

**ALASKA STATE LEGISLATURE
SENATE RAILBELT ELECTRIC SYSTEM**

February 14, 2020
9:02 a.m.

MEMBERS PRESENT

Senator John Coghill, Chair
Senator Elvi Gray-Jackson
Senator Peter Micciche
Senator Mike Shower
Senator Cathy Giessel

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 123

"An Act relating to the regulation of electric utilities and electric reliability organizations; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 123

SHORT TITLE: ELECTRIC RELIABILITY ORGANIZATIONS

SPONSOR(S): RAILBELT ELECTRIC SYSTEM

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|----------|-----|-----------------------------------|
| 05/14/19 | (S) | READ THE FIRST TIME - REFERRALS |
| 05/14/19 | (S) | RBE, FIN |
| 01/24/20 | (S) | RBE AT 3:30 PM BUTROVICH 205 |
| 01/24/20 | (S) | Heard & Held |
| 01/24/20 | (S) | MINUTE(RBE) |
| 01/27/20 | (S) | RBE AT 3:30 PM SENATE FINANCE 532 |
| 01/27/20 | (S) | Heard & Held |
| 01/27/20 | (S) | MINUTE(RBE) |
| 01/29/20 | (S) | RBE AT 3:30 PM SENATE FINANCE 532 |
| 01/29/20 | (S) | Heard & Held |
| 01/29/20 | (S) | MINUTE(RBE) |
| 01/31/20 | (S) | RBE AT 3:30 PM BUTROVICH 205 |

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|----------|-----|-----------------------------------|
| 01/31/20 | (S) | Heard & Held |
| 01/31/20 | (S) | MINUTE (RBE) |
| 02/03/20 | (S) | RBE AT 3:30 PM BUTROVICH 205 |
| 02/03/20 | (S) | Heard & Held |
| 02/03/20 | (S) | MINUTE (RBE) |
| 02/06/20 | (S) | RBE AT 1:30 PM BUTROVICH 205 |
| 02/06/20 | (S) | -- MEETING CANCELED -- |
| 02/12/20 | (S) | RBE AT 9:00 AM FAHRENKAMP 203 |
| 02/12/20 | (S) | Heard & Held |
| 02/12/20 | (S) | MINUTE (RBE) |
| 02/14/20 | (S) | RBE AT 9:00 AM BELTZ 105 (TSBldg) |

WITNESS REGISTER

RENA MILLER, Staff
 Senator Cathy Giessel
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Described the changes between Version M and Version K CS for SB 123.

BRIAN HICKEY, Chief Operating Officer (COO)
 Chugach Electric Association
 Anchorage, Alaska

POSITION STATEMENT: Proposed an amendment to SB 123, Version K.

LARRY JORGENSEN, Director of Power, Fuels and Dispatch
 Homer Electric Association
 Kenai, Alaska

POSITION STATEMENT: Proposed an amendment to SB 123, Version K.

CHRIS ROSE, Executive Director
 Renewable Energy Alaska Project (REAP)
 Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 123, Version K, and the amendments Ms. Miller described.

MIKE CRAFT, representing self
 Fairbanks, Alaska

POSITION STATEMENT: Echoed Mr. Rose's comments on SB 123 and support for the amendment Mr. Hickey proposed.

TONY IZZO, Chief Executive Officer (CEO)
 Matanuska Electric Association (MEA)
 Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 123, Version K and the amendments Ms. Miller described.

TREY ACTESON, Chief Executive Officer (CEO)
Southeast Alaska Power Agency (SEAPA)
Ketchikan, Alaska

POSITION STATEMENT: Urged an amendment to SB 123 that clarifies its applicability to municipalities and political subdivisions of the state.

DUFF MITCHELL, Executive Director
Alaska Independent Power Producers Association (AIPPA)
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 123.

LOU FLORENCE, President/CEO
Doyon Utilities LLC
Fairbanks, Alaska

POSITION STATEMENT: Raised a concern with SB 123.

VERI DI SUVERO, Executive Director
Alaska Public Interest Research Group (AkPIRG)
Anchorage, Alaska

POSITION STATEMENT: Voiced support for SB 123 but urged the committee to avoid including "due weight" language.

ANTONY SCOTT, Commissioner
Regulatory Commissioner of Alaska
Anchorage, Alaska

POSITION STATEMENT: Offered the RCA's perspective and answered questions related to SB 123.

