



SENATE RAILBELT ELECTRIC SYSTEM COMMITTEE

Senator John Coghill, Chairman
Room 103, State Capitol
Juneau, AK 99801

Summary of Changes

From SB 123 version M to CS for SB 123 (RBE) Workdraft K

- Throughout: Changed references to 'bulk power system' and 'interconnected bulk power system' to 'interconnected bulk electric system'
- Page 1, lines 1-5: Redrafted a more descriptive title.
- Page 1, line 11: Changed 'certified' to 'certificated'.
- Page 1, line 11, to page 2, line 1:
Added provision specifying that a group of utilities all of which are exempt as municipal entities or political subdivisions of the state are exempt from the requirement to participate in an ERO.
- Page 2, line 4: Changed 'certify' to 'certificate'.
- Page 2, line 5: Changed 'certify' to 'certificate'.
- Page 2, lines 7-8: Restructured to separate the provisions for applications and approval from the requirements an ERO must demonstrate in order to be approved.
- Page 2, line 24: Changed 'be' to 'is'.
- Page 3, lines 2-4: Added requirement for the RCA to, once regulations are written and bill is in effect, notify the load-serving entities in a system that an ERO is required.
- Page 3, line 5: Added 'and certificate' after 'form' to clarify an ERO formed by the RCA also must be certificated.
- Page 3, lines 7-12: Restructured provisions directing the RCA to form an ERO. The previous bill required the RCA to form an ERO if no one had applied to be an ERO within three months. The CS applies the notice requirement in (d) on page 2; once notice has been given, the RCA will form an ERO if no one has applied to be an ERO after 90 days. If someone has applied but the RCA has not certified an ERO within 270 days, the RCA shall form an ERO.

- Page 3, lines 13-17: Provides a process for the RCA to waive the requirement for a given network to have an ERO.
- Page 3, lines 21-22: Emphasizes that all users, owners and operators of an interconnected system must comply with standards; this includes entities that are otherwise exempt from RCA regulation.
- Page 3, line 24: Changes 'adopted' to 'approved' to conform.
- Page 3, line 27: Technical change to the structure of (g).
- Page 4, lines 2-3: Prohibits standards from being designed with the intent to require enlarging facilities or new construction.
- Page 4, line 5: Clarifies that the commission must give public notice and hold a hearing before acting on a reliability standard filed by the ERO. Adds 'or reject' after 'approve'.
- Page 4, lines 9-16: Lays out the new process the RCA must undertake to modify a standard. The RCA must give the ERO an opportunity to modify the standard.
- Page 4, line 16: Removes "A proposed standard or modification takes effect upon approval by the commission" as redundant to existing RCA tariff statutes.
- Page 5, lines 4-5: Clarifies that penalties imposed by the ERO can be appealed to and reviewed by the commission.
- Page 5, line 11: Conforms to new lettering of subsections enabling penalties.
- Page 6, line 1: Removed a provision that the RCA may require an ERO to obtain a certificate of public convenience and necessity (CPCN). An ERO is already required to have a CPCN under Sec. 42.05.292 (b) on page 2.
- Page 6, line 7: Changes 'electric utility' to 'load-serving entity' to conform with defined terms.
- Page 6, line 9: Deletes requirement to 'prepare' before 'file'. Specifies that an integrated resource plan must be filed with the RCA as a petition for approval.
- Page 6, line 11: Changes 'most cost-effective manner' to 'in a manner that provides the greatest value.'
- Page 6, line 15: Adds battery storage to the options an integrated resource plan should consider.
- Page 6, line 17: Changes 'at the lowest cost' to 'in a manner that provides the greatest value'.
- Page 6, line 18: Adds conservation activities to conform with the options an integrated resource plan should consider.
- Page 6, line 19: Adds 'public' before 'notice'.
- Page 6, line 20: Changes 'submitted' to 'filed'.

Page 6, lines 21-31: Incorporates a new process for the RCA's handling of a petition to approve an integrated resource plan. Within 45 days of receipt, the RCA must approve the plan or open a docket for investigation. If the RCA decides the plan should be modified, it must return the plan to the ERO for changes. The RCA retains the backstop ability to modify a plan.

Page 7, line 10: Adds 'and greatest value' to the terms the RCA will define in regulation.

Page 7, line 24: Changes 'the most cost-effective manner' to 'a cost-effective manner'.

Page 7, lines 29-30: Clarifies that refurbishments and capitalized maintenance do not require pre-approval by the RCA.

Page 7, line 31, to Page 8, line 6:

Requires the RCA to adopt regulations related to project pre-approval, including defining refurbishments and capitalized maintenance; giving local governments jurisdiction over local planning decisions; and how the RCA will address projects that are started before an integrated resource plan is approved.

Page 8, line 11: Adds 'above-ground' to the transmission line description.

Page 8, line 13: Increases the length of a high-voltage, above-ground transmission line requiring project pre-approval from 5 to 10 miles.

Page 8, lines 14-16: Separates high-voltage submarine or underground cables from above-ground lines and requires pre-approval if longer than 3 miles.

Page 8, lines 17-22: Adds, to projects requiring pre-approval, energy storage devices and reactive compensation devices. Definitions are renumbered.

Page 8, line 30: Changes 'certified' to 'certificated'.

Page 9, line 2: Renames 'bulk-power system' to 'interconnected bulk-electric system' and re-alphabetizes the list of defined terms.

Page 9, line 4: In definition for interconnected bulk-electric system, clarifies the interconnected entities must be load-serving entities.

Page 9, line 20: Updates the date by which the RCA must adopt regulations to July 1, 2021.

Page 9, line 25: Updates the effective date of the bill to July 1, 2021.