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HOUSE CS FOR CS FOR SENATE BILL NO. 152(ENE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON ENERGY

Offered: 5/1/24

Referred: Rules

Sponsor(s): SENATORS WIELECHOWSKI, Dunbar, Gray-Jackson, Kawasaki

REPRESENTATIVES Carrick, Wright, Groh, Josephson, Galvin, Mears, Schrage

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to community energy facilities."**

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

3 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
4 to read:

5 SHORT TITLE. This Act may be known as the Saving Alaskans Money With
6 Voluntary Community Energy (SAVE) Act.

7 * **Sec. 2.** AS 42.05 is amended by adding new sections to read:

8 **Article 8A. Community Energy Facilities.**

9 **Sec. 42.05.725. Applicability.** (a) AS 42.05.725 - 42.05.735 apply to an
10 electric utility that is subject to exercise of the jurisdiction of the commission that
11 extends to matters concerning rates and charges for public utility services.

12 (b) AS 42.05.725 - 42.05.735 do not apply to an electric system that is exempt
13 from net metering requirements adopted by the commission.

14 **Sec. 42.05.727. Community energy programs.** (a) An electric utility subject
15 to AS 42.05.725 - 42.05.735 shall make a community energy program available to a

1 subscriber organization that requests interconnection. The electric utility shall allow
 2 eligible community energy facilities to interconnect to the facilities of the electric
 3 utility in accordance with interconnection standards approved by the commission. The
 4 electric utility shall submit to the commission for approval

5 (1) a community energy tariff with subscriptions available only to the
 6 retail consumers or member owners of the utility; and

7 (2) the maximum nameplate capacity for eligible community energy
 8 facilities within the utility's service area, considering the utility's load profile and
 9 effects on the rates and reliability from interconnecting with the facilities; the utility
 10 shall evaluate and update the nameplate capacity every two years.

11 (b) An electric utility, or an entity contracting to sell electric energy to an
 12 electric utility, may own a community energy facility.

13 **Sec. 42.05.729. Charges and rates.** The commission shall adopt bill credit
 14 rates for electric utilities subject to AS 42.05.725 - 42.05.735 that consider the full
 15 economic value provided by community energy facilities. The commission may adopt
 16 a separate rate for capacity provided by a community energy facility through energy
 17 storage. The commission shall ensure that a community energy program does not have
 18 an adverse effect on the retail rates of an electric utility subject to AS 42.05.725 -
 19 42.05.735. An electric utility subject to AS 42.05.725 - 42.05.735 shall credit a
 20 subscriber for the proportional output of a community energy facility attributable to
 21 the subscriber. The credit must appear on the subscriber's bill within one billing cycle
 22 of the generation of the energy by the community energy facility.

23 **Sec. 42.05.731. Authority and duties of the commission.** (a) The commission
 24 may modify or waive a requirement in AS 42.05.725 - 42.05.735, in whole or in part,
 25 by order. An application for modification or waiver under this section must be in
 26 writing and must set out the pertinent facts in sufficient detail to support a finding by
 27 the commission that no legitimate public interest will be served by enforcing the
 28 requirement designated in the application.

29 (b) The commission may adopt by regulation additional requirements
 30 pertaining to safety, power quality, and interconnection standards for community
 31 energy facilities if the commission considers the requirements to be necessary to

1 protect public safety and system reliability.

2 (c) The commission shall

3 (1) establish protocols to facilitate communication between utilities
4 and subscriber organizations to ensure utilities have the information necessary to
5 timely calculate and provide bill credits to subscribers;

6 (2) require a utility subject to AS 42.05.725 - 42.05.735 to modify
7 existing interconnection standards, fees, and processes when necessary to facilitate
8 cost-effective and nondiscriminatory interconnection of community energy facilities;

9 (3) permit a utility to recover reasonable costs for the administration of
10 a community energy program;

11 (4) facilitate the creation, financing, and accessibility of community
12 energy facilities, including those owned by nonutility third parties; and

13 (5) require that the construction of a community energy facility be
14 performed by employees of contractors and subcontractors who receive the current
15 prevailing rate of wages specified in the latest determination of prevailing rate of
16 wages for public construction projects issued by the Department of Labor and
17 Workforce Development under AS 36.05.010.

18 (d) Notwithstanding another provision of this chapter, the commission may
19 not consider a subscriber organization or an individual subscriber to be an electric
20 utility solely because of the subscriber's participation in a community energy facility.

21 **Sec. 42.05.735. Definitions.** In AS 42.05.725 - 42.05.735,

22 (1) "community energy facility" is a renewable energy generating
23 facility under a certificated electric utility's community energy tariff that is not
24 connected to a retail consumer's electricity meter and provides all or a portion of the
25 electrical energy requirements of the retail consumer;

26 (2) "consumer" means a customer of an electric utility described in
27 AS 42.05.725 that consumes the electricity purchased from the utility;

28 (3) "electric system" means an integrated electrical system that
29 includes, at a minimum, generation and distribution of electric energy;

30 (4) "nameplate capacity" means the maximum rated output of a
31 generator, prime mover, or other electric power production equipment under specific

1 conditions designated by the manufacturer;

2 (5) "subscriber" means an electric consumer of an electric utility who
3 owns one or more community energy facility subscriptions interconnected with the
4 utility and who

5 (A) is a residential customer of the utility; or

6 (B) is a commercial customer of the utility with an electricity
7 demand of less than 50 kilowatts per month;

8 (6) "subscriber organization" means a for-profit or nonprofit entity that
9 owns or operates one or more community energy facilities;

10 (7) "subscription" means a contract between a subscriber and a
11 subscriber organization that owns a community energy facility.

12 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 TRANSITION: REGULATIONS. Within one year after the effective date of this Act,
15 the Regulatory Commission of Alaska shall adopt regulations necessary to implement the
16 changes made by this Act.