

Konrad Jackson

From: Michael Jones <mljhea9@gmail.com>
Sent: Monday, February 23, 2026 11:32 AM
To: Senate Labor and Commerce; Sen. Jesse Bjorkman; Sen. Kelly Merrick; Sen. Elvi Gray-Jackson; Sen. Forrest Dunbar; Sen. Robert Yundt; Michael Jones
Subject: Oppose SB 150
Attachments: Net Metering Discussion 10-4-2024.pdf

Follow Up Flag: Follow up
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Honorable Members of the Senate Labor and Commerce Committee

SB 150 is currently scheduled for hearing on Wednesday, February 25.

I oppose SB 150

According to AS 42.05.141 (3). rates are required to be just, fair, and reasonable.

This legislation continues to expand Net Energy Metering and the associated unfair compensation for energy from intermittent renewable resources (primarily rooftop solar).

I have attached a presentation that I delivered to the Homer Electric Association Board of Directors in October, 2024. That presentation demonstrates the many and substantial flaws associated with Net Metering Philosophy and Compensation and includes 10 recommendations to eliminate the massive subsidies therein. The bottom line of that 58-page presentation is:

Net Energy Metering is a flawed construct used to subsidize compensation for intermittent renewables. Net Energy Metering, as implemented, is based on the fallacy that electricity produced from an intermittent renewable resource (like customer solar—a consumer generator) is identical in both Quality and Quantity as other forms of electricity (like gas and hydro) produced on the Grid and therefore deserves to be compensated as such.

I am prepared to deliver that presentation to this committee or any other committee you wish in order to have a fact-based discussion on the matter (rather than ideological based talking points that typically accompany a Net Metering Discussion).

Consequently, ANY legislation that deals with Net Energy Metering must reinforce the following principles as guidance for the Regulatory Commission of Alaska to take action.

Principle #1: any Net Energy Metering construct implemented must incorporate ZERO subsidies from one customer to the customer receiving a Net Energy Metering rate. Any subsidy will be deemed to be unjust, unfair, and unreasonable.

Principle #2: any Net Energy Metering construct implemented must recognize that intermittent renewable energy resources are inherently less reliable than historical dispatchable energy resources like natural gas and hydro. Consequently, intermittent resources MUST be accompanied by a storage system (battery or other) that smooths the output and makes possible the dispatch of any excess energy exported to the Grid in order to be eligible for compensation.

Principle #3: Energy from any Net Energy Metering customer must be settled on an hourly basis (simple with real time smart metering) and billed on a monthly basis. Any excess energy delivered to the grid (without storage and dispatch capability) is virtually worthless and any compensation for this energy shall be reflective of that fact.

Principle #4: Any Net Energy Metering customer using intermittent renewables must pay a Grid Integration Fee for “leaning on the Grid” whereby they benefit from Grid services differently from a typical (non-intermittent) customer. This is the “user pays principle”. Those who use the Grid to integrate their intermittent resources should pay for the Grid integration service.

Principle #5: While the definition of “consumer-generator” includes technologies other than wind and solar, those other technologies typically have a more reliable energy profile than wind and solar and they are not a typical resource that a grid connected customer is deploying. Let’s be clear, the language in the definition is really just covering for the special interests of the wind and solar industry lobby.

Regarding SB 150 language directly:

Page 2, Lines 15-18 States:

(c) A load-serving entity may not limit consumer-generator participation in the net metering service within its service territory unless the commission, after a hearing, finds that limitation is necessary to protect system reliability or to prevent rates for customers that are not consumer-generators from being unjust and unreasonable.

This language is written from the perspective that the addition of more and more intermittent renewables to the grid is DEEMED to be the correct answer and the utility must argue that system reliability risks must be demonstrated by the utility in order to limit additions.

This approach is exactly the opposite of how a reliable electric grid should be managed. As we have been able to observe in the recent storms in the lower 48, system

reliability was greatly compromised due to the failure of intermittent renewables like wind and solar to produce at the time when they are needed the most.

Typical analyses performed by advocates of intermittent resources (and used in legislative and regulatory proceedings) lack technical rigor and are woefully inadequate for understanding the asymmetric risk profile of grid reliability in Alaska. In Alaska winters, loss of electricity can lead to significant property damage and even death. Loss of electricity is not just an inconvenience.

A spreadsheet jockey can show how the kWh's of an intermittent resource produced over the course of a year nicely balance energy supply and demand—especially when allowed to “bank” excess generation from one month to another. Someone who actually operates the Grid will tell you they would much rather have bona fide spinning, dispatchable, generating resources like (gas and hydro) available to ensure reliability.

Better language would be as follows:

(c) A load-serving entity may ~~not~~ limit consumer-generator participation in the net metering service within its service territory ~~unless the commission, after a hearing, finds if they deem~~ that limitation is necessary to protect system reliability or to prevent rates for customers that are not consumer-generators from being unjust and unreasonable.

Finally, there are provisions of this bill that create a Net Metering reimbursement fund. It appears this fund mechanism is structured to avoid a subsidy from a non-renewable customer to a renewable customer. Rather, the subsidy is passed onto a legislature funding mechanism (just one more reason to take money from the PFD).

Just because the money doesn't come from a customer directly, doesn't mean it's the right thing to do. Eliminate the subsidies directly, follow the “user pay principle”, and there is no need to create a reimbursement fund.

Michael L. Jones

Resident of Homer