

**CS FOR SENATE BILL NO. 217(RES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 4/30/24

Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the Regulatory Commission of Alaska; relating to regulation of**  
2 **public utilities and pipeline carriers; relating to net metering; relating to approval of**  
3 **wholesale power agreements; relating to preapproval for construction of energy**  
4 **facilities; relating to electric reliability organizations; relating to the taxation of**  
5 **independent power producers; relating to the Alaska Energy Authority; relating to the**  
6 **Railbelt Transmission Organization; and providing for an effective date."**

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

8 \* **Section 1.** AS 42.04.020(a) is amended to read:

9 (a) The commission consists of five commissioners appointed by the governor  
10 and confirmed by the legislature in joint session. To qualify for appointment as a  
11 commissioner, a person must

12 (1) be a member in good standing of the Alaska Bar Association **with**  
13 **at least five years of actual experience in the practice of law;**

1                   **(2) be a professional engineer registered under AS 08.48;** or

2                   **(3) have a degree from an accredited college or university with a major**  
 3 in [ENGINEERING,] finance, economics, accounting, business administration, or  
 4 public administration **and at least five years of actual experience in the field**  
 5 **associated with the degree.** [ACTUAL EXPERIENCE FOR A PERIOD OF FIVE  
 6 YEARS IN THE PRACTICE OF LAW OR IN THE FIELD OF ENGINEERING,  
 7 FINANCE, ECONOMICS, ACCOUNTING, BUSINESS ADMINISTRATION, OR  
 8 PUBLIC ADMINISTRATION IS EQUIVALENT TO A DEGREE.]

9       \* **Sec. 2.** AS 42.04.020(f) is amended to read:

10                   (f) Members of the commission are in the exempt service and are entitled to a  
 11 monthly salary equal to a step in **Range 29** [RANGE 27] of the salary schedule in  
 12 AS 39.27.011(a) for Juneau, Alaska. The chair of the commission is entitled to a  
 13 monthly salary equal to a step in **Range 29** [RANGE 27] of the salary schedule in  
 14 AS 39.27.011(a) for Juneau, Alaska.

15       \* **Sec. 3.** AS 42.05.254(a) is amended to read:

16                   (a) A regulated public utility or a certificated utility that provides  
 17 telecommunications services operating in the state shall pay to the commission an  
 18 annual regulatory cost charge in an amount not to exceed the maximum percentage of  
 19 adjusted gross revenue that applies to the utility sector of which the utility is a part.  
 20 The regulatory cost charges that the commission expects to collect from all regulated  
 21 utilities and certificated utilities providing telecommunications services may not  
 22 exceed the sum of the following percentages of the total adjusted gross revenue of all  
 23 regulated public utilities and certificated utilities providing telecommunications  
 24 services derived from operations in the state: (1) not more than **.98** [.7] percent to fund  
 25 the operations of the commission, and (2) not more than **.22** [.17] percent to fund  
 26 operations of the public advocacy function under AS 42.04.070(c) and  
 27 AS 44.23.020(e) within the Department of Law. An exempt utility that does not  
 28 provide telecommunications services shall pay the actual cost of services provided to  
 29 it by the commission.

30       \* **Sec. 4.** AS 42.05.381 is amended by adding a new subsection to read:

31                   (p) A determination of whether an electric utility's rate is just and reasonable

1 may consider whether the purpose of the rate is to increase diversity of supply,  
2 promote load growth, or enhance energy reliability or energy security.

3 \* **Sec. 5.** AS 42.05 is amended by adding a new section to read:

4 **Sec. 42.05.395. Net metering.** (a) A load-serving entity shall monthly credit in  
5 a tariff the account of a retail customer for the number of kilowatt-hours, at the full  
6 retail rate per kilowatt-hour, of electric energy supplied by the customer's distributed  
7 energy system to the load-serving entity. The tariff may not limit the aggregate  
8 capacity that customers may install unless the commission, after a hearing, finds that  
9 capacity limitation is necessary to protect system reliability.

