Rural Utility Realities Nushagak Cooperative Dillingham, Alaska

HOUSE ENERGY COMMITTEE

2-4-26

WILL CHANEY

CEO/GM

Will Chaney

- Born and Raised in Dillingham
- Wife Robyn, 5 children, all presently reside in Dillingham
- 25 years at Coop, Power Plant, Apprentice Lineman, Journeyman Lineman, Construction Supervisor, Staking/Metering Tech, Electric Ops Manager, CEO/GM
- Participated in the Salmon fishery both Set and Drift, seined Togiak Herring, worked construction and co-owned and operated an unguided sport fishing camp on the Nushagak river.

Nushagak COOPERATIVE

Board of Directors

PETE ANDREW
President
4/22/98 - Current

HENRY STRUB
Vice President
1984 - Current

ANNIE FRITZE
Secretary
3/24/15 - Current

BRUCE BALTAR
10/18/16 – 04/08/25
07/15/25 – Current

WANDA WAHL
Director
7/21/15 - Current

SUSAN FLENSBURG
Director
3/26/19 - Current

MARK LISAC
Director
8/9/22 – Current

JEAN BARRETT
Director
3/21/23 - Current

CADE WOODS
Director
04/08/25 - Current

- 20 full time employees with 9 vacancies
- Combined Utility providing Electric Telephone and Internet
- 994 members, 1,475 meters served over 97 miles of distribution
- 11.2 MW of diesel generation capacity
- 2.7 Million gallons of diesel storage
- Convert ~1.3 million Gallons of diesel to energy per year, electricity and supplemental heat
- Provide ~1.8M in wages into our community annually

Leadership and Cooperative history

Began as a private company, transitioned to a PUD, became an Electric Cooperative in 1964, 62-year history in Dillingham

9-member Volunteer board. Board Member Henry Strub who is here with us today has dedicated 42 years to his community and Coop.

Member owned not for Profit, community success is Cooperative success

Over time, have assumed operation of the Telephone and CATV systems as well as Internet provision with Microwave, DSL, Coax and now fiber.

Installed a Heat recovery sharing heat with surrounding businesses

Share used oil with members who have used oil burners to help offset heating costs

Regional Challenges

- Credentialed employees at the Coop and in the community
- Remote work has changed many of the core businesses
- Outmigration of talent
- Housing issues and cost of construction
- Social and lifestyle factors, rural Alaska is challenging
- Cost of doing business
- Industry in flux, in Bristol Bay that's Commercial fishing
- Climate Change, Multi faceted, heating, fish returns, water levels, construction seasons, material availability

Cooperative Challenges

- Single thread source of energy
- Global Energy insecurities
- Fuel Source and delivery, WAFG, Natural Gas, Environmental
- Strong job market in the utility sector
- Cost of material and goods increasing 10-25% depending on material
- Cost of services, Contractors, Insurances, regulatory
- Climate Change, regulatory costs associated with diesel and material manufacturing and availability.

Regional Successes

- Worlds Largest wild sockeye Salmon fishery generating ~$2B annually providing 15,000 jobs.
- Supported by a strong contingent of BB's, BBNC, BBNA, BBEDC… and Village Corporation, Choggiung Limited that provide support in region.
- Strong trend towards workforce development and education support.
- Battery and solar projects going in around the region.
- In river and run of river renewable energy investments paying off
- CWPP developed by BBNA and Stakeholders working with Alaska Venture fund

https://sites.google.com/alaskaventure.org/bbna-cwpp-2024/home

Cooperative Successes

- Growing a workforce through training across our disciplines
- Strong history of providing the much-needed energy and communication needs of our connected communities.
- In partnership with Choggiung Limited, our local Village Corporation, we have successfully completed a ~$29M middle mile fiber optic project, 80 miles of fiber creating the first physical connection into Dillingham.
- Received provisional award for Bead funding to connect the communities of Clarks Point and Manokotak
- Invested $6.2M of member capitol and an additional $2.5M in grant funding (AEA REF round 13 and 14 and the Denali Commission) in the feasibility assessment for Nuyakuk Hydro www.nuyakuk hydro.com

