

# ALASKA STATE LEGISLATURE

## HOUSE RESOURCES COMMITTEE

### Session: January – April

Alaska State Capitol Room 128  
Juneau, AK 99801-1182  
Phone: 907.465.4993

Rep.Tom.McKay@akleg.gov



### Interim: May - December

1500 West Benson Blvd.  
Anchorage, AK 99503  
Phone: 907.269.0200

Official Business

## **House Bill 394**

### ***RCA REGULATION OF NATURAL GAS STORAGE FACILITIES***

#### **SPONSOR STATEMENT**

HB 394 is aimed at enhancing the energy security of Southcentral Alaska by providing a clear regulatory framework for third-party natural gas storage. This bill was designed to establish a regulatory framework that not only encourages the expansion of natural gas and liquefied natural gas (LNG) storage facilities but also ensures these critical pieces of energy infrastructure operate efficiently and remain economically viable.

HB 394 provides for the Regulatory Commission of Alaska (RCA) to have clear oversight authority over natural gas and LNG storage facilities, which will bring stability and predictability to the sector and make it more attractive to operators and investors. HB 394 defines principles for the determination of just and reasonable rates, ensuring that operation costs, tax incentives, and the fair market value of storage assets are all considered. This approach aims to foster fair pricing practices that benefit both consumers and businesses.

This bill also introduces measures to protect sensitive financial information, mandating confidentiality for certain records. This move strikes a balance between protecting commercial sensitivities and fulfilling the need for regulatory transparency. Additionally, the bill recognizes the complexities of state and federal regulations by exempting LNG import facilities that are already regulated by the federal government from state oversight.

HB 394 is a necessary piece of legislation if the state of Alaska wants to see third-party gas storage from the private sector. I urge my colleagues of the 33<sup>rd</sup> legislature to join me in supporting this bill which represents a decisive step towards reinforcing Southcentral Alaska's energy infrastructure and ensuring the well-being of our state.

A handwritten signature in cursive script, appearing to read "Tom W. McKay".