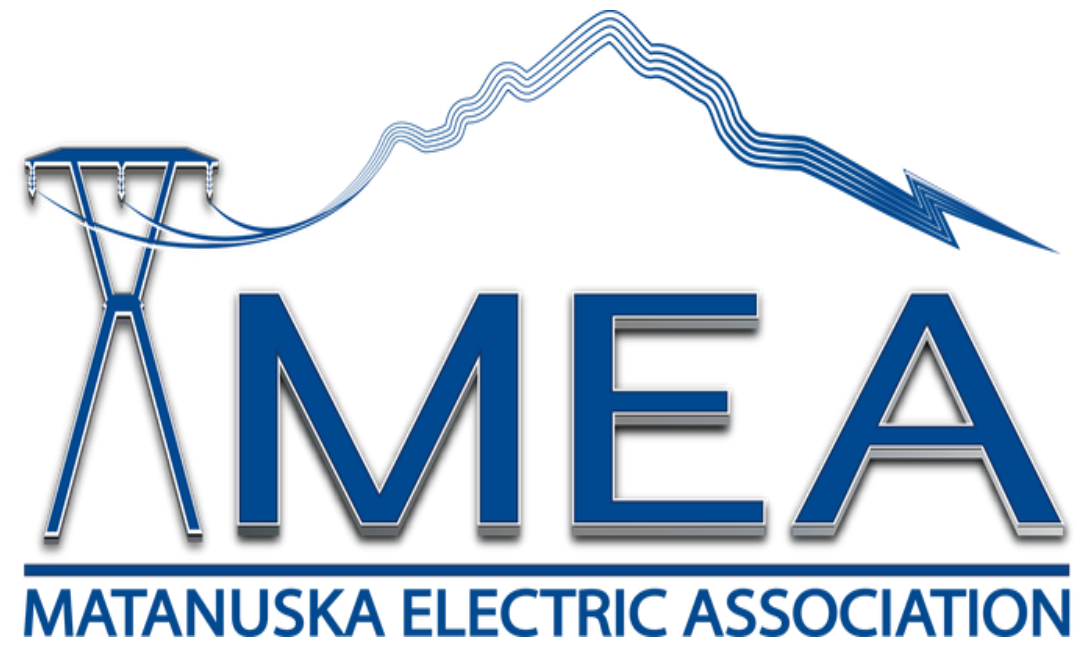




POWERING PROGRESS



An update from your Electric Cooperative



ABOUT US

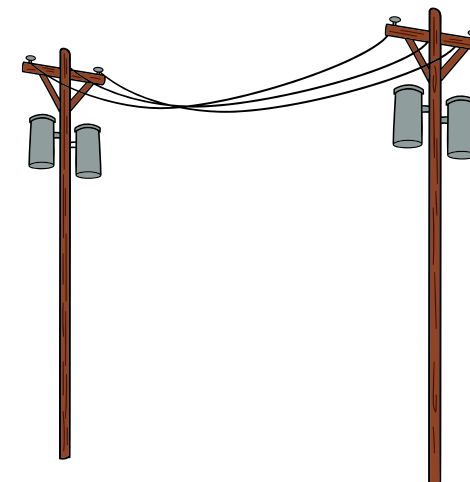


56,000+
Cooperative Members



1941
MEA Co-op was started

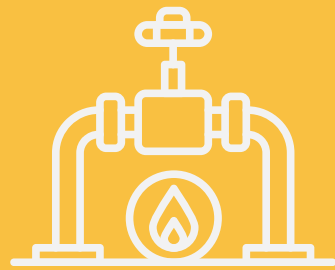
