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REPRESENTATIVE

# DONNA MEARS

## House Bill 259

### Large Energy Use Facilities — Version N

#### Sponsor Statement

HB 259 aims to support the development of new large energy projects—providing developers with clear rate-setting guidelines and a structured community engagement process while protecting ratepayers. Together, these tools help ensure Alaska's utility infrastructure is strengthened, developed sustainably, and deliver long-term benefits for Alaskans.

As Alaska seeks to develop its significant energy resources, growing local demand for increased energy generation is essential to project viability. Cook Inlet alone could supply over thirty gigawatts of clean energy with new potential tidal, wind, and geothermal projects, but right now, Alaska's Railbelt doesn't even require a gigawatt of generation to keep the lights on. This bill aims to protect ratepayers while giving developers a clear community engagement framework to use these energy resources in a sustainable way that strengthens our energy systems and benefit Alaskans for generations to come.

Potential sources of new energy demand include electrification of home appliances, mining, military installations, future fuels such as sustainable aviation fuel and hydrogen, and data centers. As data centers increasingly drive global electricity demand, Alaska is well positioned to compete—offering natural cooling advantages, abundant renewable energy, and strategic polar connectivity between Europe and Asia.

In the Lower 48, insufficient consumer protections and limited community engagement have slowed or derailed similar projects with large energy demands. HB 259 draws on those lessons, applying learned principles to Alaska's unique power grid. The bill also preserves flexibility for additional development incentives—such as property tax relief or streamlined permitting—by allowing local governments and the executive branch to retain control over project-specific negotiations using Community Benefits Agreements.

By encouraging new energy demand and strengthening our electric grid, HB 259 positions Alaska for the future—investing in sustainable economic growth and long-term energy security rather than managing decline.

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