October 26, 2026

The Honorable Mike Dunleavy
Office of the Governor
P.O. Box 110001
Juneau, AK 99811

Re: Eklutna Hydroelectric Project, Fish and Wildlife Program Implementation

Dear Governor Dunleavy,

We are pleased to update you on the continued progress Chugach Electric Association, Inc., Matanuska Electric Association, Inc., and the Municipality of Anchorage d/b/a Anchorage Hydropower (the Project Owners) have made in implementing the Final Fish and Wildlife Program (Final Program), approved by you on October 2, 2024. Below is a summary of our efforts since our last formal update in September 2025.

Fixed Wheel Gate Feasibility Study

Pursuant to Section 4.1 of the Final Program, the Project Owners were required to conduct a detailed feasibility study regarding eventually replacing the existing Eklutna Project spillway with a fixed wheel gate, to include a stability analysis and Class 3 cost estimate. This study was also required to be completed within three years of your issuance of the Final Program.

This study was initiated in July 2025 and was completed in April 2026, over one year ahead of the required completion date. The results of the study which found the fixed wheel to be feasible and cost effective will be provided to the Monitoring and Adaptive Management Committee (Committee), as required by the Final Program, prior to the end of 2026.

With the study complete, no further action is necessary with respect to fixed wheel gate reopener at this time. As set forth in Section 4.1 of the Final Program, on the 10th anniversary after initiating instream flows in the Eklutna River, the Owners will confer with the Committee and reevaluate the need for the fixed wheel gate at that time based on certain criteria set forth in the Final Program.

Outlet Works Automation

In order to provide periodic channel maintenance flows to the Eklutna River after instream flows begin, Section 2.2 of the Final Program required the Project Owners to automate the existing outlet gate within the base of the spillway at Eklutna Dam so that the gate can be controlled remotely.

In January 2026, the Outlet Works Automation (OWA) project began. OWA efforts to date have included development of design criteria and advancement of engineering design to a 60% design

level. The Project Owners projected schedule includes progression of the OWA project to construction ready documents in the first quarter of 2027.

Pumped Storage Hydro Study

Pursuant to Section 4.3 of the Final Program, the Project Owners, along with all other parties to the 1991 Agreement, which includes the Municipality of Anchorage (MOA), the National Marine Fisheries Service (NMFS), U.S. Fish and Wildlife Service (USFWS), and the State of Alaska, and the Native Village of Eklutna (NVE) were directed to study the possibility of pumped storage hydropower (PSH) as a potential alternative to the ERRF upon terms and conditions they were directed to mutually agree to. Such terms and conditions were required to include the level of engineering, level of cost analysis, what 1991 Agreement Party or Parties would fund the study and in what amounts, and any other matters the Parties found necessary to implement this limited reopener. The study was required to be consistent with studies performed for other alternatives reviewed by the Project Owners and was required to be undertaken immediately after issuance of the Final Program, but without delaying the implementation of the Final Program or the review and study of the fixed wheel gate.

The MOA volunteered to fund and organize the required pumped storage hydro study, and working with them, the Parties reached agreement on the terms and conditions of the scope of the study and the process in August 2025.

While the Project Owners initially anticipated that the MOA's study would be completed earlier this year, concept design work instead began in early 2026 and is anticipated to continue through the end of 2026.

During the Working Group[1] progress update meeting in June 2026, the MOA indicated that a draft PSH design study would be distributed to participants in September and a second draft of the PSH design study would be distributed in November or December 2026. As of the date of this letter, no design study reports have been received for review but it is understood that these studies are continuing to progress. The MOA has also not yet determined when the Final PSH Design study will be complete.

When the study is complete, the results must first be reported to the Committee, who will analyze the study findings and perform the Eight Factor analysis required by the 1991 Agreement. The Committee will then provide the study findings and Eight Factor analysis to the Project Owners for review. If the Project Owners approve the study findings and Eight Factors analysis, they will provide a statement of support to the Committee, and the Committee and Owners will coordinate and cooperate to obtain Governor approval.

