

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: HB 259
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB259-DCCED-RCA-01-23-26
Title: LARGE ENERGY USE FACILITIES
Sponsor: MEARS
Requester: (H) ENERGY

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)

	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2027	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
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	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2027) 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? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/28

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: John M. Espindola, Chair
Division: Regulatory Commission of Alaska
Approved By: Hannah Lager, Administrative Services Director
Agency: Department of Commerce, Community, and Economic Development
Phone: (907)276-6222
Date: 01/23/2026
Date: 01/23/26

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. HB 259

Analysis

House Bill 259 amends and adds a new section to the Alaska Public Utilities Regulatory Act, AS 42.05, to establish requirements for contracts between public electric and gas utilities and large energy use facilities.

Large energy use facilities are defined by the quantity of electricity or gas they consume in a year. For electricity, a large energy use facility is defined as a facility that consumes either 20 megawatts (MW) or more of peak power demand from an electric utility, or 20 percent of the total kilowatt-hours of electricity sold by the utility in the previous year. For gas, a large energy use facility is defined as one that consumes two billion cubic feet (BCF) of gas annually or 20 percent of the gas sold by the utility in the previous year, whichever is smaller.

House Bill 259 requires that the costs of providing service to a large energy-use facility be recovered exclusively from that facility rather than from other ratepayers. Sales to such facilities must occur under a contract approved by the Regulatory Commission of Alaska (RCA), with a minimum term of twelve years with an optional five-year ramp-up period, early-exit fees, and provisions ensuring that the agreement does not increase fuel-supply risk for any Alaska utility. The bill further requires large energy-use facilities to execute community benefit agreements with affected municipalities prior to RCA approval of the contract.

Passage of House Bill 259 will require new RCA filings such as contracts, amendments, reports, and revisions to existing filings, including gas cost and power cost adjustments. These changes will necessitate a rulemaking to establish updated filing and reporting requirements and amend adjustment-clause regulations. RCA must complete any regulations docket within 730 days of initiation. If enacted this legislative session, the RCA would open a docket shortly thereafter, with an anticipated initiating order of July 1, 2026.

The Regulatory Commission of Alaska expects to implement the provisions of this legislation with existing resources.