



May 1, 2026

Senator Jesse Bjorkman, Chair  
Senator Kelly Merrick, Vice Chair  
Senate Labor & Commerce Committee

RE: SB 150 – Net Metering Program and Fund

Dear Chair Bjorkman and members of the Senate Labor & Commerce Committee:

On behalf of Golden Valley Electric Association (GVEA), we appreciate the Legislature’s engagement on issues related to energy policy and distributed generation. We write to share our concerns with SB 150 and to encourage a cautious, deliberative approach as you consider potential changes to Alaska’s net metering framework.

While we recognize the growing interest in customer-sited renewable generation, policies promoting their proliferation in Alaska must be thoughtful, balanced and sustainable in the long-term. SB 150 creates a statutory framework that is inconsistent with Alaska’s existing regulatory structure and does not reflect the operational realities of systems like GVEA’s.

The Regulatory Commission of Alaska (RCA) has overseen a functioning net metering framework for more than a decade, wherein utilities propose net metering tariffs that are consistent with the RCA’s current regulations but also reflect the specific characteristics of their systems. The RCA evaluates those tariffs to ensure that the terms and conditions are just, reasonable, and non-discriminatory, and requires ongoing reporting from the utilities. From a ratemaking perspective, participants in the net metering program are compensated at a rate that is updated quarterly by the utilities, and that rate is subject to review and approval by the RCA. SB 150 would represent a significant departure from this approach by establishing a more prescriptive, statewide structure that does not adequately account for the diversity of Alaska’s electric systems and creates unnecessary confusion for utilities, regulators, and consumers alike.

The proposed compensation structure also raises serious equity concerns. If all utilities are required to credit excess generation above its actual system value, fixed costs are shifted to consumers who do not or cannot participate. The reality is that lower-income consumers who cannot afford to install solar power will be subsidizing those who can, which is fundamentally unfair. A previous legislature recognized this inequity and sought to bridge the gap by passing legislation promoting community energy facilities. Other jurisdictions who have made changes to their compensation scheme in a manner similar to what the bill proposes have begun the process of unwinding those changes to remediate substantial subsidies.

Additionally, the bill limits the ability of utilities to manage participation in net metering programs except under narrow conditions. Alaska's utilities are unique and must respond to their own unique system challenges. Flexibility to manage these programs in a manner that considers system-specific factors is essential to maintain system reliability and manage cost impacts for non-participating members.

Though well-intentioned, we do not believe the reimbursement fund included in SB 150 resolves these issues, as it depends on future legislative appropriations. Tying a utility's ability to recover lost revenue to the availability of a state-funded mechanism makes cost recovery uncertain. If funding is insufficient, the burden shifts to non-participating consumers.

GVEA believes this could be addressed if legislature considers alternative ratemaking mechanisms that ensure utilities can recover lost revenue while upholding "cost-causer, cost-payer" ratemaking principles. In practice, that ensures those who benefit from net metering pay for that benefit, rather than shifting those costs to non-participating consumers.

For these reasons, we respectfully urge the Senate Labor & Commerce Committee to carefully consider the broader impacts of this legislation as written, and we stand ready to provide any additional information or technical input that may be helpful.

Sincerely,

A handwritten signature in blue ink, appearing to read "Travis Million".

Travis Million  
GVEA Chief Executive Officer