

Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version: HB 121
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB121-DCCED-RCA-04-21-23
Title: UTILITIES: RENEWABLE PORTFOLIO
STANDARD
Sponsor: SUMNER
Requester: (H) Energy

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)

	FY2024 Appropriation Requested	Included in Governor's FY2024 Request	Out-Year Cost Estimates					
			FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OPERATING EXPENDITURES								
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	0.0

Fund Source (Operating Only)

None								
Total	0.0	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	0.0

Estimated SUPPLEMENTAL (FY2023) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2024) 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If yes, by what date are the regulations to be adopted, amended or repealed? 03/01/25

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: <u>Keith Kurber II, Chairman</u>	Phone: <u>(907)276-6222</u>
Division: <u>Regulatory Commission of Alaska</u>	Date: <u>04/21/2023</u>
Approved By: <u>Hannah Lager, Administrative Services Director</u>	Date: <u>04/21/23</u>
Agency: <u>Commerce, Community, and Economic Development</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

BILL NO. HB121

Analysis

HB 121 mandates a Renewable Portfolio Standard (RPS) for load-serving entities served by electric reliability organizations, requiring those entities to derive a certain percentage of electric sales from renewable energy sources (increasing over time; 80% renewables by 2040). HB 121 creates a renewable energy credit trade market with renewable energy credits counting towards RPS requirements, allows energy generated by distributed energy systems to count towards RPS requirements, eliminates capacity limits on net metering for load-serving entities served by an electric reliability organization, and revises power cost equalization rate calculations to prohibit the consideration of revenues from the sale of recovered heat or renewable energy credits (revenues from sales of recovered heat currently offset expenses for power cost equalization rate determination purposes). HB 121 mandates annual reporting on progress towards satisfying applicable RPS requirements.

Passage of HB 121 would require the Regulatory Commission of Alaska (RCA) to amend or adopt regulations (1) specifying net metering requirements, (2) measuring energy produced from distributed energy systems compared to overall energy acquired (updated every 5 years), and (3) specify reporting requirements to measure progress towards satisfying RPS requirements. The RCA will also need to consider if additional regulations are needed to develop procedures to (1) guide investigations into compliance with RPS requirements, (2) govern the process for imposing or waiving noncompliance fines, and (3) govern the use and trading of renewable energy credits and to resolve potential disputes involving the trade or sale of renewable energy credits. Costs for regulation updates would be paid using the RCA's existing budget authority.

The RCA does not anticipate fiscal impact from this legislation.