



Valdez City Council Work Session

September 21, 2021

Who we are

What we think you want to know


- Reliability
- Emergency Preparedness
- Cost of Service
- Future Outlook

Open dialog / Q&A

AGENDA

BEHIND THE SWITCH VIDEO



- 
- ▶ Exceptional service through safe, reliable, cost-effective electric service and programs

CVEA'S MISSION STATEMENT

SHARON SCHEIDT

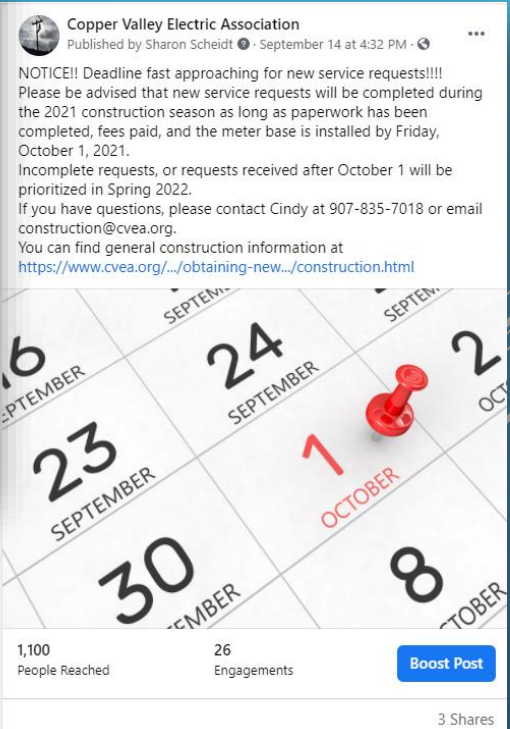
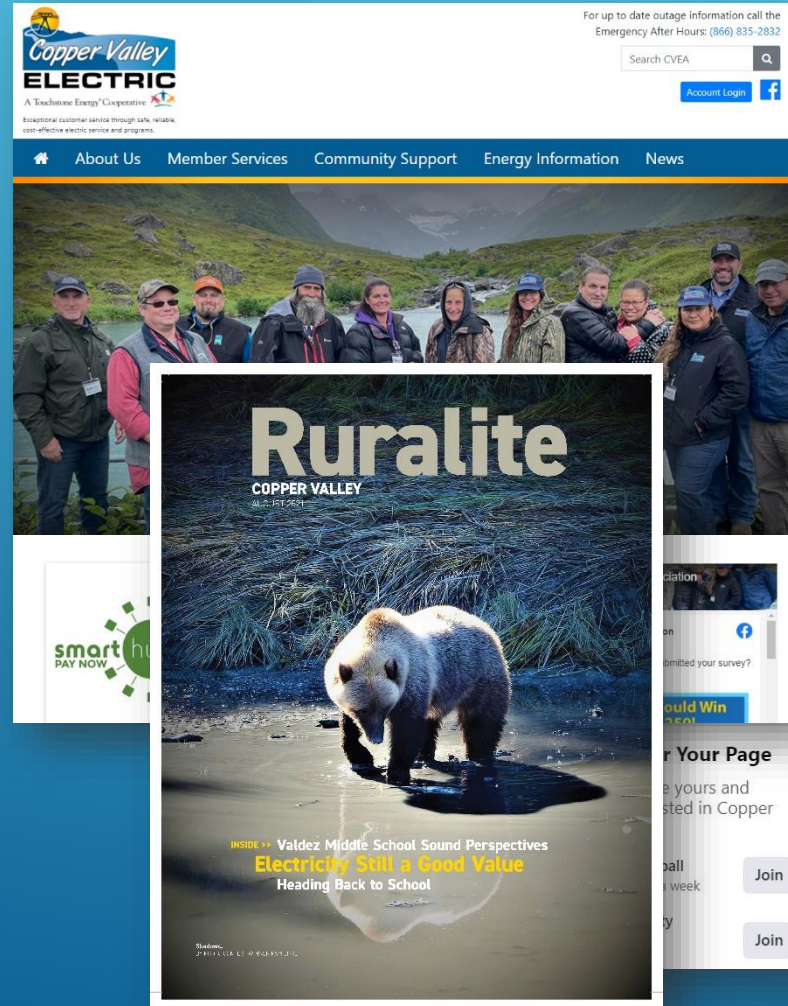
**DIRECTOR OF
COMMUNICATIONS**

COMMUNICATIONS – WHERE TO FIND IT

Cvea.org is an award-winning website that is packed with information.

Check out Facebook for up-to-date information and real-time outage updates.

Read your monthly Ruralite for in-depth information and stories.



- ▶ Outage Communications
- ▶ Current Electric Rates
- ▶ Rate History
- ▶ Project Reports

COMMUNICATIONS
WHERE TO FIND IT

COMMUNITY & MEMBER ENGAGEMENT

2021 Member
Satisfaction
Survey

Deadline-Sept. 30

392 Submitted to
date

Copper Valley Electric

2021 Member Satisfaction Survey

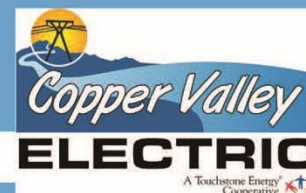
**You Could Win
\$250!**

Complete and submit the
survey by September 30, 2021

CVEA wants to hear from YOU!

Please take 15 minutes to complete and submit
the 2021 Member Satisfaction Survey.

- Scan this QR Code for immediate access to the online survey (hover over the image using the camera on your mobile device), or
- Visit cvea.org and click the survey link, or
- Pick up a printed copy at the local office, or
- Call the office (822-3211 or 835-4301) and have a printed copy mailed to you
- Members could win a \$250 energy credit!



Questions? Call the office or email sscheidt@cvea.org.