ACTION NARRATIVE

[9:02:44 AM](#)

CHAIR JOHN COGHILL called the Senate Special Committee on Railbelt Electric System meeting to order at 9:02 a.m. Present at the call to order were Senators Gray-Jackson, Micciche, Shower, Giessel, and Chair Coghill.

SB 123-ELECTRIC RELIABILITY ORGANIZATIONS

[9:03:14 AM](#)

CHAIR COGHILL announced the consideration of SENATE BILL NO. 123, "An Act relating to the regulation of electric utilities and electric reliability organizations; and providing for an effective date."

[9:03:29 AM](#)

CHAIR COGHILL removed his objection to the Committee Substitute for SB 123 that was pending from the previous meeting. Finding no further objection, Version K was adopted.

He asked Ms. Miller to discuss the additional language that had been suggested.

[9:04:46 AM](#)

RENA MILLER, Staff, Senator Cathy Giessel Alaska State Legislature, Juneau, Alaska, and on loan to the Senate Special Committee on Railbelt Electric System, stated that Version K was circulated among the stakeholders and they suggested some changes. She and the chair also worked with the RCA to add clarity to the definitions and process. Most of the proposed changes will be offered through amendments or another CS depending on the drafter's recommendation, she said.

MS. MILLER reviewed the following proposed changes to Version K:

- Add a provision that all load-serving entities in a system that has an electric reliability organization (ERO), including entities exempt from rate regulation, are subject to the tariff the ERO has on file with the Regulatory Commission of Alaska (RCA or commission).

CHAIR COGHILL provided some background. He explained that the four parts of the bill: 1) require an ERO to be established; 2) require integrated resource planning within the ERO; 3) establish a process for preapproval of electric distribution facilities; and 4) establish a timeline for implementation. He said work has been ongoing with entities that are within the Railbelt as well as those that are not included.

[9:07:10 AM](#)

MS. MILLER continued.

- The utilities suggested and the RCA agreed to the modification of a provision that currently says that a standard may not be designed for the purpose of requiring enlargement of facilities. Instead, the provision should say that a standard may result in enlargement but may not be designed specifically to require enlargement.
- The utilities suggested and the RCA agreed to the modification of a provision that says the RCA regulations

related to an ERO may provide for an open access transmission tariff. Instead, the provision would say the RCA regulations require that the ERO's tariff includes a standard for nondiscriminatory open access transmission and interconnection.

The amendment or CS will also require that an ERO's tariff includes provisions for transmission system cost recovery.

- The utilities and the RCA both agreed that the CS, Version K, went too far on the process the RCA will use to handle the standards that the ERO files with the commission for approval .

Fix the process for the RCA to handle standards filed. For rejections, rely on existing statute in AS 42.05.391. Also remove the inadvertent requirement for a hearing for approving standards. Notice to stakeholders and the public of the filing will still be required as well as the timeframe for weighing in.

Clarify that each standard does not have to be filed individually for approval. This will be dealt with in the RCA regulations.

- The RCA suggested including a provision to accommodate a given network that is not required to have an ERO because they don't meet the definition of a bulk-power system that wants to have an ERO. In this case they may ask the RCA to be allowed to have an ERO and be certificated by the commission.
- Refine an exemption for a group that is technically a system but the entities are all municipally owned or political subdivisions of the state. For example, there is no intention to include the Southeast Alaska Power Association.

Work is ongoing to provide an exemption from preapproval related to the Sweetheart Lake hydroelectric project that would potentially serve mines in the Juneau area. There is no intention to include this project in the preapproval requirement.

- In the definition section, specify that power distribution to at least 10 customers is required to be considered a load-serving entity.

- Redraft the definition of interconnected bulk-electric system and an interconnected energy transmission network. These work together in the bill and the RCA recommended refinement to avoid potential ambiguity.

[9:12:38 AM](#)

SENATOR MICCICHE asked if the CS is trying to clarify that load-serving entities in a network that aren't required to have an ERO could form one.

MS. MILLER said she would review the language in more detail, but the RCA recommended making it clear that the bill was not being exclusive simply because it wasn't inclusive. A system that is not required to have an ERO but wants one could talk to the RCA to make that happen.

SENATOR MICCICHE said he didn't believe the bill disallowed that but clarification is always good. He then asked if the requirement that RCA regulations allow for an open access transmission tariff was being changed to allow for regulations that include provisions for cost recovery.

