



# *HB 369*

## *Energy Affordability Omnibus*

Sponsor: House Energy Committee

26 February 2026



# *Introduction*



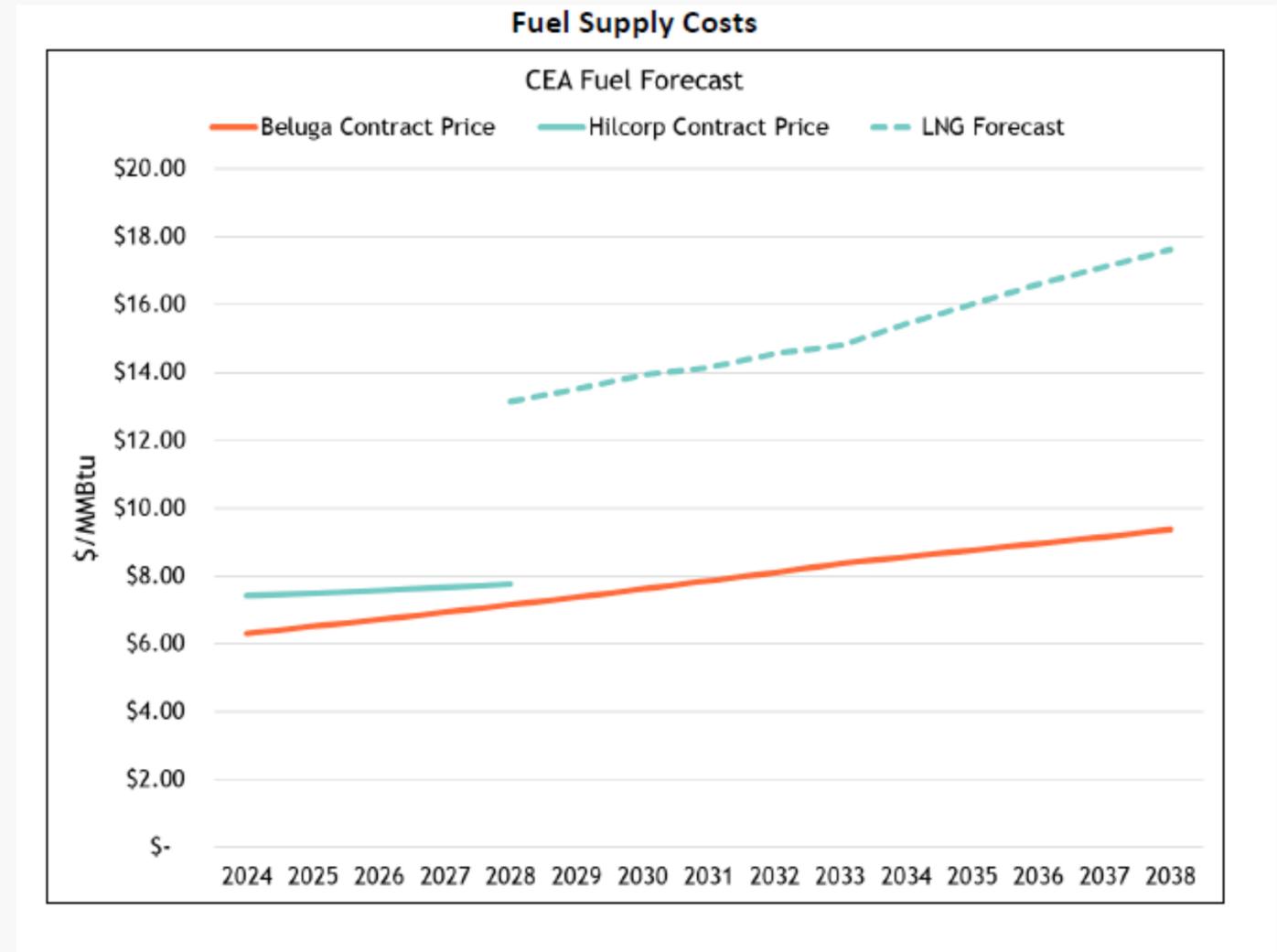