10 (b) For up to seven years after a customer's distributed energy system is  
11 connected to the load-serving entity and generates power, a credit under (a) of this  
12 section that exceeds the customer's monthly bill for service will roll over to the  
13 following month and continue to roll over until used. Unused credits expire on  
14 March 31 of each year.

15 (c) The credits under (b) of this section are not available for a distributed  
16 energy system installed before July 1, 2024.

17 (d) In this section,

18 (1) "distributed energy system" means a renewable energy resource  
19 that is located on any property owned or leased by a customer within the service  
20 territory of the load-serving entity that is interconnected on the customer's side of the  
21 utility meter;

22 (2) "load-serving entity" has the meaning given in AS 42.05.790.

23 \* **Sec. 6.** AS 42.05.431(b) is amended to read:

24 (b) A wholesale power agreement between public utilities, or between a  
25 public utility and an independent power producer, is subject to advance approval  
26 of the commission. A rate set in accordance with a wholesale power agreement  
27 must reflect a tax exemption or government subsidy provided to a utility or  
28 independent power producer. After a wholesale power agreement is in effect, the  
29 commission may not invalidate any purchase or sale obligation under the agreement.  
30 However, if the commission finds that rates set in accordance with the agreement  
31 violate this subsection or are not just and reasonable, the commission may order the

1 parties to negotiate an amendment to the agreement and if the parties fail to agree, to  
 2 use the dispute resolution procedures contained in the contract. **In this subsection,**  
 3 **"independent power producer" means a person, other than a public utility, that**  
 4 **owns or operates a facility for the generation of electricity.**

5 \* **Sec. 7.** AS 42.05 is amended by adding a new section to read:

6 **Sec. 42.05.705. Preapproval for construction of energy facility.** The  
 7 commission may not require preapproval under this chapter for construction of an  
 8 energy facility that is

9 (1) an electric power generating plant or combination of plants at a  
 10 single site with a combined capacity of less than 15,000 kilowatts; or

11 (2) an energy storage device or combination of devices at a single site  
 12 with a combined capacity of less than 15,000 kilowatts.

13 \* **Sec. 8.** AS 42.05.762 is amended to read:

14 **Sec. 42.05.762. Duties of an electric reliability organization.** An electric  
 15 reliability organization shall

16 (1) develop reliability standards that provide for an adequate level of  
 17 reliability of an interconnected electric energy transmission network;

18 (2) develop integrated resource plans under AS 42.05.780(a);

19 (3) establish rules to

20 (A) ensure that the directors of the electric reliability  
 21 organization and the electric reliability organization act independently from  
 22 users, owners, and operators of the interconnected electric energy transmission  
 23 network;

24 (B) equitably allocate reasonable dues, fees, and other charges  
 25 among all load-serving entities connected to the interconnected electric energy  
 26 transmission network for all activities under AS 42.05.760 - 42.05.790;

27 (C) provide fair and impartial procedures for the enforcement  
 28 of reliability standards;

29 (D) provide for reasonable notice and opportunity for public  
 30 comment, due process, openness, and balancing of interests in exercising its  
 31 duties; [AND]

1 (4) be governed by a board that

2 (A) includes as nonvoting members the chair of the  
3 commission or the chair's designee and the attorney general or the attorney  
4 general's designee; and

5 (B) is formed as

6 (i) an independent board;

7 (ii) a balanced stakeholder board; or

8 (iii) a combination independent and balanced  
9 stakeholder board; **and**

10 **(5) prioritize the reliability and stability of the interconnected**  
11 **bulk-electric system served by the electric reliability organization while**  
12 **considering cost to the consumer.**

13 \* **Sec. 9.** AS 42.05.770 is amended to read:

14 **Sec. 42.05.770. Regulations.** The commission shall adopt regulations  
15 governing electric reliability organizations, reliability standards, and modifications to  
16 reliability standards consistent with this section. Regulations under AS 42.05.760 -  
17 42.05.790 must

