

EKLUTNA GENERATING STATION INTERCONNECTION AGREEMENT

This Eklutna Generating Station Interconnection Agreement is made and entered into, effective this 29th day of December, 2014 by and between Anchorage Municipal Light & Power (ML&P), a department of the Municipality of Anchorage (MOA), Chugach Electric Association, Inc. (CHUGACH), and Matanuska Electric Association, Inc. (MEA), which are sometimes referred to herein individually as "Party" or "Eklutna Owner" and jointly as the "Eklutna Owners" or "Parties."

Eklutna Generating Station (EGS) Interconnection Requirements – The Parties agree to the following basic terms and subsequent agreements allowing MEA to interconnect the EGS power plant to Eklutna Hydroelectric Project (EHP).

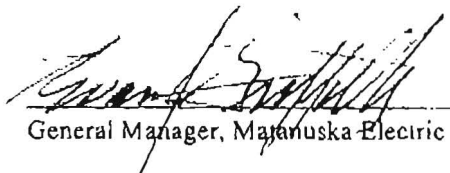
1. MEA shall complete the following requirements:

- a. Install new 115 kV line switches near Briggs Tap connecting the Eklutna Express Line and the Eklutna North Line per the attachment Exhibit 1
 - i. MEA will pay all costs associated with design and installation
 - ii. Switches will be owned by EHP
 - iii. EHP Dispatcher (ML&P) will have jurisdiction and control of the new line switches
 - iv. MEA will maintain new line switches under the terms of the 1996 EHP Transition Plan
- b. Connect the Eklutna Project 115kV transmission lines to MEA's EGS switchyard per Exhibit 1
 - i. MEA will pay all costs associated with initial design and installation
 - ii. MEA will own all equipment at the EGS Switchyard except
 1. Additional equipment associated with EHP transmission that is installed by ML&P will be owned by the Eklutna Project
 - iii. MEA will maintain all equipment at the EGS Switchyard except
 1. Communication, metering, control and relay protection equipment associated with EHP transmission which will be maintained by ML&P under the terms of the 1996 EHP Transition Plan
 - iv. The EHP dispatcher (ML&P) will have jurisdiction and control of the six breakers and associated equipment as defined in the Operating Agreement (Agreement for Maintenance and Operation of the Eklutna Generation Station Switchyard) effective December 29, 2014.

- v. Points of demarcation will be at the EGS switchyard as defined in the Operating Agreement
 - vi. Protection settings at the EGS switchyard will be reviewed and agreed to by the Parties
- c. High speed communication per Exhibit 2
 - i. EGS to the EHP fiber provided by MEA
 - 1. 72 strand fiber
 - a. 48 strands dedicated to EHP
 - b. 24 strands dedicated to MEA
 - ii. EGS to Teeland high-speed communication provided by MEA
 - iii. Teeland to Plant 2 microwave/fiber provided by Chugach and ML&P using existing facilities
- 2. The Parties shall abide by the existing EHP wheeling agreement based on usage at the existing rate. The agreement shall be modified to include metered points at EGS by 12/31/2014
- 3. The Parties will update incrementally the System Impact Studies for SPP, EGS and P2A with the as constructed model data as available and determine what additional facilities or operating constraints are necessary to reliably integrate these facilities
- 4. The Parties agree to honor operating constraints determined by the above studies as required
- 5. MEA may provide displacement generation as available during periods when the transmission line(s) between EGS and EHP are not available
- 6. As determined in Item 3 of this Agreement and subsequent to a cost sharing agreement to provide funding for the transmission and communication improvements, the Parties agree to assess the following transmission improvements and construct as required:
 - a. Fossil Creek substation and switchyard
 - b. Ring Bus at Eklutna Hydroelectric facility
 - c. 2nd circuit between Fossil Creek and Plant 1, or splitting the 230 kV circuit at Fossil Creek
 - d. Other projects as identified under Item 3 above

Cost sharing and wheeling agreements shall be completed no later than July 1, 2016

MATANUSKA ELECTRIC ASSOCIATION, INC.

BY: 
General Manager, Matanuska Electric Association, Inc.

