



April 15, 2026

**To: Senate Community and Regional Affairs Committee
RE: Letter of Support for Senate Bill 250**

Chair Merrick, Vice-Chair Dunbar, and Members of the Committee,

The Alaska Public Interest Research Group (AKPIRG) submits the following comments in support of Senate Bill 250 (SB 250), which provides necessary protections for Alaskans from potential data center development impacts. AKPIRG is a statewide, nonpartisan 501(c)(3) nonprofit with over 50 years of history advocating for the public interest in Alaska. We work to empower Alaskans, strengthen transparent and accountable government, and advance policies that best serve the public.

While data center development may provide certain economic benefits to Alaska, large energy use facilities also carry the risk of increasing energy costs for our communities who already face some of the [highest energy burdens](#) in the nation. We appreciate the bill sponsor's focus on strong consumer protections, particularly the emphasis on ensuring that existing ratepayers are not required to subsidize the energy or infrastructure needs of large, out-of-state, well-capitalized companies.

SB 250's explicit rate firewall - ensuring that any incremental costs incurred by a utility due to service to a data center are recovered solely from that data center customer - provides an important safeguard by preventing cost shifting to general ratepayers. In addition, the requirement for the Regulatory Commission of Alaska (RCA) approval of individual contracts creates an oversight that ensures each data center project is evaluated on a case-by-case basis and that cost responsibility is clearly defined. We also strongly support the provision that keeps transmission infrastructure built specifically to serve a data center separate from our backbone transmission system until the end of the contract term. Likewise, the requirement for a detailed analysis and direct assignment - particularly fuel-related cost adjustments - help ensure fluctuations in serving a data center do not impact other customers.

AKPIRG has concerns about the minimum facility size threshold for potential new data centers in our state. While 20 MW may be considered a mid-sized load in Lower 48 standards, in Alaska it could have a substantial impact on a Railbelt utility, especially if utilities are relying on a

mixture of Cook Inlet gas with variable pricing and imported LNG. 20 MW is roughly 25% of Homer Electric Association (HEA)'s and 16% of Matanuska Electric Associations (MEA)'s peak loads. A sub 20 MW facility still represents a significant share of demand on the Railbelt grid system, driving higher fuel and generation costs that may shift to other customers, while also increasing operational and reliability risks.

To further strengthen ratepayer protections, we recommend considering additional safeguards, including:

- Minimum revenue guarantees to ensure full cost recovery
- Minimum contract terms to provide long-term stability
- Upfront infrastructure payments or security deposits to mitigate stranded asset risk
- Exit fees to protect ratepayers in the event of early termination

Finally, we recommend ensuring transparency through the public disclosure of key project elements, including, but not limited to:

- Contracts
- Resource usage and load impacts
- System and ratepayer impacts

We appreciate the opportunity to provide these comments and thank you for your consideration of these recommendations.

Sincerely,



June Okada
Energy Lead, AKPIRG