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Anchorage office

703 W. Tudor Road, Suite 200 Anchorage, Alaska 99503 907-771-5700 1-877-992-7322

Juneau office

302C Assembly Building 211 Fourth Street Juneau, Alaska 99801 907-463-3636

alaskapower.org

ALASKA POWER ASSOCIATION R E S O L U T I O N

A Resolution Urging the Legislature to Support Utility Efforts to Create a Unified Transmission System for the Railbelt (14-9)

The Railbelt electric transmission system is comprised of hundreds of miles of lines owned by a number of entities, including utilities and the State of Alaska. The system is not nearly as robust as grids in the Lower 48. Limitations affect both the reliability and the cost of electric energy in the region.

A 2012 study by the Alaska Energy Authority determined that there are Railbelt transmission restrictions that result in significantly higher energy costs in the region. The AEA study determined that more than \$900 million of transmission projects are needed to resolve existing problems. Although it is clear that the region would benefit from these necessary improvements, it is unlikely to be financed by utility ratepayers under the current operating model.

Absent a clear path to implement AEA study results, the Railbelt needs to consider a different approach to grid management.

In the Lower 48, a series of geographic Regional Transmission Organizations or Independent System Operators have been developed to address similar problems. Railbelt electric utilities have begun working together to study successful Lower 48 models and consider how best to develop, operate and maintain a rational regional transmission system.

Alaska Power Association urges the Alaska State Legislature to support efforts by the Railbelt electric utilities to unify the regional transmission system.

(Adopted Dec. 2013)