MUNICIPALITY OF ANCHORAGE d/b/a MUNICIPAL LIGHT & POWER

BY: _____
Recommended for Approval by James Trent, General Manager & Chief Operating Officer,
Municipal Light and Power

George J. Vakalis, Municipal Manager, Municipality of Anchorage


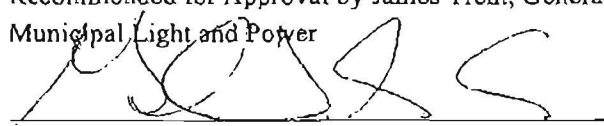
CHUGACH ELECTRIC ASSOCIATION, INC.

BY: 
Chief Executive Officer, Chugach Electric Association

MATANUSKA ELECTRIC ASSOCIATION, INC.

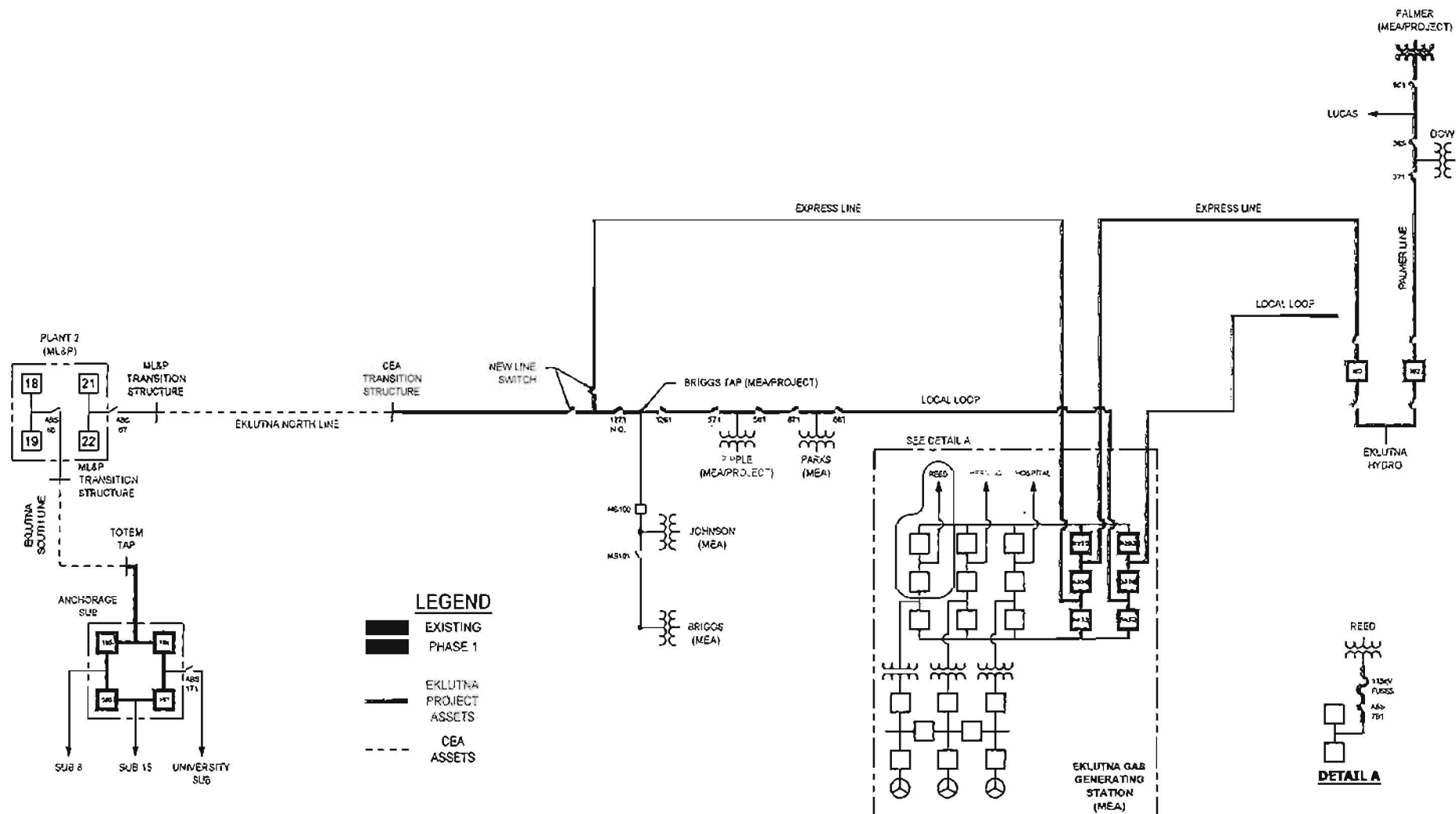
BY: _____
General Manager, Matanuska Electric Association, Inc.