COMMUNITY & MEMBER ENGAGEMENT



Annual Meeting
each May

Co-op Month
Pick-Your-Own
Pumpkin Patch,
October 23

Holiday Kids
Activity Program

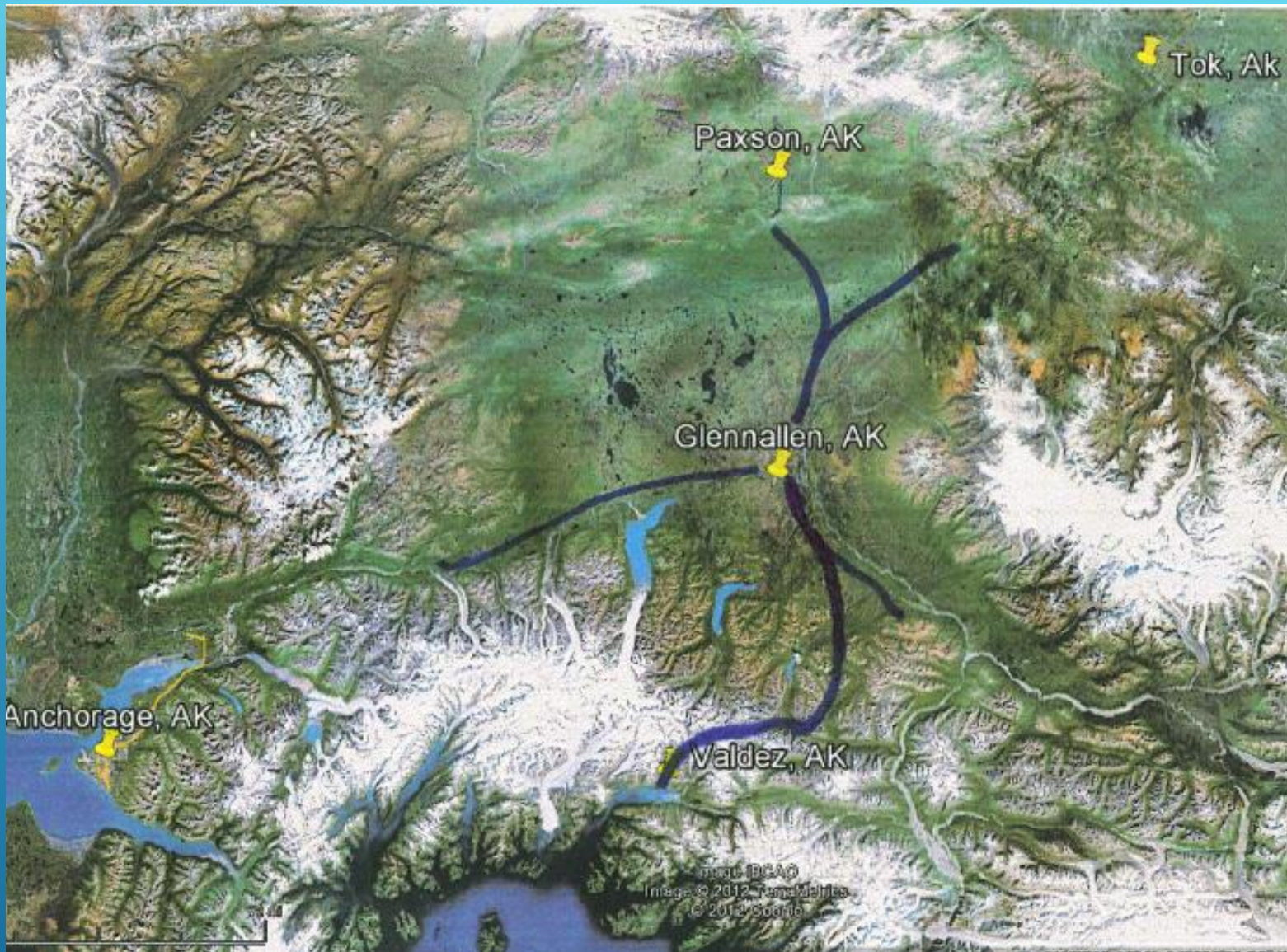
Community
Foundation –
Scholarships,
Leadership
Program, and
\$19,254 in 2021
Contribution
Season

WAYNE MCKINZEY

**DIRECTOR OF POWER
SUPPLY**

RELIABILITY





COMMUNITIES WE SERVE



FIVE POWER PLANTS

- ▶ Solomon Gulch - hydro with storage (year-round)
- ▶ Allison Creek - hydro no storage (April - November)
- ▶ Cogeneration – naphtha from PSVR (November – April)
- ▶ Valdez Diesel Plant - ultra-low sulfur diesel (winter months, peaking, outage recovery)
- ▶ Glennallen Diesel Plant - ultra-low sulfur diesel (winter months, peaking, outage recovery)

FIVE POWER PLANTS

- ▶ Normal Business Hours Mon-Thurs, 7 a.m.-5 p.m.
 - ▶ Copper Basin and Valdez Offices
 - ▶ Copper Basin and Valdez Line Crews
 - ▶ Valdez Diesel Plant 7 a.m.-7 p.m.
 - ▶ Glennallen Diesel Plant 7 a.m.-7 p.m.
 - ▶ Dispatcher (Solomon Gulch) (24x7)
-
- ▶ Off Hours
 - ▶ Dispatcher (Solomon Gulch)
 - ▶ On-call Lineman
 - ▶ On-call Duty Supervisor

STAFFING

SOLOMON GULCH – DISPATCHER AND CHIEF PLANT OPERATOR



OPERATIONS BUILDING (AKA, THE LINE SHACK)



STAFFING

- ▶ Single Consumer – a phone call
- ▶ More than a Single Consumer – Real-Time Information
 - ▶ An outage affects more than 10 customers and is expected to last more than 2 hours
 - ▶ A District or Systemwide outage is expected to last more than 1 hour
 - ▶ A major feeder outage is expected to last more than 2 hours