4,700+
miles of powerlines



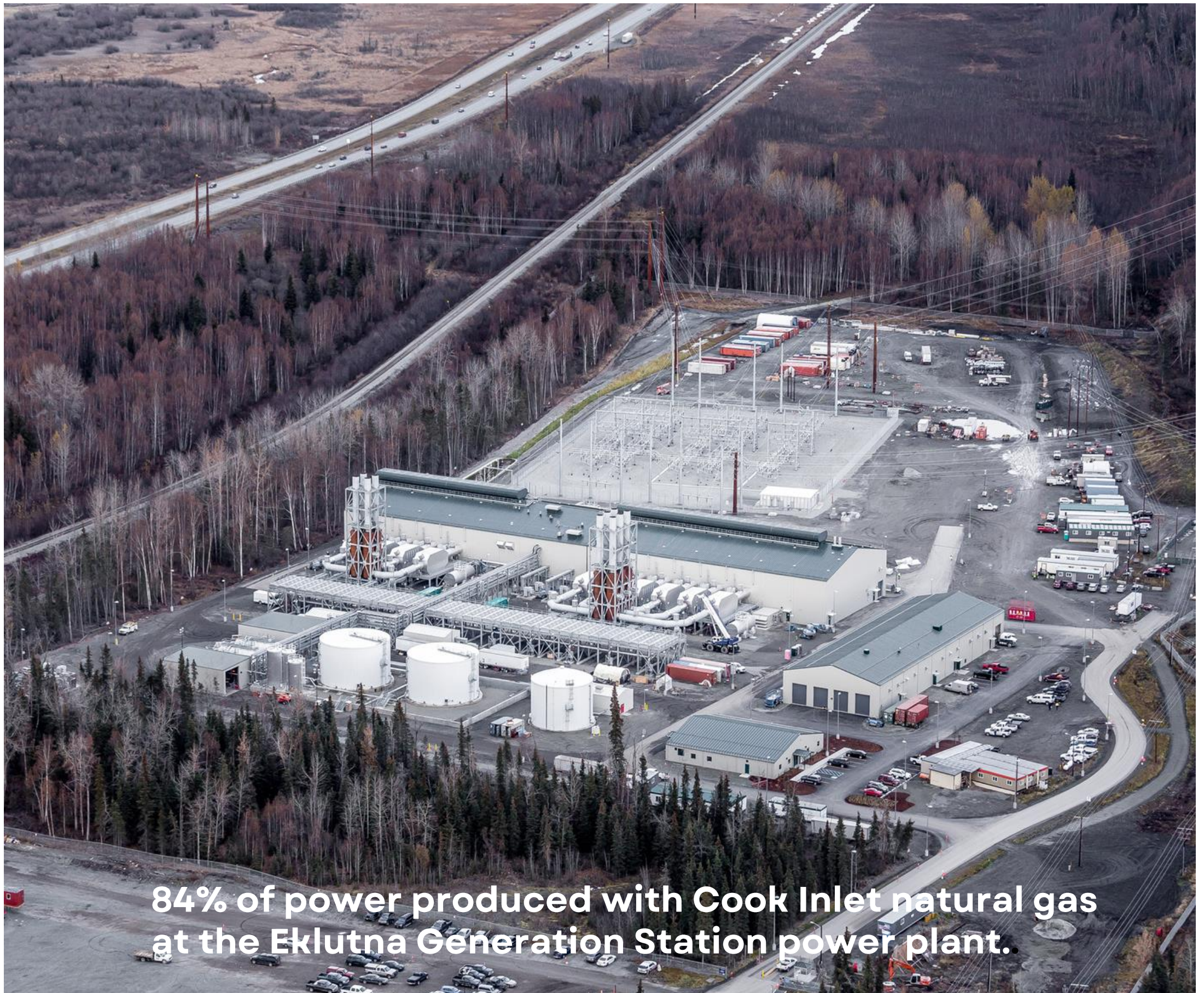
230
Employees
(95% are also Co-op members)



FUEL SUPPLY



- Hilcorp notified utilities of future supply shortages
- Gas contract expires in Spring 2028.



