

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version:	CSSB 123(RBE)
Fiscal Note Number:	2
(S) Publish Date:	3/9/2020

Identifier: SB123CS(RBE)-DCCED-RCA-03-06-20
Title: ELECTRIC RELIABILITY ORGANIZATIONS
Sponsor: RAILBELT ELECTRIC SYSTEM
Requester: (S) Finance

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

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/23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:

Updated for the current version of the bill: CSSB 123(RBE).

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Agency: Office of Management and Budget

Phone: (907)276-6222
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REPORTED OUT OF
SFC 03/09/2020

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2020 LEGISLATIVE SESSION

Analysis

SB 123 gives the Regulatory Commission of Alaska (RCA) new authority to certify electric reliability organizations, including the ability to form an electric reliability organization (ERO) if the RCA determines no person has applied for certification as an ERO. SB 123 provides a funding mechanism for, and permissible composition of, the governing board of an ERO.

SB 123 addresses how an ERO will develop and file reliability standards with the RCA. It also provides an avenue to allow the RCA to require a reliability standard be developed or modified.

A certified 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. Penalties may be appealed to the RCA and the RCA may modify a penalty imposed by an ERO. The RCA may also directly impose penalties for reliability standard violations.

After certification, an ERO will be required to develop and file integrated resource plans for RCA approval. Plans must meet the reliability requirements of customers within its interconnected bulk-power system in a manner that provides the greatest value, consistent with the load-serving entities' obligations.

The RCA will be required to approve new large projects for interconnected systems that are served by an ERO.

SB 123 provides the RCA with authority to adopt regulations governing EROs, reliability standards, modifications to reliability standards, integrated resource plans, transmission system access, interconnection and cost recovery, and project pre-approval.

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