

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 369
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB369-DEC-AQ-02-25-26
Title: ENERGY, ELECTRIC UTILITIES
Sponsor: ENERGY
Requester: (H) ENERGY

Department: Department of Environmental Conservation
Appropriation: Air Quality
Allocation: Air Quality
OMB Component Number: 2061

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates					
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
OPERATING EXPENDITURES								
Personal Services	522.7		522.7	522.7	522.7	522.7	522.7	522.7
Travel	12.0		12.0					
Services	149.4		149.4	99.4	99.4	99.4	99.4	99.4
Commodities	6.0							
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	690.1	0.0	684.1	622.1	622.1	622.1	622.1	622.1

Fund Source (Operating Only)

1004 Gen Fund (UGF)	690.1		684.1				
1005 GF/Prgm (DGF)				31.1	31.1	31.1	31.1
1093 Clean Air (Other)				591.0	591.0	591.0	591.0
Total	690.1	0.0	684.1	622.1	622.1	622.1	622.1

Positions

Full-time	3.0		3.0	3.0	3.0	3.0	3.0
Part-time							
Temporary							

Change in Revenues

1005 GF/Prgm (DGF)				31.1	31.1	31.1	31.1
1093 Clean Air (Other)				591.0	591.0	591.0	591.0
Total	0.0	0.0	0.0	622.1	622.1	622.1	622.1

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**
If yes, by what date are the regulations to be adopted, amended or repealed? **07/01/27**

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: <u>Jason Olds, Director</u>	Phone: <u>(907)465-5109</u>
Division: <u>Air Quality</u>	Date: <u>02/25/2026</u>
Approved By: <u>Megan Kohler, Administrative Services Director</u>	Date: <u>02/25/26</u>
Agency: <u>Department of Environmental Conservation</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB369

Analysis

This bill would require railbelt utilities to receive 40% of their power from a wider mix of energy sources by 2036 and make it easier for independent renewable producers to sell power. The Department of Environmental Conservation (DEC) would designate which energy sources qualify as diversified and require utilities to submit yearly reports on their greenhouse-gas emissions in order to qualify. Although DEC doesn't currently regulate these emissions, this work is similar to work already performed for air-quality permits. The additional work could fit into the existing permit program but would require three new staff, including an economist, because calculating lifecycle greenhouse-gas impacts and cost-competitiveness is more complex than current permitting workloads.

Personal Services: The Division of Air Quality would require three new positions.

Environmental Engineering Associate 2, \$183.9 x 2, \$367.8: Develop and implement greenhouse gas emission permitting program

Economist 3, \$154.9: Develop and implement cost effectiveness and resiliency program

Travel: *Training and Travel, \$12.0 (FY27 and FY28):* Training and professional development necessary to support implementation of the new permitting workload, and in-state stakeholder engagement needed to develop regulations and establish the associated permitting processes.

Contractual Services: *Department of Law, \$100.0 (FY27 and FY28, reducing to \$50.0 thereafter):* Regulation development and legal support to implement a carbon emissions program (the division does not currently regulate carbon), including associated updates to fee regulations and ongoing support for appeals and program maintenance

Other Contractual Costs, \$31.4 annually: Office space and other associated operating costs for three new positions, including allocated department overhead.

Supplies: *Supplies, \$6.0 (FY27 only):* Initial workstation and basic office setup for three new positions.

Funding: The department will work with industry to develop the required program regulations and establish the program, which is estimated to take two years. Once that work is complete, the department will update and establish new fees in 18 AAC 50.400-410 to cover the costs of the program, consistent with the existing Air Quality permit program. As no revenue will be generated during the development years of this new program, the department will require general funds in year one and year two. Once the fees are established, estimated to occur in year three, the fund source will switch to 95% Clean Air Protection Fund and 5% General Fund Program Receipts.