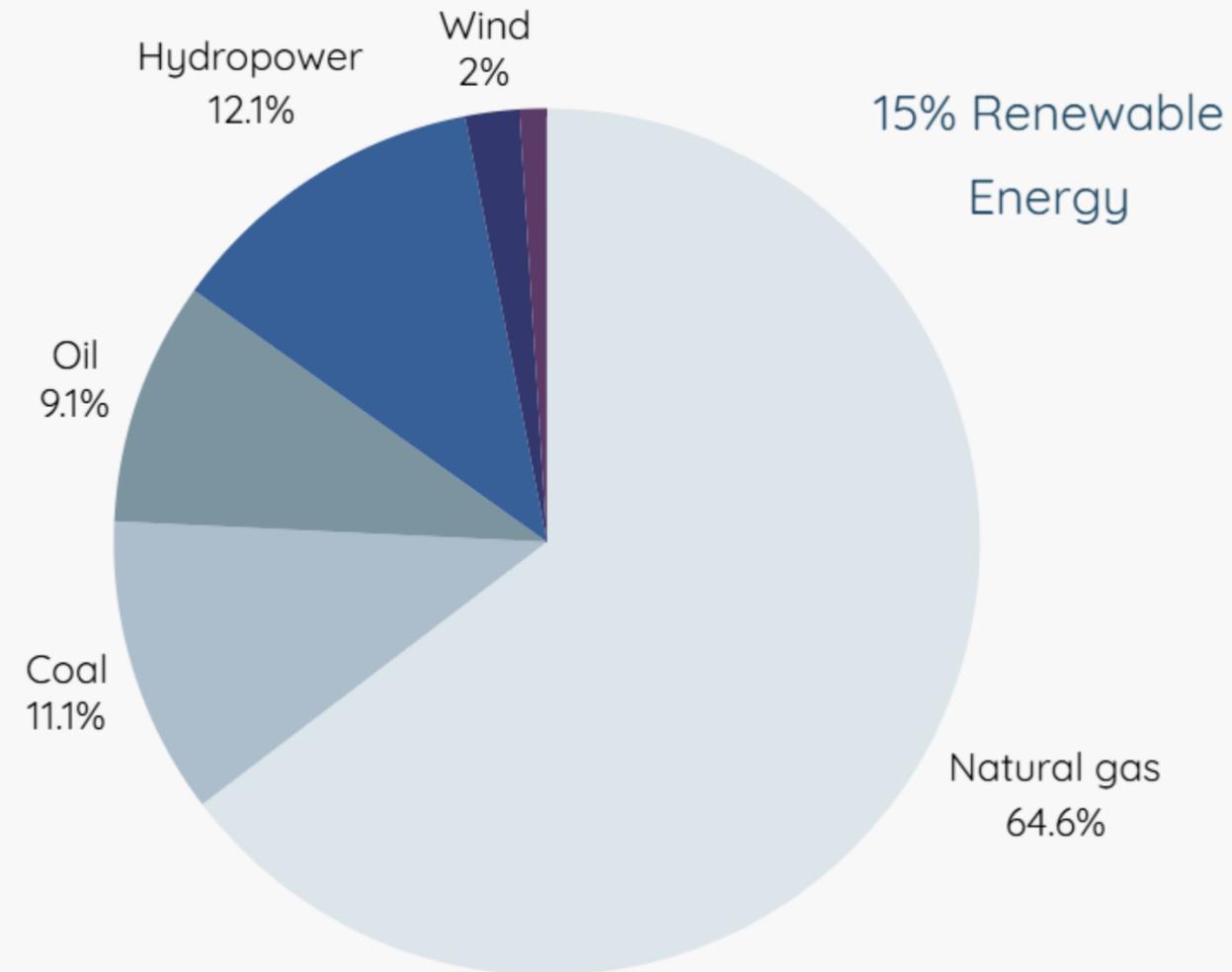
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House Bill 369 is a package of bills with a nexus of energy affordability. Components include:

