

ALASKA STATE LEGISLATURE

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Sponsor Statement for SB 69 am

“An Act extending the exemption from regulation by the Regulatory Commission of Alaska for certain facilities or plants generating energy from renewable resources; and providing for an effective date.”

In 2010, the Alaska State Legislature enacted Senate Bill 277 (Ch. 37 SLA 10) to better align Alaska’s regulatory treatment of renewable energy power generation produced by independent power producers (IPPs) with how they are regulated at the federal level. At the time, Alaska was the only state to extend the regulatory authority of a public utility commission like the Regulatory Commission of Alaska (RCA) to regulate not just the power purchase agreement but also the IPP.

By doing away with the duplicative layer of review and regulation in 2010, the Alaska State Legislature encouraged private sector dollars to be invested in renewable energy projects across Alaska. However, the exemption from regulation adopted in 2010 was only effective for five years.

In 2016, the Alaska State Legislature unanimously extended the exemption for another five years (Ch. 45 SLA 16) avoiding the double regulation of these facilities and again encouraging private capital to be invested in meeting the energy needs of Alaskans.

However, the current exemption is scheduled to lapse on July 1, 2021, just as additional interest in renewable resources is growing in Alaska. SB 69 proposes to enact a 7-year extension to better allow investors to make long-term plans and deploy capital throughout the state. By extending the exemption, SB 69 will keep Alaska competitive and avoid the type of unnecessary regulation that stymies investment without providing benefits to the ratepayer.

As we have seen over the previous ten years, the exemption from RCA regulation has lowered the burden on the RCA (which still reviews power purchase agreements), led to new investment, and ensured a growing diversity of energy sources for Alaska’s utilities.

In a time of increasingly tight state budgets, simply maintaining a streamlined regulatory framework by extending the exemption in current law is one of the best ways the Alaska State Legislature can both ensure our state remains a leader in renewable energy and encourage additional investment in our struggling economy.