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

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

CARBON MANAGEMENT

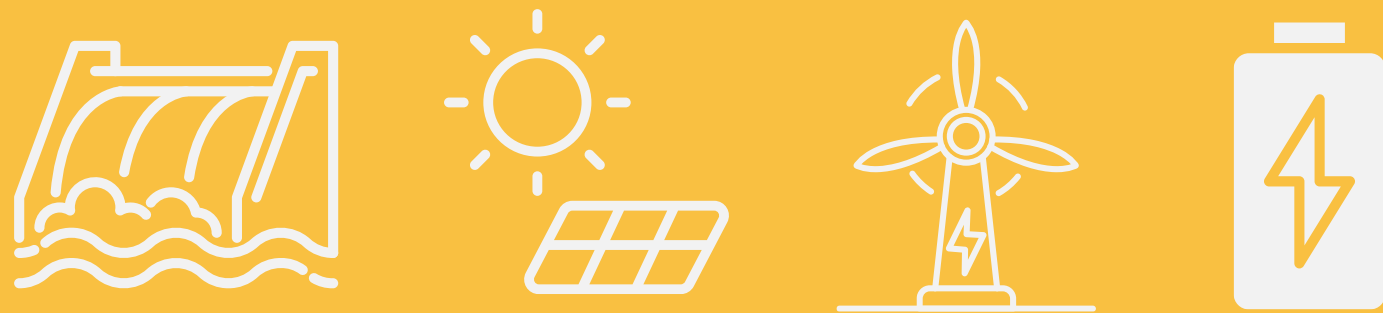
- INCREASING OPTIONS TO CAPTURE AND/OR SEQUESTER CARBON

EFFICIENCY

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

OTHER FUELS (COAL, BIOFUELS, ETC)

ENERGY DIVERSIFICATION

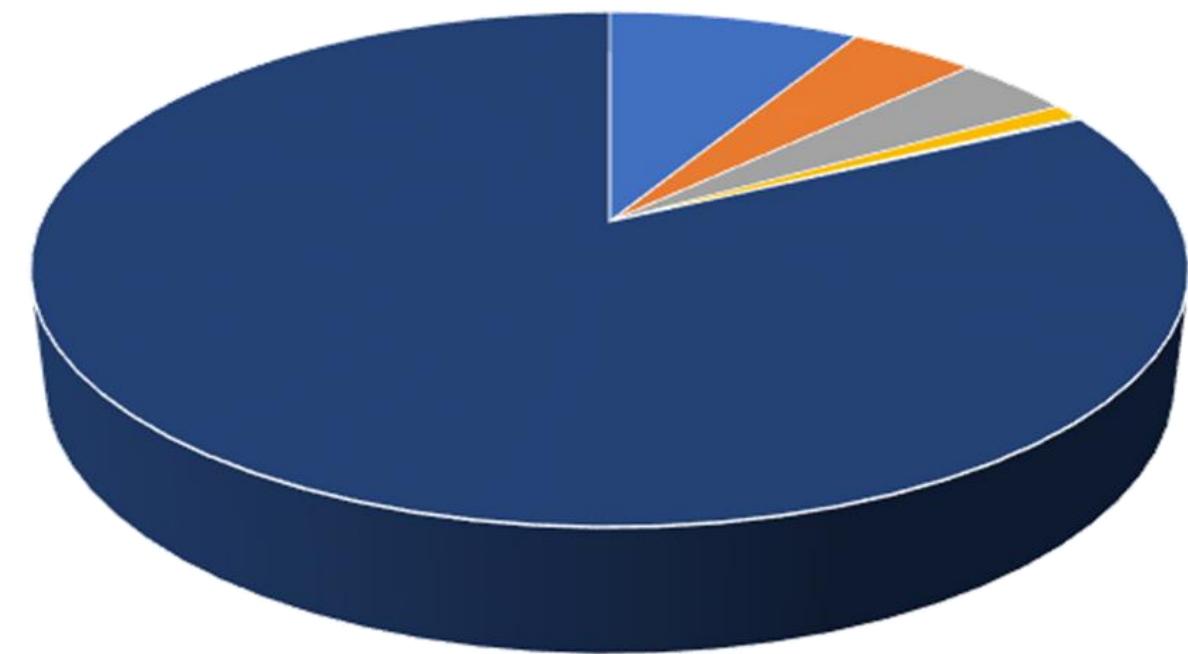


**MEA GOAL:
50% CLEAN ENERGY
BY 2050**

2024: 16% RENEWABLE

- Mostly from hydro generation, 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