COST OF DIESEL GENERATION

10 Years = $ 44.4 million
25 Years = $ 111 million
55 Years = $ 246 million

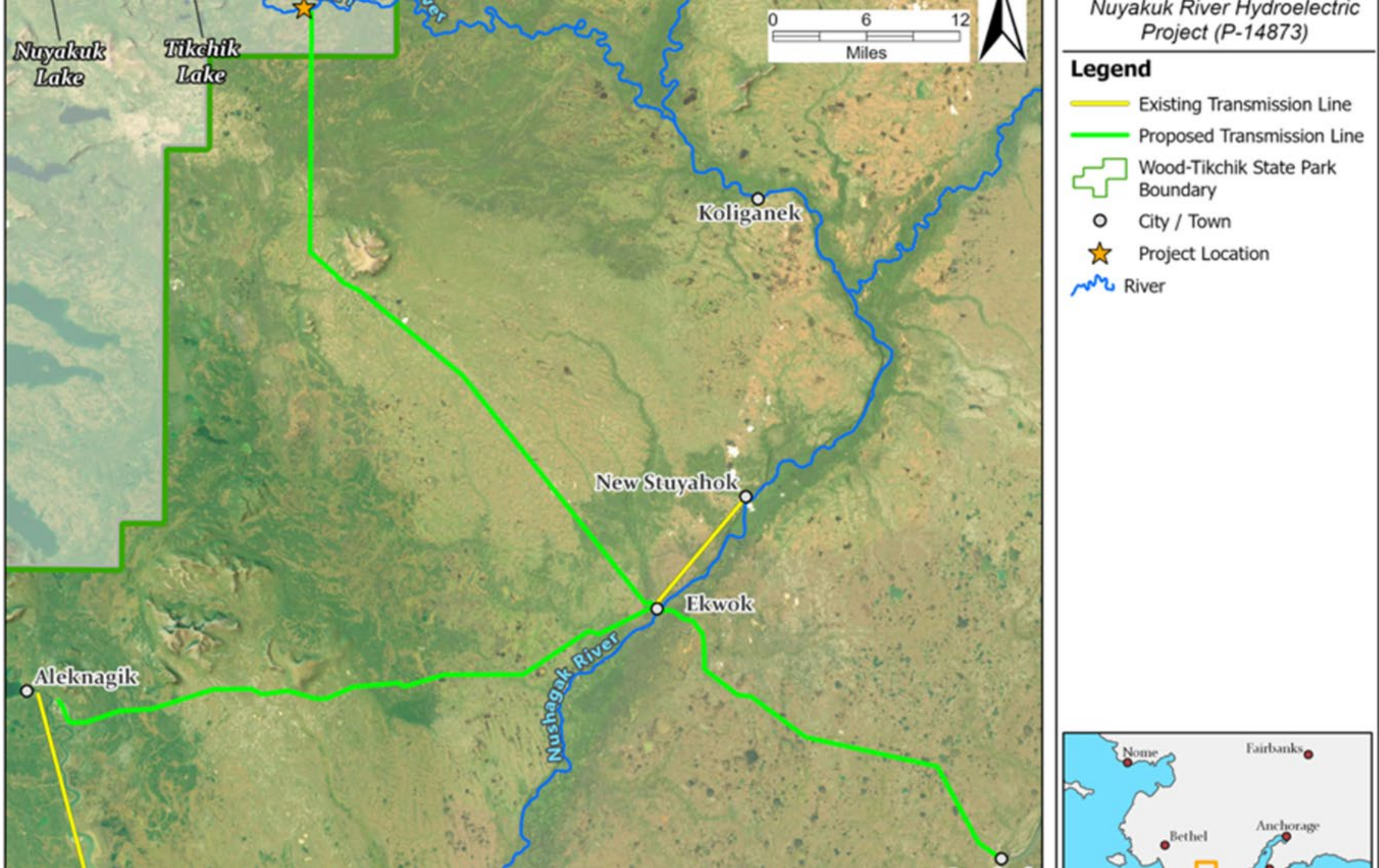
DLG & ALEK = $ 3,523,031 /yr

1,324,448 g/yr x $2.66/g
X 10 years = $ 35 m
X 25 years = $ 88 m
X 55 years = $ 194 m

