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April 14, 2021

Sent Via Email

The Honorable Peter Micciche
Alaska State Senator
State Capitol Room 111
Juneau, Alaska 99801
Email: Senator.Peter.Micciche@akleg.gov

Re: Senate Bill 110

Dear Senator Micciche:

On behalf of the over 46,000 members and 100,000 residents who receive electric service from Golden Valley Electric Association, Inc. (GVEA), expanding from Delta Junction, to Fairbanks and south to Cantwell, I am writing to express GVEA's strong support for Senate Bill (SB) 110. Enactment of SB 110 into law is in the best interest of Alaska, the electric utility sector, and ratepayers across the state.

Under the current statutory and legal structure, utilities cannot legally access vegetation on land outside their easements and rights-of-way, without potential penalty, as most land is privately owned. However, should such vegetation touch a utility's power lines or other infrastructure and a wildfire results, the utility is liable. Utilities are placed in the impossible situation of liability whether they try to take preventative action outside of these easements or if they take no action. Utilities are also currently liable even if they are following their vegetation management plan and a wildfire occurs. The litigation that can result is expensive, and such costs are ultimately borne by ratepayers such as GVEA's members.

SB 110 is required in order to change the status quo and to insulate ratepayers from bearing costs outside of a utility's control. The bill better defines when damages are applicable and sets up a clear expectation that utilities will develop and follow vegetation management plans or face liability. Absent any action, GVEA's members and ratepayers across Alaska will be subject to higher utility costs in the event a wildfire causes damage. This is not a good result.

The risk of wildfire liability is increasing. Factors such as longer growing seasons and invasive insects increase the likelihood of wildfires and the liability risk to electric utilities. SB 110 will protect ratepayers, including GVEA's members, from this risk. I urge the bill's consideration and passage.

Sincerely,


John Burns
President and Chief Executive Officer