

HOUSE JOURNAL
ALASKA STATE LEGISLATURE
THIRTY-THIRD LEGISLATURE
SECOND SESSION

Juneau, Alaska

Friday

February 2, 2024

Eighteenth Day

Pursuant to adjournment the House was called to order by Speaker Tilton at 11:06 a.m.

Roll call showed 39 members present.

Representative Saddler moved and asked unanimous consent that Representative Cronk be excused from a call of the House today. There being no objection, it was so ordered.

The invocation was offered by the Chaplain, Pastor Trenton Cooper of Glacier Valley Baptist Church. Representative Vance moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

With the deepest respect for all people including those with differing beliefs, I invite you into a time of prayer and reflection:

Psalms 1 tells us, How blessed is the man who does not walk in the counsel of the wicked, nor stand in the path of sinners, nor sit in the seat of scoffers! But his delight is in the law of the Lord, and in his law he meditates day and night. He will be like a tree firmly planted by streams of water, which yields its fruit in its season and its leaf does not wither; and in whatever he does, he prospers.

My prayer for these leaders of our state is that they find wisdom and guidance from your word as they lead our state.

May their decisions and deliberations be for the good of all people. I know you desire good for all people because I know you love all of those whom you have created.

Your greatest display of love for us was through what you accomplished in Jesus on the cross. *You made him who knew no sin, to be sin on our behalf so that we might become the righteousness of God,* (2 Corinthians 5:21). Thank you for this sacrificial love and I pray that all may come to experience this love and grace through faith in you.

It is in my Lord and Savior, Jesus Christ's name that I pray. Amen.

The Pledge of Allegiance was led by Representative McCormick.

CERTIFICATION OF THE JOURNAL

Representative Saddler moved and asked unanimous consent that the journal for the 16th and 17th legislative days, House Journal Supplement No. 7, and House and Senate Joint Journal Supplement No. 12 be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

COMMUNICATIONS

The following were received:

Alaska Industrial Development & Export Authority
Interior Energy Project
Quarterly Report to the Alaska State Legislature
January 31, 2024
www.interiorenergyproject.com
(as required by Chapter No. 39, SLA 2015)

Dept. of Commerce, Community, & Economic Development
Alaska Regional Development Organizations
FY 2023 Annual Report
(as required by AS 44.33.896)

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Dept. of Natural Resources
Carbon Offset Program
2023 Annual Report
February 1, 2024
(as required by AS 38.95.450)

Dept. of Natural Resources
Division of Oil and Gas
5-Year Program of Proposed Oil and Gas Lease Sales &
Gas-Only Lease Sales
February 1, 2024
(as required by AS 38.05.180)

REPORTS OF STANDING COMMITTEES

HB 63

The Judiciary Committee considered:

HOUSE BILL NO. 63

"An Act repealing the Workers' Compensation Appeals Commission; relating to decisions and orders of the Workers' Compensation Appeals Commission; relating to superior court jurisdiction over appeals from Alaska Workers' Compensation Board decisions; repealing Rules 201.1, 401.1, and 501.1, Alaska Rules of Appellate Procedure, and amending Rules 202(a), 204(a) - (c), 210(e), 601(b), 602(c) and (h), and 603(a), Alaska Rules of Appellate Procedure; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 63(JUD)
(same title)

The report was signed by Representative Vance, Chair, with the following individual recommendations:

No recommendation (7): Gray, Carpenter, Groh, Sumner, Allard, C. Johnson, Vance

The following fiscal note(s) apply to CSHB 63(JUD):

2. Zero, Alaska Judiciary System
3. Fiscal, Dept. of Labor & Workforce Development

HB 63 was referred to the Finance committee.

HB 88

The Judiciary Committee considered:

HOUSE BILL NO. 88

"An Act relating to work quotas for employees at warehouse distribution centers; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 88(L&C)
(same title)

The report was signed by Representative Vance, Chair, with the following individual recommendations:

Do pass (6): C. Johnson, Gray, Carpenter, Sumner, Groh, Vance

No recommendation (1): Allard

The following fiscal note(s) apply to CSHB 88(L&C):

2. Zero, Dept. of Labor & Workforce Development

HB 88 was referred to the Rules Committee.

HB 100

The Labor & Commerce Committee considered:

HOUSE BILL NO. 100

"An Act relating to teacher and public employee leave."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 100(L&C)
"An Act relating to family leave."

The report was signed by Representative Sumner, Chair, with the following individual recommendations:

Do pass (4): Carrick, Fields, Wright, Sumner

No recommendation (3): Saddler, Prax, Ruffridge

The following fiscal note(s) apply to CSHB 100(L&C):

1. Zero, Dept. of Administration
2. Zero, Office of the Governor/Various Depts.
3. Fiscal, Dept. of Administration

HB 100 was referred to the Education Committee.

