

SENATE JOURNAL
ALASKA STATE LEGISLATURE
THIRTY-THIRD LEGISLATURE
SECOND SESSION

Juneau, Alaska

Friday

February 2, 2024

Eighteenth Day

Pursuant to adjournment the Senate was called to order by President Stevens at 10:35 a.m.

The roll showed eighteen members present. Senator Bishop was excused from a call of the Senate. Senator Claman was absent.

The prayer was offered by the Chaplain, Pastor Kermit Wilson, Safe Harbor Church. Senator Hoffman moved and asked unanimous consent the prayer be spread. Without objection, it was so ordered.

Heavenly Father,

Thank You for another week of life and work. We have worked together this week with the best of intentions. We have made important decisions that no doubt will impact our fellow Alaskans. Almighty God I ask that these decisions and actions result in goodness. I ask You to bless the work of this past week and the weeks to come to have the best outcomes for Alaska.

Please come upon today as we finish this week's work. May wisdom, justice, grace, and love for our fellow Alaskans motivate and guide us in today's work.

And Father, I ask for peace and rest for the weekend ahead. I hope for joy and laughter with our friends and family. I ask for renewed strength and conviction for the continued work ahead.

I leave all of this into your keeping and say yes.

Amen.

Senator Kawasaki led the Senate in the Pledge of Allegiance.

Senator Giessel moved and asked unanimous consent Senator Claman be excused from a call of the Senate today. Without objection, Senator Claman was excused.

Certification

Senator Giessel moved and asked unanimous consent the journals for the sixteenth and seventeenth legislative days, Senate Journal Supplement No. 7 and House and Senate Joint Journal Supplement No. 12 be approved as certified by the Secretary. Without objection, it was so ordered.

Communications

The following reports are on file in the Office of the Secretary of the Senate:

Alaska Municipal Bond Bank Authority
FY 2023 Reserve Fund Certification
January 19, 2024
in accordance with AS 44.85.270

Department of Natural Resources
Division of Oil and Gas
5-year Program of Proposed Oil and Gas Lease Sales
2022 and 2023
in accordance with AS 38.05.180

Alaska Court System
Compensation and Travel Report for 2023
January 26, 2024
in accordance with AS 22.20.037

Department of Commerce, Community, and Economic Development
Division of Investments
Combined Annual State Loan, Reinstatements and Fisheries
Enhancement Term Extension Report
in accordance with AS 37.05.035 and AS 16.10.510

University of Alaska Fairbanks
Kodiak Seafood and Marine Science Center
College of Fisheries and Ocean Sciences
Annual Report FY 2023
in accordance with AS 16.52.050

Department of Transportation and Public Facilities
Alaska Marine Highway System
Annual Financial Report for Fiscal Year 2023
in accordance with AS 19.65.070

Introduction and Reference of Senate Bills

SB 217

SENATE BILL NO. 217 BY THE SENATE 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 Resources, Labor and Commerce and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Commerce, Community,
and Economic Development

Fiscal Note No. 2, Department of Commerce, Community,
and Economic Development

Governor's transmittal letter dated February 1:

Dear President Stevens:

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 Calendar

Second Reading of Senate Bills

SB 129

SENATE BILL NO. 129 "An Act naming the Matt Glover Bike Path" was read the second time.

President Stevens stated SENATE BILL NO. 129 will advance to third reading on the February 5 calendar.

Unfinished Business

Reconsideration of Senate Bills

SB 88

Senator Hoffman requested the reconsideration on CS FOR SENATE BILL NO. 88(FIN) be taken up. The bill was before the Senate on reconsideration.