5 Villages = $935,415 /yr

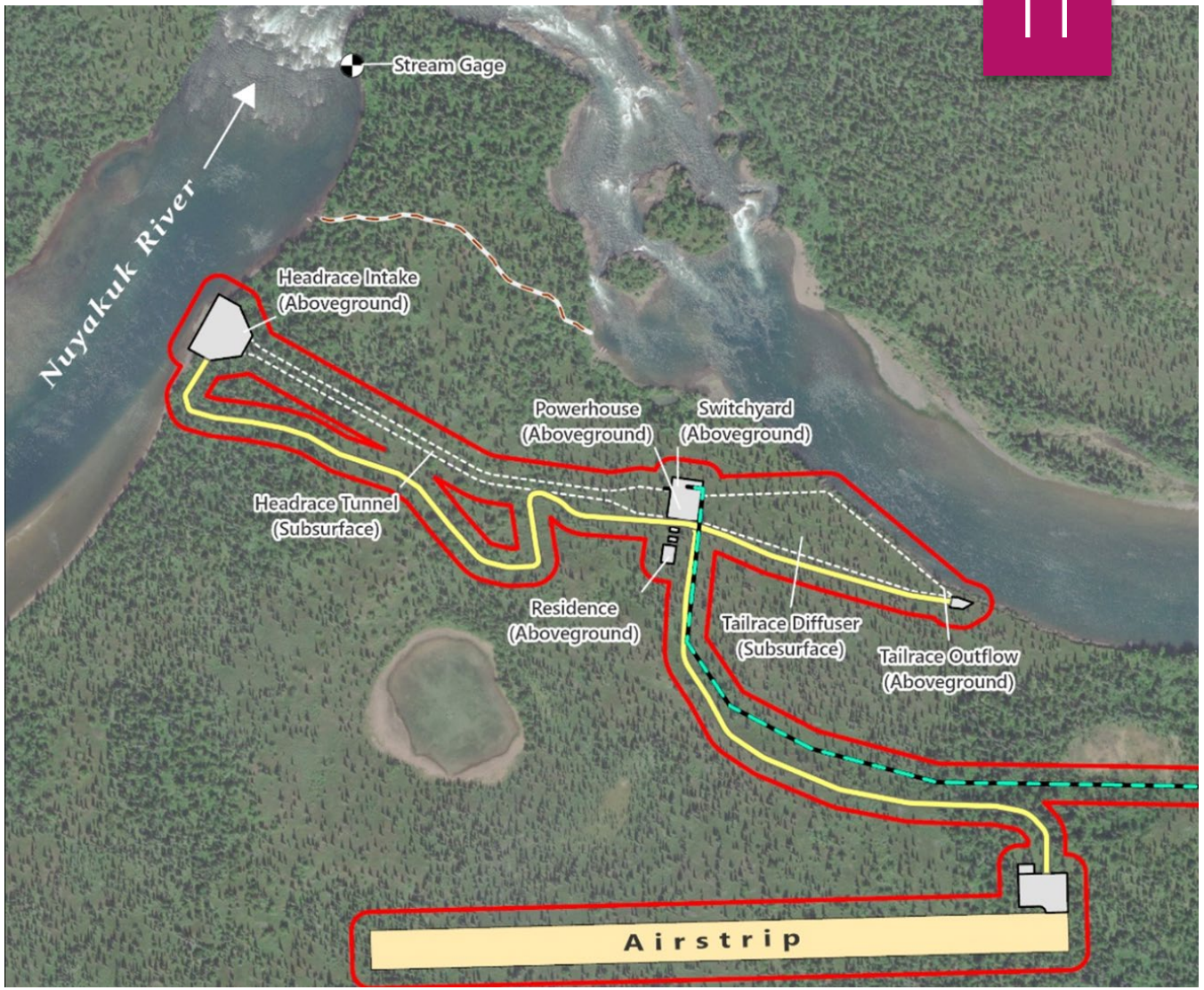
311,805 g/yr x $3.00 /g
X 10 yr = $ 9.4 m
X 25 yr = $23 m
X 55 yr = $52 m

Not included: maintenance, emissions, bulk storage cost


Nuyakuk Lake
Tikchik Lake
Koliganek
New Stuyahok
Ekwok
Aleknagik
Nushagak River
0
6
12
Miles
Nuyakuk River Hydroelectric Project (P-14873)
Legend
Existing Transmission Line
Proposed Transmission Line
Wood-Tikchik State Park Boundary
City / Town
Project Location
River
Nome
Fairbanks
Bethel
Anchorage

Site Concept

- ~24’ head
- 1,800’ Penstock
- 5,940 flow capacity
- 170’ wide intake expecting a 1.0 ft/second intake velocity
- 2 5.0MW Kaplan Turbines, designed to be fish friendly
- 34,740 MWh average annual energy production.



Questions?

Will Chaney

CEO/GM

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Nushagak COOPERATIVE