

Doniece Gott

From: Erin Mckittrick <mckittre@gmail.com>
Sent: Thursday, May 02, 2024 9:01 AM
To: Senate Finance Committee
Subject: Pass IPP tax parity provisions in SB217

Dear Senators of the Senate Finance Committee,

I urge you to pass the IPP tax parity provisions in SB217, and to eliminate wheeling fees.

While I have been on the Homer Electric Association board of directors for the past five years, my opinions here are my own as a private individual, and do not represent an official position of Homer Electric. The Homer Electric board has taken no official position on transmission policy.

The removal of wheeling fees does very little to create “winners and losers” under the current system, and will likely change utility costs by well under 1% each. It will make all of us winners in the future, as it opens up options for utilities to collaborate on larger projects, without arbitrary barriers created by wheeling fees. It is important that any transmission organization be well-regulated by the RCA, and I urge you to ensure there is oversight included in whatever structure you create.

Even more critical is provision to change the property tax regime for IPPs. Utilities don't pay property taxes on the Railbelt, and power they produce and sell is instead subject to the Gross Revenue Tax. IPP power is also subject to the Gross Revenue Tax, but also to ordinary property tax, which can be a major component of the electric rate they can offer.

The Kenai Peninsula Borough recognized this a few years ago, and passed a partial property tax exemption for IPPs in the borough to level the playing field. However, they were legally constrained in how much they could exempt, and did not have available this much cleaner fix proposed in HB 307.

Of all the energy bills and provisions before the legislature, this is the one that has immediate rate impacts on consumers. IPPs are the *only* entities on the Railbelt pursuing near term large-scale power projects with the potential to significantly impact the gas crisis and diversify our grid. Contracts are being negotiated right now. If IPPs get tax parity, those negotiated rates, and therefore the prices consumers pay, will be cheaper.

These will be new projects. Therefore, the state spends nothing, no government loses an existing revenue stream, and consumers will see a benefit. I urge you not to let the complexity of energy issues and the differences between the stakeholders to prevent you from passing this simple, clear win.

Sincerely,
Erin McKittrick
Seldovia, Alaska
www.alaskaenergy.org

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Erin McKittrick

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Doniece Gott

From: Anne Jensen <amjens@gmail.com>
Sent: Wednesday, May 01, 2024 11:24 AM
To: House Finance; Senate Finance Committee; Sen. James Kaufman; Rep. Calvin Schrage
Subject: Railbelt Reliability and Transmission

In re some of your railbelt reliability and transmission bills~

Senator Olson recently asked a question re international electric sales- so far its under the FERC/FERC radar and threshold. If an interstate/international transmission connection above a particular transmission threshold (generally 110 kV)- rather than the lower distribution line parameters- that interconnection then comes under the auspices of the Western Electric Coordinating Council (WECC) WECC is the NERC regional Electric Reliability Organization ERO for western US and British Columbia and Yukon Territory- so the RRC would then become a regional ERO under FERC auspices so would then rightly be under the NERC umbrella.

Historically the issues have been two fold: transmission frequency- the state and utility transmission lines do not all operate at the same frequency which impacts transmission and ownership of transmission assets (or voltage please excuse my imprecision- its been some time since I last delved into these issues, and I just can't remember if its the transmissions systems transmitting at varied voltage or operating at different frequencies). The cyber and physical security issues are relevant and do receive some attention.

The frequency/voltage issue is technical- and to my knowledge has not changed.

Every time I hear Groves talk about "product development" I am troubled. Here's why- NERC has reliability Standards in place and have been in place for decades. Those standards are and have historically been voluntarily agreed and adhered to by most of the railbelt coops. The climate and geographic uniqueness of Alaska do not change the mechanics and the technicalities of the majority of the reliability standards. Moreover- the utilities submitted the majority of their agreed upon standards roughly 6 years ago, granted physical and cyber standards needed tremendous updating and fine tuning. The only long standing historical standard that might still require "development" is one that resolves the frequency(or voltage)- which in the states has long been settled.

Additionally- Groves mentions that RRC members participate in a manner that roughly is double duty. At the end of the day there exists an entity staffed by highly compensated individuals (utility coops are non-profits thus the salaries of their officers and highly compensated employees are all publicly available in their tax returns Form 990s) that have conflicting fiduciary responsibilities. That is troubling. How can you have an organization focus on party neutral issues of the many members if those individuals are being paid by both?

The RRC as it is currently designed and envisioned is charged with contradictory functionality. In the states- NERC (and the various regional EROS) deal only with reliability- it is an equally shared cost and burden- NERC isn't designed to make money. Transmission comes under the auspices of the Independent System Operators (the various ISOs (that generally align with the various regional EROS) that operate transmission over a patchwork of variously owned transmission assets- and they are regulated.

The transmission of electricity is commercial. Reliability isn't a commercial transaction- it's a condition.

And to be clear, these are my personal views and opinions. I am a constituent of Senator Kaufman and Representative Schrage.

Thank you

Anne Jensen, 7831 Casey Circle, Anchorage AK 99507.

From: Deborah Lopez-Brollini
To: Senate Finance Committee
Subject: Railbelt Reliability Council
Date: Wednesday, May 01, 2024 9:58:15 AM

Hello,

FYI. Chugach Electric BOD is not supportive of the Railbelt Utility Council. I've attended and recorded the Chugach Electric BOD meetings since February. The RRC is defunct. I asked Chugach if the RRC was in statute, and yes it is.

I do not see a path forward with the RCC and any additional non-profits given SCOTUS will be dropping decisions next month.

Govenror will veto this bill.

Deborah Brollini
Alaska Energy Dudes and Divas

Sent from my iPhone