

**ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON ENERGY**

April 18, 2024

3:01 p.m.

MEMBERS PRESENT

Representative George Rauscher, Chair
Representative Tom McKay
Representative Stanley Wright
Representative Calvin Schrage
Representative Jennie Armstrong

MEMBERS ABSENT

Representative Thomas Baker
Representative Mike Prax

COMMITTEE CALENDAR

HOUSE BILL NO. 349

"An Act relating to leases of public land for renewable energy projects; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 349

SHORT TITLE: RENEWABLE ENERGY PROJECT LEASES

SPONSOR(S): REPRESENTATIVE(S) GROH

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| 02/20/24 | (H) | READ THE FIRST TIME - REFERRALS |
| 02/20/24 | (H) | RES, ENE, FIN |
| 03/08/24 | (H) | RES AT 1:00 PM BARNES 124 |
| 03/08/24 | (H) | Heard & Held |
| 03/08/24 | (H) | MINUTE(RES) |
| 03/11/24 | (H) | RES AT 1:00 PM BARNES 124 |
| 03/11/24 | (H) | Heard & Held |
| 03/11/24 | (H) | MINUTE(RES) |
| 03/22/24 | (H) | RES AT 1:00 PM BARNES 124 |
| 03/22/24 | (H) | <Bill Hearing Canceled> |
| 03/25/24 | (H) | RES AT 1:00 PM BARNES 124 |
| 03/25/24 | (H) | <Bill Hearing Rescheduled to 03/27/24> |
| 03/27/24 | (H) | RES AT 1:00 PM BARNES 124 |
| 03/27/24 | (H) | Scheduled but Not Heard |
| 04/01/24 | (H) | RES AT 1:00 PM BARNES 124 |

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| 04/01/24 | (H) | Heard & Held |
| 04/01/24 | (H) | MINUTE(RES) |
| 04/05/24 | (H) | RES AT 1:00 PM BARNES 124 |
| 04/05/24 | (H) | Scheduled but Not Heard |
| 04/08/24 | (H) | RES AT 1:00 PM BARNES 124 |
| 04/08/24 | (H) | Scheduled but Not Heard |
| 04/09/24 | (H) | ENE AT 10:15 AM BARNES 124 |
| 04/09/24 | (H) | -- MEETING CANCELED -- |
| 04/11/24 | (H) | ENE AT 10:15 AM BARNES 124 |
| 04/11/24 | (H) | -- MEETING CANCELED -- |
| 04/15/24 | (H) | RES AT 1:00 PM BARNES 124 |
| 04/15/24 | (H) | Scheduled but Not Heard |
| 04/16/24 | (H) | ENE AT 10:15 AM BARNES 124 |
| 04/16/24 | (H) | -- MEETING CANCELED -- |
| 04/17/24 | (H) | RES AT 1:00 PM BARNES 124 |
| 04/17/24 | (H) | Moved CSHB 349(RES) Out of Committee |
| 04/17/24 | (H) | MINUTE(RES) |
| 04/18/24 | (H) | ENE AT 10:15 AM BARNES 124 |

WITNESS REGISTER

REPRESENTATIVE CLIFF GROH
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: As prime sponsor, gave introduction of CSHB 349(RES).

CAMERON EBERSOLD, Staff
 Representative Cliff Groh
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Groh, prime sponsor, gave a sectional analysis of CSHB 349(RES).

ACTION NARRATIVE

[3:01:48 PM](#)

CHAIR RAUSCHER called the House Special Committee on Energy meeting to order at 3:01 p.m. Representatives Wright, Schrage, Armstrong, McKay, and Rauscher were present at the call to order.

HB 349-RENEWABLE ENERGY PROJECT LEASES

[3:02:55 PM](#)

CHAIR RAUSCHER announced that the only order of business would be HOUSE BILL NO. 349 "An Act relating to leases of public land for renewable energy projects; and providing for an effective date." [Before the committee was CSHB 349(RES).]

[3:04:27 PM](#)

REPRESENTATIVE CLIFF GROH, Alaska State Legislature, as prime sponsor, gave an introduction of CSHB 349(RES). He explained that the proposed legislation would give a path towards renewable energy development through a regulatory structure. It aims to assist renewable energy products going forward particularly through leases on state lands.

