
From: Cady Lister [REDACTED]
Sent: Tuesday, March 31, 2026 12:04 PM
To: Rep. Donna Mears; Rep. Ky Holland; Rep. Chuck Kopp; Rep. Mia Costello; Rep. Bryce Edgmon; Rep. Justin Ruffridge; Rep. DeLena Johnson
Subject: Comments on HB 164

Dear members of the House Energy Committee,

In the face of global energy price escalation and the Cook Inlet gas shortage, it is clearer now more than ever before that Alaska must do all it can to reduce its reliance on volatile and high-priced imported fossil fuels.

I am writing in support of the Committee Substitute (CS) on annual net metering. The committee has heard considerable testimony on this bill and the CS includes thoughtful improvements which address concerns raised without undermining the potential benefit of the initiative.

The two changes from the original version of the bill which address concerns related to cross-subsidies should allay any concerns utilities or other constituencies may have. The changes: 1) define a period of participation for consumer-generators who have installed solar both before and after the legislation goes into effect, and 2) provide a pathway for utilities to adjust customer charges should consumer-generators increase rates for non-consumer generators by 2% or more.

The CS still includes the original protection of a fund administered by AEA that utilities could go to for reimbursement but importantly, it does not rely on this fund being capitalized for the utility customers to be able to access the benefits of annual net metering.

The committee is likely to hear opposition to this initiative in the form of arguments about equity, cross subsidies and difficulties in integration. It is worth remembering these key realities.

1. Within any service areas there are already customers who cost more to serve than others. If one home is located in the urban core and another further out, the home further out is benefitting from significant distribution system infrastructure to reach them. The costs of that infrastructure are spread amongst all ratepayers, they all pay the same rate. An even more apt example is a home that invests in high efficiency appliances, by using fewer kWhs to meet their needs there are fewer kWhs to spread fixed costs over thereby increasing costs for others on the system.
2. The Railbelt has very low penetration of renewables in general and rooftop solar in particular. Current customer-generator output is 0.33% of total generation. Alaska's per customer customer-generator solar output is less than 1/100th that of Indiana – the state with the **median** level of per-customer output across all 50 states; Alaska's per customer customer-generator output is less than 1/1000th that of New York State. Alaska is thus nowhere near a level at which the "cross subsidization" issues become material. At current levels of growth in customer-generator installations it would be decades before
3. Impacts on non-consumer-generators is exceptionally nominal and benefits to the system are important. According to an analysis performed by Erin McKittrik in April 2025 ... *"If solar installation rates increase dramatically with annual net metering, the power produced starts to become a lot more meaningful. If ten times as much got installed every year; 20 megawatts instead of 2 megawatts; those solar panels would be producing nearly 5% of our power by 2035,*

saving over a billion cubic feet of gas (southern utilities) plus millions of gallons of oil (GVEA) per year.

Theoretical revenue losses would also increase, to over \$30 million dollars per year with the most dramatic increase in installations and the most generous way of counting losses. This sounds big, but the rate increase you'd be preventing is still well under a cent per kilowatt hour."

<https://www.alaskaenergy.org/p/what-would-we-get-with-the-annual>

4. The bill would also help maintain and grow local Alaskan jobs. Past estimates by the Alaska Center for Energy and Power (ACEP) have found that the rooftop solar industry in the Railbelt supports hundreds of direct, indirect, and induced jobs.

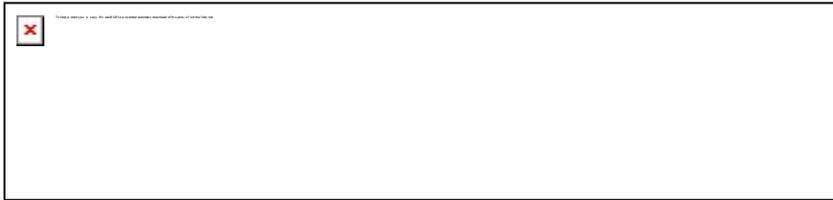
The legislature is right to advocate and advance adoption of renewable energy systems in our state. This bill offers a pathway for households to improve their own resiliency while reducing gas and oil usage for the system as a whole, reducing all of our reliance on imported and volatile priced fossil fuels.

Thank you,

Cady Lister

Executive Director, Renewable Energy Alaska Project & Chugach ratepayer

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From: Trish Baker [REDACTED]
Sent: Monday, March 30, 2026 12:50 PM
To: Rep. Donna Mears; Rep. Ky Holland; Rep. Chuck Kopp; Rep. Mia Costello; Rep. Bryce Edgmon; Rep. Justin Ruffridge; Rep. DeLena Johnson
Cc: Arthur Miller
Subject: Comments to HB 164
Attachments: image001.png

Members of the House Energy Committee :

Thank you for the opportunity to express additional comments on HB 164 and for your continued engagement with Alaska's electric utilities on energy policy. Chugach Electric Association, Inc. (Chugach) shares your interest in supporting responsible investment in distributed renewable generation while protecting all cooperative members from undue rate impacts.