HB 159

The Labor & Commerce considered:

HOUSE BILL NO. 159

"An Act relating to registered interior designers and interior design; establishing requirements for the practice of registered interior design; renaming the State Board of Registration for Architects, Engineers, and Land Surveyors the State Board of Registration for Design Professionals; relating to the State Board of Registration for Design Professionals; relating to liens for labor or materials furnished; relating to the procurement of interior design services; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 159(L&C)

"An Act relating to registered interior designers and interior design; establishing requirements for the practice of registered interior design; relating to the State Board of Registration for Architects, Engineers, and Land Surveyors; relating to liens for labor or materials furnished; relating to the procurement of interior design services; and providing for an effective date."

The report was signed by Representative Sumner, Chair, with the following individual recommendations:

Do pass (2): Wright, Sumner

No recommendation (4): Carrick, Fields, Prax, Ruffridge

Amend (1): Saddler

The following fiscal note(s) apply to CSHB 159(L&C):

1. Fiscal, Dept. of Commerce, Community, & Economic Development

HB 159 was referred to the Finance Committee.

REPORTS OF SPECIAL COMMITTEES

HB 229

The House Special Committee on Military & Veterans' Affairs Committee considered:

HOUSE BILL NO. 229

"An Act establishing Alaska Veterans' Poppy Day; and providing for an effective date."

The report was signed by Representative Wright, Chair, with the following individual recommendations:

Do pass (7): Gray, Saddler, Rauscher, Shaw, Carpenter, Groh, Wright

The following fiscal note(s) apply:

1. Zero, Office of the Governor/Combined

HB 229 was referred to the Rules Committee

INTRODUCTION, FIRST READING, AND REFERENCE OF HOUSE BILLS

HB 305

HOUSE BILL NO. 305 by Representative Carrick, entitled:

"An Act relating to vehicle weight limits; and providing for an effective date."

was read the first time and referred to the Transportation Committee.

HB 306

HOUSE BILL NO. 306 by the House State Affairs Committee by request, entitled:

"An Act relating to artificial intelligence; requiring disclosure of deepfakes in campaign communications; relating to cybersecurity; and relating to data privacy."

was read the first time and referred to the State Affairs and Judiciary Committees.

HB 307

HOUSE BILL NO. 307 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to the taxation of independent power producers; and increasing the efficiency of integrated transmission system charges and use for the benefit of ratepayers."

was read the first time and referred to the Finance Committee.

The following fiscal note(s) apply:

1. Zero, Dept. of Commerce, Community, & Economic Development
2. Fiscal, Dept. of Commerce, Community, & Economic Development

The Governor's transmittal letter dated February 1 follows:

"Dear Speaker Tilton:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill to increase competition and reduce costs for the benefit of electricity ratepayers in Alaska. The bill

has two sections. The first eliminates the current use of per-unit wholesale transmission charges, eliminates pancaked rates, and fairly recovers from load-serving entities the actual, reasonable costs to own and operate an integrated transmission system. The second reduces barriers to independent power producers who seek to provide cost-effective power to ratepayers by offering them the same tax treatment that cooperative and municipal electric utilities enjoy. Both measures reduce artificial barriers to new projects that can otherwise deliver benefits to Alaska consumers.

This bill would change the current mechanism of transmission cost recovery in the Railbelt. Transmission "wheeling" rates for the inter-utility movement of electricity would be eliminated. Such per-megawatt hour transmission charges unnecessarily burden efficient wholesale power transactions and can prevent new cost-effective generation projects from happening altogether. Instead, each load-serving entity would periodically pay for a portion of the total integrated transmission system costs on a lump-sum basis, without consideration for the inter-utility movement of power. Load-serving entities would then recover the cost of that payment by allocating it to their native load customers according to their own separate and existing rate designs.

This bill also includes the intent to fully compensate transmission-owning entities for the reasonable costs to own and operate transmission assets, with costs fairly apportioned between the utilities that serve end-use customers. The bill thereby removes any risk of inadequate or overly generous transmission cost recovery.

The new transmission mechanism would also, by its nature, reduce barriers to construction of new and needed transmission assets. Currently, any new transmission asset sparks debate: who should pay how much? This bill would ensure that question is resolved through a pre-existing mechanism, thereby reducing that important hurdle. An integrated resources planning process, already required by law for integrated transmission systems, will help determine the new transmission assets that are most needed.

The bill accomplishes the above by requiring the Regulatory Commission of Alaska (RCA) to develop a cost recovery mechanism

that achieves the legislative findings and allocates transmission costs in a manner that recognizes a load-serving entity's local consumption compared with the total consumption on the integrated transmission system as a whole. It also requires the RCA to establish a process to gradually transition from the current to the new transmission cost recovery mechanism. This gradual transition will reduce any sudden impact of the change for all parties.

