

# ***Cook Inlet Natural Gas Use Chugach Electric Association***

**The Alaska State Legislature  
House Special Committee on Energy  
Co-Chairs**

**Bryce Edgmon & Charissee Millett  
Representatives, Dahlstrom, Johansen, Ramras,  
Peterson and Tuck**

**March 17, 2009**

**Bradley Evans, CEO  
Chugach Electric Association, Inc.**

# ***Current Natural Gas Situation***

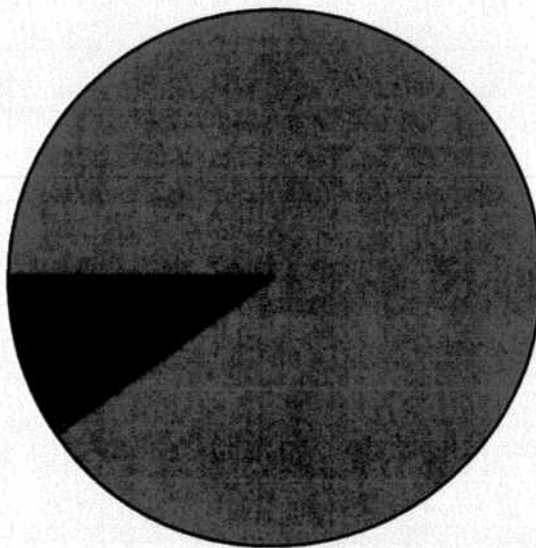
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- **Natural gas is important to regional economy**
- **Moving from an era of abundance to limited supply raises new issues**
  - Security of supply
  - Affordability
- **Many organizations are involved**
  - Chugach, Enstar, the producers, DNR, DOR
  - Parties have different priorities
  - Knowledge is stove-piped

# Chugach's fuel mix

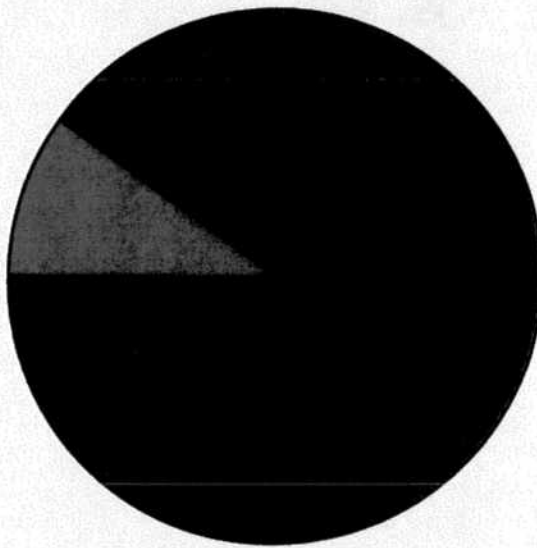
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Today – 90/10



