LAUNCH ALASKA

The 34th Alaska Legislature
Alaska State Capitol
Juneau, AK 99801

April 9, 2025

Dear Members of the 34th Alaska State Legislature,

Launch Alaska strongly supports the passage of Senate Bill 149 and House Bill 153, which would create a Renewable Portfolio Standard (RPS) for the five utilities in Alaska's "Railbelt." We believe that this policy has the potential to drive significant economic growth, create high-quality jobs, and stimulate private investment, all while diversifying our energy sources and reducing long-term energy costs. These bills would require utilities to generate a specified percentage of their electricity from renewable resources: 40% by 2030 and 55% by 2035.

At Launch Alaska, our mission is to catalyze rapid innovation that strengthens the key sectors of energy, transportation, and industry, while unlocking economic opportunities across the state. Entrepreneurship and innovation are at the heart of Alaska's energy future, and an RPS is a critical policy to support this growth. By setting a clear, achievable, and binding timeline, this policy provides utilities and companies with the long-term certainty they need to plan, invest, and innovate.

An RPS would also be a powerful market signal, incentivizing investment in renewable energy technologies and fostering healthy competition in large-scale clean energy projects. This would help diversify our energy sources, lower energy prices, and create new job opportunities in energy development, manufacturing, and service industries. As the cost of natural gas rises and the cost of renewable energy and battery technologies continues to fall, the economic case for an RPS becomes even clearer. This policy will not only lower energy costs, but also increase energy security, making Alaska a leader in energy independence and innovation.

The goals of an RPS align closely with Launch Alaska's work to spur clean energy development across the state and to make energy more affordable for all Alaskans. By setting a clear policy framework, we can empower Alaska's workforce and attract private sector investment that will benefit our economy for years to come. We urge the Alaska Legislature to act quickly to pass an RPS and position Alaska as a leader in the energy economy.

Sincerely,

Mr. Isaac Vanderburg
Chief Executive Officer
Launch Alaska

Ms. Penny Gage
Chief Policy & Partnerships Officer
Launch Alaska

From: Jules Maid Service <julesmaidservice@yahoo.com>
Sent: Tuesday, April 8, 2025 9:33 PM
To: Senate State Affairs <SenateStateAffairs@akleg.gov>
Subject: HB 153

Julia Inga
Palmer, Alaska
907-315-7216
April 9, 2025

House Energy Committee

Dear Committee Members,

I'm writing to share my thoughts on energy security and House Bill 153, which deals with renewable energy rules. I support efforts like President Trump's Executive Orders that push back against state overreach—when states make rules that hurt our ability to keep energy reliable and affordable. We need power we can count on, not just more wind or solar because it's forced on us.

That said, I'm skeptical until I see real results. That's why I'm speaking up now. I think HB 153 needs a hard look—does it help us stay strong on energy, or does it tie our hands? I'd rather see practical solutions that keep costs down and lights on than mandates that sound good but don't work.

Please consider this when you meet tomorrow, April 10th, at 1:00 PM. I'll be calling in at 844-586-9085 to say this directly if I can. We need energy policies that put regular people first, not just big ideas.

Thank you

Julia Inga

April 8, 2025

34th Alaska Legislature
House Energy Committee
Honorable Co-Chair Donna Mears
State Capitol, Room 102 *(via e-mail)*
Juneau, AK 99801

Subject: Follow-up to AIPPA Testimony before the House Energy Committee on April 3, 2025

Dear Honorable Co-Chair Mears:

At the close of my oral testimony before the committee on April 3, 2025, I promised to provide written testimony to alleviate audio problems during the meeting. This letter provides said written testimony. The included testimony is based on my speaking notes, and provides more detail than I provided in my oral testimony. I was striving to respect the committee's schedule, which necessitated skipping over some of this content.

I have also paraphrased committee members' questions and my answers. Please note my written answers also include clarifications and further detail not offered in my oral testimony.

Again thank you for the opportunity to provide testimony to the committee. I respect the hard work you all do forging policy to address the myriad issues facing Alaska and Alaskans.

