

The background of the slide features a scenic landscape with a dense forest of evergreen trees in the foreground and snow-capped mountains in the distance. Several power lines and a utility pole are visible on the right side of the frame. A large blue rectangular box with a yellow border is positioned in the upper left, containing the main title. A smaller blue box with a yellow border is located in the lower left, containing the speaker's name. The Railbelt Reliability Council logo is in the bottom right corner.

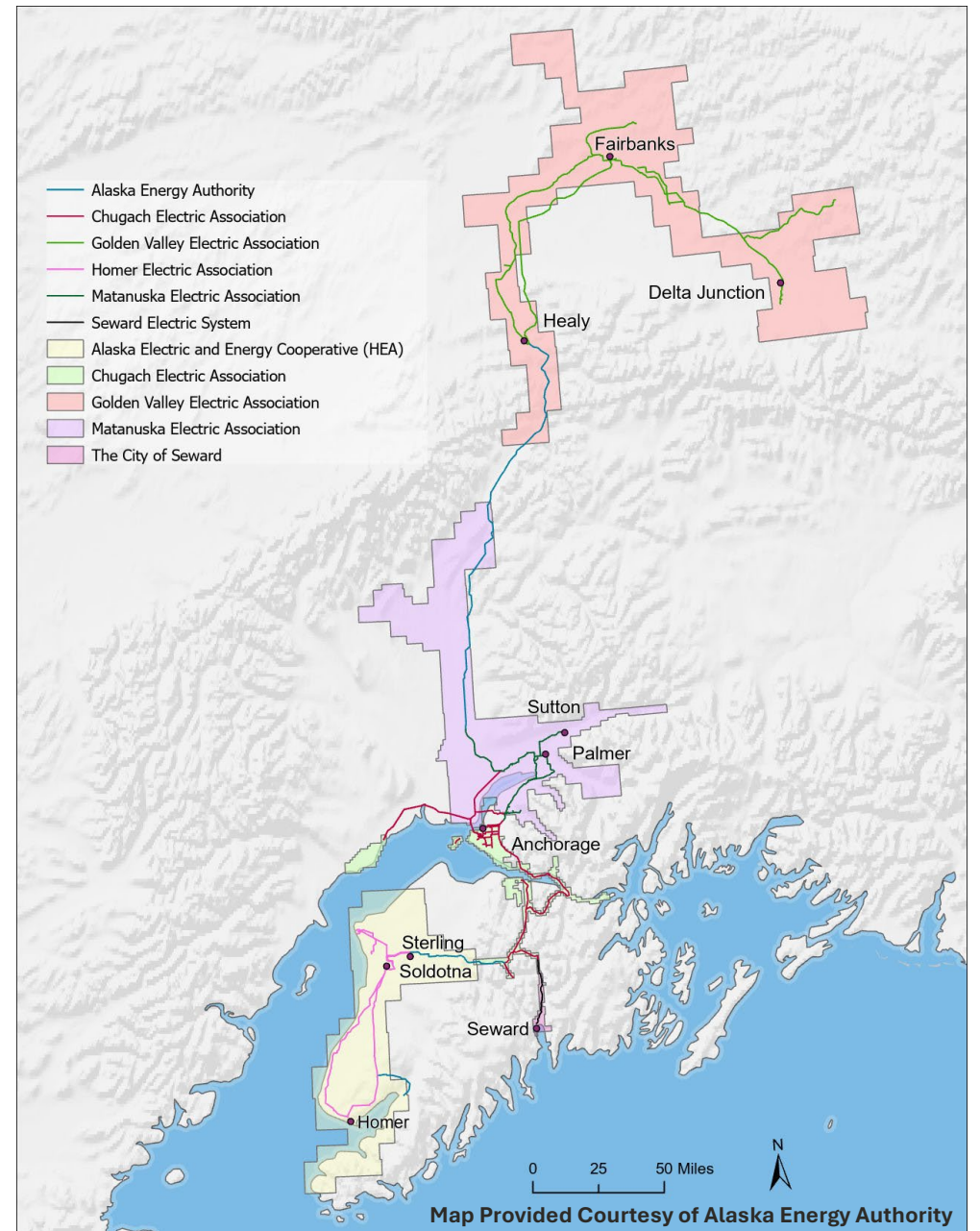
Railbelt Reliability Council (RRC) 2026 Legislative Update

Ed Jenkin, RRC CEO

The Railbelt's Regional Approach

The Railbelt Electric System

- Electric system spanning **700** miles from Homer to Fairbanks
- Serves approximately **70%** of Alaskans
- Five separate Load Serving Entities (LSEs) make up the Railbelt electric system:
 - Chugach Electric Association (**Chugach**)
 - Golden Valley Electric Association (**GVEA**)
 - Homer Electric Association (**HEA**)
 - Matanuska Electric Association (**MEA**)
 - Seward Electric System (**SES**)