- The ‘diversified portfolio standard’ (based on HB 153)
- Streamlined <15MW renewable projects (SB 32)
  - Plug-in Solar (HB 257)
- An ‘economic development rate’ for excess hydro
  - Update to the State Energy Policy
  - Small improvements to the REF
- Planned addition of utility wildfire safety measures (HB 252)



# 2022 Railbelt Energy Mix

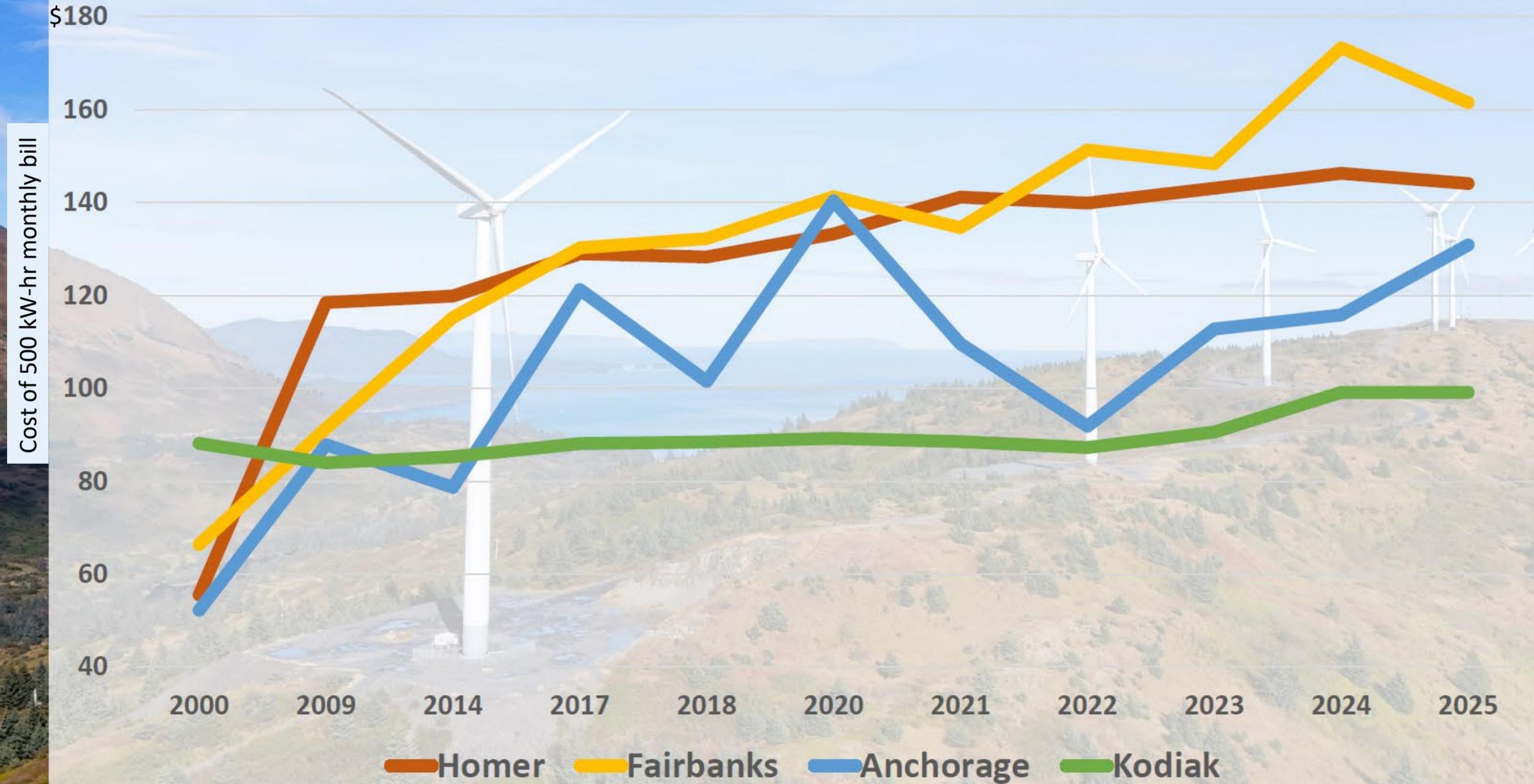


With 585 GW of capacity additions, wind, hydro, and solar accounted for over 90% of total power expansion globally and accounted for 93% of capacity growth in 2025 in the U.S.

