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ALASKA STATE LEGISLATURE House District 35

Sponsor Statement HB 66

HB 66 promotes alternative energy use by establishing a Net Metering policy for Alaskan utilities. Net Metering is the measurement of the difference between electricity purchased from a utility and electricity produced from a customer's private generating equipment. Home and business owners who install renewable energy equipment such as solar panels or windmills get to use their own electricity and will receive a credit for their excess energy generation. The credit is in kilowatt hours and reduces the customers' electrical bill in following months.

This "carry forward" of credits from Alaska renewable energy generation allows the customer to harvest excess energy during peak renewable production times, such as the summer for solar, and benefit from this production during low energy months. A Net Metering policy encourages private investment by allowing customer/generators to calculate the pay-down of their equipment cost through the calculation of their potential annual solar, wind or hydro production.

Alaska utilities also benefit under this legislation. By trading the homeowner a credit for the energy that the homeowner puts onto the grid, the utility does not have to generate more electricity to supply other customers. This can decrease the need for a utility to find new large scale power sources. Carbon dioxide emission reduction is also achieved and net metering can help the utility meet renewable energy standards. It is generally recognized that utilities gain about 10% in sales from distributed generation as there is little line loss to the point of sale.