

GVEA Strategic Generation Plan

Amended February 27, 2024

1. Complete the installation of the Selective Catalytic Reduction System on Healy Unit 1 in 2024.
2. Continue operating Healy Unit 2 until such time as alternative sources of reliable, lower cost energy are available.
3. Finalize negotiations for Power Purchase Agreement(s) to integrate large-scale wind resources into GVEA's system at a price that will lower the overall cost of power to GVEA's members.
 - Install energy storage of sufficient size(s) to assist GVEA in integrating large-scale renewable resources onto GVEA's system.
5. Continue efforts to secure reliable baseload generation to replace Healy Unit 2 in order to lower rates, increase reliability and reduce emissions, both in the short term and long term.

Explanation

GVEA's Strategic Generation Plan was modified in two ways:

- From seeking 30-50 mw of natural gas fired generation in 5. above which, due to supply constraints in Anchorage, is no longer a possibility.
- Because of the now certainty that gas is not an option, 2. was modified to not require the Dec. 31, 2024 shutdown of Healy 2, but seek alternatives to maintaining the expensive and unreliable Healy Unit 2 power plant.

These changes ensure that, as circumstances and conditions continue to change, GVEA has the flexibility to pursue all options and alternatives that are in the best interest of GVEA's members in terms of lowering rates, increasing reliability and reducing emissions – both in the short and long-term. GVEA will continue to aggressively pursue, and secure lower cost reliable energy to replace underperforming generation units and reduce GVEA's reliance on higher cost generation.