

REPRESENTATIVE
JESSE SUMNER
HOUSE DISTRICT 28

Rep.Jesse.Sumner@akleg.gov



SESSION
State Capitol
120 E. 4th Street
Juneau, Alaska 99801-1182
Tel: (907) 465-4833
Toll Free: (800) 782-4833

INTERIM
600 E. Railroad Ave., Suite 1
Wasilla, Alaska 99654
(907) 373-6285

House Bill 121 – Utilities: Renewable Portfolio Standards Sponsor Statement

House Bill 121 seeks to diversify electricity generation in Alaska to accelerate renewable energy production. HB 121 would require regulated electric utilities in the Railbelt region to diversify their current generation portfolio by increasing the proportion of net electricity production from renewable energy sources in three successive steps: 25 percent by 2027, 55 percent by 2035, and 80 percent by 2040.

Currently, approximately 15 percent of the total electricity sales in the Railbelt region are due to renewable energy production. Today, about 80 percent of the electricity generated by the three utilities in the Cook Inlet region is reliant on natural gas produced in Cook Inlet. Railbelt electricity prices have risen by nearly 50 percent in the last 10 years, in large part because Cook Inlet gas prices have risen sharply. The Alaska Department of Natural Resources is predicting that Cook Inlet will see natural gas production shortfalls as soon as 2027. Rather than pivot to renewable energy sources, whose prices have fallen dramatically over the last decade, Railbelt utility managers are considering importing liquified natural gas into the Cook Inlet region to make up the shortfall. Such a plan would leave consumers vulnerable to continued price increases, volatile world commodity markets, and supply chain disruptions.

Currently, 29 states have similar renewable energy portfolio standards to those set out in HB 121. Rather than rely on carbon heavy sources of energy that are getting more expensive in Alaska's small market, it is time to diversify how electricity is generated in the Railbelt region, which contains abundant and complementary wind, solar, conventional hydropower, geothermal, biomass, tidal, and run-of-river power resources. HB 121 will ensure that more local renewable energy resources are developed to benefit consumers and the people of Alaska.