18 (1) require that an electric reliability organization's tariff include

19 [(A) STANDARDS FOR] nondiscriminatory **standards for**  
20 [OPEN ACCESS TRANSMISSION AND] interconnection;

21 [(B) STANDARDS FOR TRANSMISSION SYSTEM COST  
22 RECOVERY;]

23 (2) provide a process to identify and resolve conflicts between a  
24 reliability standard and a function, rule, tariff, rate schedule, or agreement that has  
25 been accepted, approved, adopted, or ordered by the commission;

26 (3) allow an electric reliability organization to recover its costs through  
27 surcharges added to the rate for each participating load-serving entity.

28 \* **Sec. 10.** AS 42.05.772 is amended by adding a new subsection to read:

29 (b) A load-serving entity, including a load-serving entity otherwise exempt  
30 from regulation under this chapter, in an interconnected bulk-electric system served by  
31 an electric reliability organization shall adhere to the electric reliability organization's

1 reliability standards and coordinate with the electric reliability organization and, if  
 2 applicable, the Railbelt Transmission Organization to integrate the electric reliability  
 3 organization's reliability standards into operational procedures.

4 \* **Sec. 11.** AS 42.05.790 is amended by adding new paragraphs to read:

5 (8) "Railbelt" has the meaning given in AS 44.83.750;

6 (9) "Railbelt Transmission Organization" means the transmission  
 7 organization established by AS 44.83.700.

8 \* **Sec. 12.** AS 42.06.286(a) is amended to read:

9 (a) A pipeline carrier operating in the state shall pay to the commission an  
 10 annual regulatory cost charge in an amount not to exceed the sum of the following  
 11 percentages of gross revenue derived from operations in the state: (1) not more than  
 12 .98 [.7] percent to fund the operations of the commission, and (2) not more than .22  
 13 [.17] percent to fund operations of the public advocacy function under  
 14 AS 42.04.070(c) and AS 44.23.020(e) within the Department of Law. A regulatory  
 15 cost charge may not be assessed on pipeline carrier operations unless the operations  
 16 are within the jurisdiction of the commission.

17 \* **Sec. 13.** AS 43.98 is amended by adding a new section to read:

18 **Article 2A. Taxation of Independent Power Producers.**

19 **Sec. 43.98.100. Taxation of independent power producers.** (a) An  
 20 independent power producer is not subject to state and local ad valorem, income, and  
 21 excise taxes if the independent power producer only sells

22 (1) wholesale power; and

23 (2) to cooperative or municipal utilities.

24 (b) In this section,

25 (1) "independent power producer" means a person, other than a public  
 26 utility, that owns or operates a facility for the generation of electricity;

27 (2) "public utility" and "utility" have the meaning given in  
 28 AS 42.05.990.

29 \* **Sec. 14.** AS 44.83.030 is amended to read:

30 **Sec. 44.83.030. Membership of the authority.** The members of the board of  
 31 directors of the authority [ALASKA ENERGY AUTHORITY] are

- 1                   **(1) the commissioner of revenue;**  
 2                   **(2) the commissioner of commerce, community, and economic**  
 3 **development; and**  
 4                   **(3) six public members appointed by the governor as follows:**  
 5                         **(A) one member with expertise or experience in managing**  
 6 **or operating an electric utility that is not connected to an interconnected**  
 7 **electric energy transmission network as defined in AS 42.05.790;**  
 8                         **(B) one member with expertise or experience in developing**  
 9 **energy projects in rural communities;**  
 10                        **(C) one member with expertise or experience in managing**  
 11 **or operating an electric utility connected to an interconnected electric**  
 12 **energy transmission network as defined in AS 42.05.790;**  
 13                        **(D) one member with financial expertise in large power**  
 14 **generation project development; and**  
 15                        **(E) two members with expertise or experience in finance,**  
 16 **energy policy, energy technology, engineering, law, or economics** [THE  
 17 MEMBERS OF THE ALASKA INDUSTRIAL DEVELOPMENT AND  
 18 EXPORT AUTHORITY].