POWER OUTAGES



TRAVIS MILLION

**CHIEF EXECUTIVE
OFFICER**



UPGRADES





ROW CLEARING



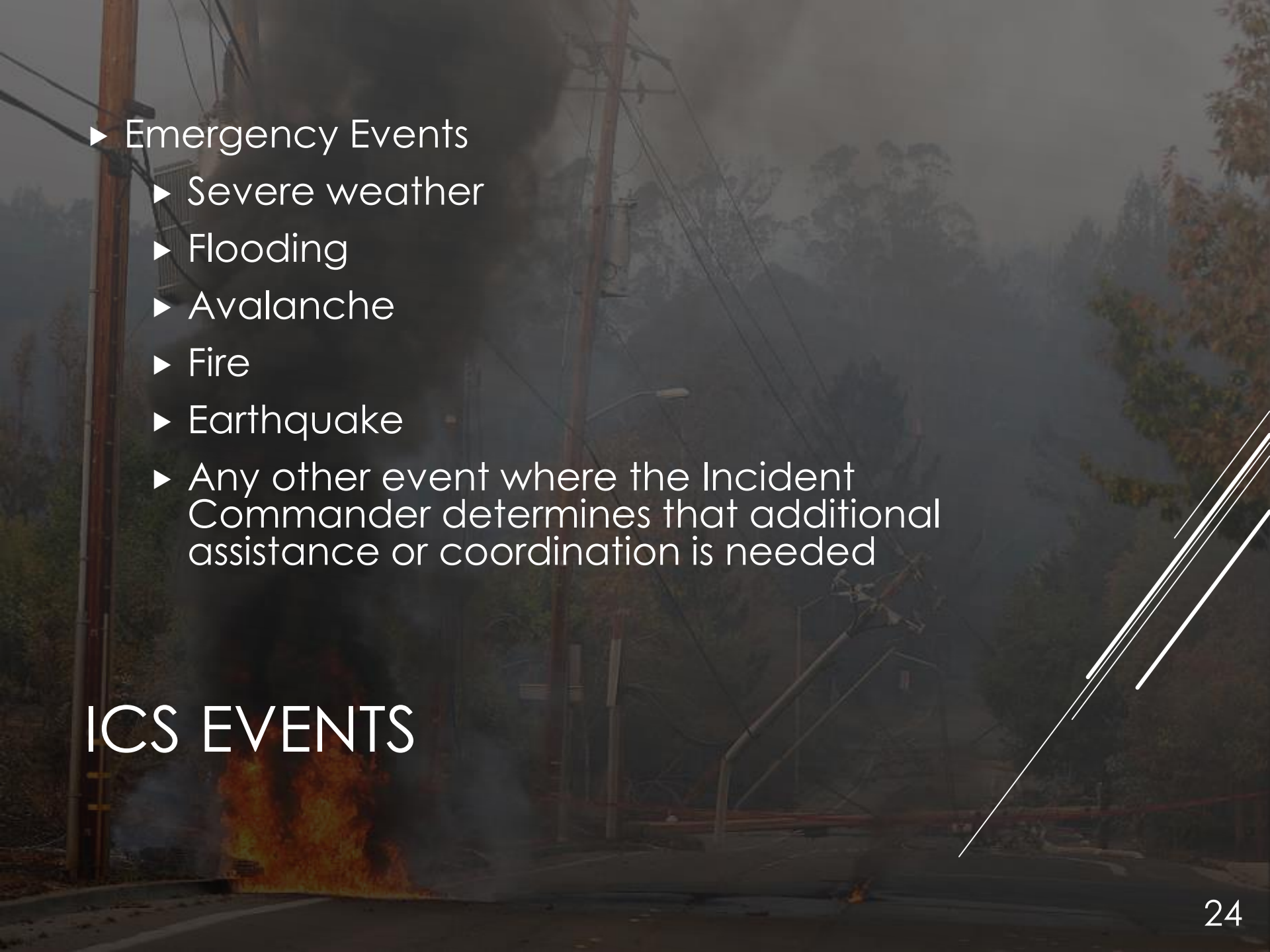
VALDEZ GENERATION



PROTECTION & SCADA

EMERGENCY PREPAREDNESS



- 
- ▶ Emergency Events
 - ▶ Severe weather
 - ▶ Flooding
 - ▶ Avalanche
 - ▶ Fire
 - ▶ Earthquake
 - ▶ Any other event where the Incident Commander determines that additional assistance or coordination is needed

ICS EVENTS

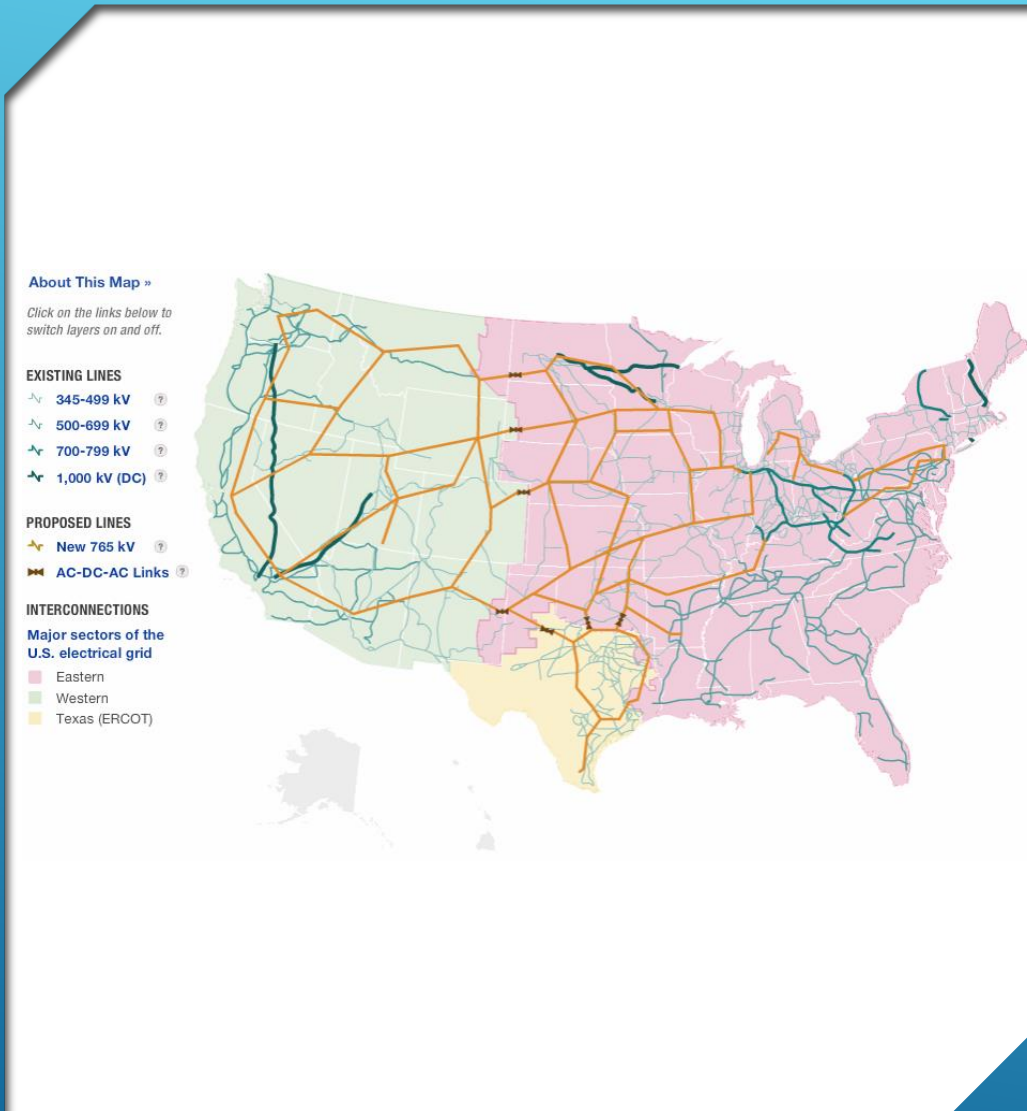
- ▶ If an emergency incident or event is likely to cause significant outages or damage
 - ▶ Outages affecting more than 10 percent of the membership for >24 hours
 - ▶ Outages affecting more than one feeder > 24 hours
 - ▶ Distribution system damage from extreme weather or causes that are beyond the normal capabilities of CVEA resources

