



March 31, 2009

Re: Alaska Village Electric Cooperative Testimony re HB 66

Dear Co-Chairs and Members of the House Energy Committee:

HB 66, which would mandate net metering in Alaska, is well intended but is not appropriate in Alaska today.

Why not? First and foremost, because we are a "public power" state. This means that almost all Alaskans who receive power from their serving utilities actually own those utilities. So when a member receives electricity from the utility that he is not paying for (via a "net meter") then all the other members are going to be paying a little more for their electricity, or will receive a little less patronage capital. In other words, the unfunded mandate will be paid for by the remaining customers of the utility.

The next major problem with HB 66 is the figure of 25 kW that was identified as the limit on a member's generation sources that would be allowed to receive net metering. This number may appear to be appropriate to certain regional Alaskan standards but, in reality, this number would blow the socks off more than a hundred generating utilities in our state.

In AVEC's 53 villages, for example, the largest annual sales we enjoy is in St. Mary's, where our members use about 2.8 million kWh - an average load of 320 kW. In the Lower-48, the staunchest renewable energy supporters do not recommend allowing more than 0.5% of consumer produced energy into the local grid. That would translate to about 1.6 kW in St. Mary's. In our average village, where we sold about 1.3 million kWh last year, the average load is less than 125 kW. I'm sure you can envision what an uncontrolled, intermittent power source of 25 kW can do to such a system.

Net metering is a concept that is heavily promoted by individuals who are better equipped financially than many others to consider installation of alternative energy sources for their personal use, as well as by the vendors of products that those consumers might use. In Alaska, a net metering mandate will result in inappropriate burdens being placed upon consumers who are not part of the elite self-generation group and whose interests are not being represented by those who are promoting net metering. It will also place further financial and operational constraints on the member owned utilities that are struggling to keep the lights on under circumstances more onerous than any that have ever been experienced before in this state's history.

Rather than considering a bill such as HB 66 that will benefit perhaps 50 – 100 Alaskans and a few vendors, please consider instead providing additional funds to the State Renewable Energy Fund to develop alternative energy projects that will serve all of a utility's customers into the foreseeable future. Developing renewable energy sources comes at prohibitive costs.

Alaska's legislature should not be promoting special interest legislation such as net metering, but should rather be partnering with Alaska's publicly owned utilities to bring the benefits of renewable energy to all Alaskans. If net metering is to be implemented in some fashion in Alaska, it is best left to the Regulatory Commission of Alaska to determine when, where and how such a program might be initiated so as to bring maximum benefit and least harm to Alaskans. Rural Alaskans are particularly vulnerable to harm from an imprudently applied net metering requirement and the RCA is best equipped to address this.

Yours very sincerely,

A handwritten signature in black ink, appearing to read "Meera Kohler". The signature is fluid and cursive, with the first name "Meera" and last name "Kohler" clearly distinguishable.

Meera Kohler  
President and CEO