

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version: SB 123
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB123-DCCED-RCA-01-17-20
Title: ELECTRIC RELIABILITY ORGANIZATIONS
Sponsor: RAILBELT ELECTRIC SYSTEM
Requester: (S) Railbelt Electric System

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)

| | FY2021 Appropriation Requested | Included in Governor's FY2021 Request | Out-Year Cost Estimates | | | | |
|------------------------|--------------------------------------|------------------------------------------------|-------------------------|------------|------------|------------|------------|
| OPERATING EXPENDITURES | FY 2021 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
| 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 (FY2020) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2021) 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If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/23

Why this fiscal note differs from previous version/comments:

Initial version.

| | | | |
|--------------|------------------------------------------------------------|--------|---------------|
| Prepared By: | Robert M. Pickett, Chairman | Phone: | (907)276-6222 |
| Division: | Regulatory Commission of Alaska | Date: | 01/16/2020 |
| Approved By: | Micaela Fowler, Administrative Services Director for DCCED | Date: | 01/17/20 |
| Agency: | Office of Management and Budget | | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2020 LEGISLATIVE SESSION

BILL NO. SB 123

Analysis

SB 123 gives the Regulatory Commission of Alaska (RCA) functions pertaining to electric reliability organizations, including its ability to form an electric reliability organization (ERO) if the RCA determines no person has applied for a certification of an ERO. SB 123 provides a funding mechanism for, and the composition of, the governing board of an ERO.

SB 123 addresses how an ERO will develop and submit reliability standard to the RCA. It also provides an avenue to allow the RCA to require a reliability standard to be developed or modified.

A certificated ERO under the proposed statute will be able to impose a penalty on a user, owner, or operator of an interconnected bulk-power system for violation of a reliability standard. The penalty can be appealed to the RCA.

After certification, an ERO will be required to develop and file a plan for meeting the reliability requirements of customers within its interconnected bulk-power system in the most cost-effective manner, consistent with the load-serving entities' obligations.

SB 123 provides the RCA with siting authority for large energy facilities.

The RCA currently expects to implement the provisions of this legislation with existing resources, and does not anticipate fiscal impact from this legislation.