The question to be reconsidered: "Shall CS FOR SENATE BILL NO. 88(FIN) "An Act relating to the Public Employees' Retirement System of Alaska and the teachers' retirement system; providing certain employees an opportunity to choose between the defined benefit and defined contribution plans of the Public Employees' Retirement System of Alaska and the teachers' retirement system; and providing for an effective date" pass the Senate?" The roll was taken with the following result:

CSSB 88(FIN)

Third Reading - On Reconsideration

YEAS: 11 NAYS: 7 EXCUSED: 2 ABSENT: 0

Yeas: Bjorkman, Dunbar, Giessel, Gray-Jackson, Kawasaki, Kiehl, Merrick, Olson, Stevens, Tobin, Wielechowski

Nays: Hoffman, Hughes, Kaufman, Myers, Shower, Stedman, Wilson

Excused: Bishop, Claman

and so, CS FOR SENATE BILL NO. 88(FIN) passed the Senate on reconsideration.

Senator Giessel moved for the adoption of the effective date clause(s).

The question being: "Shall the effective date clause(s) be adopted?"
The roll was taken with the following result:

CSSB 88(FIN)

Effective Date Clause(s)

YEAS: 18 NAYS: 0 EXCUSED: 2 ABSENT: 0

Yeas: Bjorkman, Dunbar, Giessel, Gray-Jackson, Hoffman, Hughes, Kaufman, Kawasaki, Kiehl, Merrick, Myers, Olson, Shower, Stedman, Stevens, Tobin, Wielechowski, Wilson

Excused: Bishop, Claman

and so, the effective date clause(s) were adopted and the bill was referred to the Secretary for engrossment.

SJR 13

Senators Giessel, Olson moved and asked unanimous consent to be shown as cosponsors on SENATE JOINT RESOLUTION NO. 13 Encouraging the United States Congress and the President of the United States to pass and sign legislation amending the Alaska Native Claims Settlement Act to release certain land held in trust back to affected Alaska Native village corporations. Without objection, it was so ordered.

Senator Hoffman moved and asked unanimous consent to amend a prior excusal (page 1502) in order to be excused from a call of the Senate on February 12. Without objection, Senator Hoffman was excused.

Announcements

Announcements are at the end of the journal.

Engrossment

SB 88

CS FOR SENATE BILL NO. 88(FIN) "An Act relating to the Public Employees' Retirement System of Alaska and the teachers' retirement system; providing certain employees an opportunity to choose between the defined benefit and defined contribution plans of the Public Employees' Retirement System of Alaska and the teachers' retirement system; and providing for an effective date" was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

Adjournment

Senator Giessel moved and asked unanimous consent the Senate stand in adjournment until 11:00 a.m., February 5, 2024. Without objection, the Senate adjourned at 10:52 a.m.

Liz Clark
Secretary of the Senate

Announcements

Americans with Disabilities Act Notice - Persons with disabilities who require special accommodation or alternative communication formats to access committee meetings may contact the appropriate committee office or the Legislative Information Office in their community. Reasonable advance notice is needed to accommodate the request. For further information, call the ADA Coordinator at 465-3854 Voice/465-4980 TDD.

STANDING COMMITTEES

+ indicates teleconference

= indicates bill previously heard/scheduled

COMMUNITY & REGIONAL AFFAIRS

Feb 06	Tuesday	Beltz 105 (tsbldg)	1:30 PM
+ =	SJR 13	AMEND ALASKA NATIVE CLAIMS SETTLEMENT ACT	
		-- Public Testimony --	
+		Bills Previously Heard/Scheduled	

Feb 08	Thursday	Beltz 105 (tsbldg)	1:30 PM
+	SB 207	MILITARY AND VETERAN FAMILY HELP DESK	
		-- Testimony <Invitation Only> --	
+		Bills Previously Heard/Scheduled	

EDUCATION

Feb 02	Friday	Beltz 105 (tsbldg)	3:30 PM
		No Meeting Scheduled	

EDUCATION (continued)