Sincerely,

Joel D. Groves

President
Alaska Independent Power Producers Assoication
PO Box 20002
Juneau, AK 99802

1. Introduction and Disclosures

A. Good afternoon, my name is Joel Groves. Thank you for opportunity to testify today and thank you also for last-minute schedule accommodations made on my behalf.

B. I am a born-and-raised Alaskan and a practicing professional civil engineer based in Anchorage. A focus of my practice is developing small hydroelectric systems, mostly for rural utilities, with a few projects in the railbelt region.

C. Today I am testifying on behalf of the Alaska Independent Power Producers Association (AIPPA) for which I serve as President. I am not representing several entities with which I am also affiliated, or might be deemed to be. These include: my employer, Polarconsult Alaska Inc.; a small hydro Independent Power Producer (IPP) venture I am involved in, Fishhook Renewable Energy LLC; the Railbelt Reliability Council (RRC), where I serve on the board of directors; or the Railbelt Transmission Organization (RTO), where I serve as an ex-officio alternate representing the RRC on its governing committee.

2. Background on the Alaska Independent Power Producers Association and IPPs

A. AIPPA was organized about 15 years ago, and today includes over a dozen Alaska IPP industry players, focused on both railbelt and rural markets. We include both operational IPPs and aspirational IPPs (such as myself). We are fundamentally a grass-roots organization. Our members are deeply vested in our communities and strategically focused on long-term energy sustainability, affordability, and security benefits. We firmly believe that growth of the IPP sector will benefit Alaska's economy and Alaskans.

B. What is an IPP?

a. In essence, an IPP is an entity that generates electricity at wholesale and sells that electricity in bulk to a utility for resale to end users. The defining characteristic of an IPP is the focus on electric generation for bulk sale to a utility and resale to public.

b. IPPs can be governments, non-profits, social-benefit corporations, for-profit corporations, sole proprietors, etc. Many but not all Alaska IPPs are for-profit entities.

c. IPPs can focus on any energy resource / technology. Many Alaska IPPs focus on renewables, but IPPs can and do specialize in thermal plants, cogeneration facilities, and other non-renewable generation technologies.

d. IPPs can operate in any market. In the Lower 48, many IPPs are large corporations operating on the national grids. In Alaska's railbelt, IPPs tend to be smaller entrepreneurial ventures, but larger industry players are watching our markets too. We are seeing IPPs participate even in our village microgrids, where the expertise and business structure of IPP entities can bring certain advantages to specific projects.

C. Why do IPPs matter?

a. Where IPPs have been allowed to fairly participate in electric markets, there is a mutually benficial synergy between IPPs and utilities. IPPs bring industry and technology-specific expertise to project development and operation. They also shield ratepayers from project-specific risks. Utilities carry a public duty to serve, and they

maintain the necessary infrastructure, knowledge, and personnel to serve their end-customer loads to fulfill that duty. These respective skillsets and business structures have proven to be complimentary and beneficial in the Lower 48.

b. The past 40+ years of experience in the Lower 48 has clearly demonstrated that least-cost electricity is achieved through the synergies of IPPs and utilities working together. In the Lower 48, approximately 40 to 50% of total electric energy comes from IPPs.[1]

c. In the early 1980s, Alaska fumbled implementation of the federal Public Utilities Regulatory Policies Act (PURPA). This error has suppressed IPP activity in Alaska for decades, and continues to constrain IPP activity today. Currently IPPs contribute only approximately 1 to 2% of the railbelt's total electric energy requirement.

D. Some IPPs, including some AIPPA members, stand to benefit financially from RPS legislation. How and whether a specific IPP may benefit from an RPS depends on their specific business model and project, and also whether a purchasing utility has need for or interest in their project. The dearth of operating IPPs on the railbelt today suggests an RPS will tend to benefit IPPs by making their projects financially viable.

Existing statute AS 42.05.431(b) requires that wholesale power agreements between a public utility and an IPP are subject to prior review and approval of the Regulatory Commission of Alaska on a "just and reasonable" basis. This regulatory oversight ensures that an RPS policy will help to economically enable renewable projects without resulting in undue subsidy to IPP entities.