DECLARATION OF ICS



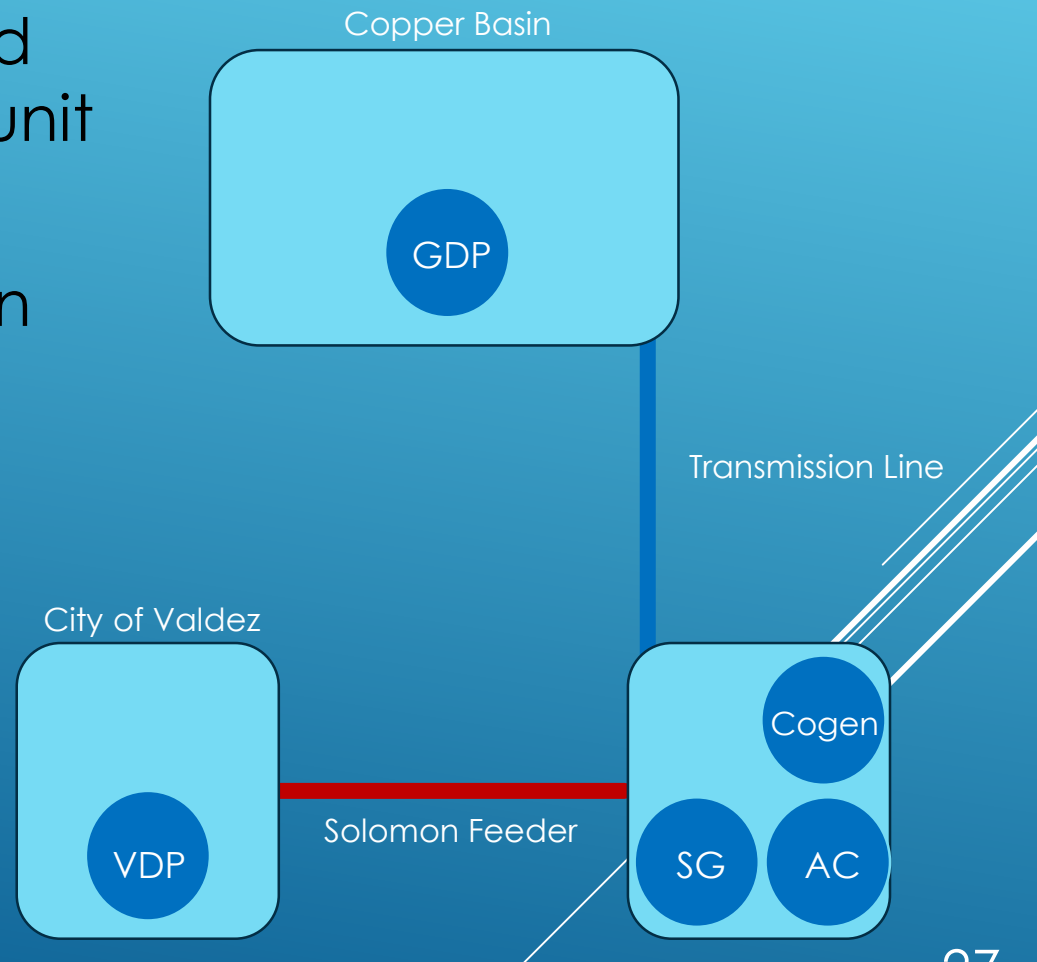
TEXAS STORM

- ▶ Record-setting, sub-freezing temperatures across the state
- ▶ Nearly 50 percent of all power generation was lost due to extreme weather conditions
- ▶ Not enough firm power generation (coal, nuclear, natural gas)
 - ▶ 34.5 percent installed capacity non-firm (wind & solar)



CVEA

- ▶ Plan for N-2 contingency
 - ▶ Transmission line and largest generating unit out of service
- ▶ Multiple power plants in different locations (Glennallen & Valdez)



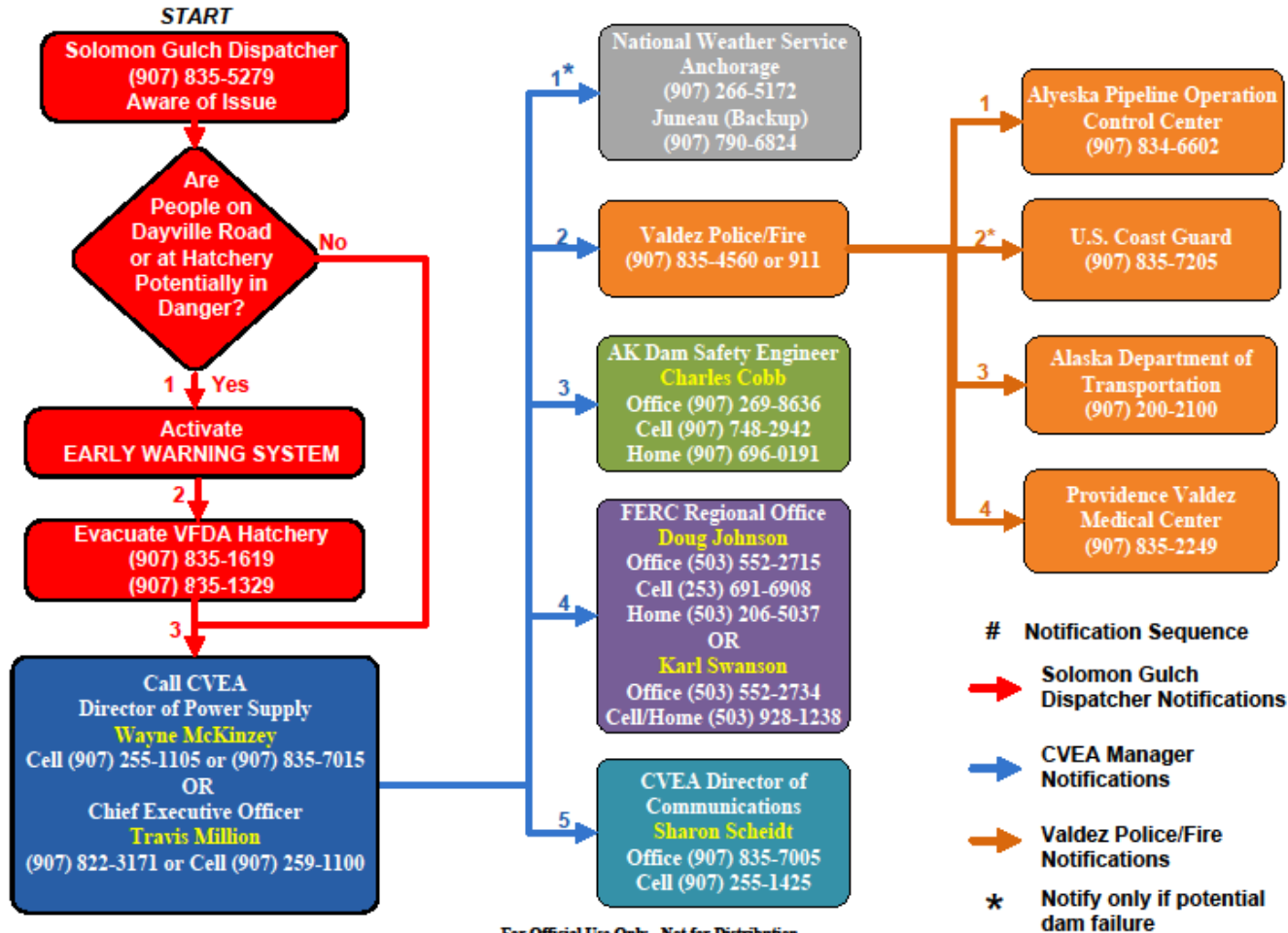
| | Texas | CVEA |
|----------------------------|---|--|
| Extreme temperatures | Not prepared for extreme cold for long durations | Well prepared for cold temperatures. Extreme high temps (for Alaska) shouldn't cause issues since hydro would be the prime generation source |
| Loss of generation | Primary loss of generation was wind and natural gas | Variable generation sources and stand-alone fuel sources minimizes this from happening |
| Insufficient firm capacity | Not enough firm generation capacity for system load, too much non-firm generation | Ample firm generation capacity for system and isolated districts |