19 \* **Sec. 15.** AS 44.83.030 is amended by adding new subsections to read:

20                   (b) If the commissioner described in (a)(1) or (a)(2) of this section is unable to  
 21 attend a meeting of the authority, the commissioner may, by an instrument in writing  
 22 filed with the authority, designate a deputy or director to act in the commissioner's  
 23 place as a member of the board at the meeting. For all purposes of this chapter, the  
 24 designee is a member of the board at the meeting.

25                   (c) Public board members described in (a)(3) of this section serve for three-  
 26 year terms.

27                   (d) If a vacancy occurs in the membership of the board, the governor shall  
 28 immediately appoint a member for the unexpired portion of the term.

29 \* **Sec. 16.** AS 44.83.040(a) is amended to read:

30                   (a) The **board of directors of the authority shall elect a** chair and vice-chair  
 31 **every two years from among its members** [OF THE ALASKA INDUSTRIAL

1 DEVELOPMENT AND EXPORT AUTHORITY SHALL SERVE AS OFFICERS  
 2 OF THE ALASKA ENERGY AUTHORITY]. The powers of the **authority**  
 3 [ALASKA ENERGY AUTHORITY] are vested in the **board of** directors, and **five**  
 4 **board members** [FOUR DIRECTORS OF THE AUTHORITY] constitute a quorum.  
 5 Action may be taken and motions and resolutions adopted by the **authority**  
 6 [ALASKA ENERGY AUTHORITY] at a meeting by the affirmative vote of **at least**  
 7 **five board members** [A MAJORITY OF THE DIRECTORS]. The **members of the**  
 8 **board of** directors of the **authority** [ALASKA ENERGY AUTHORITY] serve  
 9 without compensation, but they shall receive the same travel pay and per diem as  
 10 provided by law for board members under AS 39.20.180.

11 \* **Sec. 17.** AS 44.83.080 is amended to read:

12 **Sec. 44.83.080. Powers of the authority.** In furtherance of its corporate  
 13 purposes, the authority has the following powers in addition to its other powers:

- 14 (1) to sue and be sued;
- 15 (2) to have a seal and alter it at pleasure;
- 16 (3) to make and alter bylaws for its organization and internal  
 17 management;
- 18 (4) to adopt regulations governing the exercise of its corporate powers;
- 19 (5) to improve, equip, operate, and maintain power projects and bulk  
 20 fuel, waste energy, energy conservation, energy efficiency, and alternative energy  
 21 facilities and equipment;
- 22 (6) to issue bonds to carry out any of its corporate purposes and  
 23 powers, including the establishment or increase of reserves to secure or to pay the  
 24 bonds or interest on them, and the payment of all other costs or expenses of the  
 25 authority incident to and necessary or convenient to carry out its corporate purposes  
 26 and powers;
- 27 (7) to sell, lease as lessor or lessee, exchange, donate, convey, or  
 28 encumber in any manner by mortgage or by creation of any other security interest, real  
 29 or personal property owned by it, or in which it has an interest, when, in the judgment  
 30 of the authority, the action is in furtherance of its corporate purposes;
- 31 (8) to accept gifts, grants, or loans from, and enter into contracts or

1 other transactions regarding them, with any person;

2 (9) to deposit or invest its funds, subject to agreements with  
3 bondholders;

4 (10) to enter into contracts with the United States or any person and,  
5 subject to the laws of the United States and subject to concurrence of the legislature,  
6 with a foreign country or its agencies, for the construction, financing, operation, and  
7 maintenance of all or any part of a power project or bulk fuel, waste energy, energy  
8 conservation, energy efficiency, or alternative energy facilities or equipment, either  
9 inside or outside the state, and for the sale or transmission of power from a project or  
10 any right to the capacity of it or for the security of any bonds of the authority issued or  
11 to be issued for the project;