Feb 05	Monday	Davis 106	8:00 AM
	-- Please Note Time & Location Change --		
+	Presentation: Alaska Council of School Administrators: State of Education from the Field by Dr. Lisa S. Parady, Executive Director, Alaska Council of School Administrators		
	Dr. Roy Getchell, President, Alaska Superintendents Association		
	Rick Dormer, President, Alaska Association of Secondary School Principals		
	Josh Gill, President, Alaska Association of Elementary School Principals		
	Heather Heineken, Alaska Association of School Business Officials		
	Doug Gray, Profession Development Director, Alaska Staff Development Director		
+	Bills Previously Heard/Scheduled		
	Streamed live on AKL.tv		
Feb 07	Wednesday	Beltz 105 (tsbldg)	3:30 PM
+	Presentation: The Different Education Models Used by Alaska's Public Schools by Norm Wooten, Association of Alaska School Boards		
	Michael Hanley, Superintendent, Aleutian Region Schools		
	Todd Hindman, Retired Principal at the Fireweed Academy in Homer		
	Scott MacManus, Director of State and Federal Programs, Yukon-Koyukuk School District		
	Dean O'Dell, Director, IDEA Homeschool Program		
	Additional Invited Testifiers		
+	Bills Previously Heard/Scheduled		
	Streamed live on AKL.tv		
Feb 09	Friday	Beltz 105 (tsbldg)	3:30 PM
	No Meeting Scheduled		

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FINANCE

Feb 02	Friday	Senate Finance 532	9:00 AM
+	Administration Response to Prior Meetings		
+	Bills Previously Heard/Scheduled		
Feb 05	Monday	Senate Finance 532	9:00 AM
	No Meeting Scheduled		
Feb 06	Tuesday	Senate Finance 532	9:00 AM
+	State Debt Update		
	Administration Response to Prior Meetings:		
	Department of Revenue		
+	Bills Previously Heard/Scheduled		
Feb 07	Wednesday	Senate Finance 532	9:00 AM
+	SB 141 NAMING RAYMOND & ESTHER CONQUEST BRIDGE		
	-- Invited & Public Testimony --		
	<Time Limit May Be Set> --		
+	SB 24 PUBLIC SCHOOLS: MENTAL HEALTH EDUCATION		
	-- Invited & Public Testimony --		
	<Time Limit May Be Set> --		
	Administration Response to Prior Meetings:		
	Office of Management and Budget		
	Legislative Finance Division		
+	Bills Previously Heard/Scheduled		
Feb 08	Thursday	Senate Finance 532	9:00 AM
+	Alaska Housing Finance Corporation Update & Overview		
	Administration Response to Prior Meetings:		
	Department of Natural Resources		
+	Bills Previously Heard/Scheduled		
Feb 08	Thursday	Senate Finance 532	1:30 PM
	-- Please Note Time Change --		
+=	SB 125 AK HOUSING FINANCE CORP: SUSTAIN ENERGY		
	-- Invited & Public Testimony --		
	<Time Limit May Be Set> --		
+	Bills Previously Heard/Scheduled		
Feb 09	Friday	Senate Finance 532	9:00 AM
	No Meeting Scheduled		

HEALTH & SOCIAL SERVICES

Feb 06 Tuesday Butrovich 205 3:30 PM
+ Bills Previously Heard/Scheduled
+= SB 115 PHYSICIAN ASSISTANT SCOPE OF PRACTICE

Feb 08 Thursday Butrovich 205 3:30 PM
+ -- MEETING CANCELED --
 Bills Previously Heard/Scheduled

JUDICIARY

Feb 02 Friday Butrovich 205 1:30 PM
+ -- MEETING CANCELED --
 Bills Previously Heard/Scheduled

Feb 05 Monday Butrovich 205 1:30 PM
+ Bills Previously Heard/Scheduled

Feb 07 Wednesday Butrovich 205 1:30 PM
+ EO 133 ELIMINATING THE CRIMINAL JUSTICE
 INFORMATION ADVISORY BOARD
+ -- Invited & Public Testimony --
 EO 135 ELIMINATING THE ALASKA SAFETY
 ADVISORY COUNCIL
+ -- Invited & Public Testimony --
 Bills Previously Heard/Scheduled

