



February 10, 2021

The Honorable Mia Costello
State Capital Room 119
Juneau, AK 99801

Re: Public Comment in Support of SB 69 – Exempt Renewable Energy Electric Plants

Dear Senator Costello,

I am writing you today to elicit your support of Senate Bill 69 (SB 69). This legislation extends an exemption from regulation as a public utility for facilities generating electricity entirely from renewable sources.

As Alaska joins the rest of the country in moving toward a cleaner, healthier future with reduced Greenhouse Gas (GHG) emissions, it will be critical to expand the production of zero emission forms of renewable energy in the state. The exemption provided by SB 69 provides, at no cost to taxpayers, a mechanism to foster increased private development of renewable projects in Alaska.

I offer the following points in support of SB 69 for your consideration:

1. No other state currently regulates non-utility (Independent) renewable power project owners. If independent projects are regulated, then developer/owners will be unlikely to invest in Alaska compared to all other states. For Alaska to achieve meaningful future GHG emission reductions, more renewable energy will be needed.
2. SB 69 prevents a situation where there is “double” regulation. The RCA must adjudicate any power purchase agreement between a utility and a project owner to ensure that the agreement is just and reasonable. The RCA already regulates the activities of the utilities that would purchase the renewable power. Adding RCA regulation of independent power producers would not provide any additional protection for consumers and is a poor use of RCA resources.
3. There is no need to regulate an independent renewable power producer, since utilities only agree to purchase this power pursuant to a negotiated agreement that is acceptable to the utility. If acceptable terms are not reached, the project cannot be built.
4. Inserting the financial, administrative, and reporting burden of state regulation onto private renewable projects puts future investments at risk along with the private sector jobs and economic stimulus these projects can create in communities across Alaska.

CIRI used the exemption embodied in the statute as part of the development process for its successful Fire Island Wind project. The negotiated off-take agreement and the private risk dollars invested to develop Fire Island Wind have now provided long-term, flat priced renewable wind power to Chugach Electric Association for more than 8 years with 16 years to go. We believe this is a model of how private investment in this sector can be beneficial to the public without burdening the state government with direct financial support or redundant regulatory oversight.

While we have already successfully utilized the exemption at issue for our project, we believe it is important to extend the sunset so that other independent renewable project proponents can have regulatory certainty in their own respective project development activities.

We look forward to the passage of SB 69 by this legislature.

Sincerely,

Cook Inlet Region, Inc.

A handwritten signature in blue ink that reads "S. Settle". The signature is fluid and cursive.

Suzanne Settle
VP Energy, Land and Resources

February 15, 2021

The Honorable Mia Costello

State Capital Room 119

Juneau, AK 99801

RE: Public Comment in Support of Senate Bill 69, Exempt Renewable Energy Electric Plants

Dear Chair Costello:

Fishhook Renewable Energy, LLC (FRE) is an independent power producer (IPP) developing a run-of-river hydroelectric project on Fishhook Creek near Palmer, Alaska. We respectfully submit this letter in support of Senate Bill 69.

FRE began investigating the hydropower resource at Fishhook Creek in 2005, and began obtaining permits for our project in 2006. In 2008, before the currently expiring AS 42.05.711(r) exemption was enacted by the legislature, we applied for a project-specific exemption from regulation on a public interest basis under AS 42.05.711(d). This exemption was granted by the Regulatory Commission of Alaska (RCA) in 2009.¹ To our knowledge we were the first IPP to pursue this course, and as insurance against the regulatory uncertainty and time required for a decision, we invested in preparation of a complete application for a Certificate of Public Convenience and Necessity (CPCN), so our small project would have the option to move forward under an exemption or under the burden of full economic regulation.

Fortunately, the RCA granted the exemption, and subsequent IPPs were able to learn from our precedent. South Fork Hydro, LLC received a similar 711(d) exemption in 2009.² Three years later in 2011, the 711(r) provision was enacted to provide greater regulatory certainty to IPPs.

To our knowledge, the following IPP projects have successfully used the 711(r) exemption process in the past 10 years avoid the unnecessary costs of submitting a CPCN application or exemption petition.

IPP Projects that have used the 711(r) Exemption Process.

- Fire Island Wind Farm (17.6 MW, commissioned 2012)
- Willow Solar Project (100 kW phase 1 and 900 kW phase 2, commissioned 2019)
- Juniper Creek Hydro Project (300 kW, planned for commissioning spring / summer 2021).

¹ See RCA docket R-08-132.

² See RCA Docket R-08-102.

IPP Projects currently under development that may use the 711(r) Exemption Process.