COMPARISONS



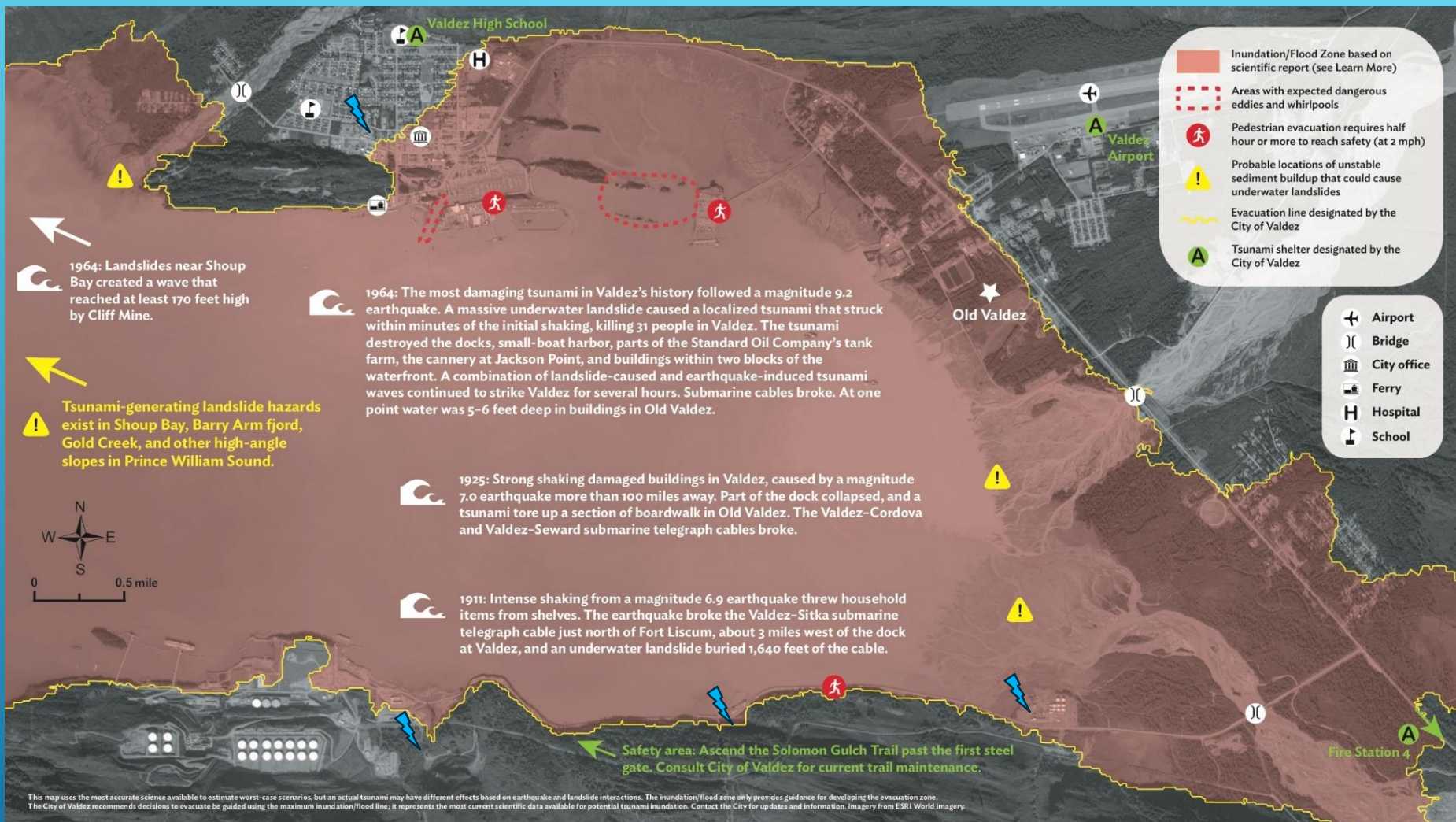
SOLOMON EMERGENCY ACTION PLAN

Solomon Gulch EAP Notification Flowchart (FERC Project No. 2742)



For Official Use Only - Not for Distribution
Revised December 2, 2020

SOLOMON EMERGENCY ACTION PLAN



WHAT ABOUT A TSUNAMI?

JAIME MATTHEWS

**CHIEF FINANCIAL
OFFICER**

- ▶ Cyber insurance policy
- ▶ Review trends
- ▶ Training for all employees
- ▶ Offsite backups daily
- ▶ Local workstation scans, firewall inspections, traffic monitoring, etc.
- ▶ Power plants do not have a direct connection to the internet
- ▶ Annual security assessments
- ▶ Occasional penetration tests
- ▶ Recent implementation of multi-factor authentication for all VPN access



CYBER SECURITY



COST OF SERVICE

Components of CVEA's Monthly Bill

Customer Charge



The Customer Charge covers a portion of the cost to produce the monthly bill.

| | |
|------------------|-------|
| Residential | \$20 |
| Small Commercial | \$30 |
| Large Commercial | \$100 |

Energy Charge



The energy charge per kWh/KW charge, also known as the distribution charge, is the cost to deliver power to you and includes system operation and maintenance, customer service, member services, administration, depreciation, taxes, and interest.

G&T Charge



G&T stands for Generation & Transmission. It is the cost per kWh to generate power at the CVEA power plants and transmit the power into the distribution system that brings it to your home or business.

Fuel Charge



The Fuel Charge reflects the actual cost per kWh CVEA pays for fuel used to generate power. This cost changes monthly. CVEA's vision is to reduce or eliminate our dependence on fossil fuel which will reduce or eliminate this cost.

