

# Fiscal Note

State of Alaska  
2020 Legislative Session

|                     |               |
|---------------------|---------------|
| Bill Version:       | CSHB 151(ENE) |
| Fiscal Note Number: | 1             |
| (H) Publish Date:   | 2/26/2020     |

Identifier: HB151-DCCED-RCA-01-17-20  
 Title: ELECTRIC RELIABILITY ORGANIZATIONS  
 Sponsor: ENERGY  
 Requester: (H) Energy

Department: Department of Commerce, Community and  
 Economic Development  
 Appropriation: Regulatory Commission of Alaska  
 Allocation: Regulatory Commission of Alaska  
 OMB Component Number: 2417

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

|                               | FY2021                  | Included in               | Out-Year Cost Estimates |                |                |                |                |
|-------------------------------|-------------------------|---------------------------|-------------------------|----------------|----------------|----------------|----------------|
|                               | Appropriation Requested | Governor's FY2021 Request | FY 2022                 | FY 2023        | FY 2024        | FY 2025        | FY 2026        |
| <b>OPERATING EXPENDITURES</b> | <b>FY 2021</b>          | <b>FY 2021</b>            | <b>FY 2022</b>          | <b>FY 2023</b> | <b>FY 2024</b> | <b>FY 2025</b> | <b>FY 2026</b> |
| Personal Services             |                         |                           |                         |                |                |                |                |
| Travel                        |                         |                           |                         |                |                |                |                |
| Services                      |                         |                           |                         |                |                |                |                |
| Commodities                   |                         |                           |                         |                |                |                |                |
| Capital Outlay                |                         |                           |                         |                |                |                |                |
| Grants & Benefits             |                         |                           |                         |                |                |                |                |
| Miscellaneous                 |                         |                           |                         |                |                |                |                |
| <b>Total Operating</b>        | <b>0.0</b>              | <b>0.0</b>                | <b>0.0</b>              | <b>0.0</b>     | <b>0.0</b>     | <b>0.0</b>     | <b>0.0</b>     |

## Fund Source (Operating Only)

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <b>Total</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

## Positions

|           |  |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |  |

## Change in Revenues

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <b>Total</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**Estimated SUPPLEMENTAL (FY2020) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2021) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** No  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/23

## Why this fiscal note differs from previous version/comments:

Initial version updated for 2020.

|              |  |        |                     |
|--------------|--|--------|---------------------|
| Prepared By: | Robert M. Pickett, Chairman                                | Phone: | (907)276-6222       |
| Division:    | Regulatory Commission of Alaska                            | Date:  | 01/09/2020 12:00 PM |
| Approved By: | Micaela Fowler, Administrative Services Director for DCCED | Date:  | 01/17/20            |
| Agency:      | Office of Management and Budget                            |        |                     |

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2020 LEGISLATIVE SESSION**Analysis**

HB 151 gives the Regulatory Commission of Alaska (RCA) functions pertaining to electric reliability organizations, including the ability to form an electric reliability organization (ERO) if the RCA determines no person has applied for or is not likely to apply for a certification of an ERO. HB 151 provides a funding mechanism for, and the composition of, the governing board of an ERO.

HB 151 addresses how an ERO will develop and submit reliability standard to the RCA. It also provides an avenue to allow the RCA to require a reliability standard to be developed or modified.

A certificated ERO under the proposed statute will be able to impose a penalty on a user, owner, or operator of an interconnected bulk-power system for violation of a reliability standard.

After certification, an ERO will be required to develop and file a plan for meeting the reliability requirements of customers within its interconnected bulk-power system in the most cost-effective manner, consistent with the load-serving entities' obligations.

HB 151 provides the RCA with limited pre-construction approval authority for large energy facilities.

The RCA currently expects to implement the provisions of this legislation with existing resources, and does not anticipate fiscal impact from this legislation.