-International Renewable Energy Agency and Energy Information Administration

# Difference Between Rates from KEA

Anchorage 32.0% ● Homer 45.3% ● Fairbanks 62.9%



# *Updates to the Previous RPS Bill*

**OLD: 2025 HB 153 RPS**

- 40% by 2030
- 55% by 2035

- Renewables only
- 1.25x multiplier for wind projects >100 MW installed before 2033
- 2x multiplier for distributed energy systems, reducing transmission needs

- Non-compliance fines of \$45 / MWh
- Utilities may avoid fines if they have met the 40% target by using the fine amount for future renewable projects

**NEW: 2026 HB 369 DPS**

## **Targets**

- 40% by 2036

## **What counts?**

- Hydro, wind, solar, geothermal
- Nuclear
- Fossil fuels with <100kg CO<sub>2</sub>-eq/ MW-hr
- Phase 2 gasline-type natural gas
- 1.5x multiplier for wind projects >100 MW installed before 2033
- 2x multiplier for distributed energy systems, reducing transmission needs

## **Incentives**

- NO FEES
- Shapes IRP
- Projects pre-cleared
- Statutory target provides leverage in possible LNG import negotiations



# *Sectional Analysis*





## Section 1 – Uncodified law: updates to 2010 state energy policy targets

- Increase per capita energy efficiency by 15 percent between 2026 and 2036;
- Maintain reliable in-state gas supply;
- Remain a leader in oil and gas production while advancing carbon management and emerging energy technologies;
- Reduce average household energy costs to the national average by 2040.
- Addition legislative intent: implementation of the diversified portfolio standard should not cause undue economic harm or compromise reliability.

Section 2 – Makes plug in solar systems legal, fee- and hassle-free for homes and businesses in service areas of large and medium utilities (>5 GW-hrs in annual sales), so long as they are 1,200W or less per meter, meet safety standards, and are moveable. Utilities can require a simple registration process.





Section 3 - 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.

Section 4 - Allows Railbelt utilities to skip over RCA rate approvals for costs associated with small renewable energy projects, including battery storage systems, wind, solar, hydro, waste to gas, and other projects less than 15 MW in generation capacity, so long as the projects have board approval.





**Section 5** – Requires that integrated resource plans for electric reliability organizations (i.e. the RRC) satisfy the diversified portfolio standard (DPS).

**Section 6 and 7** – For utilities subject to the DPS, allows pre-approval of large energy projects where they are consistent with achieving the DPS.

**Section 8** – Adds relevant definitions for the previous sections, including defining “diversified energy resource”.





## Section 9 – Adds Article 11A Diversified Portfolio Standard:

- **Sec. 42.05.900:** Sets the 40% by 2036 target; establishes how coal-fired energy generation counts; makes it clear purchased electricity counts even if transmission interruptions occur; counts diversified energy even if RECs have been sold elsewhere; makes clear projects still need to provide the best value to Alaskans (defined by cost, reliability, price stability, externalities, etc)
- **Sec. 42.05.905:** Sets some multipliers for different types of diversified energy projects when counting toward the standard: 1.5x for large wind projects shared between utilities; 2x for distributed energy generation; 0.8x for storage projects
- **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 how clean fossil fuel projects can qualify: 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 that if the Railbelt as a whole meets the target collectively, no individual utility can be deemed non-compliant
- **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





**Section 10** – Adjusts Renewable Energy Fund Grant rules , requiring that the recommendations be submitted to the Legislature by November 15th of each year.

**Section 11** – Adjusts REF advisory committee rules, requiring them to elect a chair that serves for a 2-year, non-consecutive term. Also indicates that the committee meets at the call of the chair.

**Section 12 and 13** – Provide that the Department of Environmental Conservation designate diversified energy resources under the rules of the previous sections.





## **Section 14** – Updates the statutory Alaska 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.

## **Section 15** – Establishes an effective date of July 1, 2026.





**Thank you**

*We welcome your questions*