Heat Credit

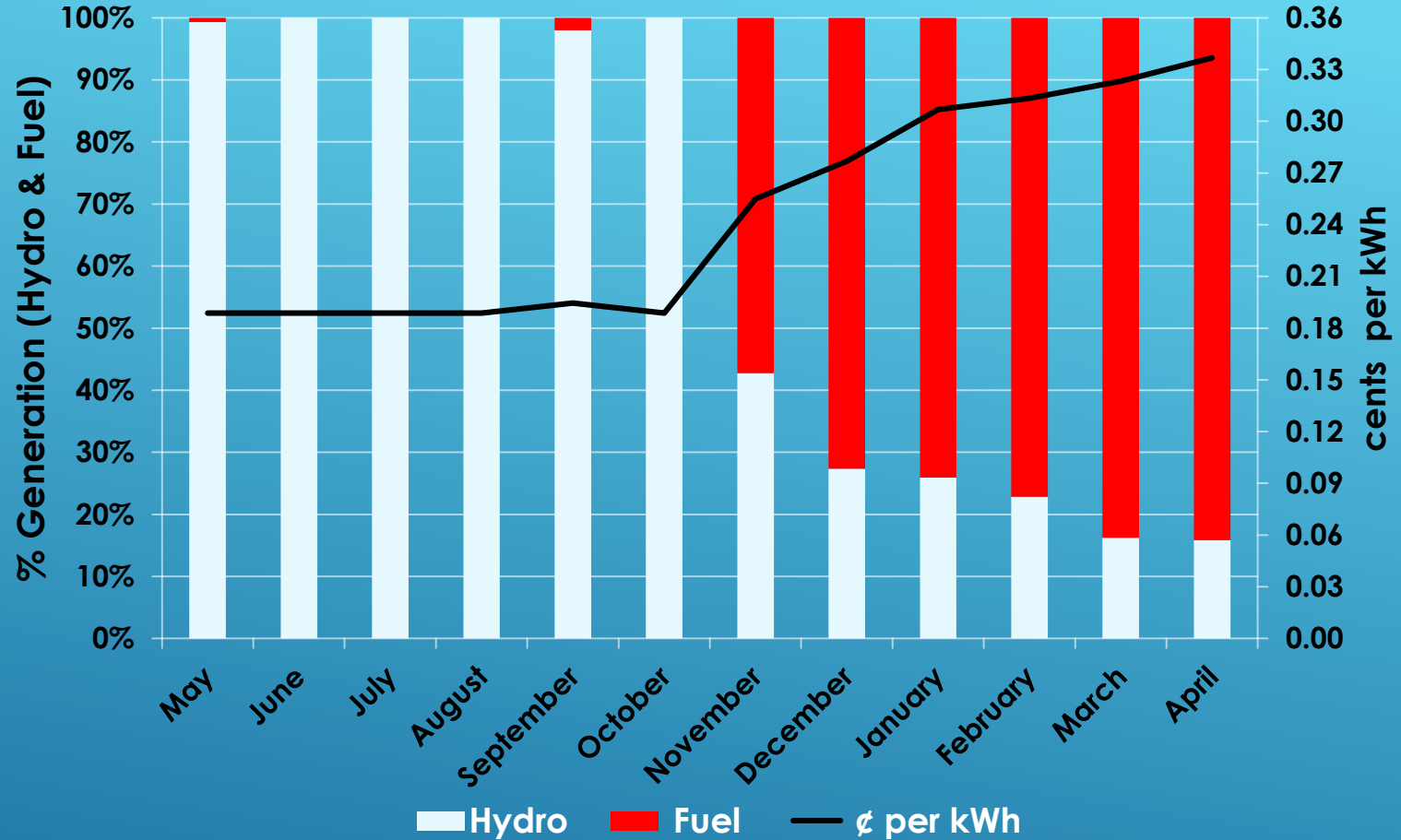


When the Cogen Plant is producing heat revenue, members see a credit per kWh on their bill. This changes monthly and will only be available in the months CVEA is receiving heat revenue, which is typically October through May.

CVEA Member Monthly Bill

Please contact CVEA
with questions:
(907) 822-3211
(907) 835-4301
or visit cvea.org
November 2019

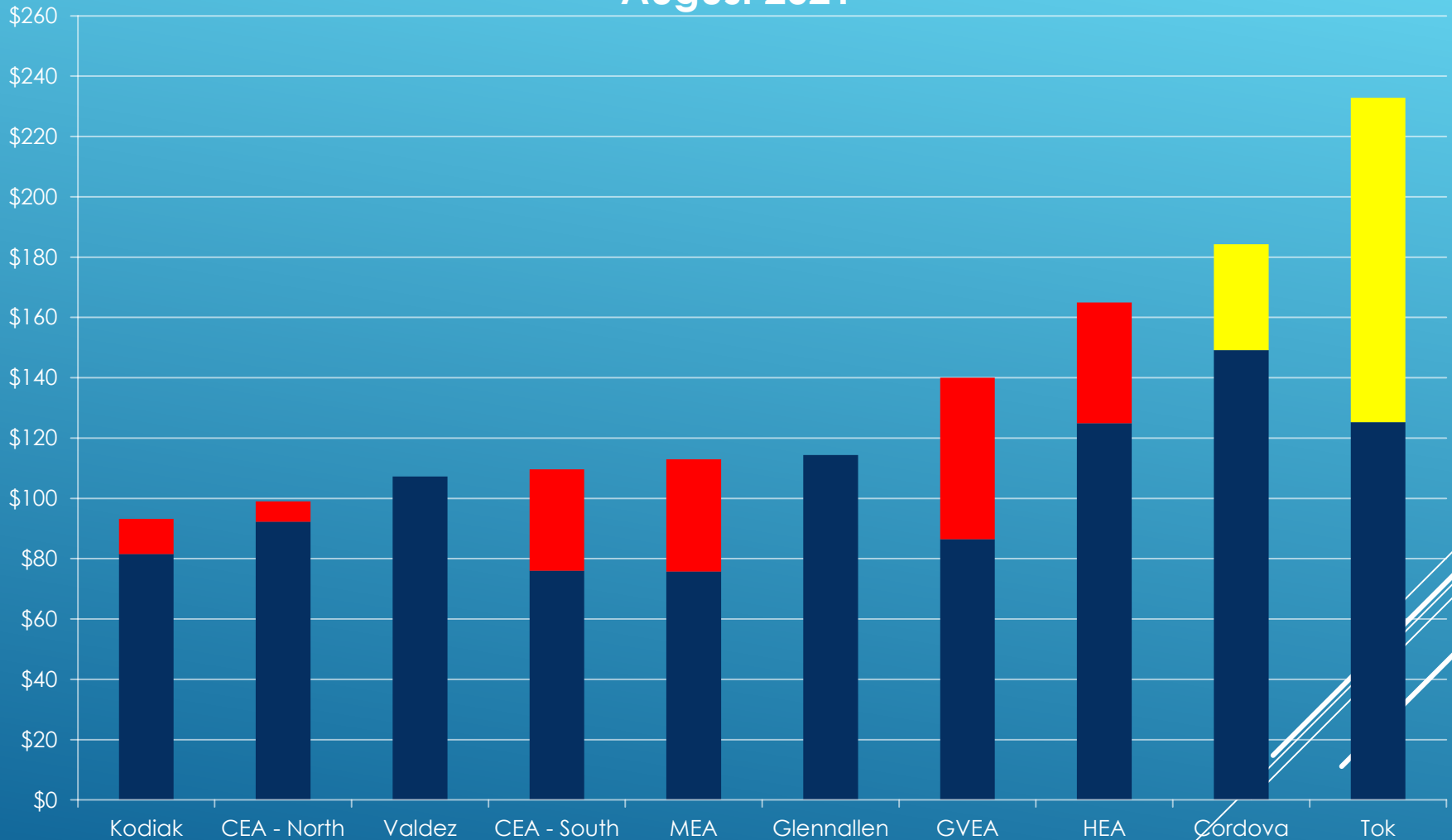
(October 2020 - September 2021 Actual)



