

March 24, 2024

Senator Cathy Giessel, Co-Chair  
Senator Click Bishop, Co-Chair  
Senate Resources Committee  
State Capital Room 106  
Juneau, AK 99801



RE: Renewable IPP Support for SB 257 Electric Utility Regulation

Dear Co-Chair Giessel and Co-Chair Bishop,

Renewable IPP, LLC is an Alaska-grown Independent Power Producer (IPP) who develops, constructs and operates utility scale solar farms in Alaska. Our mission is to diversify Alaska's generation mix and suppress energy prices through cost competitive renewable energy projects. Since our founding in 2017, we've successfully completed three solar farm projects; 140kW Willow Pilot (2018), 1.2MW Willow Expansion (2019) and 8.5 MW Houston Solar Farm (2023). As an IPP we wholesale electricity to co-op utilities. Our Willow projects sell electricity at the current cost of generation and our Houston Solar Farm is delivering on our commitment to suppress energy prices and sells electricity for 10-20% below the current cost of generation, proving that utility scale solar can provide cost competitive energy for Alaskans and help conserve Cook Inlet natural gas. Our company has grown incrementally since 2017, working collaboratively with co-op utilities to test and confirm utility scale solar farm grid integration and operations. We are now poised for large, at-scale deployment and can be a significant contributor to meet future electricity demand.

I am writing to voice our support for SB 257 which unifies the management of the Railbelt Transmission system and eliminates wheeling charges on the transmission system. I recently had the honor of serving on the Governor's Alaska Energy Security Task Force and SB 257 moves forward one of the Railbelt subcommittee's top recommendations to unify the transmission system and create a strong backbone to enable our long term goal of more diverse, affordable and reliable electricity. Below are further points which describe the benefits of SB 257.

- **Railbelt Wide Management vs. Regional Management:** The current transmission system has numerous owners and asset managers: Homer Electric Association (HEA), Alaska Energy Authority (AEA), Chugach Electric Association (Chugach), Matanuska Electric Association (MEA) and Golden Valley Electric Association (GVEA). Having Railbelt wide management of the transmission system enables a more holistic approach in managing grid upgrades and facilitates efficiently dispatching our best generation assets across the grid, ultimately lowering rates to consumers. We support the grid-wide management organization of the RTO. We ask legislators to consider the best place for Integrated Resource Planning. Ultimately careful consideration is needed to define the responsibilities of the RTO and ERO/RRC such that there isn't overlap (i.e. multiple project approvals) and that appropriate stakeholder input mechanisms are in place.
- **Ability to Leverage a Single Entity for Upgrade Financing:** To enable energy generation diversification, we must upgrade our transmission system, which serves as our electron

highway. The Railbelt transmission system needs upgrades and there are both current and future funding opportunities that can more easily be accessed through a common management structure. Federal programs are providing once in a lifetime opportunities to upgrade grids across the US and we should set up Alaska's Railbelt Transmission system to take advantage of these programs as they will ultimately lower the cost to ratepayers.

- **Elimination of Wheeling Rates:** SB 257 eliminates wheeling rates for the transmission system. This creates an open access, electron highway, allowing energy to be generated where it's most productive and transports the energy to where it's needed. These two factors allow for more efficient energy production and transportation which ultimately reduces the cost to consumers. Currently, as the transmission system has multiple owners, who may charge wheeling rates for each section. This ultimately drives up energy prices and as wheeling rates are difficult to determine; this creates project uncertainty and disincentivizes project development and investment.

We are aware that both SB 257 and SB 217 are proposed in the legislature at this time. We ultimately support both bills. Both bills address the issue of wheeling charges; however, only SB 217 addresses the property tax issue for IPPs. We are in the process of finalizing our long-term Power Purchase Agreement (PPA) for our upcoming Kenai Peninsula solar project and eliminating property taxes for IPP's this session allows us to immediately lower our energy price for the project which locks in lower energy rates for consumers over the multi-decade contract. If SB 257 is progressed as the primary bill, we respectfully request to have the IPP property tax legislation added to SB 257.

Thank you both for all the hard work you do to make Alaska a better place to live, work and play. We especially appreciate your focus on energy this session which is such a key attribute to a successful economy and community. Thank you again and please let me know if there's anything I can do to support this effort!

Sincerely,



Jenn Miller

Chief Executive Office & Co-Founder

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