

CS FOR SENATE BILL NO. 150(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to net metering; relating to reduced rates in the form of credits for**
2 **consumer-generators; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 42.05.391(a) is amended to read:

5 (a) Except as provided in AS 42.05.306 and 42.05.395, a public utility may
6 not, as to rates, grant an unreasonable preference or advantage to any of its customers
7 or subject a customer to an unreasonable prejudice or disadvantage. A public utility
8 may not establish or maintain an unreasonable difference as to rates, either as between
9 localities or between classes of service. A municipally owned utility may offer
10 uniform or identical rates for a public utility service to customers located in different
11 areas within its certificated service area who receive the same class of service. Any
12 uniform or identical rate shall, upon complaint, be subject to review by the
13 commission and may be set aside if shown to be unreasonable.

14 *** Sec. 2.** AS 42.05 is amended by adding a new section to read:

1 **Sec. 42.05.395. Net metering.** (a) A load-serving entity that is served by an
2 electric reliability organization and has total retail sales exceeding 5,000,000 kilowatt-
3 hours during a calendar year shall provide a net metering service that

4 (1) on a monthly basis, credits a consumer-generator's account in an
5 amount equal to the consumer's excess electric energy generation multiplied by the
6 average wholesale power cost for the load-serving entity; and

7 (2) allows a consumer-generator to accrue and use account credit for
8 the consumer-generator's own consumption for up to 12 months from when the credit
9 accrues, after which the unused credit expires.

10 (b) A load-serving entity may not limit consumer-generator participation in
11 the net metering service within the entity's service territory unless the commission
12 finds the limitation is necessary to protect system reliability or to prevent rates for
13 customers who are not consumer-generators from undue discrimination.

14 (c) A load-serving entity shall establish an alternate rate structure, under
15 regulations adopted by the commission, that accurately reflects the entity's costs to
16 provide electrical service to consumer-generators who receive net metering service.

17 (d) A load-serving entity may not shift costs from consumer-generators to
18 customers who are not consumer-generators.

19 (e) The commission shall adopt regulations to implement this section that, at a
20 minimum, establish standards and procedures for evaluating a load-serving entity's
21 alternate rate structure established under (c) of this section.

22 (f) In this section,

23 (1) "consumer" means a customer of a load-serving entity who
24 consumes electricity purchased from the entity;

25 (2) "consumer-generator" means a consumer who generates electric
26 energy

27 (A) on premises owned by, leased by, rented to, or licensed to
28 the consumer at a location where a load-serving entity provides service;

29 (B) through a generation system

30 (i) with a capacity of 25 kilowatts or less;

31 (ii) that produces the electric energy from solar energy,

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wind energy, or another renewable energy source that has a similar environmental impact; and

(iii) that is interconnected and operates in parallel with the load-serving entity; and

(C) that offsets part or all the consumer's own electrical use;

(3) "electric reliability organization" has the meaning given in AS 42.05.790;

(4) "load-serving entity" has the meaning given in AS 42.05.790.

* **Sec. 3.** This Act takes effect July 1, 2026.