[3:06:37 PM](#)

CAMERON EBERSOLD, Staff, Representative Cliff Groh, Alaska State Legislature, on behalf of Representative Groh, prime sponsor, gave a sectional analysis of CSHB 349(RES). Before continuing, he made clear that the sectional analysis, although drafted to the original bill version, is largely unchanged by the amendments adopted to HB 349 in the House Resources Standing Committee. The sectional analysis [available in committee packet], read as follows [original punctuation provided]:

Section 1. Conforming change to AS 38.05.035(a)(8).

Section. 2. Conforming change to AS 38.05.070 (e).

Section. 3. Conforming change to AS 38.05.075(a).

Section. 4. Enacts four new sections of the Alaska Statutes under Chapter 05. Alaska Land Act: AS 38.05.091 - 094, which creates a licensing and leasing structure for renewable energy projects on state-owned land analogous to the process found in AS 38.05.131- 134, Oil and Gas Exploration Licenses; Leases.

AS 38.05.091 Applicability; determination; regulations.

Provides the provisions and authorities for the Department of Natural Resources to offer feasibility licenses. It provides the Commissioner with the authority to adopt necessary regulations to implement licensing and sets the maximum acreage any licensee may hold at any time.

AS 38.05.092 Feasibility licenses for renewable energy projects.

The DNR Commissioner may issue feasibility licenses to encourage energy production on stateowned

land. These licenses give the licensee the exclusive right to explore the surface estate on state land and evaluate that land's potential for a renewable energy project. The term of this license cannot exceed 10 years.

A feasibility license must be conditioned on an obligation to perform a specified work commitment and make progress on this work commitment by certain intervals during the life of the license, post of bond or other security, and be subject to annual review. The Commissioner may terminate the license early if the licensee has not made sufficient progress on their work commitment.

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It provides the option to convert the license for all or part of the land into a lease of state-owned land for a renewable energy project upon fulfillment of the work requirements contained in the feasibility license. The licensee does not have this option if the lease is terminated.

The land and water included within an area subject to a feasibility license must, to the extent practicable, remain open to the public for hunting, fishing, and other generally allowed uses, and to mineral exploration and development.

AS 38.05.093. License procedures.

This section contains the procedures to issue a feasibility license. The process is initiated by an interested party issuing a proposal describing a specific piece of land and project.

Within 180 days after receiving a proposal, the Commissioner shall either reject the proposal in a written decision or give public notice of the intent to evaluate the acceptability of the proposal. The Commissioner shall solicit comments on the proposal for which public notice is given, and they shall request competing proposals.

The Commissioner must issue a written finding, including any modifications to the proposal necessary to make the license conform to the best interests of the state. This section also contains provisions for soliciting a competitive bid in the event of multiple interested parties.

AS 38.05.094. Conversion to lease.

Upon request by licensee and if the Commissioner determines that the work commitment obligation has

been met, the Commissioner shall convert all or part of the area described in the feasibility license into a lease of that state land to develop the renewable energy project described.

The Commissioner would be required to produce an annual report to the Legislature describing leases entered into under this section. This report must contain the number of total leases entered into each fiscal year, a complete list of information for each ongoing lease, a list of expired or terminated leases during the preceding or current fiscal year with the reason the lease expired or was terminated; and a description of the cumulative revenue received from leases, the revenue received by the State from leases during the preceding fiscal year and anticipated revenue the State will receive in the current fiscal year.

Section 5. Conforming change to AS 38.05.102.

Section 6. Conforming change to AS 38.05.945(a)(6).

Section 7. Conforming change to AS 38.05.945(e)

Section 8. Adds a definition of "renewable energy project" to AS.38.05.965.

Section 9. Provides an immediate effective date.

[3:12:39 PM](#)

REPRESENTATIVE GROH offered to answer committee questions.

[3:13:21 PM](#)

CHAIR RAUSCHER made a committee announcement that there would be public testimony on CSHB 349(RES) on Tuesday.

[3:14:00 PM](#)

CHAIR RAUSCHER announced that CSHB 349(RES) was held over.

[3:15:10 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Energy meeting was adjourned at 3:15 p.m.