12 (11) to enter into contracts with any person and with the United States  
13 and, subject to the laws of the United States and subject to the concurrence of the  
14 legislature, with a foreign country or its agencies for the purchase, sale, exchange,  
15 transmission, or use of power from a project, or any right to the capacity of it;

16 (12) to apply to the appropriate agencies of the state, the United States,  
17 and a foreign country and any other proper agency for the permits, licenses, or  
18 approvals as may be necessary, to acquire, construct, maintain, and operate power  
19 projects in accordance with the licenses or permits, and to obtain, hold, and use the  
20 licenses and permits in the same manner as any other person or operating unit;

21 (13) to enter into contracts or agreements with respect to the exercise  
22 of any of its powers, and do all things necessary or convenient to carry out its  
23 corporate purposes and exercise the powers granted in this chapter;

24 (14) to recommend to the legislature

25 (A) the pledge of the credit of the state to guarantee repayment  
26 of all or any portion of revenue bonds issued to assist in construction of power  
27 projects;

28 (B) an appropriation from the general fund

29 (i) for debt service on bonds or other project purposes;

30 or

31 (ii) to reduce the amount of debt financing for the

1 project;

2 (15) to carry out the powers and duties assigned to it under AS 42.45  
3 **and AS 44.83.700 - 44.83.750;**

4 (16) to make grants or loans to any person and enter into contracts or  
5 other transactions regarding the grants or loans;

6 (17) to promote energy conservation, energy efficiency, and alternative  
7 energy through training and public education;

8 (18) to acquire a Susitna River power project, whether by construction,  
9 purchase, gift, or lease, including the acquisition of property rights and interests by  
10 eminent domain under AS 09;

11 (19) to perform feasibility studies and engineering and design with  
12 respect to power projects;

13 **(20) to acquire energy storage systems, whether by direct**  
14 **ownership, purchase, grant, gift, or lease.**

15 \* **Sec. 18.** AS 44.83 is amended by adding new sections to read:

16 **Article 5A. Railbelt Transmission Organization.**

17 **Sec. 44.83.700. Railbelt Transmission Organization.** (a) The Railbelt  
18 Transmission Organization is established for the purpose of overseeing, managing,  
19 and developing the backbone transmission system serving the Railbelt and conducting  
20 strategic planning to enhance the future transfer capabilities, resilience, reliability, and  
21 efficiency of the backbone transmission system. For administrative purposes, the  
22 transmission organization is in the Alaska Energy Authority.

23 (b) The governance structure for the transmission organization must

24 (1) provide for oversight of the transmission organization by a  
25 management committee that is made up of

26 (A) representatives from each of the Railbelt utilities;

27 (B) the executive director of the authority;

28 (C) the chief executive officer of the applicable electric  
29 reliability organization, or the chief executive officer's designee;

30 (D) an individual, appointed by the governor, who represents a  
31 person, other than a public utility, that owns or operates a facility for the

1 generation of electricity; and

2 (E) an individual, appointed by the governor, who represents a  
3 labor organization engaged in collective bargaining with a Railbelt utility;

4 (2) include a conflict resolution process; and

5 (3) facilitate substantial public participation in the operations of the  
6 transmission organization.

7 (c) The provisions of AS 44.83.700 - 44.83.750 do not limit, extend, or  
8 otherwise alter the rights and obligations as provided in AS 42.05.221 - 42.05.281 of a  
9 public utility that is certificated under AS 42.05.221.

10 **Sec. 44.83.710. Powers and duties.** (a) The transmission organization shall

11 (1) manage backbone transmission assets;

12 (2) follow reliability standards developed by the applicable electric  
13 reliability organization;

14 (3) ensure the safe, resilient, reliable, efficient, and economical  
15 operation and development of the backbone transmission system;

16 (4) preserve nondiscriminatory open access to the backbone  
17 transmission system subject to legitimate technical constraints and congestion;

18 (5) maintain the capacity rights of legacy transmission owners to  
19 access firm load and legacy generation resources served by the backbone transmission  
20 system;

21 (6) perform integrated transmission planning under AS 44.83.730;

22 (7) purchase, lease, or otherwise acquire effective operational control  
23 of backbone transmission assets;

24 (8) subject to the approval of the commission, establish tariffs related  
25 to the backbone transmission system under AS 44.83.720.

