



## **House Bill 208**

### **LNG Import Facilities — Version A**

#### **Sponsor Statement**

House Bill 208 repeals a provision exempting liquified natural gas (LNG) imports from regulation by the Regulatory Commission of Alaska.

The provision, AS 42.05.711(v), reads:

A liquefied natural gas import facility under the jurisdiction of the Federal Energy Regulatory Commission is exempt from this chapter.

This exemption was initially intended to prevent over-burdensome and redundant regulation. The Federal Energy Regulatory Commission typically regulates LNG import facilities both with respect to the prices they can charge and with respect to site permitting for the facility. Prior to the insertion of this provision in 2024, RCA had rate-setting authority over an LNG import facility.

However, because an LNG import facility in Alaska would, uniquely in the United States, have no tie to interstate commerce, FERC's role would be limited only to the site permitting—no rate-setting authority.

Thus, by removing the RCA from the economic regulation of an LNG import facility, the current law leaves no regulatory body with the authority to protect consumers in the rate setting process as utilities enter into contracts with LNG importers.

HB 208 addresses this issue by repealing AS 42.05.711(v), restoring the RCA's ability to regulate LNG facilities.

Staff Contact: [Ariel.Svetlik@AKLeg.Gov](mailto:Ariel.Svetlik@AKLeg.Gov) | (907) 465-3438

#### **Room 112, State Capitol**

*Session Address ★ 120 4th Street, Juneau, AK 99801*

*Interim Address ★ 1500 W. Benson Blvd., Anchorage, AK 99503*

 /Rep.Mears

 [Rep.Donna.Mears@akleg.gov](mailto:Rep.Donna.Mears@akleg.gov)

 (907) 465-3438