MS. MILLER directed attention to the language in subsection (q) on page 5, line 29 through page 6, line 7. It says the commission shall adopt regulations governing certain things and those regulations must require that the tariff provide for nondiscriminatory open access transmission and interconnection. She said this was a recommendation from the utilities and the RCA was supportive.

SENATOR MICCICHE responded that provisions for cost recovery and issuance of an open access tariff would change "mays" to "musts."

[9:16:12 AM](#)

MS. MILLER replied it's a must but it's not specifically an open access transmission tariff. It is standards that would require nondiscriminatory open access and interconnections. She said that's a subtlety as to whether it's actually a tariff. The utilities and the RCA would work out what those standards would look like to accomplish the goal. She noted that the language about cost recovery would be added to subsection (q)(1) that talks about issuance of an open access transmission tariff to an ERO.

SENATOR MICCICHE commented that that section subtly crosses into "how to do."

9:17:53 AM

CHAIR COGHILL said the point is well taken.

9:18:20 AM

At ease

9:18:48 AM

CHAIR COGHILL reconvened the meeting and asked Mr. Hickey to provide his testimony.

9:19:19 AM

BRIAN HICKEY, Chief Operating Officer (COO), Chugach Electric Association, Anchorage, Alaska, said he was speaking on behalf of the organizational development team (ODT) that represents the six Railbelt utilities. He extended thanks for the work that has gone into SB 123 and appreciation for the effort to address the team's concerns. He said he would speak to one concern today that was not addressed in the proposed amendments.

He explained that the utilities proposed that the RCA be directed to develop a standard in regulation to give due consideration to the conclusion of an integrated resource plan (IRP) when the process the ERO undertook to develop that plan was open, transparent, and inclusive of all stakeholders and the general public. The commission would give additional weight and consideration when it determines whether or not to suspend a petition for approval into an investigative hearing.

MR. HICKEY said the organizational team's vision of the ERO is modeled on reliability organizations in the Lower 48 such as the Electric Reliability Council of Texas (ERCOT). The IRP development process for the ERO would be open, transparent, and inclusive and would take into account the views of all stakeholders and the general public. Such a process would involve public meetings, data, and input gathering throughout the region, all of which would be lengthy and costly. He opined that the result of such a process should be presumed to be in the public interest and should not be subject to an investigative hearing, subsequent intervention by stakeholders, and an adjudicatory hearing unless it is evident to the commission that the conclusions of the document are not just, reasonable, or in the public interest.

He said giving additional deference to the technical decisions of the stakeholders' governing entity is a concept that is found among commissions governing similar organizations in the Lower 48. He cited an example where the Texas Public Utility Commission gave deference to conclusions justifying transmission line construction performed by ERCOT. He said there are other examples.

MR. HICKEY said the organizational development team proposes amending subsection (d) on page 7 of Version K to instruct the RCA to develop regulations that recognize the process taken by the ERO to develop the IRP, and that its conclusions be given due consideration given the degree to which the IRP process was open, transparent, and inclusive of stakeholders and the general public.

CHAIR COGHILL advised that Ms. Miller would discuss the proposed solution after Mr. Jorgensen testified.

[9:23:43 AM](#)

LARRY JORGENSEN, Director of Power, Fuels and Dispatch, Homer Electric Association (HEA), Kenai, Alaska, thanked the committee and staff for listening to the Railbelt's concerns about SB 123. He related that as a member of the organizational development team (ODT), he called today to comment on project preapproval described in Version K on page 8, line 5, subsection (d)(4).

He said the ODT's concern is that utilities that have capital projects in process are left with the uncertainty that a preapproval process could be applied midstream. He cited two examples: 1) After ten years, HEA was granted a FERC license for the Grant Lake Hydro Project. A specific timeframe is attached to the license for activities such as mitigation plans, final engineering, and construction. Anything that disrupts the ability to meet the FERC license schedule will put the license at risk; 2) HEA's board approved the battery energy storage system (BESS) project in 2019 after spending significant time and resources.

MR. JORGENSEN said HEA and the Railbelt utilities are seeking language that allows for projects that are in process to be completed without increased risk of delays or additional cost. He emphasized that there is no intention to subvert the preapproval process.

[9:25:43 AM](#)

CHAIR COGHILL asked Ms. Miller to discuss the language to address Mr. Hickey's concern.

