



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, appearing to read "S. Settle".

Suzanne Settle
VP Energy, Land and Resources