- Houston Solar Project (6 MW, planned for commissioning late 2021). The developers of this project sought a 711(d) exemption as insurance against the uncertainty of 711(r) renewal. This was issued by the RCA on an expedited basis February 10, 2021.
- Sweetheart Lake Hydro Project (19.8 MW, planned for commissioning 2023).
- Eco Green Delta Junction Wind Farm (42 MW, proposed in 2021).

Impacts of allowing 711(r) to expire.

FRE's petition 13 years ago paved the way for the alternate to 711(r) under 711(d). 711(d) still requires significant resources on the part of both the IPP applicant and the RCA commissioners and staff and can present a significant delay in the nimble project development schedule sought by the private sector. The 711(r) process is a simpler, quicker, and more efficient option that lacks a tangible downside. The public interest is protected by the fact that the wholesale power sales contract is still subject to RCA review and approval.

Flexibility of voluntary regulation.

Nothing in this legislative extension of exemption precludes an IPP from applying for a CPCN or requesting the RCA for non-economic or economic regulation. 711(r) simply provides an efficient option for IPPs to navigate Alaska's unique regulatory framework.

We urge renewal of the 711(r) exemption process as a incremental step in the long journey to fulfilling the State Energy Policy at AS 44.99.115.

Sincerely,



Joel Groves, P.E.
Project Manager
Fishhook Renewable Energy, LLC

February 10, 2021

The Honorable Mia Costello

State Capital Room 119

Juneau, Alaska 99801



Re: Public Comment in Support of SB 69- Exempt Renewable Energy Electric Plants

Dear Chair Costello,

Thank you very much for considering SB 69. My name is Jenn Miller and I'm a professional mechanical engineer and the CEO of Renewable IPP. Renewable IPP is an Alaska Grown small business who develops, builds and operates utility scale solar farms in Alaska. My three business partners and I are living examples of the energy transition as we all came from the oil & gas industry. When we founded Renewable IPP we were passionate about two things: (1) expanding renewable energy in Alaska and (2) delivering economic and low-cost renewable energy. To date I'm happy to report that we've delivered two projects under budget and sell power to Matanuska Electric Association at their avoided cost. We are now embarking on a third project, the Houston Solar Farm, which will almost double to solar capacity in the State in one step!

While we are absolutely thrilled to share these headline stories, I always think back on all the work it took to get here. We started by sharing our business idea with friends and family, news that was almost always met with, "Solar, does that work in Alaska?" We figured out a design that delivers solar energy at roughly one-third the install cost of residential solar and built our pilot project with our own hands to learn how we could optimize the design further. For the Willow Expansion we worked with MEA and agreed a Power Purchase Agreement which was reviewed and approved by the RCA. We also received a loan from the AEA Power Project Fund. All this culminated in us hiring 13 direct employees in 2019 to build the 1.2 MW Willow Expansion project which invested \$1.5 M in our energy infrastructure. All along the way we've had to use our scrappy ingenuity and wear many hats to figure out this new business to deliver solar energy at wholesale prices. I share all this to give the committee a sense of who independent power producers are and what our businesses look like. As we transition to more renewable energy, generation facilities will be more distributed and will often be smaller assets with less staff than our large fossil fuel generation sites today.

SB 69 extends existing legislation which exempts renewable energy IPP's from RCA regulation. Extending this exemption is vital to growing economic renewable energy in the state. As you're aware the RCA already reviews and approves the Power Purchase Agreement (PPA) which sets the energy price between the utility and IPP. IPPs are also required to meet utility interconnection standards to ensure safe and reliable operations. Requiring direct regulation of IPPs places a significant burden on our small businesses while delivering no additional value to the consumer. RCA regulation would require our small business to carry additional staff to support tariff filings and our energy would incur a regulation fee. Both result in less economic and more complex projects which disincentivize investment. Investors compare

our projects with other opportunities across the US and Alaska's unique regulation requirement puts our projects at a disadvantage.

I've provided a window into the IPP business and why regulation is unnecessarily burdensome and hurts project opportunities. Before I leave, I'd like to share why encouraging renewable energy IPP's is important to growing renewable energy in our great state. In addition to energy diversity, this presents a significant economic development opportunity for the State. Renewable energy federal tax incentives have just been extended and wind and solar are now the cheapest forms of new energy. Coupled together, two factors mean that there is going to be significant private and federal investment in renewable energy infrastructure in the next decade. I want to see those investment dollars spent on Alaska projects, diversifying our economy, and creating jobs in our State.

Passing SB 69 has long lasting implications for our great State, the environment, and our small business. Thank you so much for your consideration. Please feel free to reach out to me with any questions.

Sincerely,



Jenn Miller, P.E.

CEO, Renewable IPP

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