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Walsh
2/25/26

CS FOR SENATE BILL NO. 150(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to net metering; relating to reduced rates in the form of credits for**
2 **consumer-generators; establishing a net metering reimbursement fund; and providing**
3 **for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 42.05.391(a) is amended to read:

6 (a) Except as provided in AS 42.05.306 and 42.05.395, a public utility may
7 not, as to rates, grant an unreasonable preference or advantage to any of its customers
8 or subject a customer to an unreasonable prejudice or disadvantage. A public utility
9 may not establish or maintain an unreasonable difference as to rates, either as between
10 localities or between classes of service. A municipally owned utility may offer
11 uniform or identical rates for a public utility service to customers located in different
12 areas within its certificated service area who receive the same class of service. Any
13 uniform or identical rate shall, upon complaint, be subject to review by the
14 commission and may be set aside if shown to be unreasonable.

1 * **Sec. 2.** AS 42.05 is amended by adding a new section to read:

2 **Sec. 42.05.395. Net metering.** (a) A load-serving entity that is served by an
3 electric reliability organization and has total retail sales exceeding 5,000,000 kilowatt-
4 hours during a calendar year shall provide a net metering service that

5 (1) on a monthly basis, credits a consumer-generator's account in an
6 amount equal to the consumer's excess electric energy generation multiplied by the
7 rate per kilowatt-hour that would apply if the consumer was not a consumer-generator;
8 in this paragraph, the rate per kilowatt-hour may be a seasonal or time-of-use rate; and

9 (2) allows a consumer-generator to accrue and use account credit for
10 the consumer-generator's own consumption on an annual cycle that ends March 31 of
11 each year, after which all accrued and unused credit expires.

12 (b) A consumer-generator may elect to receive net metering service for
13 generating capacity installed before July 1, 2026, or continue to receive service under
14 tariff terms in effect when the generating capacity was installed.

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

20 (d) A load-serving entity that provides a net metering service may apply to the
21 Alaska Energy Authority under AS 42.45.015 to recover revenue lost in excess of
22 avoided costs because of the entity's net metering service.

23 (e) A load-serving entity may establish an innovative residential rate structure,
24 under regulations adopted by the commission, that accurately reflects the entity's costs
25 to provide electrical service to consumer-generators that receive net metering service.

26 (f) A load-entity is not required to provide a net metering service under this
27 section unless the commission determines that the net metering reimbursement fund
28 established under AS 42.45.015 is sufficiently capitalized to adequately offset revenue
29 lost in excess of avoided costs because of the net metering service.

30 (g) The commission shall adopt regulations to implement this section that, at a
31 minimum, establish standards and procedures for

1 (1) calculating a load-serving entity's lost revenue in excess of avoided
2 costs that is eligible for recovery under (d) of this section;

3 (2) evaluating a load-serving entity's innovative residential rate
4 structure established under (e) of this section; and

5 (3) determining under (f) of this section whether the net metering
6 reimbursement fund established under AS 42.45.015 is sufficiently capitalized.

7 (h) In this section,

8 (1) "consumer" means a customer of a load-serving entity who
9 consumes electricity purchased from the entity;

10 (2) "consumer-generator" means a consumer who generates electric
11 energy

12 (A) on premises owned by, leased by, rented to, or licensed to
13 the consumer at a location where a load-serving entity provides service;

14 (B) through a generation system

15 (i) with a capacity of 25 kilowatts or less;

16 (ii) that produces the electric energy from solar energy,
17 wind energy, or another renewable energy source that has a
18 similar environmental impact; and

19 (iii) that is interconnected and operates in parallel with
20 the load-serving entity; and

21 (C) that offsets part or all the consumer's own electrical use;

22 (3) "electric reliability organization" has the meaning given in
23 AS 42.05.790;

24 (4) "load-serving entity" has the meaning given in AS 42.05.790.

25 * **Sec. 3.** AS 42.45 is amended by adding a new section to read:

26 **Sec. 42.45.015. Net metering reimbursement fund.** (a) The net metering
27 reimbursement fund is established as a separate fund. The fund consists of

28 (1) money appropriated to the fund by the legislature;

29 (2) gifts, bequests, contributions from other sources, and federal
30 money; and

31 (3) interest earned on the fund balance.

1 (b) The authority shall administer the fund and serve as the fiduciary of the
2 fund under AS 37.10.071.

3 (c) Subject to appropriation, the authority may make payments from the fund
4 to a load-serving entity eligible for recoverable costs under AS 42.05.395 and
5 implement regulations adopted by the Regulatory Commission of Alaska.

6 (d) Nothing in this section creates a dedicated fund.

7 * **Sec. 4.** This Act takes effect July 1, 2026.