

ALASKA STATE LEGISLATURE

SESSION:
State Capitol, Rm. 418
Juneau, AK 99801

INTERIM:
1500 W. Benson Blvd
Anchorage, AK 99503



REPRESENTATIVE KY HOLLAND

House Energy Committee,
Co-Chair

Community and Regional
Affairs Committee

State Affairs Committee

Joined Armed Services
Committee

HB 369 – Energy, Electric Utilities

Version G 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; maintain reliable in-state gas supply; remain a leader in oil and gas production while advancing carbon management and emerging energy technologies; and reduce or hold down costs of electricity in Alaska such that we meet 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. – Amends AS 09.65 to incentivize public utilities to adopt a wildland fire mitigation plan (WMP) by offering limited liability protections if they adopt such a plan.

- This section creates a presumption of non-negligence if a utility causes or fails to prevent a wildfire, so long as it has adopted complied with a WMP.
- A utility may be held liable if it causes vegetation to make contact with powerlines, if vegetation contact with powerlines occurs in an area that it has a responsibility to maintain, or if the utility performs unauthorized work outside of its right-of-way.
- A utility may be held liable if it acts with negligence and causes damage to a residence, or bodily injury at a residence.
- A utility is protected from liability for removing vegetation in accordance with its WMP.

- If a utility provides notice to an adjacent property owner that vegetation on the adjacent property poses a risk, the utility is protected from liability resulting from that vegetation making contact with powerlines.
- A utility is protected from liability for harm caused by vegetation that did not pose a reasonably foreseeable risk at the time of their most recent assessment.
- The owner of an adjacent property is protected from liability for damages caused by a utility working on that property.
- A utility and the owner of adjacent property may voluntarily enter an agreement governing the utility's maintenance of vegetation on the adjacent property.
- If a utility unnecessarily removes vegetation outside its right-of-way, it may be liable for damages up to the replacement value of the vegetation.

Sec. 3. – Outlines the required elements of a wildland fire mitigation plan (WMP).

- A plan must be in writing, must describe the property where the utility operates and adjacent properties, must be updated every three years, and must be on file with the Department of Natural Resources.
- A plan must assess the risk of a wildfire starting in the area that the utility is responsible for maintaining, or starting outside and spreading into that area.
- A plan must contain procedures for: the inspection and maintenance of utility infrastructure, consideration of de-energizing powerlines in high-risk periods, vegetation management, wildfire detection, notification of emergency response agencies, and maintenance of access routes.
- A utility is required to notify owners and occupants of an adjacent property, as well as DNR, if its assessment shows vegetation conditions creating a high risk of a wildfire igniting.
- A utility may remove vegetation outside of its right of way that poses an imminent threat of causing a fire.
- DNR may review and consult on a WMP and must acknowledge receipt of a final plan.
- A utility must publish a WMP at least 60 days before its adoption and must distribute notice to customers of a 30-day public comment period.

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 7 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(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. 8. – 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.

Sec. 42.05.905 – Incentivizes the development of larger grid-scale diversified 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.

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 certified 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 that is shared with the RCA.

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. 9. – 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. 10. – 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. 11. – 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. 12. – Amends uncodified law

Applies Section 2 to civil lawsuits occurring on or after the Act’s effective date..

Sec. 13 – Amends uncodified law

Requires utilities to submit wildland fire mitigation plans to DNR before January 1st, 2028.

Sec. 14. – Establishes an effective date of July 1, 2026