

# Alaska State Legislature

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## Senate Bill 32 (version N)

### Sponsor Statement

*“An Act relating to costs incurred by certain electric utilities for renewable energy and battery energy storage.”*

This bill seeks to remove barriers to small renewable energy and battery storage projects in the Railbelt, which will benefit Alaskans by accelerating the energy transition. While investor-owned electric utilities are rate-regulated, most electric cooperatives nationwide are not rate-regulated. Instead, projects are approved by an electric cooperative’s duly elected board of directors. However, Alaska’s electric cooperatives organized under AS 10.25 that participate in the Electric Reliability Organization certified by the Regulatory Commission of Alaska (RCA) are rate-regulated.

This legislation mirrors the approach used by many electric cooperatives in the U.S., focusing on renewable energy projects and battery energy storage projects less than 15 megawatts in size. The 15-megawatt threshold is the same as the threshold for projects subject to oversight by the Railbelt’s Electric Reliability Organization. This bill would allow small renewable energy projects and battery energy storage projects to advance at a faster rate and would eliminate the projects under fifteen megawatts from rate-regulation by the Regulatory Commission of Alaska, thus freeing the RCA to work on larger, more pressing matters. Projects fifteen megawatts and larger would still need to go through the RCA for approval, as is currently done.

SB 32 streamlines the approval process for adding small renewable energy and battery energy storage projects along the Railbelt. This will help diversify generation resources and gradually reduce the reliance on fossil fuel power by electric utilities, leaving more locally sourced natural gas available for other uses.

Under this bill, the Houston Solar project is 8.5 megawatts and would not require rate approval by the RCA, but Fire Island Wind is 17.6 megawatts and would still be required to seek rate approval from the RCA.

The energy transition is multidimensional and includes projects both large and small, as well as new technologies. This bill will allow the Railbelt’s electric cooperatives to incorporate new technologies to gain experience on small-scale projects for the benefit of their members.