



SECTIONAL ANALYSIS

HB 164: Net Metering *Version A*

Section 1 – Amends subsection (a) of AS 42.05.391 (*Discrimination in rates*) to expressly exclude new section AS 42.05.395 from the existing statutory prohibition that public utilities may not grant an unreasonable preference or advantage to a customer or subject a customer to an unreasonable preference or disadvantage.

Section 2 – Adds a new section (AS 42.05.395, *Net metering*) to require electric utilities served by an electric reliability organization and that have total calendar-year retail sales exceeding 5,000,000 kilowatt-hours to provide a net metering service that provides monthly bill credits at the prevailing retail rate and allows the accrual of account credits on an annual cycle ending March 31 of each year, with all unused credits expiring after that date.

Other provisions of AS 42.05.395: (1) provide customers with existing self-generation facilities to opt to receive net metering service under the utility tariff in effect at the time the generation facility was installed; (2) preclude electric utilities required to provide net metering service under AS 42.05.395 from limiting participation in its net metering service offering unless the Regulatory Commission of Alaska (RCA) finds such limitation is necessary to protect system reliability or prevent rates for non-net metering customers from being unjust and unreasonable; (3) allow utilities required to provide net metering service under AS 42.05.395 to seek recovery of revenue losses attributable to the provision of net metering service; and (4) require the RCA to adopt regulations that establish standards and procedures for calculating the eligible revenue losses of an electric utility required to provide net metering service under AS 42.05.395.

Section 3 – Adds a new section (AS 42.45.015, *Net metering reimbursement fund*) establishing a separate net metering reimbursement fund, consisting of money appropriated by the legislature and other sources, within the Alaska Energy Authority (AEA) to provide payments to electric utilities for recoverable costs under AS 42.05.395 and RCA regulations implementing AS 42.05.395.

Section 4 – Provides for a July 1, 2025 effective date.