26 (b) The transmission organization may

27 (1) construct, own, and operate new backbone transmission assets; and

28 (2) enter into contracts, agreements, and partnerships that enhance  
29 safety, resiliency, reliability, and efficiency of the backbone transmission system.

30 (c) The transmission organization may not exchange, donate, sell, or otherwise  
31 convey a backbone transmission asset owned by the transmission organization without

1 approval of the legislature in advance of the effective date of the conveyance.

2 (d) The transmission organization shall ensure that work performed on new  
3 construction and maintenance of backbone transmission assets controlled by the  
4 transmission organization is prioritized to give first preference to the Railbelt utility  
5 that serves the area in which the work is performed. The transmission organization  
6 shall compensate the utility for reasonable and necessary expenses the utility incurs in  
7 performing the work. The work must be performed subject to the terms and conditions  
8 of any existing collective bargaining agreements.

9 (e) The transmission organization may adopt regulations necessary to  
10 implement AS 44.83.710 - 44.83.750.

11 **Sec. 44.83.720. Revenue mechanism.** (a) The transmission organization shall  
12 hold and administer a commission-approved open access transmission tariff that  
13 ensures nondiscriminatory access to the backbone transmission system.

14 (b) The transmission organization shall adopt a commission-approved  
15 transmission cost recovery methodology that ensures the reliability and sufficient  
16 capacity of the backbone transmission system to support and promote state and  
17 regional energy policies and a rigorous, dynamic economy.

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

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

23 (2) account for

24 (A) required backbone transmission system ancillary services;

25 (B) backbone transmission system congestion; and

26 (C) disruptions to the backbone transmission system that result  
27 in the isolation of one geographical area of the backbone transmission system  
28 from another for more than 24 hours.

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

31 (e) Notwithstanding AS 44.83.090(b), the transmission organization is subject

1 to the jurisdiction of the commission for the purpose of this section. The commission  
 2 shall adopt regulations under AS 44.62 (Administrative Procedure Act) necessary to  
 3 implement this section.

4 **Sec. 44.83.730. Integrated transmission planning.** (a) At least once every 10  
 5 years, the transmission organization shall, in consultation with stakeholders, create and  
 6 review an integrated transmission plan for the backbone transmission system.

7 (b) The integrated transmission plan must set clear goals and articulate the  
 8 strategic trajectory, operational blueprint, capital improvement funding requirements,  
 9 and developmental outlook for the backbone transmission system, considering  
 10 regulatory and legal frameworks, projected load growth, technological advancement,  
 11 fuel supply projections, generation plans, safety, resiliency, reliability, efficiency, and  
 12 economic impacts. The integrated transmission plan must analyze performance on and  
 13 alignment with prior integrated transmission plans.

14 (c) The transmission organization shall seek feedback and input from the  
 15 public throughout the integrated transmission plan development process to ensure that  
 16 the plan reflects a broad range of perspectives and addresses community and industry  
 17 concerns. When the integrated transmission plan is complete, the transmission  
 18 organization shall publish the plan on the Alaska Energy Authority's Internet website.

19 **Sec. 44.83.740. Transfer management of assets.** (a) To achieve the integrated  
 20 and streamlined governance of the backbone transmission system, the commission  
 21 shall, on or before July 1, 2025, determine which assets are backbone transmission  
 22 assets, and the Railbelt utilities shall transfer management of those assets to the  
 23 transmission organization on or before July 1, 2026.

24 (b) The transmission organization shall manage the backbone transmission  
 25 assets identified under (a) of this section that are owned or managed by the authority.

26 (c) A Railbelt utility shall pay penalties as determined by the commission for  
 27 failure to transfer management of backbone transmission assets to the transmission  
 28 organization as required under this section. The commission shall adopt regulations  
 29 under AS 44.62 (Administrative Procedure Act) necessary to implement this  
 30 subsection, including defining by regulation the term "backbone transmission asset."