Feb 09 Friday Butrovich 205 1:30 PM
+ SB 163 ANIMAL ADOPTION RECORDS
+ -- Testimony <Invitation Only> --
 Bills Previously Heard/Scheduled

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LABOR & COMMERCE

Feb 02 Friday Butrovich 205 1:30 PM

+ -- Please Note Location Change --
EO 127 ELIMINATING THE BOARD OF MASSAGE
THERAPISTS
-- Invited & Public Testimony --
<Time Limit May Be Set>
EO 129 ELIMINATING THE BOARD OF BARBERS AND
HAIRDRESSERS
-- Invited & Public Testimony --
<Time Limit May Be Set>
EO 130 ELIMINATING THE BOARD OF CERTIFIED
DIRECT ENTRY MIDWIVES
-- Invited & Public Testimony --
<Time Limit May Be Set>
Streamed live on AKL.tv

Feb 05 Monday Beltz 105 (tsbldg) 1:30 PM

+ SB 134 INS. DATA SECURITY; INFO. SECURITY PRGRMS
-- Invited & Public Testimony --
-- Public Testimony <Time Limit May Be Set> --
+ SB 166 MENTAL HEALTH/PSYCHEDELIC MED. TASK FORCE
-- Invited & Public Testimony --
-- Public Testimony <Time Limit May Be Set> --
Streamed live on AKL.tv

Feb 07 Wednesday Beltz 105 (tsbldg) 1:30 PM

+ SB 191 AHFC MAKE/PURCHASE MORTGAGE LOANS
-- Invited & Public Testimony --
-- Public Testimony <Time Limit May Be Set> --
+ SB 209 ELECTRONIC MONITORING OF FISHING VESSELS
-- Invited & Public Testimony --
-- Public Testimony <Time Limit May Be Set> --
Streamed live on AKL.tv

Feb 09 Friday Beltz 105 (tsbldg) 1:30 PM

No Meeting Scheduled

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RESOURCES

Feb 02 Friday Butrovich 205 3:30 PM

- + SB 118 CRITICAL NATURAL RESOURCES; REPORTS
 - Testimony <Invitation Only> --
- + EO 132 ELIMINATING THE ALASKA CHILKAT BALD EAGLE PRESERVE ADVISORY COUNCIL
 - Invited & Public Testimony --
 - <Time Limit May Be Set> --
- + Bills Previously Heard/Scheduled
 - **Streamed live on AKL.tv**

Feb 05 Monday Butrovich 205 3:30 PM

- + Presentation: Pikka Project Update and Net Zero Approach by Joe Balash, Senior Vice President External Affairs, Santos
 - Kyle Kohman, Senior Manager Energy Solutions, Santos
 - Testimony <Invitation Only> --
 - *EO 124 PROHIBITING BY REGULATION LIVE CAPTURE, POSSESSION, TRANSPORT, OR RELEASE OF NATIVE/EXOTIC GAME OR EGGS
 - *EO 126 ELIMINATING THE WOOD-TIKCHIK STATE PARK MANAGEMENT COUNCIL
 - *EO 134 ELIMINATING THE RECREATION RIVERS ADVISORY BOARD
- + Bills Previously Heard/Scheduled
 - **Streamed live on AKL.tv**

Feb 07 Wednesday Adams 519 3:30 PM

- Please Note Time & Location Change --
3:30 PM - 5:30 PM
- Meeting Jointly with the House Resources Committee
- + Presentation: Cook Inlet Gas Update by Luke Saugier, Senior Vice President, Hilcorp Alaska
 - Mark Slaughter, Chief Commercial Officer, HEX/Furie
 - Benjamin Johnson, President and CEO, BlueCrest Energy Inc.
 - John Sims, President, ENSTAR Gas Company
 - Testimony <Invitation Only> --
- + Bills Previously Heard/Scheduled
 - **Streamed live on AKL.tv**

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RESOURCES (continued)