Regional Requirements of the RRC

- SB123 Section 42.05.765 reads in part, “**All users, owners, and operators** of an interconnected electric energy transmission network served by an electric reliability organization, including a user, owner, or operator that is exempt from other regulation under AS 42.05.711 or another provision of this chapter, **shall comply with reliability standards** contained in a tariff that is approved by the commission”.
- From SB123 Section 42.05.780, “**An integrated resource plan must** include options to **meet customers' collective needs** in a manner that provides the greatest value, consistent with the public interest, **regardless of the location or ownership of new facilities**.”
- From 3 AAC 46.230, **The integrated resource plan must** “reflect a planning area that (A) **includes the entirety of the interconnected bulk-electric system**; (B) identifies resource options, resource portfolios, and, as applicable, specific projects or project portfolios **without regard to service territory boundaries** within the interconnected bulk-electric system”

Regional Requirements of the Railbelt Transmission Organization

- From HB307 Sec. 44.83.710(b), The **transmission organization shall file** with the commission a nondiscriminatory open access transmission tariff consistent with Federal Energy Regulatory Commission standards **to remove impediments to competition in the wholesale bulk power marketplace in the state.**
- (c)The nondiscriminatory **open access transmission tariff must**, as approved by the commission, (1) pool backbone transmission system costs and **allocate those costs through certificated load-serving entities** on a coincident peak or load ratio share basis, or a combination of both

Who is the RRC

Authority and Purpose

- The Railbelt Reliability Council (RRC) is **Alaska's legislatively established Electric Reliability Organization** (ERO) for the Railbelt bulk electric system (BES)
- Governed by a balanced stakeholder board and supported by technical experts, the RRC operates through an open and transparent process
- By focusing on **long-term planning and consistent application of reliability standards for entities operating the Railbelt BES**, the RRC provides a coordinated framework that supports informed decisions in pursuit of the greatest value for the region

RRC Product Development Structure

- **Working Groups:** Stakeholder meetings that are public and provide for stakeholder input, including the filing of a dissent to any final Technical Advisory Group (TAC) Recommendation.
- **TAC:** An independent group of subject matter experts assembled to run the working group process, address any dissents, make a recommendation, and ensure the final product is technically sound.
- **Board:** A diverse group of thirteen voting and two nonvoting individuals representing Railbelt stakeholders with at least monthly public meetings. All standards and the IRP are approved by a supermajority of the body. All meetings are public.

RRC's Standards Development

How the Railbelt Standards Process Works

The Railbelt Reliability Council Standards process is Through Working Groups

Full participation occurs by stakeholder representatives, assigned by a Board Member or approved by the working group manager as representing a unique stakeholder view. Any member of the public can attend and speak at the beginning or end of the meeting.

Technical Committee approved

The Technical Advisory Council is responsible for developing any technical work product under review by working groups and providing a final recommendation to the RRC's Board of Directors

Regional

Input is not only based upon specific interests but through representative assigned by the electrical utility cooperatives regional differences along the length of the Railbelt are considered

With Regulatory Approval

The RRC's standards are approved by the Regulatory Commission of Alaska



Reliability Standards Approval Status

- The RRC Board has approved twenty-one (21) separate standards
- Four (4) of these have been approved by the RCA. The approval included the below language:
 - “The RRC is required to work to resolve any dissents received during this process. Dissents that are not resolved are included with that standard’s submission to the next layer of review, ultimately being reported to us and the RRC Board. **This process is robust, allowing many voices to be heard while ensuring that the resulting standard is technically sound and beneficial to grid stability.** Further, all the RRC’s member electric utilities participated in this docket and had an opportunity to voice any concerns. There were no dissents to the reliability standards discussed above.”
 - **“The RRC’s robust development process for reliability standards gives us confidence that the proposed reliability standards are just and not unduly discriminatory or preferential.”**
- Fourteen (14) other standards are under consideration by the RCA
- Three (3) other standards are scheduled to be filed with the RCA

2026 Standards Priorities

- The TAC and Working Groups are presently working on facilities standards and processes associated with facility interconnection.
- From 3 AAC 46.440:
 - (a) ... An electric reliability organization's tariff addressing interconnection must include standard procedures for interconnection by facilities.
 - (c)(1)(A) Interconnection is not discriminatory if all generators and loads requesting access to interconnect to the transmission system are provided nondiscriminatory access to the transmission system through interconnection **requests that are evaluated and studied in an equivalent manner and subject to the same criteria, fees, timelines, and processes;**
 - (c)(1)(B) open access transmission **is not discriminatory if the rates, terms, and conditions of providing that transmission service are offered on an equivalent and non-preferential basis;**
- Eleven other standards are planned for 2026 include those for balancing areas, reserves, protection, and modeling.

