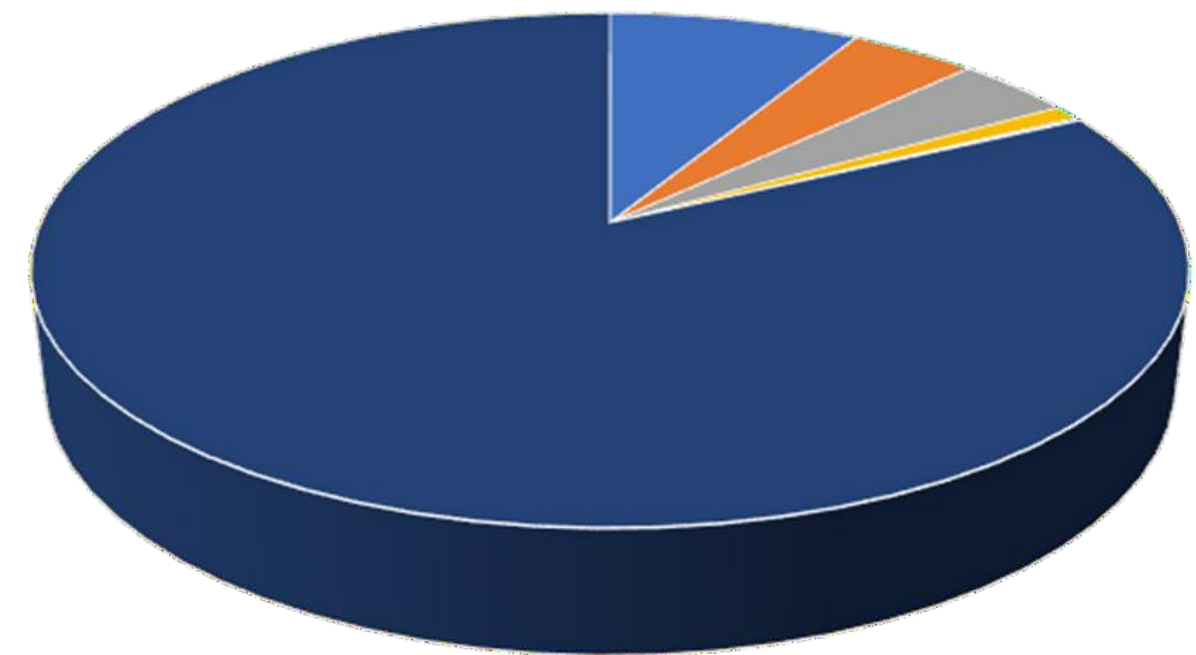


**MEA GOAL:
50% CLEAN ENERGY
BY 2050**

2024: 16% RENEWABLE

- Mostly from hydro generation (Eklutna and Bradley Lake), and a small mix of solar and wind resources.
- 8.5 MW Solar Farm in Houston, Alaska came online last fall.