Feb 09	Friday	Butrovich 205	3:30 PM
	No Meeting Scheduled		

STATE AFFAIRS

Feb 06	Tuesday	Beltz 105 (tsbldg)	3:30 PM
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- | | | |
|---|--------|---|
| + | SB 151 | MISSING/MURDERED INDIGENOUS PEOPLE;REPORT
-- Invited & Public Testimony -- |
| + | | EO 128 SEPARATE MEMBERSHIP OF THE BOARD OF
DIRECTORS OF THE ALASKA ENERGY AUTHORITY
AND THE ALASKA INDUSTRIAL DEVELOPMENT AND
EXPORT AUTHORITY
-- Public Testimony -- |
| + | | Bills Previously Heard/Scheduled
Streamed live on AKL.tv |

Feb 08	Thursday	Beltz 105 (tsbldg)	3:30 PM
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- | | | |
|---|--------|---|
| + | SB 131 | ASIAN AMERICAN/PACIFIC ISLANDER PROGRAM
-- Invited & Public Testimony -- |
| + | | EO 128 SEPARATE MEMBERSHIP OF THE BOARD OF
DIRECTORS OF THE ALASKA ENERGY AUTHORITY
AND THE ALASKA INDUSTRIAL DEVELOPMENT AND
EXPORT AUTHORITY
-- Public Testimony -- |
| + | HB 3 | GOLD AND SILVER SPECIE AS LEGAL TENDER
-- Invited & Public Testimony -- |
| + | | Bills Previously Heard/Scheduled
Streamed live on AKL.tv |

OTHER MEETINGS

JOINT SESSION

Feb 07 +	Wednesday State of the Judiciary Address by Chief Justice Peter J. Maassen	House Chamber	11:00 AM
Feb 14 +	Wednesday Annual Address by Lisa Murkowski, U.S. Senator	House Chamber	11:00 AM
Feb 21 +	Wednesday Annual Address by Dan Sullivan, U.S. Senator	House Chamber	11:00 AM

MISCELLANEOUS MEETINGS

Feb 02 +	Friday Lunch & Learn Presentation An Emerging Market - Perspectives on Carbon Capture & Storage Potential in Alaska Presented by: Kyle Kohman, Senior Manager - Energy Solutions, Santos Brooke Ivy, Senior Advisor - Government Affairs, Santos Sponsored by: Senator Giessel & Representative Rauscher	Davis 106	12:00 PM
Feb 06	Tuesday Lunch & Learn Presentation: Understanding the Crisis of MMIWG2S/MMIP in Alaska by: Dr. Charlene Aqpik Apok, Executive Director, Data for Indigenous Justice Kendra Kloster, Co-Director Law & Policy, Alaska Native Women's Resource Center Kelsey Potdevin, Education and Outreach Manager, Alaska Native Justice Center Sponsored by Senator Olson	Butrovich 205	12:00 PM

MISCELLANEOUS MEETINGS (continued)

Feb 07	Wednesday	Butrovich 205	12:00 PM
	Lunch & Learn Presentation: Understanding Recent Changes to Alaska's Unique Legal Landscape: How Alaska Tribes are Pursuing Justice and Public Safety In Our Communities by Alex Cleghorn, Chief Operating Officer, Alaska Native Justice Center Rick Garcia, Co-Director Law & Policy, Alaska Native Women's Resource Center Maude Blair, Tribal Justice Manager for Alaska Native Justice Center Tami Truett Jerue, Executive Director, Alaska Native Women's Resource Center Sponsored by Senator Wielechowski		
Feb 08 +	Thursday	Butrovich 205	12:00 PM
	Lunch & Learn Presentation: Academies of Anchorage ASD by Senior Director of Teaching and Learning by Kersten Johnson Sponsored by Senator Merrick		
Feb 22	Thursday	Butrovich 205	12:00 PM
	Lunch & Learn Presentation: Overview of the Experiences and Structural Damages caused by the 1964 Earthquake Compared to the 2018 Earthquake. Presented by: Dennis L. Berry and Colin Maynard, Alaska Professional Design Council Sponsored by Senator Kaufman		