MS. MILLER summarized that the utilities' concern was to add specific language requiring the RCA to give due weight to the process that the IRP was undertaking and developing. This is not a new concern. She said the discussions were that it's difficult to require a behavior - the spirit in which something is undertaken. The utilities' organizational development team have an MOU in place on how they're going to prepare an entity to be the applicant to be an ERO. They want to have a very open and transparent process that involves a lot of stakeholders in the IRP.

When the bill talks about what a prospective ERO has to demonstrate to the RCA to be certified, it says the commission will need to see that the ERO applicant has rules that will provide opportunities for public comment, due process, openness, and balance of interests in exercising its duties. She said the RCA understands the concern to provide due weight but the process used may not be a due weight consideration in light of other issues that arise within the IRP and its approval.

MS. MILLER directed attention to the language that was added in Version K on page 6, line 26. It says the RCA must review the process used to develop the IRP when it considers whether to approve the plan or require modifications. She said she believes the Chair felt that was sufficient to require the RCA to actually look at the process that was used.

CHAIR COGHILL added that the idea was to find a balance between giving as much authority as possible to the ERO to develop its plan but the decision as to whether it is in the public interest rests with the RCA. He noted that both page 5 and 6 talk about the organization and its plan.

He noted that an RCA commissioner was available online to answer questions.

[9:30:01 AM](#)

MS. MILLER advised that the committee has also heard from stakeholders on the second concern about not requiring preapproval for projects that have board approval. She related that the utilities and others said that that would "create a hole big enough to drive a Mac truck through." Therefore, language was added to Version K on page 8, lines 5-6 that say the regulations for project preapproval that the RCA writes need

to address projects undertaken before an IRP approval for an interconnected bulk electric system. She explained that there are different potential stages of undertaken and the Chair felt it was best to leave it to the RCA and the utilities working together to define that in regulation rather than trying to make it explicit in statute.

CHAIR COGHILL said his preference is to leave it to the RCA to bring everyone to the table to have the discussion based on economics and anticipated planning.

[9:31:55 AM](#)

SENATOR MICCICHE said he believes he understands Mr. Hickey's concern but he hasn't had the opportunity to review the ERCOT model.

CHAIR COGHILL suggested that the RCA could provide information on the ERCOT model.

SENATOR MICCICHE referenced the second concern and suggested considering a blend because he believes that other Railbelt utilities, moving toward an ERO, may be interested in sharing the costs and benefits of projects like the ones cited. He acknowledged that it wouldn't be simple and the current process shouldn't be interrupted.

CHAIR COGHILL responded that the process for an ERO will be put in place and there will be a process for the RCA to look at things that were started before the ERO was formed. He opined that that is well described in the bill.

93359

CHRIS ROSE, Executive Director, Renewable Energy Alaska Project (REAP), Anchorage, Alaska, stated support SB 123, Version K and the proposed amendments Ms. Miller outlined.

He stated that REAP does not support the amendment Mr. Hickey proposed. He pointed out that the ERCOT Board is different than what the Railbelt utilities are proposing in their MOU. He noted his previous testimony that the governing structure outlined in the MOU is getting close but still isn't exactly what REAP would have suggested if it had more leverage to increase public participation on the board. Different than the ERCOT Board, there will be market participants on this board that all have their own interests. REAP does not believe that the RCA's authority to modify an IRP should be subverted in any way. The commission should be the final backstop that supports the public

interest. The existing language on page 6, lines 24-29 allows for a back-and-forth process between the RCA and the ERO. This ERO will be a brand new entity and should not have the deference it may have in other jurisdictions. He pointed out that ERCOT has been around for quite a while, it has evolved over time, and it has earned the trust of the Texas regulatory commission. That is very different than the ERO that is proposed in the Railbelt.

MR. ROSE said REAP does not support Mr. Jorgensen's proposed amendment because the language on page 8, lines 5-6 of Version K addresses the concern. He agreed with Ms. Miller that there are many nuances and a wide range of what a "project in process" might mean. That definition is best left to the rulemaking process that is inclusive of all parties. He opined that projects like Grant Lake that have a longer history would be treated differently in the rulemaking process than an idea that just came up at a recent board meeting. That range can be addressed by the language in Version K, he said.

SENATOR MICCICHE advised that the Chair had to step out. He asked Mr. Craft to give his testimony.

[9:40:23 AM](#)

MIKE CRAFT, representing self, Fairbanks, Alaska, said he echoes Mr. Rose's comments and agrees with the utilities' and RCA's suggestion to change "may" to "must" on page 6, line 1 relating to regulations that have nondiscriminatory open access transmission and interconnection requirements.

