



# HB 208: LNG IMPORT FACILITIES

Representative Mears

# HB 208: LNG IMPORT FACILITIES

House Bill 208 clarifies the jurisdiction of the Regulatory Commission of Alaska (RCA) as it performs its duties as a consumer protection agency in an evolving energy landscape by repealing AS 42.05.711(v)

*A liquefied natural gas import facility under the jurisdiction of the Federal Energy Regulatory Commission is exempt from this chapter.*

Concerns with AS.42.05.711 (v) came to light during a January 28, 2025 hearing for RCA docket U-25-004(5).

Multiple interveners debated whether the RCA had the jurisdiction to regulate a gas agreement originating from an LNG import facility that had site permits from the Federal Energy Regulatory Commission (FERC).

The RCA asserted its long-standing authority to regulate the contract.

HB 208 eliminates this confusion.

# RCA'S SUMMARY

## Summary of RCA's Position on Authority Over Imported Natural Gas from Jan 28, 2025 Meeting

- **Statutory jurisdiction over public utilities:**  
The RCA explains that its regulatory authority extends to public utilities operating in Alaska, regardless of whether the natural gas they distribute is produced in-state or imported. If imported gas is sold or transported by a regulated utility to Alaska consumers, that activity falls within RCA jurisdiction.
- **Focus on service and rates, not the physical act of importation:**  
The RCA emphasizes that it does not regulate the *act of importing* natural gas itself. Instead, its authority applies to the **rates, terms, conditions, and reliability of utility service** once that gas is offered for sale or distribution by a regulated utility in Alaska.
- **Oversight of contracts involving imported gas:**  
When a regulated utility enters into contracts for the supply of imported natural gas, the RCA asserts authority to review those contracts to ensure they are **just, reasonable, and in the public interest**, particularly as they affect customer rates and service obligations.
- **Consumer protection role:**  
The RCA frames its authority as necessary to protect Alaska consumers from unreasonable costs, supply risks, or unfair practices that could arise from reliance on imported natural gas, especially where utilities seek cost recovery through regulated rates.
- **No expansion of authority claimed:**  
The Commission states that oversight of imported gas does not represent an expansion of its powers; rather, it is a **continuation of existing regulatory responsibilities** applied to a changing supply source.
- **Jurisdiction triggered by utility status, not fuel origin:**  
The RCA underscores that whether gas is imported is legally irrelevant to its authority. What matters is whether the entity selling or distributing the gas qualifies as a public utility under Alaska law.

## ENSTAR'S CASE

ENSTAR argues for nuance between RCA and FERC regulation in Alaska.

The docket states [ENSTAR] “... argues that principals of statutory interpretation support our jurisdiction...”

Quotes are from pages 9 and 10 of RCA docket U-25-004(5).

22 As an analogy, ENSTAR notes we have jurisdiction to regulate ENSTAR as  
23 a utility-offtaker of Cook Inlet producers' platforms and pipelines. Likewise, ENSTAR  
24 asserts that although the LNG Project may not be regulated by us, ENSTAR's

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26 <sup>34</sup>ENSTAR Opening Brief at 9.

<sup>35</sup>ENSTAR Opening Brief at 12; ENSTAR Reply at 7–8.

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1 interconnection with, and any necessary gas purchase agreements or terminal use  
2 agreements, are all within our jurisdiction.<sup>36</sup>

3 ENSTAR further argues that principles of statutory interpretation support  
4 our jurisdiction over TA350-4. ENSTAR asserts that the language in AS 42.05.711(v)  
5 plainly exempts a FERC-regulated LNG facility from our jurisdiction, but it does not  
6 contain any language that precludes our jurisdiction over the costs incurred by an LDC to  
7 interconnect with a LNG import facility, or over utility costs stemming from gas sales  
8 agreements and terminal use agreements used to take natural gas from the facility.<sup>37</sup>

# CLARIFYING RCA JURISDICTION

The attached is from the RCA's docket U-25-004(5) page 18.

Interveners in the case argued that FERCs jurisdiction over “siting, construction, expansion, or operation of an LNG terminal” precluded the RCA’s jurisdiction over a contract.

JL Properties, Inc. and RSD Properties LLC’s assert that the RCA does not have regulatory authority over rates associated with an LNG terminal due to the plain language of the statute.

4 JLP/RSD argue that we do not have and should not exercise jurisdiction  
5 over LNG import facilities. JLP/RSD assert that ENSTAR is planning to advance funds  
6 for the LNG Project that will receive gas transported in interstate commerce and is defined  
7 in TA350-4 as “construct[ion] of a natural gas receiving terminal on the Kenai Peninsula,  
8 in close proximity to ENSTAR transmission and storage facilities.”<sup>74</sup> JLP/RSD cite  
9 15 U.S.C § 717b(e)(1) which states that FERC “shall have the exclusive authority to  
10 approve or deny an application for the siting, construction, expansion, or operation of an  
11 LNG terminal.” Therefore, JLP/RSD argue that the LNG Project, as defined by ENSTAR,  
12 and all agreements related to the interstate transportation of natural gas, are subject to  
13 exclusive FERC jurisdiction.<sup>75</sup>



# THANK YOU

Rep. Donna Mears