[1] The Pumped Storage Hydro Working Group includes the Native Village of Eklutna (NVE), Chugach Electric Association (Chugach), Matanuska Electric Association (MEA), Municipality of Anchorage (MOA), National Marine Fisheries Service (NMFS), U.S. Fish and Wildlife Service (USFWS), and the State of Alaska.

Eklutna River Release Facility Design

As required pursuant to your Final Program decision document dated October 2, 2024, the PSH study must not delay the implementation of the Final Program. The Project Owners have therefore continued to simultaneously move forward with efforts associated with permitting and designing the Eklutna River Release Facility (ERRF). Geotechnical investigations and surveying field work occurred in August 2026 and are fundamental to developing design criteria and base input data for engineering design of the ERRF. These field work efforts also support the Anchorage Water and Wastewater Utility's (AWWU) access bridge implementation. Following the field effort, design of the ERRF has progressed to a 30% design level and is scheduled to progress to construction-ready documents in the fourth quarter of 2027. Throughout design development of the ERRF, the Project Owners have been in direct coordination with AWWU to discuss design criteria and project layout to develop a system which will meet the goals of both the Final Program and AWWU.

AWWU Bridges

Additionally, pursuant to Section 2.4 of the Final Program, engineering efforts have commenced on the design development for the eight AWWU bridge crossings identified in the Final Program as necessary to allow AWWU year-round access to its pipeline infrastructure after instream flows have begun from the ERRF. The Project Owners have been in direct coordination with AWWU to discuss design criteria and project constraints to allow year-round access along the Eklutna River. Ongoing engineering design work since the completion of field efforts has included hydraulic and structural design analyses. The current schedule for the bridges projects indicates completion of the 30% design in the first quarter of 2027 with progression towards construction ready documents continuing through next year.

AWWU Contracts

Pursuant to Section 2.1.1 of the Final Program, following your approval of the Final Program, the Project Owners committed to entering into three contracts with AWWU to facilitate (a) the ERRF's interconnection to AWWU's water pipeline infrastructure, (b) the shared uses of both AWWU's and the Project Owner's respective water infrastructure at Eklutna Lake and along the Eklutna River; and (c) related uses of (and compensation for such uses where applicable) Eklutna Lake water, which will continue to be used for both electricity generation by the Project Owners and municipal water supply by AWWU, and which will going forward also include water being released into the Eklutna River through the ERRF for use as instream flows as required under the Final Program.

Prior to the submission of the Proposed Final Fish and Wildlife Program, AWWU and the Project Owners had agreed to drafts of these three contracts, which were then attached to the Final Program. At the time of submission, however, those draft agreements had not yet been approved by the Anchorage Assembly.

The Project Owners have since worked with AWWU and the MOA to further update and refine the draft agreements, although they remain substantially the same as those drafts attached to the Final Program. The draft agreements were approved by the Anchorage Assembly on October 20, 2026.[2]

The Project Owners and AWWU will next work together to populate various technical terms and exhibits to these agreements and prepare them for final signature, which the Project Owners anticipate will occur by the end of 2026.

Conclusion

We are pleased to report the progress made in 2026 regarding implementation of the Final Program.

Please let us know if you have any questions about implementation efforts to date or planned implementation efforts in the future.

Sincerely,

Andrew Laughlin
Chief Operating Officer
Chugach Electric Association, Inc.

J. CROWELL FOR TONY ZELLERS
Tony R. Zellers
Chief Operating Officer
Matanuska Electric Association, Inc.

cc: Rachel Bylsma, Office of the Governor
Mark Spafford, MOA
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Cathy Coon, NMFS
Bryan Carey, Governor appointee
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[2] Ordinance No. AO 2026-135, an ordinance re-authorizing the Municipality of Anchorage, Anchorage Water & Wastewater Utility (AWWU) and the Municipality of Anchorage, Anchorage Hydro Power (AHP) to execute and enter into three agreements pertaining to the Municipal Public Water Supply and the Eklutna Hydroelectric Project Fish and Wildlife Program (October 20, 2026).