

HOUSE BILL NO. 164

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 3/28/25

Referred: House Special Committee on Energy, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a net metering program; relating to reduced rates in the form of**
2 **credits for consumer-generators; establishing a net metering reimbursement fund; and**
3 **providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 42.05.391(a) is amended to read:

6 (a) Except as provided in AS 42.05.306 and 42.05.395, a public utility may
7 not, as to rates, grant an unreasonable preference or advantage to any of its customers
8 or subject a customer to an unreasonable prejudice or disadvantage. A public utility
9 may not establish or maintain an unreasonable difference as to rates, either as between
10 localities or between classes of service. A municipally owned utility may offer
11 uniform or identical rates for a public utility service to customers located in different
12 areas within its certificated service area who receive the same class of service. Any
13 uniform or identical rate shall, upon complaint, be subject to review by the
14 commission and may be set aside if shown to be unreasonable.

1 * **Sec. 2.** AS 42.05 is amended by adding a new section to read:

2 **Sec. 42.05.395. Net metering.** (a) A load-serving entity that is served by an
3 electric reliability organization and has total retail sales exceeding 5,000,000 kilowatt-
4 hours during a calendar year shall provide a net metering service that

5 (1) on a monthly basis, credits a consumer-generator's account in an
6 amount equal to the consumer's excess electric energy generation multiplied by the
7 rate per kilowatt-hour that would apply if the consumer was not a consumer-generator;
8 in this paragraph, the rate per kilowatt-hour may be a seasonal or time-of-use rate; and

9 (2) allows a consumer-generator to accrue and use account credit for
10 the consumer-generator's own consumption on an annual cycle that ends March 31 of
11 each year, after which date all accrued and unused credit expires.

12 (b) A consumer-generator may elect to receive net metering service for
13 generating capacity installed before July 1, 2025, or to continue receiving service
14 under tariff terms in effect when the generating capacity was installed.

15 (c) A load-serving entity may not limit consumer-generator participation in the
16 net metering service within its service territory unless the commission, after a hearing,
17 finds that limitation is necessary to protect system reliability or to prevent rates for
18 customers that are not consumer-generators from being unjust and unreasonable.

19 (d) A load-serving entity providing a net metering service may seek recovery
20 of revenue losses attributable to the entity's net metering service by application to the
21 Alaska Energy Authority under AS 42.45.015.

22 (e) The commission shall adopt regulations to implement this section that, at a
23 minimum, establish standards and procedures for calculating a load-serving entity's
24 revenue losses eligible for recovery under (d) of this section.

25 (f) In this section,

26 (1) "consumer" means a customer of an electric utility that consumes
27 electricity purchased from the electric utility;

28 (2) "consumer-generator" means a consumer that generates electric
29 energy

30 (A) on premises owned by, leased by, rented to, or licensed to
31 the consumer at a location where an electric utility provides service;

(B) that has a capacity of 25 kilowatts or less;

(C) through a generation system that produces the electric energy from solar photovoltaic and solar thermal energy, wind energy, biomass energy, hydroelectric energy, geothermal energy, hydrokinetic energy, ocean thermal energy, or other renewable energy source that has a similar environmental impact;

(D) that is interconnected and operates in parallel with the load-serving entity; and

(E) that offsets part or all the consumer's own electrical use;

(3) "electric reliability organization" has the meaning given in AS 42.05.790;

(4) "load-serving entity" has the meaning given in AS 42.05.790.

* **Sec. 3.** AS 42.05 is amended by adding a new section to read:

Sec. 42.45.015. Net metering reimbursement fund. (a) The net metering reimbursement fund is established as a separate fund. The fund consists of

(1) money appropriated to the fund by the legislature;

(2) gifts, bequests, contributions from other sources, and federal money; and

(3) interest earned on the fund balance.

(b) The authority shall administer the fund and serve as the fiduciary of the fund under AS 37.10.071.

(c) Subject to appropriation, the authority may make payments from the fund to a load-serving entity eligible for recoverable costs under AS 42.05.395 and implementing regulations adopted by the Regulatory Commission of Alaska.

(d) Nothing in this section creates a dedicated fund.

* **Sec. 4.** This Act takes effect July 1, 2025.