

Alaska State Legislature

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SENATE BILL 220 *RCA REGULATE NATURAL GAS STORAGE*

SPONSOR STATEMENT

The Regulatory Commission of Alaska (RCA) regulates public utilities by certifying qualified providers of public utility and pipeline services and ensuring that they provide safe and adequate services and facilities at just and reasonable rates, terms, and conditions.

Senate Bill 220 grants the Regulatory Commission of Alaska (RCA) the authority to regulate the service of natural gas storage facilities in Alaska. The current statute states that only storage facilities owned by regulated public utilities are regulated by the RCA.

SB 220 would require that natural gas and liquefied natural gas storage facilities that provide third-party open access in Alaska be regulated by the RCA, ensuring access to energy infrastructure is fair and non-discriminatory and does not engage in anti-competitive practices. Appropriate oversight also promotes transparency and accountability, fostering public trust in the reliability and safety of Alaska's energy supply and fair pricing of the resource.

Natural gas storage facilities ensure a steady supply of energy throughout the year. In summer months, Railbelt natural gas consumers use much less natural gas than is produced. To maintain optimal function of the natural gas wells, steady production is essential. Therefore, the need for facilities to store the unused natural gas is critical to supply availability during cold months of the year when demand increases.

Effective regulatory oversight is essential to safeguarding the integrity and safety of natural gas storage facilities in Alaska. Regulations governing the construction, operation, and maintenance of storage infrastructure help mitigate environmental risks, protect public health, and ensure compliance with industry standards.

The development of natural gas storage in Alaska is indispensable for ensuring energy stability and resilience in the face of evolving challenges. By leveraging abundant natural resources and embracing prudent regulatory oversight, SB 220 could forge a path towards a more sustainable and secure energy future in Alaska.