CURRENT CLEAN ENERGY PROJECTS



- Railbelt wind study
- Microgrids (in more rural communities)
- Battery Storage
- Power Pool Agreement
- Net Metering (now have over 10 MW's of solar capacity on MEA's system)
- Electric Vehicles (charging sites and studies)

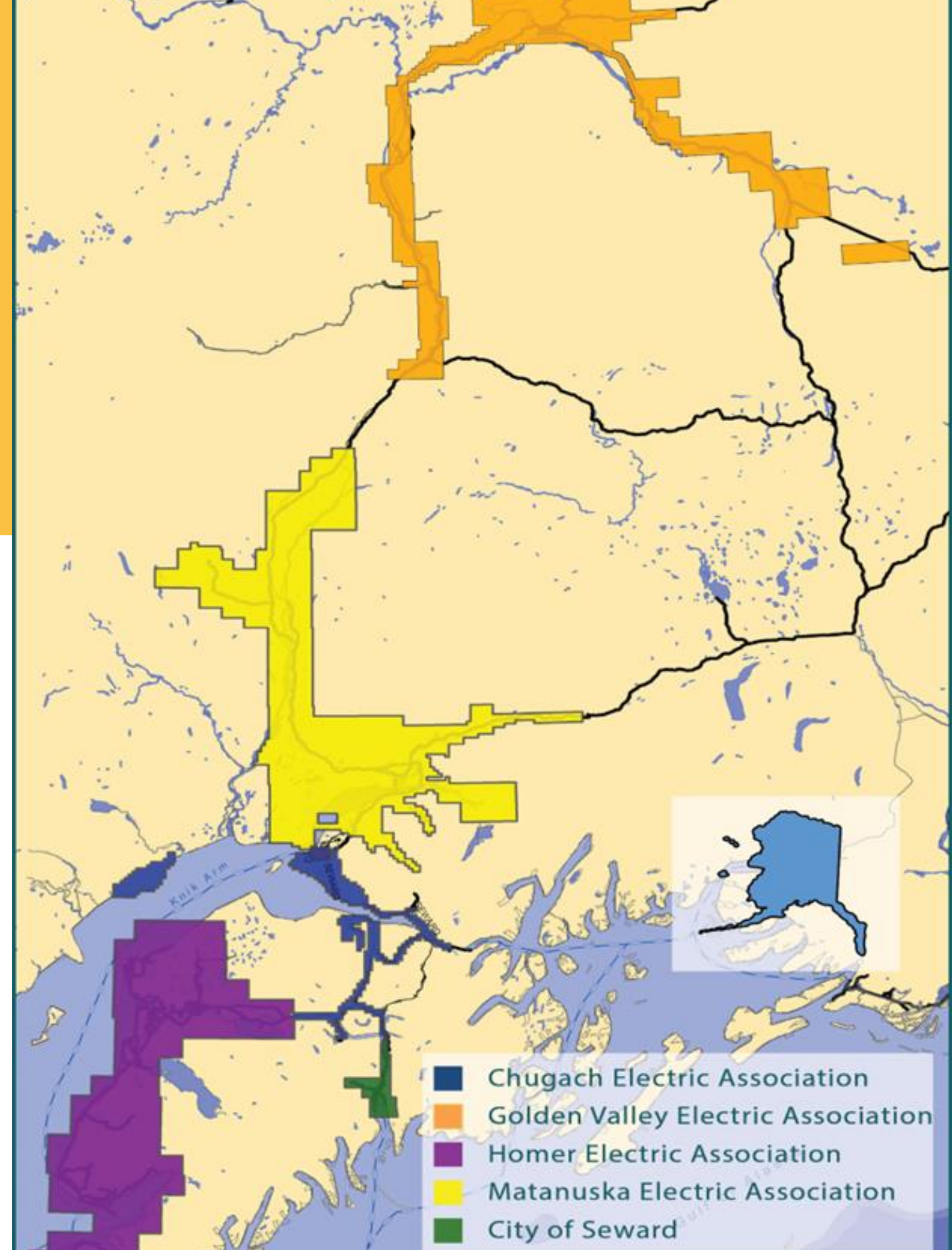
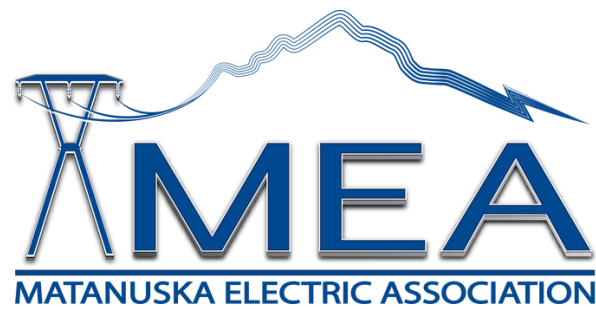