COST PER KWH – HYDRO VS. FUEL

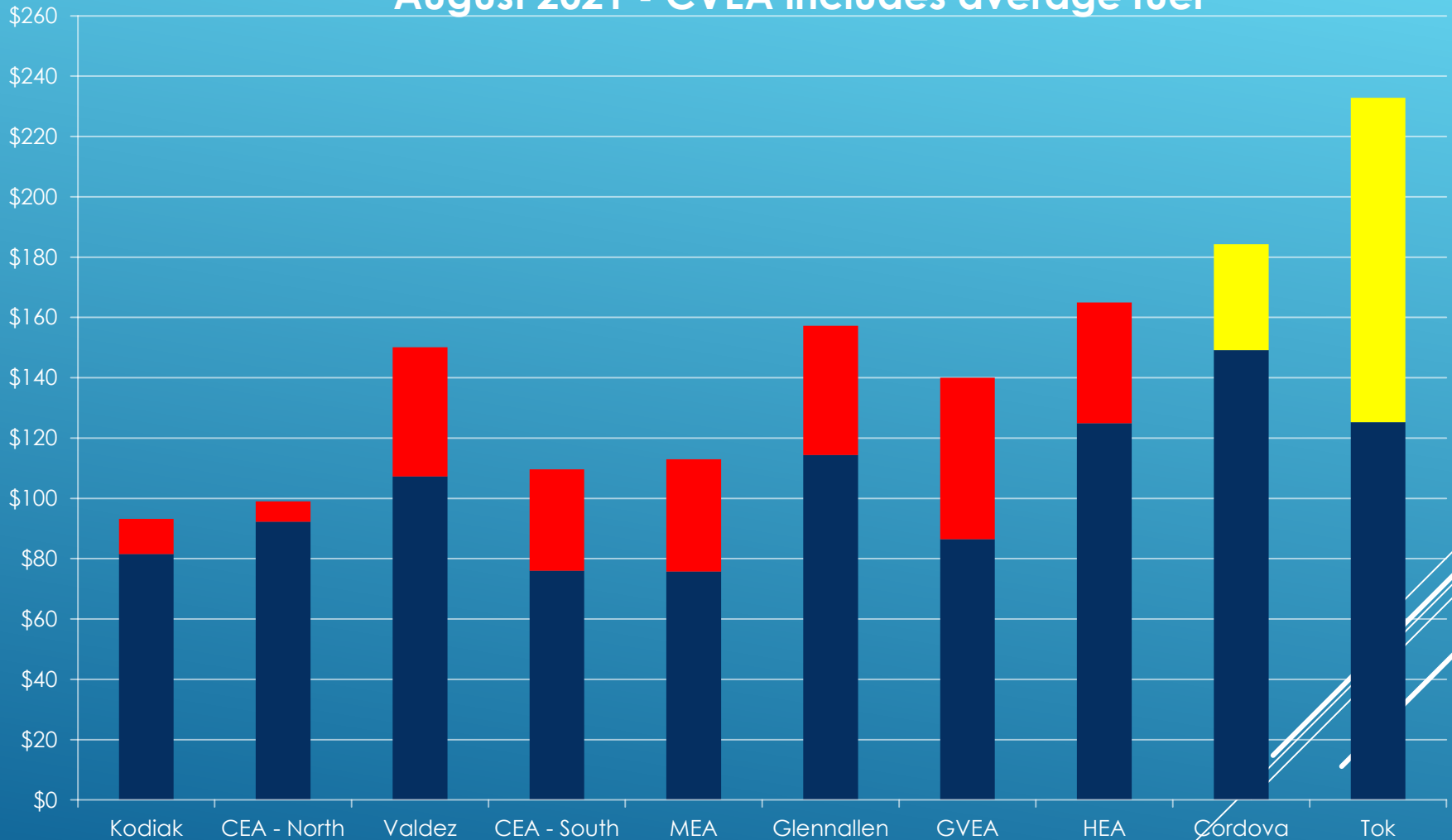
Avg ANS \$61/barrel

500 kWh Bill Utility Comparison August 2021



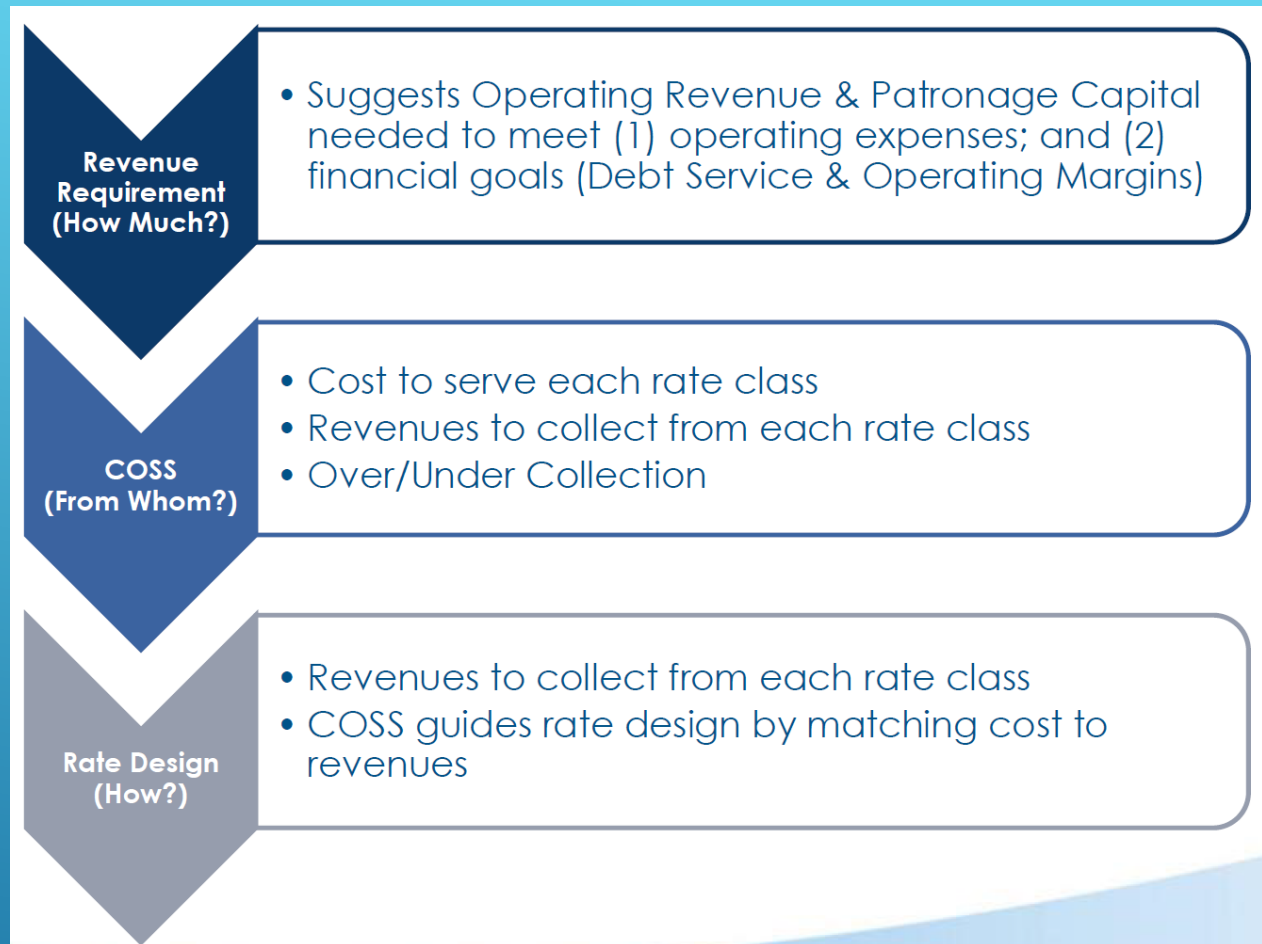
■ Customer & Energy ■ Fuel / FPPC ■ PCE

500 kWh Bill Utility Comparison August 2021 - CVEA includes average fuel



■ Customer & Energy ■ Fuel / FPPC ■ PCE

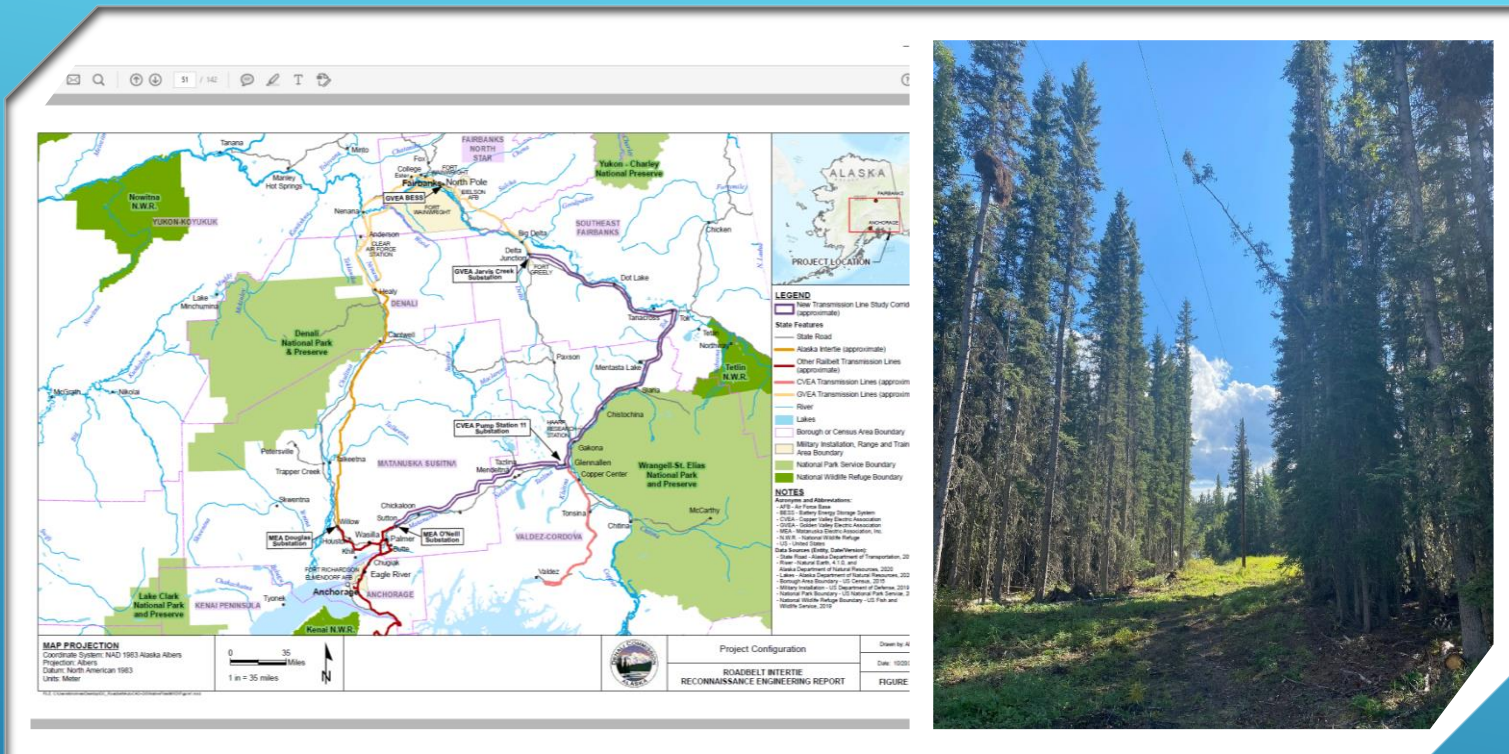
- ▶ Reviewing capital requirements this fall
- ▶ Board will set goals
- ▶ Public process for any change in base rates



RATE STUDY 2022

FUTURE OUTLOOK





LEGISLATIVE UPDATE

SB110/HB29 – Electric Utility Liability

SJR11 – Support for the Roadbelt Intertie Transmission Project

01

Build
financial
strength

02

Be an
advocate
for our
members

03

Reduce
dependence
on diesel fuel

04

Maintain and
improve
system
reliability

05

Be the
employer
of choice

STRATEGIC PLAN GOALS

A 3D rendering of a puzzle. Most pieces are grey and lie flat on a dark grey surface. One piece, located in the center-right, is a vibrant red and is slightly raised, casting a soft shadow. The puzzle pieces have a standard interlocking shape.

SUCCESSION PLANNING

Proactively planning for retirements

Encourage promotion from within

Lineman apprentice/power plant trainee programs

QUESTIONS