3. **AIPPA strongly supports renewable portfolio standard (RPS) legislation.** AIPPA is still reviewing the specific language of HB 153 and expects to offer separate comments. Nonetheless, AIPPA strongly supports an RPS for the railbelt electric grid.

There are three facets to AIPPA's RPS support as follows.

A. Timing and history.

Governor Dunleavy first introduced an RPS bill back in 2022.

a. A lack of industry progress on securing alternate local energy supplies at meaningful scales over past three years underscores the need for state policy leadership in this area. As is the case with other electric industry reforms enacted by state government in recent years, there are limits to what our railbelt utilities can do on their own. There are specific instances where leadership of the state government is necessary, and an RPS is proving to be one of those instances.

b. Continuing inaction on RPS legislation may adversely impact the RRC's Integrated Resource Plan (IRP).

Again – this testimony does not represent the RRC – it is solely my and AIPPA's opinion.

[1] For example, please see historical trendlines for U.S. IPP and utility natural-gas-fired generation at: https://www.eia.gov/todayinenergy/detail.php?id=64504&utm_source=perplexity

An RPS will change the policy inputs that go into the RRC's IRP. There is diverse stakeholder recognition that a railbelt-wide IRP was needed many years ago and remains an urgent need. The timing of RPS enactment may interact with the upcoming RRC IRP as follows.

i. If an RPS is enacted before the IRP starts, then that policy input is known and the IRP can proceed with clarity on that policy input.
ii. If an RPS is not enacted before the IRP starts, it is reasonable to expect that the RRC may choose to anticipate a future RPS by including a hypothetical RPS scenario within the IRP.
    a. If an RPS is enacted while IRP is being developed, there is some potential that the RRC may choose to accommodate enacted RPS provisions in the on-going IRP study. This could be warranted, but it would cause delay, confusion, and increased cost to develop the IRP.
    b. If an RPS is enacted after the IRP is completed and approved, the RPS may reduce the relevance of the IRP findings, including its preferred resource portfolio and its recommended action plan.

I expect the RRC will continue to pursue its IRP as quickly as possible. As a forward-looking study, the IRP must contain assumptions about future conditions, and hindsight will always prove some of those assumptions to be wrong.

My point here is that near-term enactment of an RPS would provide more clarity at the beginning of the IRP process, and will eliminate one assumption from the IRP process and corresponding uncertainty from the IRP findings. Near-term enactment of an RPS would therefore help to maximize the value and utility of the RRC's upcoming IRP effort. The IRP development cost is borne by railbelt ratepayers. Likewise, the far more costly implementation of IRP recommendations are also borne - one way or another - by railbelt ratepayers.

B. An RPS is supportive of the Cook Inlet Gas System.

The Cook Inlet gas resource and system has been a profound economic benefit to Alaska over the past six decades, and it will remain a vital energy resource for decades to come. An RPS provides strategic support to the Cook Inlet gas system in several ways:

a. The Cook Inlet gas system faces a major transition from the all-requirements energy resource it has been in the past to a supporting energy resource that it will become in the near future.

b. Capital investments to sustain and reconfigure the Cook Inlet gas system are being decided continuously, with significant near- and medium-term decisions necessary. A key benefit of near-term RPS enactment is that it will reduce ambiguity around what the end state of that transformation needs to be. This increased clarity will help the industry make efficient capital investments that can best-serve the long-term needs of the region. The no-RPS alternative is continuing heightened ambiguity / indecision / delays / hedging actions. These increase the likelihood of sub-optimal investment

decisions, more or higher stranded assets / costs, and ultimate risk of unnecessarily higher costs to the region's ratepayers.

c. The sooner renewables and other local alternative energy supplies come on-line at scale, the more optimized and more robust that future Cook Inlet gas system can be. Alternative energy supplies help reduce gas demand, leaving more gas in the ground for future use on a greatest-value basis. The sooner these alternatives come on-line at scale, the more gas is conserved, and the more operational flexibility we retain for the future. Existing railbelt IPP entities have megawatt-scale projects that could be online within two years of power sales agreement approval.