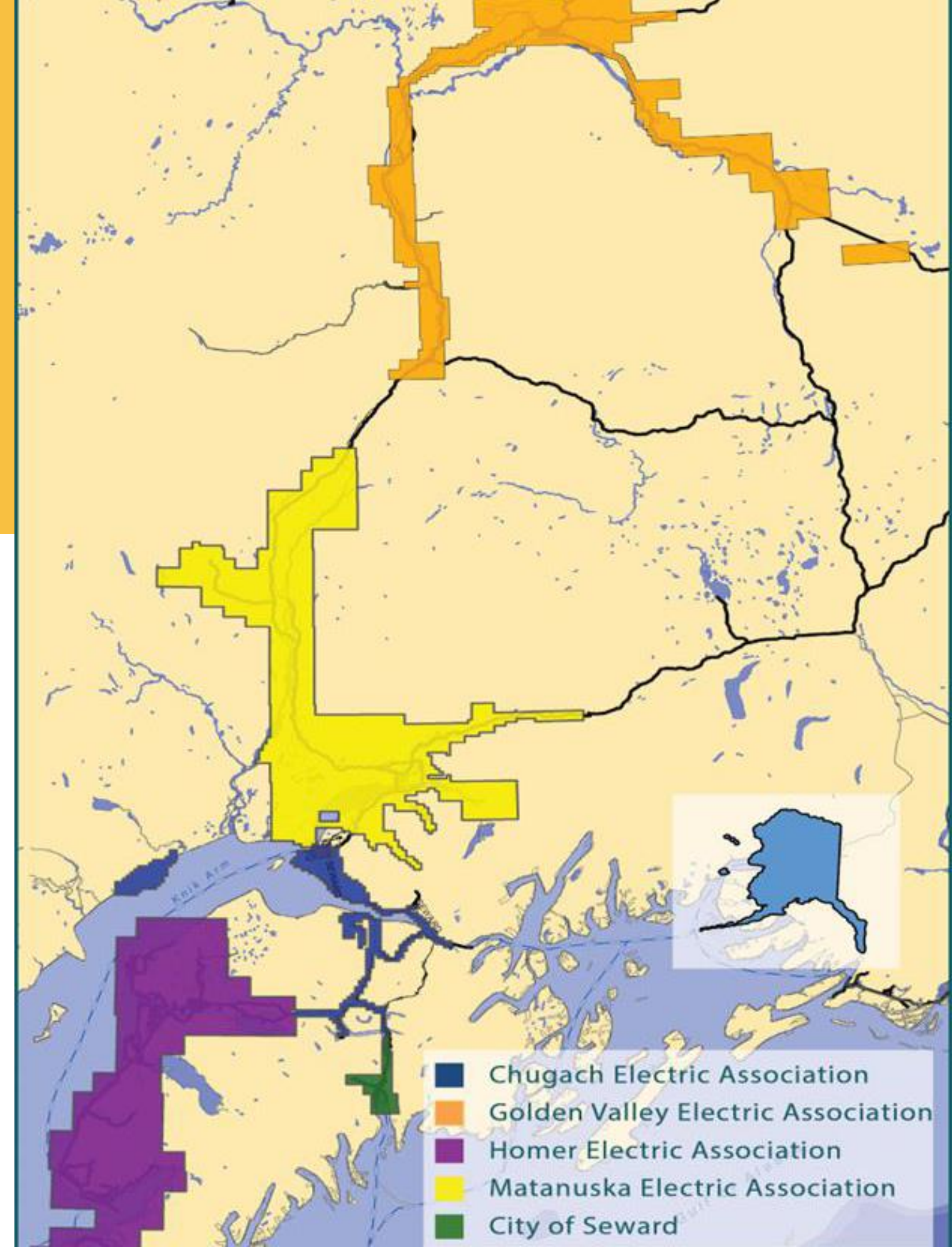
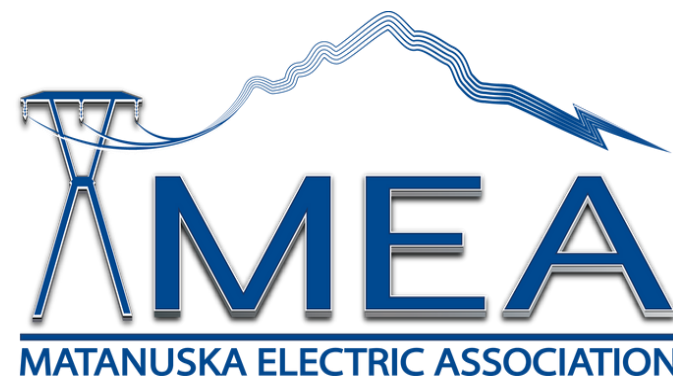
Energy Produced by Source



Bradley MOA - Eklutna MEA - Eklutna Run-of-River
Willow Solar Small Producers Natural Gas

THE RAILBELT

- Connected with single line between Homer up to Fairbanks
- All utilities are not-for-profit, public power, making decisions in the best interest of their residents and communities.



CONSTRAINTS ON THE RAILBELT GRID

GRIP: Federal, State, Utility Shared Funding

Technical Constraints

Inadequate physical infrastructure
Lack of adequate capacity
Lack of adequate redundancy

HB 307: Eliminate Wheeling – THANK YOU!

Economic Constraints

Limited economic dispatch
Wheeling distorts transactions
Small market limits options
No economies of scale

Still a problem...

Institutional Constraints

No management and operation of assets for the benefit of the whole.

Slide courtesy of:



Glenn,
Lineman

What Are The Hurdles?

- **Transmission, transmission, transmission.**
- **All options have tradeoffs and are more expensive.**
- **Limited meaningful, region-wide collaboration.**
- **Uncertain federal and state policy and funding.**
- **Minimal free market competition and viable developers.**
- **Did I mention transmission?**

MEA Goals

- Develop joint energy highway with unified oversight and management of the backbone.
- Secure short to mid term gas supply (2028 – 2040).
- Work with state leaders and utilities to chart a path forward on generation projects.
- Leverage Alaska's immense resources for a diverse and secure generation portfolio.

MEA Ask: It's a critical time. Please help us keep all generation options on the table.

