

ALASKA STATE LEGISLATURE

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House Energy Committee,
Co-Chair

Community and Regional
Affairs Committee

State Affairs Committee

Joined Armed Services
Committee

REPRESENTATIVE KY HOLLAND

HB 369 – Energy, Electric Utilities

Version A Sectional Analysis

Sec. 1. – Amends uncodified law of the State of Alaska to update energy policy targets set in 2010

The Alaska State Energy Policy was established by Enrolled HB 306 (2010). This section updates the uncodified law targets of that bill that have all since expired. New targets include: increase per capita energy efficiency by 15 percent between 2026 and 2036; obtain 40 percent of electricity generation from diversified energy resources by 2036; maintain reliable in-state gas supply; utilize the Power Project Fund as the primary state financing mechanism for energy projects; remain a leader in oil and gas production while advancing carbon management, critical minerals, and emerging energy technologies; and reduce average household energy costs to the national average by 2040. The section also expresses legislative intent that implementation of the diversified portfolio standard not cause undue economic harm or compromise reliability.

Sec. 2. – Adds a new section AS 42.05.323. Portable solar generation devices

- a. This section states portable solar generation devices are exempt from interconnection studies and net metering requirements if they are (1) below 1,200W in max output, (2) turn off during power outages, (3) meet National Electrical Code standards, (4) are certified by the Underwriters Laboratory or equivalent
- b. This section states that for devices that meet (a), utilities may not require customers to (1) seek utility approval to install, (2) pay fees, or (3) install additional controls beyond what comes with the device itself
- c. This section states utilities may require a simple registration process

- d. This section makes clear utilities are not liable for any damage or injury caused by the devices
- e. This section exempts small utilities (with less than 5,000,000 kW-hrs of electricity sales per year) from these rules
- f. This section defines portable solar generation devices means a moveable device that plugs into a standard 120 V AC outlet and is used primarily to offset a customers electricity demand.

Sec. 3. – Amends AS 42.05.381. by adding a new subsection (r)

This section authorizes electric utilities to sell surplus electricity generated from renewable energy resources at an economic development rate. The RCA is directed to adopt regulations establishing eligibility and pricing criteria. Economic development rates must reflect market conditions and be lower than standard electricity rates.

Sec. 4. – Amends AS 42.05.431. by adding a new subsection (i)

This section allows electric cooperative utilities subject to an ERO to recover costs associated with renewable energy facilities, battery storage systems, or purchased power from such facilities if approved by the utility's board of directors. The provision applies to facilities with nameplate capacity of less than 15 MW.

Sec. 5. – Amends AS 42.05.780(a)

This section requires that integrated resource plans for electric reliability organizations satisfy the diversified portfolio standard under AS 42.05.900 (see below).

Sec. 6. – Amends AS 42.05.785(a)

This section amends Sec. 42.05.785(a), which governs large energy facility project preapproval, by stipulating that a public utility on the Railbelt that is constructing a large energy facility that is not detrimental to meeting the DPS can qualify for pre-approval of the project by the RCA.

Sec. 7. – Amends AS 42.05.785(c)

Amends Sec. 42.05.785(c) to establish an exception from the provisions of this pre-approval section for energy projects that help a load-serving entity meet the diversified portfolio standard.

Sec. 8. – Amends AS 42.05.785(e)

Adjusts the numbering of section 42.05.785(e) and adds the definition for “diversified energy resource” within the pre-approval for large energy facilities section

Sec. 9. – Amends AS 42.05 by adding new Article 11A Diversified Portfolio Standard

Sec. 42.05.900 affects load-serving entities that are subject to the standards of an electric reliability organization. Part (a) requires the utilities to comply with the diversified portfolio standard (DPS) of no less than 40 percent of electricity generated by diversified sources by the end of 2036. Part (b) how to count co-fired fossil and diversified resources for electricity generation. Part (c) indicates that diversified electricity purchased by a utility counts toward the DPS, even if there are transmission disruptions. Part (d) indicates electricity from diversified sources count toward the DPS, even if the environmental, social, or other nonpower attributes have been sold to another party. Part (e) states that utilities build new facilities to comply with the DPS, the RCA must still determine them to be the most advantageous and best value to the state, taking into account reliability, price stability, externalities, and other factors established by the RCA.

Sec. 42.05.905 – Incentivizes the development of larger grid-scale wind energy projects that have greater economies of scale and encourage utility partnerships. Incentivizes utilities to facilitate investments in energy efficiency and in renewable energy by their end-use customers. This section also creates an incentive for distributed diversified energy sources and for the usage of energy storage systems.

Sec. 42.05.910 - Governs the use of diversified energy credits. To qualify as part of a load-serving entity’s portfolio, diversified energy credits must be from generation connected to the same interconnected electric transmission network.

Sec. 42.05.915 – Establishes the conditions under which resources other than those named in AS 42.05.925 can qualify as diversified energy resources. These conditions center on a DEC-vetted plan and annually verified data showing that

the lifecycle emissions of the generation facility are below 100kg of carbon dioxide equivalent per megawatt-hour of electricity.

Sec. 42.05.920 - Establishes an exemption from compliance with the DPS by individual load serving entities if the aggregate generation of diversified electricity of all load-serving entities in an interconnected electric transmission network meets or exceeds the percentage required by the standard.

Sec. 42.05.925 - Provides for definitions used under Article 11A, including defining diversified energy sources as including renewables, nuclear, and natural gas derived from an in-state gasline from the North Slope that provides low-cost, stably-priced gas.

Sec. 10. – Amends AS 42.45.045(d)

This section amends AS 42.45.045(d) which governs Renewable Energy Fund Grants, requiring that the recommendations be submitted to the Legislature by November 15th of each year.

Sec. 11. – Amends AS 42.45.045. by adding a new subsection (m)

This section requires the REF advisory committee elect a chair that serves for a 2-year, non-consecutive term and indicates that the committee meets at the call of the chair.

Sec. 12. and Sec. 13 – Amends AS 44.46.020(a) and AS 44.46.025(a)

These sections indicates that the Department of Environmental Conservation designate diversified energy resources under AS 42.05.915.

Sec. 14. – Amends AS 44.99.115. to change the Declaration of the state energy policy

This section amends Alaska’s state energy policy to:

- Expand focus on energy efficiency and electrification;
- Encourage development of renewable energy and geologic hydrogen resources;
- Support production of energy products such as methanol, ammonia, and sustainable aviation fuel;
- Support development of nuclear energy and other energy resources;

- Promote workforce development, applied research, and commercialization initiatives; and
- Encourage coordination of state energy functions and collaboration with federal agencies.

Sec. 15. – Establishes an effective date of July 1, 2026