



ALASKA CONSERVATION ALLIANCE

TO: REPRESENTATIVES CHARISSE MILLETT AND BRYCE EDGMON, CO-CHAIRS,
HOUSE SPECIAL COMMITTEE ON ENERGY
FROM: ALASKA CONSERVATION ALLIANCE
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SUBJECT: HB 182: GRETC **DATE:** MARCH 30, 2010

On behalf of the conservation community, the Alaska Conservation Alliance respectfully submits the below comments on the proposed draft language to create a unified Railbelt utility, or GRETC. The Alliance and its 40 member organizations representing 38,000 Alaskans acknowledge the Administration's work to find consensus on these issues and appreciate its efforts as well as the positive initial steps taken by Railbelt utilities. We also appreciate the legislature's work to consider the proposed entity. We encourage your continued consideration of the following points so that we may ultimately support legislation to create a consolidated utility.

Energy Efficiency, Demand-Side Management, and Conservation. Energy efficiency and demand-side management are clearly cost-effective. As outlined in the *REEL in Alaska Roadmap*, a central utility that plans and promotes energy efficiency could provide the Railbelt with significant economic gains and job growth, and assist efforts to better plan which generation projects are truly needed. As a result, we encourage that statutory language require the unified utility to evaluate and enact cost effective conservation and demand side measures in the development of its integrated resource plan (IRP). Life-cycle costing needs to become the standard for evaluating all projects. Additionally, renewable energy with a stable long term price is the region's best long term economic interest. This committee has voiced the goal of obtaining at least 50% of its power from renewables. GRETC's statutory language should support the new utility's role in incorporating the goal into its IRP.

Financial and Regulatory Oversight. We support ongoing regulatory and financial oversight of the proposed single, large new entity. Such oversight should be maintained by the Regulatory Commission of Alaska and should not sunset after five years of operation. This ongoing regulation ensures that individual ratepayers, businesses, and industry have access to reliable, safe utility services, an important component of what is and should continue to be required of any energy supplier. RCA regulation of the single entity maintains a system of checks and balances that we consider essential in the oversight of the proposed entity, and we encourage the addition of statutory language to address this issue.

Governance and Public Input. Ratepayers' voices are an essential aspect of utility governance. We encourage that the board of directors of the new utility include a significant portion of citizen representatives above the currently proposed single governor appointee. We would alternatively support a separate citizens' utility board responsible for overseeing the utility's activities. Either of these options ensures fair representation of consumer voices in an entity that would contain great decision-making power affecting the lives of many ratepayers. We support the statutory language that has thus far maintained open meetings provisions and strongly encourage that language be added to ensure that public representation and/or oversight is a meaningful part of the new entity.

Therefore, we recognize that utility consolidation can provide many benefits for the Railbelt region. So that we may support a GRETC proposal, we encourage the legislature to consider including language to better address financial and regulatory oversight, governance and public input, and energy efficiency.

The legislature has an opportunity to create a regional entity that can be the most effective organization to bringing important energy improvements to reality. We are committed to working with utilities, stakeholders, legislators, and the people of Alaska to assist efforts to create this new entity that will meet our public electrical needs for coming generations.

Thank you for your consideration and focus on this important issue, and please do not hesitate to contact us with further questions.
