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HB 329: Electric Utility: Certificate of Fitness Sponsor Statement, Version 34-LS1412\1

"An Act relating to certificates of fitness for employees of an electric utility."

This past year, the Department of Labor and Workforce Development (DOLWD) interpreted the rural exemption to Certificates of Fitness to exclude the Alaska Village Electric Cooperative (AVEC). This changes the way that AVEC uses local laborers and has caused a significant impact for customers, adding logistical delays and extra costs to fly contractors in for basic maintenance tasks that, until recently, were addressed with a local workforce.

AVEC serves as the electric utility in fifty-eight rural, remote communities across Alaska. In these communities, AVEC workers have historically received the exemption under AS 18.62.010 that allows them to do electrical work without a certificate of fitness in communities with population under 2,500; this includes all AVEC communities except for Bethel. DOLWD's interpretation of statute treats the fact that Bethel exceeds the population threshold as reason to require Certificates of Fitness for workers in *all* AVEC communities.

HB 329 addresses this issue by clarifying that AVEC is included in the existing exemption from the certificate of fitness requirement for electric utility workers serving communities with populations under 2,500. This ensures that multi-community electric utilities, like AVEC, are not excluded from the current statute, which allows small, remote communities to rely on their qualified local workforce for basic maintenance of their electric distribution systems.

This bill restores long-standing practices and resolves unnecessary new labor requirements by refining statute. If the issue underlying this bill is not fixed quickly, the requirement for AVEC worker certification will continue to risk outages and higher power bills for AVEC communities.