Ribbon Cutting Ceremony at the 8.5 MW Hawk Lane Solar Project developed by Renewable IPP.

RAILBELT COLLABORATION



Grid resilience, resource planning, long-term cost reduction.



GOVERNOR'S TASK FORCE

TRANSMISSION UPGRADES



BECOME A FIRST WORLD GRID

- FUND UPGRADES TO CAPACITY AND RESILIENCE. REMOVE CONGESTION
- GRID UNIFICATION TO DEVELOP ELECTRON HIGHWAY VS TOLL ROAD

CLEAN ENERGY STANDARDS



MEA: 50% CLEAN ENERGY BY YEAR 2050

- ATTAINABLE GOALS
- FOCUSED ON INCENTIVES NOT PENALTIES
- REINFORCE COLLABORATION

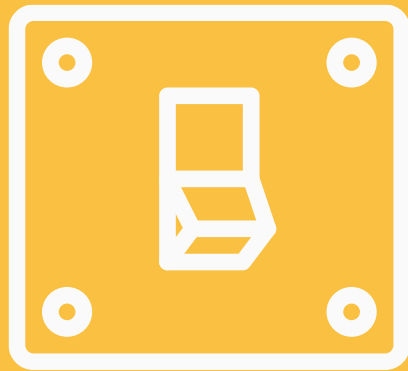
ENERGY DIVERSIFICATION



FIRM POWER RESOURCES

- COST COMPETITIVE
- LONG TERM ENERGY SECURITY GOAL
- REDUCE THE COST OF ENERGY

RELIABILITY



\$206 MILLION

Federal grant funding awarded to Alaska Energy Authority to improve Railbelt transmission grid and allow integration of clean energy infrastructure.



ECONOMIC CONSTRAINTS

Eliminate Wheeling

Decisions about investment in projects or economic dispatch should not be inhibited by the cost of transmission, or the need to move power across transmission lines with different ownership



Get rid of the toll road, create an open access highway that does not discriminate in terms of who generates the power, or what form of generation is used