We would like to clarify the record: since 2010, Alaska has had a comprehensive, statewide net metering framework, adopted by the Regulatory Commission of Alaska (RCA).

Under 3 AAC 50.900–3 AAC 50.949, economically regulated utilities selling more than five million kilowatt-hours per year are required to offer a net metering program, interconnect eligible customer-owned renewable generation up to 25 kW per premises, and purchase excess generation up to 1.5 percent of the utility's average retail demand. These regulations specify eligibility, interconnection, and billing, including monthly netting of usage and generation and credits for excess power, and they are implemented today by Chugach and other covered utilities.

Because the existing RCA program already provides a uniform statewide net metering structure for regulated utilities, HB 164 would layer a second, overlapping statutory net metering regime on top of an established regulatory one. This duplication risks creating confusion for consumers, conflicting directives for utilities, and uncertainty for the RCA, which is currently administering and periodically updating these rules through its public process. In our view, changes to net metering are more appropriately addressed within the existing RCA framework, where technical, cost-allocation, and equity issues can be evaluated in detail with full stakeholder participation.

The first line of HB 164 states “(a) Except as provided in AS 42.05.306 and 42.05.395, a public utility may not, as to rates, grant an unreasonable preference or advantage to any of its customers or subject a customer to an unreasonable prejudice or disadvantage” is an acknowledgement that the new section created by the bill would result in “an unreasonable preference or advantage.” Chugach does not support rate structures that cause undue discrimination among a utility's ratepayers, and we appreciate the opportunity to suggest alternatives that would avoid such outcomes.

Net metering programs allow customers with on-site renewable generation to receive subsidies from customers without such systems. In general, utilities do not incur losses due to net metering programs; instead, they recover costs previously covered by net-metered customers - prior to installing their generation - by allocating those costs to non-net-metered customers.

Under SB150, a load-serving entity providing a net metering service may seek recovery of revenue losses attributable to the entity's net metering service by application to the Alaska Energy Authority under AS 42.45.015. For this structure to work in a manner that does not require non-net metered customers to pay higher electric rates, it requires that the State of Alaska provide continual funding to the utility and, in turn, the utility does not have to recover such costs from non-net metered customers.

If the state wishes to provide additional incentives for net metering, we respectfully offer the following options for your consideration.

If the state opts to pay a premium to Alaskans who net meter, those Alaskans could apply directly to the AEA, which can distribute funds when available. It would be a significant burden in both cost and staff time for utilities to redesign their billing systems to accommodate funding that may or may not be available to apply during a given billing cycle. Testimony from other utilities on a Senate companion bill echoes this assertion. Alternatively or additionally, available funds administered by AEA could pay the capital costs associated with installing distributed energy systems on municipal buildings so that entire communities share in resulting savings.

We note that within the existing RCA framework, the state has already experimented with additional incentives through the AEA's net metering incentive payment pilot, which provides increased per-kilowatt-hour compensation for residential customers participating in existing net metering programs. This demonstrates that the combination of RCA regulation and targeted state incentive tools can advance distributed energy goals without creating a new, conflicting statutory program.

If the Legislature prefers to address the net metering structure in statute, the bill could codify a single net metering structure for all load-serving entities that provides an incentive for customers to install distributed energy systems while mitigating undue discrimination experienced by non-net-metering customers. Under this structure, net metering customers would be credited at the full retail rate for energy generated and used during a billing cycle, while unused energy generated during the billing cycle would roll to the next month and be credited at the utility's avoided cost, continuing to roll month to month until used.

From Chugach's perspective, HB 164 is unnecessary, redundant with the current RCA-administered net metering standards, and likely to be confusing for both utilities and consumers. The bill's premium-credit and reimbursement-fund concepts, if administered through utility billing systems, would introduce inequities between net metering and non-net metering members and require costly billing system overhauls to manage funding that may be intermittent or uncertain.

If the Legislature desires to modify net metering policy, we respectfully recommend directing those changes through the RCA's existing regulatory process and, if additional incentives are desired, using AEA-administered mechanisms like those outlined above rather than establishing a parallel statutory program. This approach would ensure technical rigor, consistency with current rules, and a transparent forum for utilities, consumer groups, and other stakeholders to address cost allocation, equity, and grid-integration issues.

Thank you again for your work on these issues and for considering our comments. Chugach stands ready to work with you, your staff, AEA, and the RCA to refine Alaska's net metering framework within the existing regulatory structure.

Respectfully,

Trish Baker

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