

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: SB 32
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB032-DCCED-RCA-04-18-25
Title: ALLOWED COSTS IN ELECTRIC COOP RATES
Sponsor: GIESSEL
Requester: (S) Resources

Department: Department of Commerce, Community and
Economic Development
Appropriation: Regulatory Commission of Alaska
Allocation: Regulatory Commission of Alaska
OMB Component Number: 2417

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2026	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2026 Request	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0						

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0						

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division: <u>Regulatory Commission of Alaska</u>	Date: <u>04/18/2025</u>
Approved By: <u>Hannah Lager, Administrative Services Director</u>	Date: <u>04/18/25</u>
Agency: <u>Department of Commerce, Community, and Economic Development</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. SB 32

Analysis

Senate Bill 32 would add a new subsection to AS 42.05.431 that requires the Regulatory Commission of Alaska (RCA) to allow in rates by any board-approved costs incurred by electric cooperatives served by an electric reliability organization. This would be for new or purchased renewable energy facilities or battery energy storage systems with a nameplate capacity of less than 15,000 kilowatts (kW), or power purchased from a renewable energy facility or battery energy storage system with a nameplate capacity of less than 15,000 kW.

Current statutes require electric utilities served by an electric reliability organization to obtain preapproval from the RCA (based on statutory criteria specified at (AS 42.05.785(a)) to construct a large energy facility. The term "large energy facility" is defined to include (1) generation plant(s) at a single site with a combined capacity of 15,000 kW or more, and (2) energy storage device(s) at a single site with a combined capacity of 15,000 kW or more and one or more hours of energy storage. Senate Bill 32 would clarify cost recovery for smaller renewable energy projects pursued by electric cooperatives served by an electric reliability organization, allowing the cooperatives to recover in rates the costs of renewable energy facilities or battery energy storage systems with a nameplate capacity under 15,000 kW, or power purchased from such facilities.

The RCA expects to implement the provisions of this legislation with existing resources.