

Changes to SB 123: Electric Reliability Organizations

(From introduction through Senate Special Committee on the Railbelt Electric System)

The Senate Special Committee on the Railbelt Electric System heard SB 123 a total of 10 times; two of those hearings were joint with the House Energy Committee, which is considering the companion HB 151.

The Special Committee revised the bill to balance the interests of and incorporate significant input from stakeholders, including the Regulatory Commission of Alaska (RCA); the six Railbelt electric utilities; Alaska Energy Authority; Renewable Energy Alaska Project; Alaska Independent Power Producers' Association; and Alaska Public Interest Research Group, all of whom are likely to play a role in the eventual electric reliability organization serving the Railbelt.

Additional input from the Southeast Alaska Power Agency serving Petersburg, Ketchikan and Wrangell is reflected in the page 1-2 requirement that prohibits the RCA from requiring an electric reliability organization in a network comprised solely of exempt municipal/instrumentality of the state utilities.

Among the key changes:

- At the advice of Legislative Legal Services, restructured the bill from new sections to AS 42.05, to a new article within AS 42.05.
- Supplied legislative intent to navigate the interplay between the new electric reliability organization (ERO) requirements and issues surrounding Bradley Lake contracts, some of which issues are either involved in litigation or otherwise in dispute.
- Addressed a concern of Doyon Utilities, which service military bases under Department of Defense contracts, so that in case state and federal reliability standards conflict, the federal rule will apply.
- Added substantial process requirements and boundaries around the RCA's actions on items submitted by the ERO (reliability standards and integrated resource plans), including a requirement that before the RCA can modify a filing, it must first give the applicant an opportunity to make the modifications. For an integrated resource plan filing, set timelines for RCA action.
- Clarified applicability and exemptions around which electric networks have to have an ERO; waiving the requirement for a network to have an ERO; and, for networks with an ERO, who has to comply with reliability standards and other terms in an ERO tariff.
- Crafted new exemptions to the requirement for pre-approval for large new generation and transmission projects and added to the specific type of projects that would require pre-approval.