

**CONCEPTUAL
AMENDMENT 1**

OFFERED IN THE HOUSE
TO: HB 301

Beginning Page 2, Line 31:

* Sec. 4. AS 42.05.785(a) is amended to read:

(a) A public utility, including a public utility that is exempt from other regulation under AS 42.05.711 or another provision of this chapter, that is interconnected with an interconnected electric energy transmission network served by an electric reliability organization certificated by the commission may not construct a large energy facility unless the commission determines that the facility

(1) is necessary to the interconnected electric energy transmission network with which it would be interconnected;

(2) complies with reliability standards; [AND]

(3) would, in a cost-effective manner, meet the needs of a load-serving entity that is substantially served by the facility; and

4) Subject to meeting the provisions of AS 42.05.711(r)(1-3), is not detrimental to a load-serving entity's ability to meet the clean energy standard under AS 42.05.900; and,

(5) Compliance with the clean energy standard under 42.05.900 is contingent on the capability of the proposed plan to maintain compliance to meet ERO developed reliability standards.

EXPLANATION

- The Railbelt Utilities believe that the transparent, inclusive, and thorough integrated resource planning process to be conducted by an Electric Reliability Organization is the appropriate venue for setting and validating clean energy targets.
- The ERO's IRP process ideally will confirm or validate target dates and benchmark percentages for compliance.

CONCEPTUAL
AMENDMENT 4

OFFERED IN THE HOUSE
TO: HB 301

Beginning Page 5, Line 22:

Sec. 42.05.915 is amended to read:

(a) If the commission determines that a load-serving entity failed to meet the clean energy standard **at the end of the Compliance Period** under AS 42.05.900, after notice and an opportunity for hearing, the entity is subject to a **one-time** fine of \$20 for every megawatt hour that the entity is below the clean energy standard. **The fine must be set aside to fund electrical infrastructure efforts in the region through the Railbelt energy fund or a similar funding mechanism. Further, a credit shall be issued against any fine in an amount equal to the amount of capital investment the LSEs have made in projects that serve to decongest the transmission system of the interconnected electric energy transmission network.** The commission [MAY]shall waive the noncompliance fine in whole or in part upon determination that a load-serving entity is unable to meet the clean energy standard because of reasons outside the reasonable control of the load-serving entity as set out in (b) of this section or the entity establishes a good cause for noncompliance as set out in (c) of this section.

(b) Events or circumstances that are outside of a load-serving entity's reasonable control [MAY]shall include, **but not be limited to**

- (1) weather-related damage;
- (2) natural disasters;
- (3) mechanical or resource failure;
- (4) failure of renewable electrical energy producers to meet contractual obligations to the load-serving entity;
- (5) labor strikes or lockouts;
- (6) Costs of compliance are more than the cost of non-compliance in any given year, by an percentage to be determined by the RCA;**

[6](7) transmission network constraint that prevented the load-serving entity from partially or fully using renewable electrical energy for net electricity sales; and

[7](8) other similar events and circumstances.

EXPLANATION

- Electric cooperatives have no other source of funds other than the rates paid by Members. Any fines levied against the Railbelt Utilities through the CES will be paid by Railbelt residents. This is why typically a CES would only apply to investor-owned utilities.
- Recognizing this, fines should result in some benefit to member-consumers, so it is proposed that fines collected should in some manner be used to enhance renewable energy delivery in service areas.
- If members have already embarked on these enhancements, they should be credited for those efforts.