



**SENATE RAILBELT ELECTRIC SYSTEM
COMMITTEE
SENATOR JOHN COGHIL, CHAIRMAN
STATE CAPITOL, ROOM 103
JUNEAU, AK 99801-1182**

SPONSOR STATEMENT

**SB 123 Electric Reliability Organizations
Version M**

“An Act relating to the regulation of electric utilities and electric reliability organizations; and providing for an effective date.”

In 2014, the Legislature sought the Regulatory Commission of Alaska’s recommendations to improve effective and efficient electrical transmission among the six interconnected utilities in the Railbelt region, home to a majority of Alaska’s population. Among the RCA’s recommendations was formation of a reliability organization, which would write and enforce common standards for safe and reliable operation of the interconnected utilities.

The Railbelt electric utilities have made significant progress toward collaboration and cooperation. Most recently, all six entered into an agreement to work together to establish a reliability organization.

The RCA, in updating the Legislature on the utilities’ progress, has recommended statutory changes that would affirm the RCA’s authority to regulate a reliability organization; define the basic structure, responsibilities and authorities of a reliability organization; and empower the RCA to require pre-approval of large generation and transmission projects undertaken by utilities that are part of an interconnected network. Senate Bill 123 reflects these recommendations and, if enacted, would support the utilities’ voluntary work to develop a reliability organization.

On behalf of electric utility customers from Fairbanks to the Matanuska and Susitna valleys, from Anchorage through the Kenai Peninsula to Homer and Seward, the state should foster cooperation among the interconnected utilities and ensure consumer needs are efficiently and reliably met.