This bill also clarifies which type of electric utility assets are deemed to be "transmission assets" and will be subject to the cost-recovery mechanism. This would include the Alaska Energy Authority's contractual charges for transmission to the Railbelt utilities but exclude any new radial transmission lines that are built to connect independent power producers, who then sell their power to utilities under wholesale contracts. The cost of such radial lines will instead continue to be recovered in the cost of power provided, as is customary. This definition ensures that a load-serving entity that is not buying power from the independent power producer is not forced to shoulder the cost of connecting that power to the grid.

The bill would also amend AS 10.25.540(b) to extend its tax relief provisions to independent power producers (IPPs) who sell their power to non-profit electric utilities. Taxes are currently a large portion of the overall cost structure for IPPs. The process of negotiating project-enabling tax relief can and does delay project development, sometimes for years, and can stifle project development altogether.

Extending to IPPs the tax relief that non-profit utilities already enjoy benefits ratepayers by ensuring that taxes are not included in the rates that they pay, regardless of the entity that generates their power. Ratepayers will see lower costs by encouraging competition in who can develop electricity generation projects.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Mike Dunleavy
Governor"

CONSIDERATION OF THE DAILY CALENDAR**THIRD READING OF HOUSE BILLS****HB 129**

The following, which was advanced to third reading from the January 31 calendar (page 1409), was read the third time:

CS FOR HOUSE BILL NO. 129(JUD)

"An Act relating to voter registration; and providing for an effective date."

The question being: "Shall CSHB 129(JUD) pass the House?" The roll was taken with the following result:

CSHB 129(JUD)

Third Reading

Final Passage

YEAS: 33 NAYS: 6 EXCUSED: 1 ABSENT: 0

Yeas: Allard, Armstrong, Baker, Carpenter, Carrick, Coulombe, Dibert, Eastman, Edgmon, Foster, Gray, Groh, Himschoot, C.Johnson, D.Johnson, McCabe, McKay, Mina, Ortiz, Prax, Rauscher, Ruffridge, Saddler, Schrage, Shaw, Stapp, Story, Stutes, Sumner, Tilton, Tomaszewski, Vance, Wright

Nays: Fields, Galvin, Hannan, Josephson, McCormick, Mears

Excused: Cronk

And so, CSHB 129(JUD) passed the House.

Representative Saddler moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. There being no objection, it was so ordered.

CSHB 129(JUD) was referred to the Chief Clerk for engrossment.

UNFINISHED BUSINESS

Representative Saddler moved and asked unanimous consent that the following member be excused from a call of the House. There being no objection, the member was excused as noted:

Representative Mears – from 7:00 p.m., February 2 to 10:00 p.m., February 4

HB 243

The Speaker added a Finance Committee referral for the following:

HOUSE BILL NO. 243

"An Act reducing the draw permit application fee for bison to \$5; and providing for an effective date."

HB 243 was referred to the Finance Committee.

HB 228

The Speaker removed the Health & Social Services Committee referral and added a House Special Committee on Military & Veterans' Affairs referral for the following:

HOUSE BILL NO. 228

"An Act establishing the Alaska mental health and psychedelic medicine task force; and providing for an effective date."

HB 228 was referred to the House Special Committee on Military & Veterans' Affairs with further referrals to the State Affairs and Finance Committees.

HB 100

The Speaker removed the Education Committee referral and added a Finance Committee referral for the following:

HOUSE BILL NO. 100

"An Act relating to teacher and public employee leave."

HB 100 was referred to the Finance Committee.

HB 302

The Speaker changed the order of the committee referrals for the following:

HOUSE BILL NO. 302

"An Act relating to supplemental employee benefits; relating to

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retirement benefits of peace officers and firefighters hired after June 30, 2006; and providing for an effective date."

HB 302 was referred to the State Affairs Committee with further referrals to the Labor & Commerce and Finance Committees.

HB 231

Representatives Rauscher and Mina added as cosponsors to:

HOUSE BILL NO. 231

"An Act relating to notice requirements allowing museums to acquire title to undocumented property."

ENGROSSMENT

HB 129

CSHB 129(JUD) was engrossed, signed by the Speaker and Chief Clerk, and transmitted to the Senate for consideration.

ANNOUNCEMENTS

House committee schedules are published under separate cover.

The following meeting today was changed:

Judiciary Committee

CANCELED

ADJOURNMENT

Representative Saddler moved and asked unanimous consent that the House adjourn until 11:00 a.m., February 5. There being no objection, the House adjourned at 12:13 p.m.

Crystaline Jones
Chief Clerk