31 **Sec. 44.83.750. Definitions.** In AS 44.83.700 - 44.83.750,

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

6 (2) "commission" means the Regulatory Commission of Alaska;

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

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

11 (5) "transmission organization" means the Railbelt Transmission  
12 Organization established by AS 44.83.700.

13 \* **Sec. 19.** The uncodified law of the State of Alaska is amended by adding a new section to  
14 read:

15 TRANSITION: AGREEMENT BETWEEN ALASKA ENERGY AUTHORITY  
16 AND RAILBELT UTILITIES. To ensure the successful implementation of AS 44.83.700 -  
17 44.83.750, added by sec. 18 of this Act, on or before July 1, 2025, the Alaska Energy  
18 Authority and the Railbelt utilities, as defined in AS 44.83.750, added by sec. 18 of this Act,  
19 shall develop an agreement to implement AS 44.83.700 - 44.83.750, added by sec. 18 of this  
20 Act. The agreement must establish

21 (1) a governance structure for the Railbelt Transmission Organization  
22 established under AS 44.83.700, added by sec. 18 of this Act, that is modeled after the  
23 governance structure of the Bradley Lake Hydroelectric Project, as outlined in the Bradley  
24 Lake Power Sales Agreement, including the creation, duties, and methods of the Bradley Lake  
25 Project Management Committee, dispute resolution, budgeting, financing, and delegation of  
26 operations, with any adjustments the parties to the agreement determine are necessary to  
27 accommodate the requirements of AS 44.83.700 - 44.83.750, added by sec. 18 of this Act; and

28 (2) a backbone transmission system revenue mechanism under AS 44.83.720,  
29 added by sec. 18 of this Act, that is modeled after the provisions governing transmission cost  
30 allocation and recovery in 16 Texas Administrative Code 25.192, as it reads on the effective  
31 date of this section, with modifications as necessary.

1     \* **Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to  
2 read:

3           TRANSITION: INITIAL INTEGRATED TRANSMISSION PLAN AND CAPITAL  
4 IMPROVEMENT PROGRAM. The Alaska Energy Authority shall immediately assume the  
5 integrated transmission planning duties under AS 44.83.730, added by sec. 18 of this Act,  
6 develop an initial integrated transmission plan as soon as practicable, and begin execution of a  
7 five-year transmission capital improvement program based on the plan as soon as practicable.  
8 The authority shall transfer the responsibility for the plan and program to the Railbelt  
9 Transmission Organization established under AS 44.83.700, added by sec. 18 of this Act,  
10 after the agreement establishing the governance structure of the organization under sec. 19 of  
11 this Act has been executed.

12     \* **Sec. 21.** The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14           TRANSITION: REGULATORY COMMISSION OF ALASKA MEMBERS. An  
15 individual who is a member of the Regulatory Commission of Alaska on the day before the  
16 effective date of sec. 1 of this Act continues to serve on the Regulatory Commission of Alaska  
17 until the member's term expires and a successor is appointed and qualified. The governor shall  
18 make appointments for vacancies that occur on or after the effective date of sec. 1 of this Act  
19 in accordance with AS 42.04.020(a), as amended by sec. 1 of this Act.

20     \* **Sec. 22.** The uncodified law of the State of Alaska is amended by adding a new section to  
21 read:

22           TRANSITION: ALASKA ENERGY AUTHORITY BOARD MEMBERS.  
23 Notwithstanding AS 44.83.030(c), added by sec. 15 of this Act, the governor shall appoint  
24 two public members of the initial Alaska Energy Authority board of directors to one-year  
25 terms, two public members to two-year terms, and two public members to three-year terms.

26     \* **Sec. 23.** Sections 19 and 20 of this Act take effect immediately under AS 01.10.070(c).

27     \* **Sec. 24.** Except as provided in sec. 23 of this Act, this Act takes effect July 1, 2024.