RRC's Integrated Resource Plan

How the Railbelt IRP Process Works

IRPs are performed in a variety of ways across the country

The Railbelt Reliability Council IRP process is

Regional

The RRC's IRP will plan for the needs of Alaska's overall Railbelt, capturing Regional benefits

Not Exclusive to Generation and Energy Storage Resources

The RRC's IRP is comprehensive, including generation, transmission, storage, and conservation

Requires Regulatory Approval

The RRC's IRP is approved by the Regulatory Commission of Alaska

Inclusive of Stakeholders

The RRC's IRP is developed in a public process, with input from many stakeholders

Historically, Railbelt utility IRPs were developed internally at the utility with limited input from other parties

How the IRP Finds the Best Long-Term Power Plan

Assess Existing Resources

Reviews existing energy sources (gas, coal, wind, solar, etc.) and power purchase agreements (PPA's) and evaluates how long these will remain reliable and cost-effective

Forecast Demand

Utilities project future customer electricity needs, by analyzing population growth, economic trends, technology adoption, and energy efficiency improvements

Evaluate New Resource Options

The IRP considers potential new resources (solar, nuclear, batteries, etc.) and demand-side management (programs that reduce or shift peak energy use)

Scenario Modeling

Multiple scenarios are modeled to test how different assumptions affect outcomes. This helps identify a lowest reasonable cost mix of resources that reliably meet electric customer demand

Public and Regulatory Review

Stakeholders review and comment before RCA approval

Creating the IRP

Generation Planning

- **Industry specific software (Encompass)** will be used to model the economics and operation of generation
- **Expansion plans** will be simulated to determine the optimal portfolio of generation
- **The outcome** of this planning will be a set of generation **candidate portfolios**

Transmission Planning

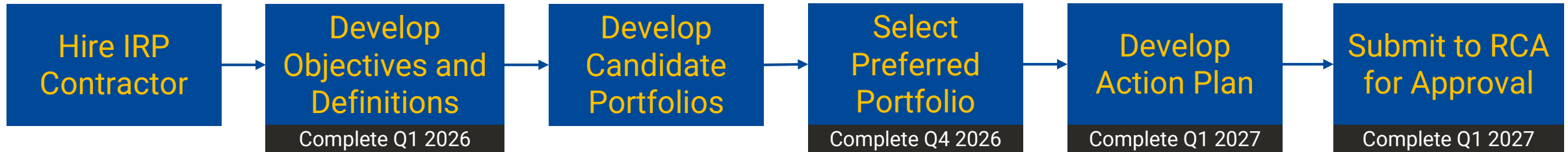
- **Industry specific software (PSSE)** will be used to model the physics of the Railbelt
- **Portfolios** from the generation planning process will be tested for reliability standards compliance
- **The outcome** of this process will be a transmission expansion plan for the **candidate portfolios**

A Preferred Plan will be selected after both generation and transmission planning are performed and the overall Greatest Value is determined

The Preferred Plan

- The **lowest reasonable cost** plan that also meets the other considerations adopted for the meaning of **Greatest Value** (adequacy, reliability, resiliency, environmental impacts, etc.)
- **Base case results** and outcomes from other scenarios and sensitivities will be considered when identifying the Preferred Plan from the candidate portfolios
- Once the **Preferred Plan** is selected, an **Action Plan** and **Implementation Schedule** will be developed to set forth the sequence of major milestones to bring on any incremental resources when required

IRP Process Overview



- The detailed IRP Process is **defined** in Board Procedure BPR603
- It will take **more than one year** to develop the IRP



RRC IRP Projects

The Action Plan

The **Action Plan** is part of the IRP approved by the RCA. It provides non-binding framework for implementing the preferred resource portfolio

It includes:

- (1) a process for determining the entities that will be involved
- (2) a process to accomplish a needed project at the lowest reasonable cost
- (3) a process by which load-serving entities of the interconnected bulk-electric system determine how they will apportion cost (RTO)
- (4) a schedule of key activities and timelines

Project Approval

- A public utility under the RRC may not construct a large energy facility unless the commission determines that the facility
 - (1) **is necessary** to the interconnected electric energy transmission network with which it would be interconnected;
 - (2) **complies with reliability standards**; and
 - (3) would, **in a cost-effective manner**, meet the needs of a load-serving entity that is substantially served by the facility.
- Unless the commission finds otherwise by clear and convincing evidence, a large energy facility that was included in the most recent integrated resource plan approved by the RCA is considered to satisfy these requirements

Facilitated by the RTO

The Railbelt Transmission Organization is created for the purpose of establishing an open access transmission tariff that

- (1) provides for recovery of **transmission costs and related ancillary services**; and
- (2) replaces wholesale charges assessed by unit by each utility in the Railbelt with a new mechanism that fairly recovers and equitably **allocates the costs** of operating the backbone transmission system.

Questions?



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