Cost of energy
\$0.08/kWh

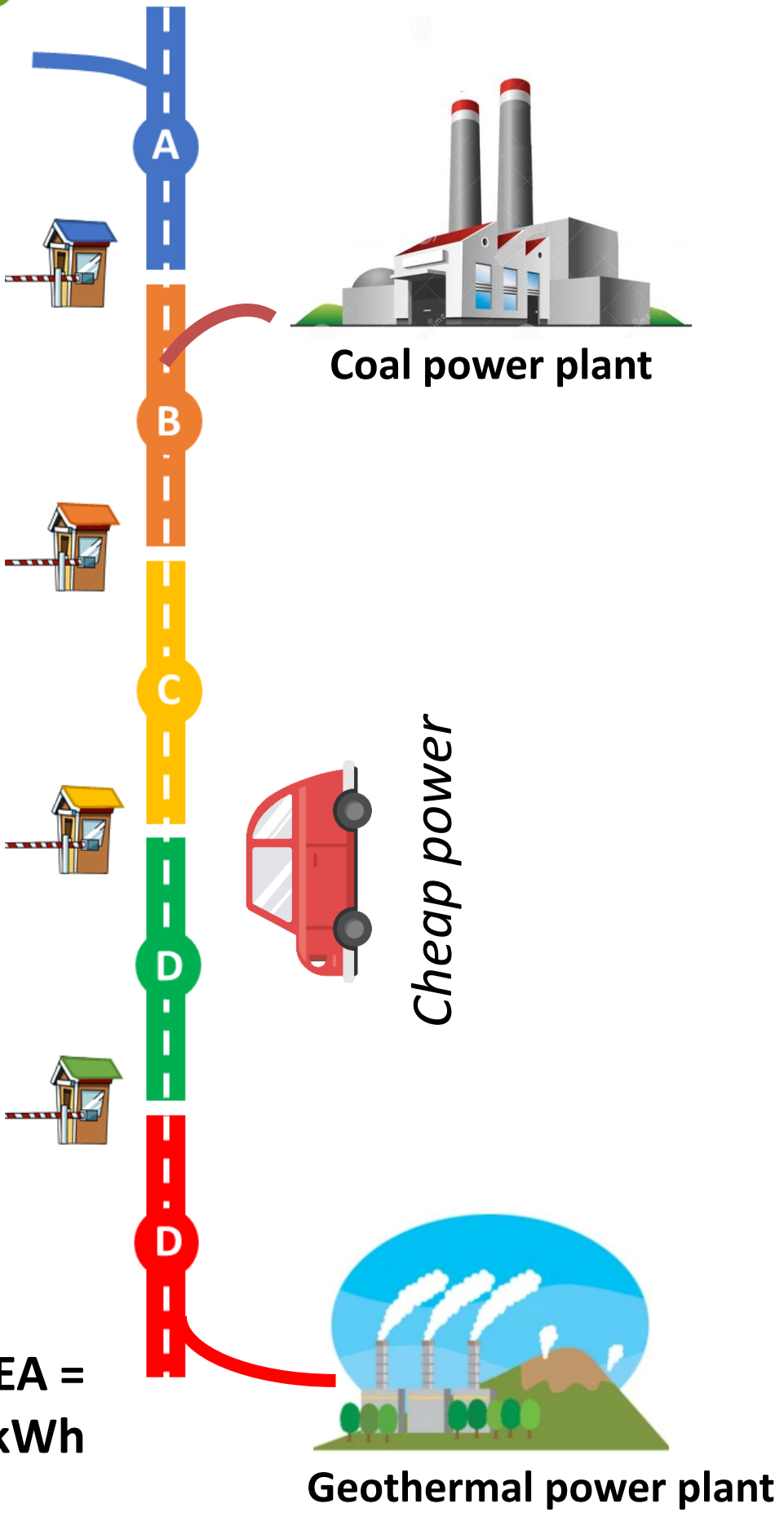
GVEA toll =
\$0.00531/kWh

AEA toll =
\$0.00512/kWh

MEA toll =
\$0.00415/kWh

CEA toll =
\$0.01412/kWh

Cost to HEA =
\$0.103/kWh



Slide courtesy of:



WHAT WE LEARNED FROM ICELAND

- Similar challenges to Alaska (demographics, harsh environment, islanded system).
- Initial government investment in backbone/generation brought energy security and drove economic growth, private investment and entrepreneurship.
- Vision and policy matter.





Glenn
Lineman

WHY DOES THIS MATTER TO ALASKANS?

- Significant infrastructure dollars coming to the state for energy.
- Design, build and operation opportunities for service companies and jobs.
- Small state transmission investment unlocks federal funding, private sector investment and entrepreneurship.
- Builds a new, self-sustaining energy market and trained workforce. Model shifts from utility-based to open-source.
- Reasonable, secure and predictably-priced power drives economic development.
- Downward pressure on rates.