



ALASKA STATE LEGISLATURE

HOUSE LABOR & COMMERCE COMMITTEE

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Sponsor Statement

House Bill 169

"An Act directing the Regulatory Commission of Alaska to provide a report to the legislature relating to electrical transmission in certain areas of the state; and providing for an effective date."

House Bill 169 directs the Regulatory Commission of Alaska (RCA) to review and make recommendations regarding a process whereby an Independent Railbelt Transmission Operator might be created.

In regards to electrical transmission, the Railbelt comprises the interconnected electrical transmission system in south central Alaska which encompasses the Bradley Lake hydroelectric plant on Kachemak Bay near Homer, north to Fairbanks. The interconnection of the communities by these transmission lines helps keep the people of southcentral Alaska safe and secure.

With long distances between utility companies and their generation facilities, the interconnected system is of great importance. It helps bring reliable electricity to a large percentage of Alaskans. Its value should not to be taken lightly.

The transmission authority to be evaluated by the RCA would act as more of a "Craig's List" type authority. Instead of mandating utilities pledge their assets to one controlling entity, this would allow continued local control of assets while at the same time maximizing the value and reliability of the interconnected system.

Using this approach, excess power could be posted as available and could be purchased as needed by any utility. This would promote usage of the most economical power along the interconnected system at all times.

Without local control of assets, some utilities stand to be losers while others stand to gain from these losses. Consumer pricing and reliability across the Railbelt is critical for any transmission company to work in the long-term.