MUNICIPALITY OF ANCHORAGE d/b/a MUNICIPAL LIGHT & POWER

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Municipal Light and Power
 _____
George J. Vakalis, Municipal Manager, Municipality of Anchorage

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BY: _____
Chief Executive Officer, Chugach Electric Association



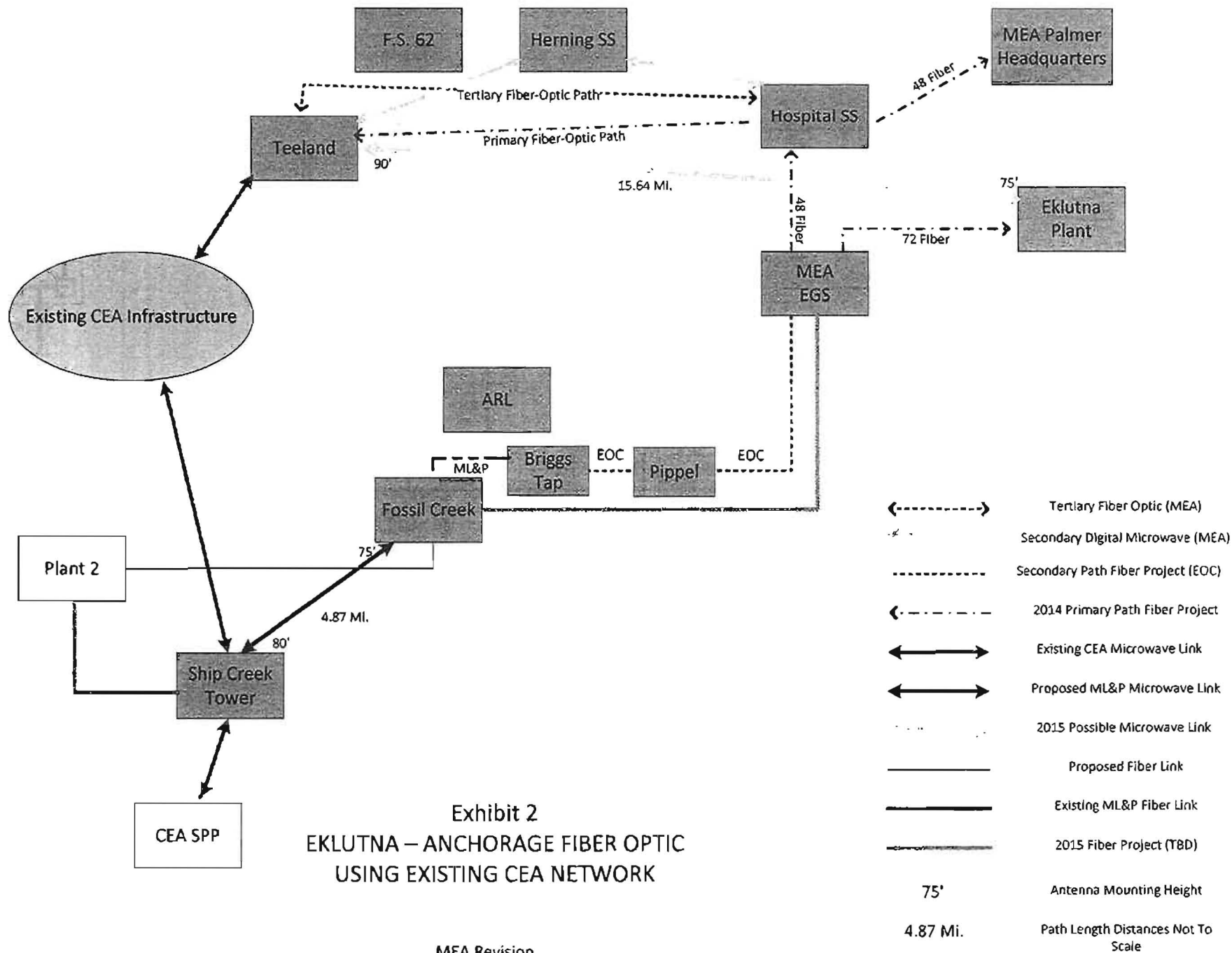


Exhibit 2
EKLUTNA – ANCHORAGE FIBER OPTIC
USING EXISTING CEA NETWORK