C. An RPS Helps Correct Structural Defects in Railbelt Electric Utility Markets.

Structural defects in the electric industry marketplace persist from Alaska's fumbled implementation of federal PURPA legislation. These result in a tilted economic playing field that has effectively suppressed IPP participation on Alaska's railbelt. The RPS helps correct this unbalanced playing field so Alaska can start to replicate and enjoy the IPP benefits seen in the L48.

Questions and Answers

1. *Co-Chair Holland asked if AIPPA can reflect on the recent experience with Puppy Dog Lake and what lessons the withdrawal of that project has for other projects in the region and their viability.*

   Response: I don't have any information regarding Puppy Dog Lake beyond what is already in the public domain. Every project needs to advance on its own specific economic merits as consistent with the investment criteria and risk tolerance of its proponents. The general price support that the RPS would offer to eligible renewable IPP projects would favorably change the economic calculus and economic balance point for those projects, increasing the likelihood that they could secure viable power purchase agreements. Again I don't have specific knowledge of how an RPS would impact the Puppy Dog lake project, but I expect an RPS would help improve the viability of eligible projects across the board.

2. *Rep. Raushcher first asked if Mr. Groves is on the RRC Board.*

   Co-chair Holland confirmed that Mr. Groves is on the RRC Board.

   Rep. Raushcher then asked, if the RRC is already challenged with doing something regarding an RPS, why would Mr. Groves want to intercept that process by supporting this RPS instead of letting the RRC do what it was tasked to do.

   Co-Chair Mears summarized her initial understanding of Mr. Groves' testimony. Passing an RPS will help put guidelines on the development of the RRC's IRP so the IRP can recognize the intent of the legislature regarding RPS policy. If the legislature delays RPS passage, the IRP process becomes more challenged because it lacks clarity on legislative intent.

   Response: Co-Chair Holland is correct and Co-Chair Mears' summary is accurate. This part of my testimony advocated for near-term action on an RPS as it will improve clarity on the policy inputs to the RRC's IRP. An RPS enacted while the IRP is being developed or after the IRP has been approved risks undermining the validity and relevance of the IRP's findings. This is a concern I would have as a director on the RRC board. I want the RRC's products to be as useful as possible, and developed as quickly and cost-effectively as possible.

   A complementary and separate important point here. The RRC board is a balanced stakeholder board, pursuant to the legislation that created the electric reliability organization framework which is fulfilled by the RRC. I am a stakeholder member of the RRC board, representing the interests of independent power producers. As the president of AIPPA and in that stakeholder capacity, I am here today advocating for an RPS. That is a distinct and different role than my position on the RRC board. This is very nuanced territory, which is why I disclosed that I am here today representing AIPPA, and not other entities such as the RRC. Thank you for the question.

3. *Rep. Raushcher asked Mr. Groves whether the other RRC board members would agree that we should follow this process before the RRC begins its IRP.*

   Response: I do have some intuition for the RRC board through my recent service as the RRC board chair. Speculatively, and again not representing the RRC or its board, I do think there would be robust consensus amongst board members supportive of process clarity. In other words: set the law that defines policy inputs to the IRP before the IRP process starts.

   At the same time, I do not think there would be clear consensus amongst the board members on whether there should be an RPS, or what the specific provisions of an RPS should be. I think this would be a more controversial topic with a broader diversity of opinions amongst board members. But I think board members would prefer clarity on IRP policy inputs before the IRP process starts.

   For clarity, I do not think the RRC board would or should formally weigh in on these questions. It is appropriate for individual board members to do so, on behalf of their stakeholder interests, but the RRC and its board are responsible for executing state policy as codified in statute, and generally should not be weighing in on those policies. My speculation here regards the views of individual board members on this topic, not on what the RRC board might or should do through formal board action.

4. *Co-Chair Mears asked Mr. Groves, not just for renewables but for all energy projects, getting investors on board is a huge part of the process to bring a project to fruition. Would an RPS help attract investors to renewable projects in Alaska?*

   Response: Yes, I believe an RPS would help attract investors to Alaska renewable energy projects.

From: District 8 ARP <dist8arp@gmail.com>
Sent: Wednesday, March 26, 2025 8:37 AM
To: Rep. Ky Holland <Rep.Ky.Holland@akleg.gov>
Subject: HB153

Representative Holland,

I am the Chair of District8 Republican Committee, also the VP of the HEA electric association.