SENATOR COGHILL asked Mr. Izzo to give his testimony.

[9:42:31 AM](#)

TONY IZZO, Chief Executive Officer (CEO) Matanuska Electric Association (MEA), Anchorage, Alaska, thanked the committee and staff for their work on SB 123 and effort to balance the needs of multiple parties. He characterized it as an overdue but historic change for the better for the energy industry in the Railbelt. He expressed satisfaction and support for Version K and the amendments that [Ms. Miller] presented.

[9:43:16 AM](#)

TREY ACTESON, Chief Executive Officer (CEO), Southeast Alaska Power Agency (SEAPA), Ketchikan, Alaska, stated that SEAPA is a joint action agency that was created pursuant to Alaska statutes providing wholesale power to the municipal utilities in Ketchikan, Wrangell, and Petersburg. He stated that SEAPA urges the committee to amend SB 123 to include language that clarifies

the bill's applicability to municipalities and political subdivisions of the state. He opined that minor changes to the language will simplify interpretation and avoid unintended consequences of potential inclusion of utilities that are not economically regulated by the RCA or connected to the Railbelt in any way. He expressed appreciation to the committee for considering the bill and to Chair Coghill and Senate President Giessel for their efforts to craft an appropriate solution. Version K moves in that direction, he said.

CHAIR COGHILL said he'd continue work to ensure that the relevant language is refined.

[9:44:51 AM](#)

DUFF MITCHELL, Executive Director, Alaska Independent Power Producers Association (AIPPA), Juneau, Alaska, expressed appreciation for the efforts to accommodate the various interests and craft a measure that benefits the state. He advised that he was testifying on behalf of AIPPA but he is also the managing director of Juneau Hydropower. He said AIPPA continues to support SB 123 and looks forward to a positive resolution of the issues that have been presented.

CHAIR COGHILL described SB 123 as an Alaska works bill.

[9:46:56 AM](#)

LOU FLORENCE, President/CEO, Doyon Utilities LLC, Fairbanks, Alaska, stated that Doyon Utilities operates the utility systems for the Army's installation infrastructure in Alaska. There are 12 separate utility systems across three installations, including electrical distribution systems at Fort Wainwright, Fort Greeley, and the Fort Richardson portion of Joint Base Elmendorf/Richardson. Doyon Utilities operates a cogeneration plant at Fort Wainwright that has 18 megawatts of capacity and a landfill gas plant at Joint Base Elmendorf/Richardson that has 7.5 megawatts capacity. They are directly connected in several spots to the bulk electrical system. He reported that Doyon Utilities serves more than 36,000 military members, their families, and Department of Defense (DoD) civilians. It is Alaska's fourth largest utility when measured in total plant and service. Doyon Utilities owns and operates utilities that are regulated by the RCA, but is unique in that it is paid by a single ratepayer, the Department of Defense.

MR. FLORENCE said Doyon Utilities applauds the committee's efforts to establish and enforce reliability standards across the state. This is particularly important for cybersecurity

protection of the electric grid. He reported that protecting the military infrastructure has been a significant portion of their mandate in recent years as adversaries have specifically targeted utility information technology and operations technology networks worldwide.

MR. FLORENCE said SB 123 appears to require Doyon Utilities' participation and therefore the military they serve. He described the following two concerns with the legislation:

First, under our contract with the military we're required to meet reliability and security standards directed by the Department of Defense. If the electric reliability organization requires stricter standards or standards that are more lenient, we don't have a problem with that. We would generally adopt the stricter standards. However, were the electric reliability organization [to] adopt standards that conflict with DoD requirements, we would have a dilemma. We might request a waiver from the RCA but the commission would naturally be reluctant to grant a waiver to something required by statute. For that reason, where the statute requires mandatory participation or compliance, we believe a good cause exemption provision should be included in the legislation.

Second, it appears to us that the recently established Railbelt Reliability Council could potentially be adopted as the electric reliability organization required under this legislation. The memorandum of understanding developed by the six Railbelt utilities contains provisions that meets most if not all the requirements established by this legislation. We have participated with the Railbelt utilities recently in identifying and establishing standards for cybersecurity and they are doing very good work. However, the Railbelt Reliability Council composition as outlined in the memorandum of understanding would exclude Doyon Utilities as well as other major electricity producers in the Interior, such as the University of Alaska Fairbanks and Eielson Air Force Base from having a defined seat on the council.

