

HOUSE BILL NO. 382

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE WOOL

Introduced: 2/21/18

Referred: House Special Committee on Energy, Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act creating the Railbelt Electrical System Authority; and relating to the duties of**
2 **the Regulatory Commission of Alaska."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 42.05 is amended by adding new sections to read:

5 **Article 9A. Railbelt Electrical System Authority.**

6 **Sec. 42.05.900. Creation of authority.** The commission shall establish the
7 Railbelt Electrical System Authority for the purpose of developing a reasonable plan
8 to manage the electric transmission and generation system of the Railbelt area;
9 determining objectively the optimal output of electrical generation facilities to meet
10 the system load at the lowest possible cost, subject to transmission and operational
11 constraints of the Railbelt area; and consolidating operations and tariffs for the
12 Railbelt area. The authority is a division of the commission.

13 **Sec. 42.05.910. Board.** (a) The commission shall establish a board of directors
14 to govern the authority. The commission shall appoint members to the board from a

1 wide range of stakeholders. A board member shall have applied experience,
2 demonstrated competence, or expert understanding in the member's relevant field.

3 (b) The board is composed of 16 members, including

4 (1) 13 voting members, as follows:

5 (A) at least one member representing the Railbelt utilities;

6 (B) at least one member representing independent power
7 producers or renewable energy interests in the Railbelt area of the state;

8 (C) at least one member representing residential electrical
9 consumers in the Railbelt area of the state;

10 (D) at least one member representing commercial and industrial
11 electrical consumers in the Railbelt area of the state;

12 (E) at least one member with tax or finance experience;

13 (F) at least one member representing a municipality in the
14 Railbelt area of the state; and

15 (G) at least two at-large members; and

16 (2) three ex officio nonvoting members, as follows:

17 (A) one member representing the commission;

18 (B) one member representing the Alaska Energy Authority; and

19 (C) one member representing an existing electrical
20 transmission organization.

21 (c) The percentage of the Railbelt utility members on the board during the
22 following periods may not exceed

23 (1) 40 percent of the voting members in the first five calendar years
24 following formation of the board;

25 (2) 25 percent of the voting members in the sixth, seventh, eighth,
26 ninth, and 10th calendar years following formation of the board; and

27 (3) eight percent of the voting members after the 10th calendar year
28 following formation of the board.

29 **Sec. 42.05.920. Powers and duties.** (a) The authority shall, for the Railbelt
30 area and subject to the approval of the commission,

31 (1) adopt rules to

1 (A) manage a unified transmission system, with the goal of
 2 optimizing the output of electrical generation facilities in the area to meet the
 3 system load at the lowest possible cost through a system of merit order
 4 economic dispatch;

5 (B) establish and administer a transparent and universal
 6 transmission tariff;

7 (C) establish and enforce nondiscriminatory open access to the
 8 transmission system;

9 (D) establish and enforce interconnection standards and
 10 protocols;

11 (E) establish and implement regional transmission planning
 12 criteria and protocols;

13 (F) establish and implement regional generation planning
 14 criteria and protocols;

15 (G) establish and enforce reliability standards;

16 (2) authorize interconnections and the construction, development, or
 17 expansion of a transmission project;

18 (3) create a long-term regional plan for the Railbelt transmission
 19 system that provides for upgrades and regional cooperation and update the plan from
 20 time to time;

21 (4) create a long-term regional plan for the Railbelt generation system
 22 that provides for upgrades and regional cooperation and update the plan from time to
 23 time.

24 (b) In developing rules and authorizing interconnection and transmission
 25 projects under (a) of this section, the authority shall, to the greatest extent possible,

26 (1) adhere to nationally recognized reliability and interconnection
 27 standards;

28 (2) use existing transmission and interconnection infrastructure;

29 (3) provide nondiscriminatory access and service.

30 (c) The authority may not own assets in excess of \$100,000.

31 (d) The commission shall provide personnel to establish and staff the

1 authority. To the extent allowed by law, the commission may recover the costs
2 incurred as a result of this subsection through regulatory cost charges.

3 **Sec. 42.05.950. Definition.** In AS 42.05.900 - 42.05.950, "authority" means
4 the Railbelt Electrical System Authority.

5 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 ESTABLISHMENT OF THE RAILBELT ELECTRICAL SYSTEM AUTHORITY.

8 The Regulatory Commission of Alaska shall, before January 1, 2019, establish an
9 organizational and governance structure for the Railbelt Electrical System Authority created
10 under AS 42.05.900, enacted by sec. 1 of this Act.