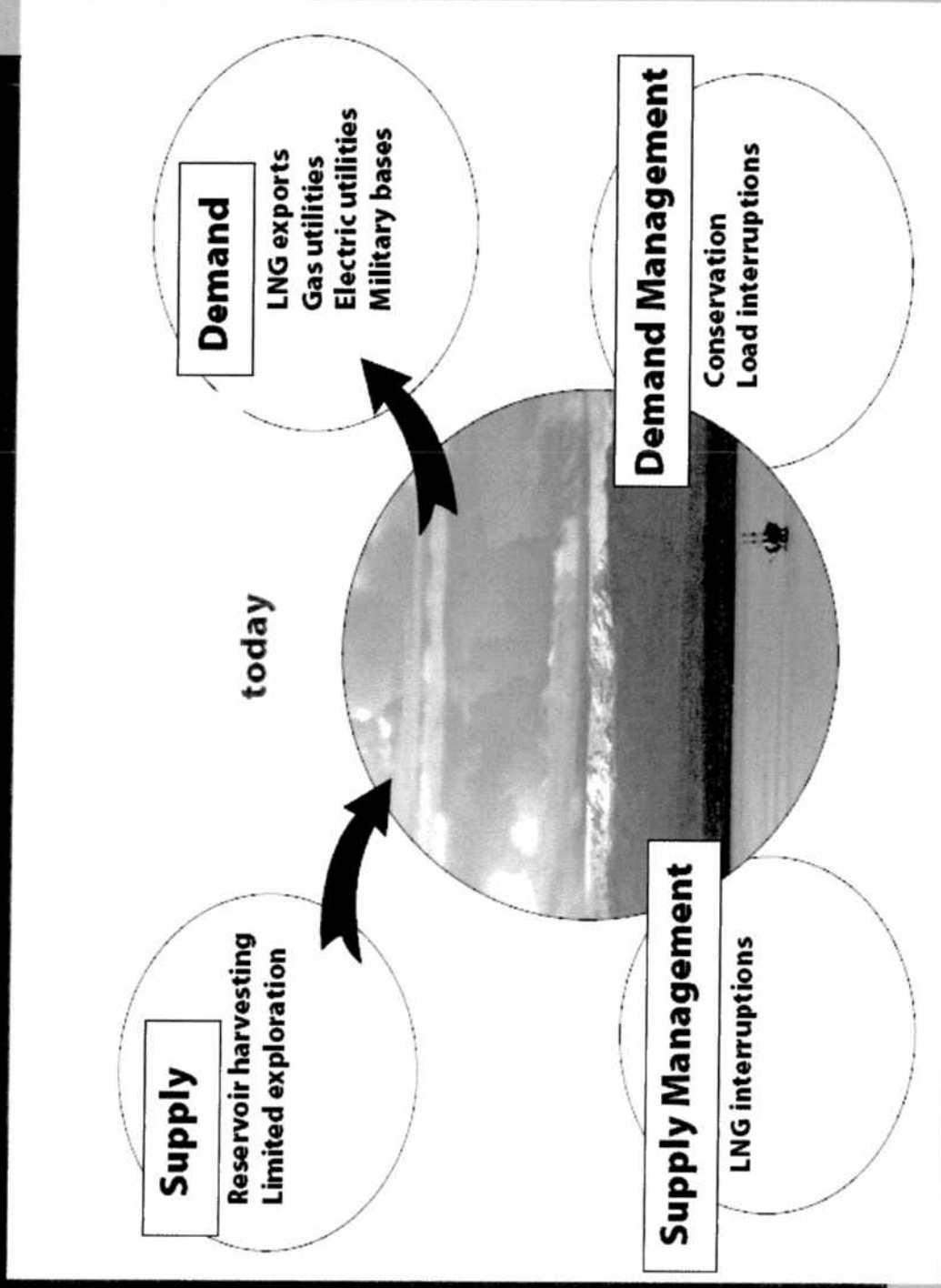
■ Gas ■ Hydro

Future – 10/90

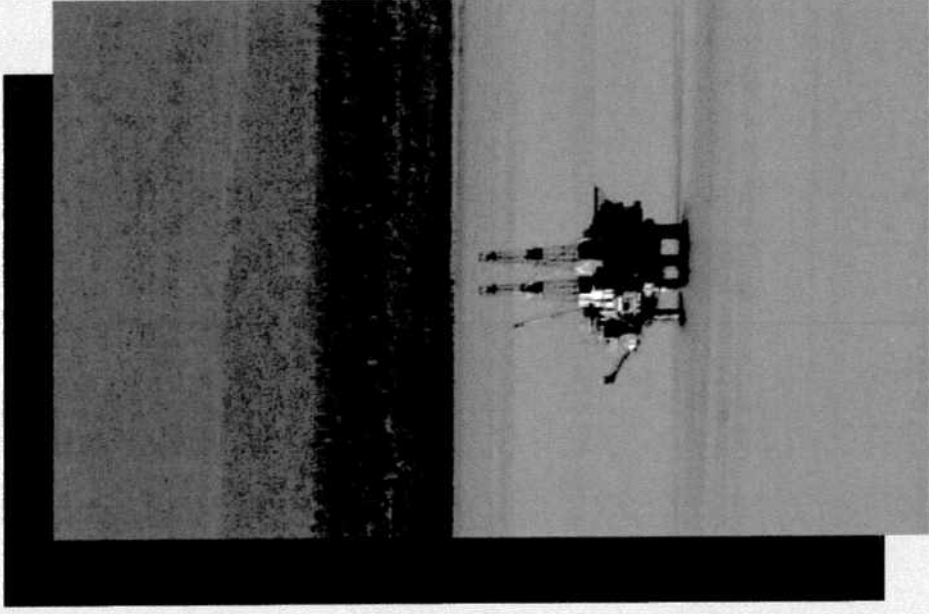


■ Gas ■ Renewable

# Cook Inlet Supply Demand Situation Today

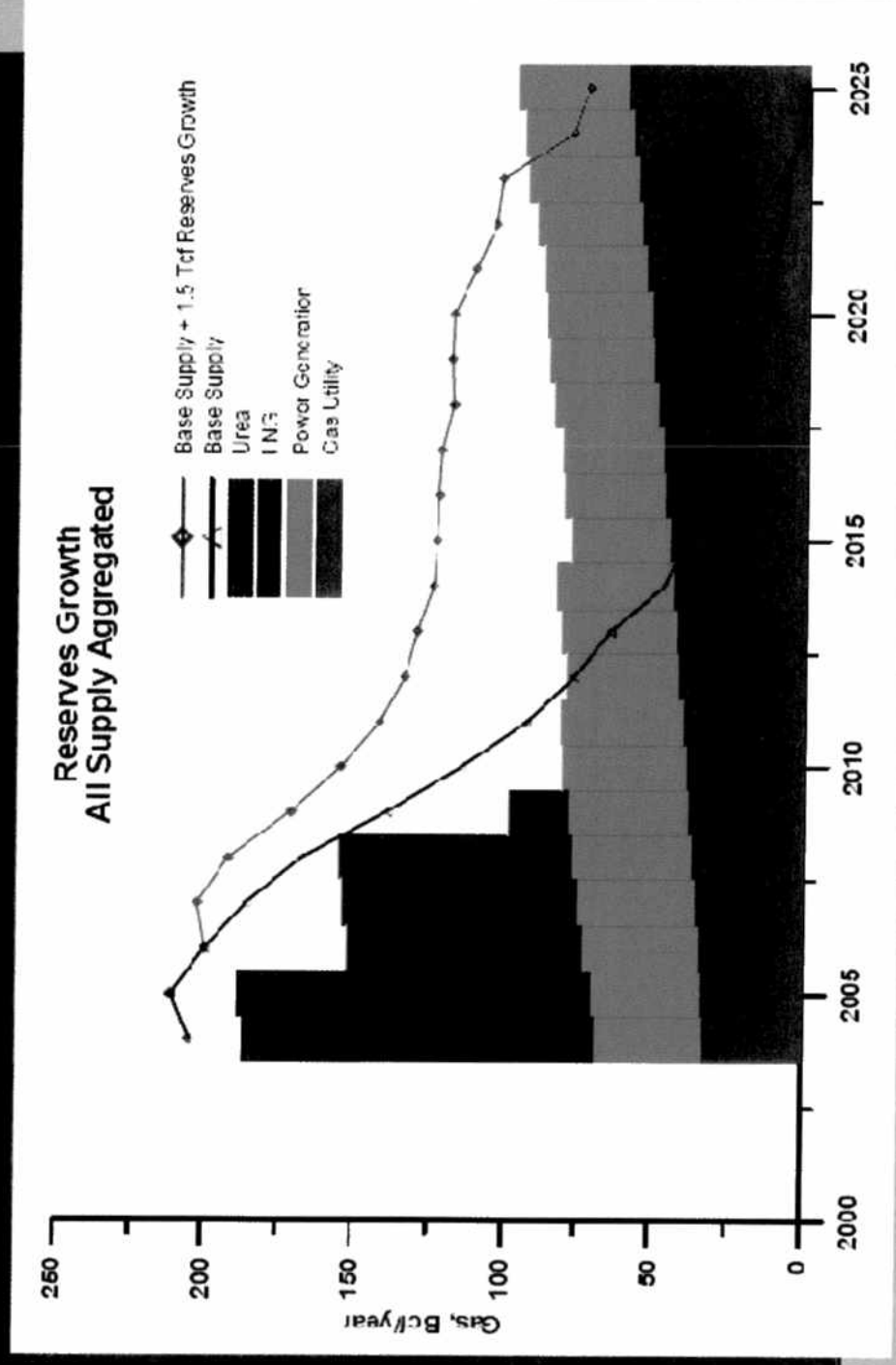


# ***Where will future gas supply come from?***



- Cook Inlet Exploration?
- Spur Line?
- Bullet Line?
- LNG Import?
- Alternative fuels?

# Without reserves growth, supply will not meet gas demand for utility needs



Slide courtesy of ANGDA

# ***Recommendations***

- Cook Inlet Resource Management Plan
- Cook Inlet Public Gas Authority

# ***Comprehensive Cook Inlet Resource Management Plan***

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- **Meet & protect consumer needs**
- **Address fuel supply security**
- **Increase transparency & information sharing**
- **Provide input to a Railbelt IRP**
- **Provide guidance for investment decisions**
- **Optimize resource management**
- **Provide information for rational policy decisions**

# ***Next Steps***

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- **Administration taking lead**
- **Detailed scoping of the plan by stakeholders**
  - DOR, ANGDA, DNR, Utilities, other
- **Development of a steering committee**
- **Funding support from legislature**
- **Report due to legislature by date certain**

# ***Cook Inlet Public Gas Authority***

- **A non-profit gas agency**
- **Secure economical, long-term wholesale natural gas for all end-users**
- **Stabilize and reduce the cost of natural gas for the benefit of all customers**
- **Members to include electric and gas utilities**

# ***Summary***

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- **Utilities are dependent on Cook Inlet natural gas for electric supply**
- **Affordable electric rates sustain economy**
- **Gas demand is outpacing supply**
- **Renewable energy & conservation will help**
- **Alternatives need to be identified**
- **Time is of the essence**