

AMENDMENT #13

OFFERED IN THE HOUSE
TO: CSHB 307(FIN)

BY REPRESENTATIVE RUFFRIDGE

1 Page 6, following line 4:

2 Insert a new bill section to read:

3 **** Sec. 11.** AS 42.05 is amended by adding new sections to read:

4 **Article 11A. Railbelt Transmission Organization.**

5 **Sec. 42.05.900. Railbelt Transmission Organization.** (a) The commission
6 shall require the Alaska Energy Authority and the Railbelt utilities to form a Railbelt
7 Transmission Organization for the purpose of establishing a transmission cost
8 recovery mechanism that ensures the actual, reasonable costs of owning and operating
9 the backbone transmission system are recovered in a manner that

10 (1) eliminates per-unit wholesale transmission charges to increase the
11 efficiency by which electricity service is provided;

12 (2) eliminates multiple pancaked rates; and

13 (3) equitably allocates costs among the load-serving entities connected
14 to the backbone transmission system.

15 (b) The governance structure for the transmission organization must be made
16 up of a representative from the Alaska Energy Authority and each of the Railbelt
17 utilities to assist in administering the system of transmission cost recovery.

18 (c) Notwithstanding AS 44.83.090(b), the transmission organization and the
19 Alaska Energy Authority are subject to the jurisdiction of the commission for the
20 purposes of AS 42.05.900 - 42.05-920. The commission shall require the transmission
21 organization to file tariffs to achieve the purposes of AS 42.05.900 - 42.05.920.

22 **Sec. 42.05.910. Revenue mechanism.** (a) The transmission organization shall
23 hold and administer a commission-approved open access transmission tariff that

1 ensures nondiscriminatory access to the backbone transmission system.

2 (b) The transmission organization shall file with the commission a
3 transmission cost recovery methodology that ensures the reliability and sufficient
4 capacity of the backbone transmission system to support and promote state and
5 regional energy policies and a rigorous, dynamic economy. If the transmission
6 organization does not file a transmission cost recovery methodology with the
7 commission on or before July 1, 2025, the commission shall, after notice and
8 opportunity for public comment, establish a transmission cost recovery methodology
9 consistent with this section.

10 (c) The cost recovery methodology for the transmission organization must, as
11 approved by the commission,

12 (1) pool backbone transmission system costs and allocate those costs
13 through certificated load-serving entities on a coincident peak or load ratio share basis,
14 or a combination of both; and

15 (2) account for

16 (A) required backbone transmission system ancillary services;

17 (B) backbone transmission system congestion;

18 (C) disruptions to the backbone transmission system that result
19 in the isolation of one geographical area of the backbone transmission system
20 from another for more than 24 hours; and

21 (D) costs to own and operate the backbone transmission
22 system, as established by the commission or by contract, including
23 transmission costs associated with the Bradley Lake hydroelectric project.

24 (d) A Railbelt utility shall pass the commission-approved transmission costs
25 directly and transparently to the utility's customers.

26 **Sec. 42.05.920. Definitions.** In AS 42.05.900 - 42.05.920,

27 (1) "backbone transmission system" means the transmission assets in
28 the Railbelt that facilitate the transfer of large-scale electrical power between or across
29 separate geographical areas; "backbone transmission system" does not include assets
30 that would be considered distribution facilities or radial facilities under the standards
31 established by the Federal Energy Regulatory Commission;

1 (2) "Railbelt" means the geographic region from the Kenai Peninsula
2 to Interior Alaska that is connected to a common electric transmission backbone;

3 (3) "Railbelt utility" means a public electric utility certificated to
4 operate in the Railbelt;

5 (4) "transmission organization" means the Railbelt Transmission
6 Organization formed under AS 42.05.900."

7

8 Renumber the following bill sections accordingly.

9

10 Page 9, line 31:

11 Delete "and AS 44.83.700 - 44.83.720"

12

13 Page 10, line 14:

14 Delete "AS 44.83.700(d)"

15 Insert "AS 42.05.900(c)"

16

17 Page 10, line 15:

18 Delete ", except as provided in AS 44.83.700 - 44.83.720,"

19

20 Page 10, line 21, through page 12, line 18:

21 Delete all material.

22

23 Renumber the following bill sections accordingly.

24

25 Page 12, line 22:

26 Delete "sec. 14"

27 Insert "sec. 15"

28

29 Page 12, lines 27 - 28:

30 Delete "The Railbelt utilities, as defined in AS 44.83.720, added by sec. 19 of this Act,
31 shall"

1 Insert "The Regulatory Commission of Alaska shall require the Railbelt utilities, as
2 defined in AS 42.05.920, added by sec. 11 of this Act, to"

3

4 Page 12, line 29:

5 Delete "AS 44.83.700, added by sec. 19"

6 Insert "AS 42.05.900, added by sec. 11"

7

8 Page 13, line 1:

9 Delete "sec. 22"

10 Insert "sec. 21"