

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: HB 153
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB153-DCCED-RCA-03-28-25
Title: UTILITIES: RENEWABLE PORTFOLIO
STANDARD
Sponsor: HOLLAND
Requester: House Energy

Department: Department of Commerce, Community and
Economic Development
Appropriation: Regulatory Commission of Alaska
Allocation: Regulatory Commission of Alaska
OMB Component Number: 2417

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2026) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/27

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Agency: Department of Commerce, Community, and Economic Development
Phone: (907)276-6222
Date: 03/28/2025
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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. HB 153

Analysis

House Bill 153 (HB 153) mandates a renewable portfolio standard for load-serving entities (LSEs) served by a certificated electric reliability organization, requiring those LSEs to generate a portion of electricity from renewable energy resources. This requirement increases over time (40% renewable by 2030; 55% renewable by 2035). HB 153 creates a renewable electricity credit market with renewable electricity credits counting toward the renewable portfolio standard, and allows energy generated by distributed energy systems to count toward the renewable portfolio standard. HB 153 creates a limited exemption, allowing LSEs and other electric utilities to construct large energy facilities that generate electricity from renewable energy resources without prior approval.

AS 42.45.110(a) revises the calculation of the Power Cost Equalization (PCE) amount to prohibit the consideration of revenues from the sale of recovered heat or renewable electricity credits. Currently, revenues from sales of recovered heat offset expenses for power cost equalization rate determination purposes.

Passage of HB 153 will require the Regulatory Commission of Alaska (RCA) to open a rulemaking proceeding to implement regulations specifying reporting requirements to measure progress toward satisfying the renewable portfolio requirement. The RCA will also need to determine if additional regulations are necessary to develop procedures to (1) guide investigations into compliance with the renewable portfolio standard; (2) govern the process for assessment, waiver, and satisfaction of noncompliance penalties; and (3) address the use, sale, and transfer of renewable electricity credits and to resolve potential disputes involving the sale or transfer of renewable electricity credits.

Rulemaking proceedings must be completed within 730 days of the issuance of the written order opening the proceeding (AS 42.05.175(e) requires the RCA to complete rulemaking proceedings within 730 days from the opening order). This legislation proposes a July 1, 2025, effective date, and the estimated completion date for *Associated Regulations* is based on this date.

The RCA expects to implement the provisions of this legislation with existing resources.