MR. FLORENCE maintained that since Doyon Utilities is subject to the requirements of SB 123 and the ERO, it is appropriate that it has an equal voice and vote along with the other regulated

utilities. He suggested that the bill should clarify that mandated participation by electric utilities should be equal participation. He concluded that Doyon Utilities looks forward to assisting in the effort to protect and improve electric reliability in Alaska.

[9:51:43 AM](#)

CHAIR COGHILL asked him to forward any suggested language to his office.

MR. FLORENCE agreed to do so.

[9:52:13 AM](#)

VERI DI SUVERO, Executive Director, Alaska Public Interest Research Group (AkPIRG), Anchorage, Alaska, stated that AkPIRG was established in 1974 as a consumer and public interest advocate. She voiced support for the recent changes to SB 123 and for having everyone at the table. She described the Regulatory Commission of Alaska as the natural partner and backstop for all decisions put forth by the ERO. She also urged the committee to avoid including "due weight" language in the bill because the assumption should be that if an ERO is stood up, weight will be given to all the plans. The RCA shouldn't have its hands tied. She mentioned the concern that Mr. Jorgensen brought up and pointed out that it is already covered on page 8, lines 5-6. The RCA would be able to address that issue through the regulatory process. Finally, she stated support for the amendments Ms. Miller described earlier in the hearing.

[9:55:56 AM](#)

CHAIR COGHILL asked Mr. Scott if he had anything to add.

[9:56:27 AM](#)

ANTONY SCOTT, Commissioner, Regulatory Commission of Alaska, Anchorage, Alaska, said SB 123 continues to improve and he would echo Mr. Izzo's comment that the bill is overdue and historic. He relayed that the RCA held a public meeting two days ago and unanimously endorsed Version K. The commission also supports the technical changes that Ms. Miller described.

Responding to Senator Micciche's question about whether it was necessary to expressly include a provision to allow an otherwise exempt network to form an ERO, he said the commission believes that statutory clarity would be helpful. While SB 123 spells out the circumstances under which the RCA can and shall certificate an ERO, it does not specifically address the circumstance where

an ERO is not required but could be certificated and thus subject to RCA jurisdiction.

MR. SCOTT voiced support for the amendment Mr. Hickey proposed on page 6, lines 1 and 2 to change "may" to "must." He said his understanding is that the amendment intends to clarify that an ERO would promulgate tariff provisions for open access transmission and interconnection, but the actual operation of the transmission would not fall under the ERO's ambit. The RCA agrees with the people who have said that it is an inappropriate conflict for an entity that is responsible for enforcement to enforce its own operations. He said how an ERO recovers its costs needs to be articulated and he was pleased that there is utility consensus around creating a clear public forum for addressing how that shall be done

MR. SCOTT reminded the committee that his 1/24/20 testimony was that SB 123 addresses the business model problem that the RCA recognized in 2015. He said it will go a long way towards ensuring a new business model by which transmission infrastructure that is needed by the system can be built.

10:02:34 AM

SENATOR MICCICHE asked him to articulate his interpretation of the language in paragraph (4) on page 8, lines 5-6 that addresses projects undertaken before IRP approval [for an interconnected bulk-electric system]. He said he wasn't sure he was comfortable with that language because it seems that preapproval could interrupt the flow of a project in the advanced planning stage and after significant funds had been spent. He offered his perspective that the provision lacked clarity and definition.

MR. SCOTT replied he was comfortable with the language because he trusts the RCA's processes and that the commission won't do anything unreasonable. The commission will need to promulgate regulations to address these circumstances and that process includes public comment. "We will absolutely be listening to and responding to parties' valid needs and concerns about ensuring something that really needs to go forward and represents large, irrevocable commitments and are well on the way can indeed do so."

SENATOR MICCICHE clarified that he never considered that the commission might do something unreasonable. He expressed appreciation that Mr. Scott made it clear that the RCA would

likely not intervene in something started well in advance of this effort.

CHAIR COGHILL added that the regulatory process calls for stakeholders to give public comment and make their case.

[10:06:16 AM](#)

CHAIR COGHILL held SB 123 in committee with public testimony open.

[10:07:29 AM](#)

There being no further business to come before the committee, Chair Coghill adjourned the Senate Special Committee on Railbelt Electric System meeting at 10:07 a.m.