

Special Committee on Energy

REP. GRIER HOPKINS

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ALASKA STATE HOUSE OF REPRESENTATIVES

Sponsor Statement

HB 151: An Act relating to the regulation of electric utilities and electric reliability organizations; and providing for an effective date

In the 2014 capital budget, the Legislature requested that the Regulatory Commission of Alaska examine how to best foster “effective and efficient electrical transmission” among the six interconnected electrical utilities of Alaska’s Railbelt. The RCA’s recommendations included the formation of an Electric Reliability Organization, an independent entity that would create and enforce reliability standards and an integrated resource plan for the interconnected utilities.

The RCA crafted proposed legislative language which was put out for public comment. Utilities, power producers, municipal leaders, consumer advocates and rate payers all provided input and feedback, helping to hone language to move Alaska’s interconnected electric utilities towards greater cooperation and resource-sharing. Within the last six months, the Railbelt utilities have signed a Memorandum of Understanding establishing the reliability organization envisioned by this legislation – demonstrating their willingness to work together on future planning, reliability and transmission standards.

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. House Bill 151 reflects these recommendations and, if enacted, would support the utilities’ voluntary work to date.

Fostering greater cooperation will help ensure ratepayers from Fairbanks to Homer will ultimately benefit from the efficient and effective operation of the Railbelt electric system.