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GUNNUK CREEK HYDRO PROJECT

IPEC's construction season was delayed about two months this year due to travel restrictions put in place to prevent the spread of the COVID-19 virus. However, staff and contractors are back hard at work on the Gunnuk Creek Hydro Project in Kake. Work so far this spring has consisted of setting the hydro turbine in place, erecting the powerhouse building, and beginning the installation of all the electrical equipment inside the building.



(Pictured above: penstock connection to the hydro turbine)

The electric contractor will be onsite for the next month or more working to complete all of the electrical installations. The turbine manufacturer will be onsite later this month to make final connections from the turbine to the generator. The contractors will also work to finalize installation of the last sections of the penstock pipe over the next few weeks. The project is getting very close to being complete, and we plan to begin testing the hydro in late July/early August. IPEC is looking forward to completing the project and bringing cheaper, renewable hydro power to its members.

(Gunnuk Creek hydro continued next page column 2)

PCE BASE RATE INCREASES

The State's Power Cost Equalization ("PCE") subsidy, which reduces residential and community facility bills in high energy cost communities, is a complicated calculation. Part of the calculation uses the weighted-average residential rate per kilowatt-hour (kWh) in the urban areas of Anchorage, Fairbanks, and Juneau over the most recent State fiscal year. This is referred to as the "base rate" for the PCE calculation. Each year the Regulatory Commission of Alaska (RCA) adjusts the PCE base rate (the most recent calculation used the period July 1, 2018 through June 30, 2019).

When residential rates in Alaska's urban areas increase, the amount of PCE paid to rural communities goes down. This year's adjustment resulted in an increase in the base rate from \$.1910 cents to \$.2063 per kWh; an increase of \$.0153 per kWh. This means slightly less PCE for residential and community facility customers in rural Alaska over the next 12 months.

During the State of Alaska's prior fiscal year, the residential rate per kWh for AEL&P in Juneau was \$.1420; \$.2116 for Chugach in Anchorage; \$.2627 for Golden Valley in Fairbanks; \$.2153 for MEA in the Mat-Su Valley; and \$.2319 for ML&P in Anchorage. By comparison, IPEC's PCE-eligible rate after applying the PCE subsidy last year was \$.2784 per kWh. ♣

IPEC OFFERS "BUDGET BILLING"

Do you have trouble paying your electric bill due to difficulty in budgeting your monthly payments? IPEC is pleased to offer "budget billing" to its member-consumers.

If you'd like to find out more about this program, please call Rosa, IPEC's billing officer, to set it up.

(please see "Budget Billing" on page 2 column 1)

(Budget Billing continued from page 1, column 2)

Most members pay higher bills in the winter, when days are shorter and electric use is higher, due to indoor lighting needs. Conversely, most pay less in the summer when there is more daylight and less need for indoor lighting. The budget billing program allows for a more levelized monthly billing amount.

Basically, the program calculates your average bill amount over the past 12 months, and allows you to pay the average amount each month. This amount will be "trued-up" once per year to be sure you keep up with the total annual billing amount. Please call IPEC's billing department to learn more about it, and to sign up for the program. ♣

ANNUAL MEETING ELECTION

Due to COVID-19, the in-person annual meeting in Kake was postponed until next year. Since the Klukwan Director seat was up for election, IPEC's board of directors decided to proceed with the election by mail only. Christopher Hotch was the only member to submit a petition for candidacy. 153 members voted by mail. However, 21 ballots were invalid since they were either not signed, not in a ballot envelope, or not voted/marked. Christopher Hotch received 132 votes and was re-elected for a three year term. The next annual meeting will be held in Kake.

Prizes were randomly drawn from members who voted by mail. Harold Dick Sr. from Hoonah, and Henry Copsey from Kake, each won a \$100 cash prize from IPEC. Mitchell Martin Jr. from Kake, and Joyce Skaflestad from Hoonah, each won a \$100 Visa gift card from Kemppe, Huffman & Ellis, IPEC's legal counsel. Valerie Bean from Kake, and Chris Budke from Hoonah, each won a \$100 Costco gift card from Blodgett, Mickelsen & Adamson, IPEC's auditors. Christine Nagy from the Chilkat Valley, and Melvin Starr from Angoon, each won a \$50 Visa gift card from the Northwest Public Power Association. Harriet Silva from Angoon, Bryce and Stacie Powlison from the Chilkat Valley, Dawn Jackson from Kake, and Ann Jewell from Hoonah, each won a \$50 credit off their electric bill from IPEC. Thank you for voting, and thanks to our vendors for donating to this year's annual meeting election.

♣

(Gunnuk Creek Hydro continued from page 1, column 1)



(Pictured above is the penstock connected to the power house)



(Pictured above is a section of the penstock being put in place)

The Gunnuk Creek hydro is a run-of-the-river project with a design similar to the Gartina Hydro project in Hoonah, but with a longer penstock. The total capacity is 500 kW, and the project is estimated to provide over half of Kake's electric load. The project will be brought online in August if all goes according to plan. Next year we will plan a ribbon-cutting and community celebration. Stay tuned! ♣