The D8 Committee is adamantly opposed to HB 153. Solar and wind are not renewable energy sources. When all the energy, diesel, man power is truly taken into account for mining all the minerals, cement, copper, fiberglass. These devices do not ad value. Their short life spans and inability to recycle the blades and panels further lowers the value of the wind and solar factories. Without tax payer subsidies they do not stand on their own.

Clean coal, hydro, combined cycle gas plants, and geothermal systems are a good base load for Alaskans. Intermittent and unreliable wind and solar factories should not be mandated by any entity. The high cost of the wind and solar do not keep our rates steady to declining. Please pull your bill.

Respectfully,

--

Robert Wall

907 3989191

Thank you Ky, please reiterate that I do not speak for HEA, I stated some of the many boards I am on
I do however speak for D8 Republican Committee in that letter.
Please delineate those two distinctions in your records.

Respectfully
Robert Wall
D8 Chair
Republican Committee

From:	Tina Seaton
To:	Sen. Jesse Bjorkman; Sen. Gary Stevens; Rep. Sarah Vance; Rep. Justin Ruffridge; Rep. Bill Elam; House Energy
Subject:	Fwd: A practical way forward in the new Renewable Portfolio Standard
Date:	Wednesday, March 26, 2025 3:04:16 PM

I am in favor of HB153 for all the reasons explored below by Erin McKittrick in the Alaska Energy Blog.

1. Can lower costs by up to 10%
2. Renewables provide price stability
3. Hedge against volatile future fuel prices
4. Any renewable energy we add now saves Cook Inlet gas.
5. Any gas saved will displace imports
6. Renewable energy has lower carbon and other pollutant emissions for human health

The Senate Finance committee's Alaska Energy Authority presentation this morning showed some of those renewable projects that could be carried out in the near future. HB153 will incentivize these and new projects. This is not to take the place of our need for the use of gas - we will continue to need gas for a very long time I am sure. But we all know the cost of our gas is going to continue to rise, perhaps very steeply. It is very important to work on ways to reduce our dependency on gas, to keep the costs lower for your constituents. The easiest way is by the use of renewable electric generation which displaces the need to burn as much gas for electric generation.
Please support HB153.
Thank you,
Tina Seaton
Homer AK.99603

From: james rothenbuhler
To: House Energy
Subject: Testimony for HB 153, Renewable Portfolio Standard
Date: Wednesday, April 9, 2025 9:53:37 AM

To whom it may concern,

I would like to testify that I do not support HB153 Renewable Portfolio Standard.
Solar and wind turbines are not reliable, hugely expensive and waste of money currently.
Solar in Alaska would need backup generators, and when the windmills in Kodiak are not spinning the company is burning incredible amounts of diesel. Solar is not effective during several of our winter months here in Palmer. Example, our solar powered driveway light does not come on from about January 15 through the middle of march. The battery banks are insanely expensive, with a short life. Many need to be heated, which draws more power.
As far as wind, my father installed a 40,000$ wind mill on his property and even when it was going full blast it essentially produced enough to power a single light bulb at the time.
How many of the electric buses are still being used in Juneau? Food for thought.
To sum up, please do not pass this legislation. It is a waste of money, which according to the Alaska legislature we don't have much of, so please be responsible and not commit Alaska to this vast waste of money.
You as the legislature have an opportunity to do the right thing for us as Alaskans. Alaskans not outside interest groups.

Thank you for your consideration,

James Norman Rothenbuhler
Palmer, Alaska
BigWood Chainsaw Carving
907-355-6068

From: Pastor Mathew Vroman
To: House Energy
Subject: feedback
Date: Wednesday, April 9, 2025 12:35:30 PM

I live and am a resident in Alaska. I live in Akutan (100 airport Blvd., Akutan, AK 99553). Why are you doing something so foolish as requiring solar and wind (or considering it)? This is a huge cost in making the supplies to do this and we have clean oil. Instead of this bill do something that helps the environment and drill baby drill. Put the funding to drilling and developing oil!!!! Your passion for the environmentalism is grounded in dogma and not facts. Mathew Vroman