

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