

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

April 23, 2024

10:16 a.m.

**MEMBERS PRESENT**

Representative George Rauscher, Chair  
Representative Tom McKay  
Representative Thomas Baker  
Representative Stanley Wright  
Representative Mike Prax  
Representative Calvin Schrage  
Representative Jennie Armstrong

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 328

"An Act relating to community energy facilities."

- HEARD & HELD

HOUSE BILL NO. 349

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

- HEARD & HELD

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 152(L&C)

"An Act relating to community energy facilities."

- PENDING REFERRAL

**PREVIOUS COMMITTEE ACTION**

BILL: HB 328

SHORT TITLE: COMMUNITY ENERGY FACILITIES; NET METERING

SPONSOR(S): REPRESENTATIVE(S) TOMASZEWSKI

02/15/24	(H)	READ THE FIRST TIME - REFERRALS
02/15/24	(H)	ENE, L&C
04/23/24	(H)	ENE AT 10:15 AM BARNES 124

BILL: HB 349

SHORT TITLE: RENEWABLE ENERGY PROJECT LEASES

SPONSOR(S): REPRESENTATIVE(S) GROH

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
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)	RES RPT CS(RES) NEW TITLE 3DP 5NR 1AM
04/18/24	(H)	DP: MEARS, ARMSTRONG, DIBERT
04/18/24	(H)	NR: MCCABE, SADDLER, WRIGHT, BAKER, MCKAY
04/18/24	(H)	AM: RAUSCHER
04/18/24	(H)	FIN REFERRAL REMOVED
04/18/24	(H)	ENE AT 10:15 AM BARNES 124
04/18/24	(H)	Heard & Held
04/18/24	(H)	MINUTE(ENE)
04/23/24	(H)	ENE AT 10:15 AM BARNES 124

**WITNESS REGISTER**

DAVID GOFF, Staff  
Representative Mike Tomaszewski  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Tomaszewski, prime sponsor, presented HB 328.

MIKE JONES, representing self  
Homer, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 328.

DYANI CHAPMAN, State Director  
Alaska Environment  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 328.

REPRESENTATIVE CLIFF GROH  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, answered committee questions on HB 349.

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

**POSITION STATEMENT:** On behalf of Representative Groh, prime sponsor, answered committee questions on HB 349.

**ACTION NARRATIVE**

[10:16:47 AM](#)

RAUSCHER called the House Special Committee on Energy meeting to order at 10:16 a.m. Representatives Wright, Armstrong, McKay, Baker, Prax, Schrage, and Rauscher were present at the call to order.

**HB 328-COMMUNITY ENERGY FACILITIES; NET METERING**

[10:18:00 AM](#)

CHAIR RAUSCHER announced that the first order of business would be HOUSE BILL NO. 328 "An Act relating to community energy facilities."

10:19:22 AM

DAVID GOFF, Staff, Representative Mike Tomaszewski, Alaska State Legislature, on behalf of Representative Tomaszewski, prime sponsor, presented HB 328. He began the sponsor statement on HB 328, [included in committee packet], which read as follows [original punctuation provided]:

This bill will increase options for renewable energy development, allow Alaskan ratepayers to lower their electric costs, and offset natural gas usage by establishing a virtual net metering program for small scale renewable energy generation. Currently, ratepayers for economically regulated utilities can utilize net metering, which lowers their electric bills based on the amount of electricity they generate from generators like solar panels or wind turbines. Unfortunately, many ratepayers including renters and condo owners are not able to take advantage of net metering because they do not have space available on-site. HB 328 will allow multiple ratepayers to pool their resources to receive net metering benefits from a single project. HB 328 will allow power generated from a single centralized and efficient renewable energy source to be purchased through a subscription for multiple utility customers. This subscription allows homeowners and tenants who might not have access to consistent solar or renewable energy sources to reap the benefits of cost savings, reliability, and other benefits to the community. Twenty states have established formal community energy programs, with several more that operate at the utility regulation level. This new effort could generate 7.3 GW of new solar capacity nationwide by 2030. Utility customers who subscribe to community energy projects save between 5 and 15% on their utility bill through monthly credits. Creating a community energy program in Alaska will allow the state to capture millions of dollars in investment for new renewable energy projects. It will lead to hundreds of new jobs in the energy industry. The announcement of \$7 Billion in federal funding for residential and community solar projects will help pay for community energy projects. Several private investors in community solar projects have already reached out to express interest. Through this bill, an 8 percent increase in renewable energy

on the Railbelt could help offset natural gas usage and address the supply issues for Cook Inlet natural gas. This bill will only apply to utilities that are economically regulated by the Regulatory Commission of Alaska, who will be responsible for reviewing and approving utilities' community energy programs. The RCA will have the authority to modify or waive the requirements of this bill to meet the needs of specific utilities. SB 152 will help utility customers save money, attract millions in investment, and help offset natural gas use in Cook Inlet while creating good jobs for Alaskans.

[10:23:01 AM](#)

MR. GOFF, at the request of Chair Rauscher, began the sectional analysis on HB 328, [included in the committee packet], which read as follows [original punctuation provided]:

Section 1 adds new statutory sections relating to community energy facilities:

AS 42.05.725 is a conforming section for applicability.

AS 42.05.727 requires utilities to submit a community energy plan to the Regulatory Commission of Alaska for approval and to make their community energy program available to all subscriber organizations that request interconnection subject to a 50megawatt limit.

AS 42.05.729 establishes bill procedures for community energy subscribers.

- Subsection (a) allows utilities to bill subscribers for all charges authorized by the utility's tariff.

- Subsection (b) prohibits utilities from charging subscribers additional fees without approval from the commission.

- Subsection (c) allows utilities to petition the commission to change their rates designs for community energy subscribers.

- Subsection (d) allows electrical cooperatives to invest in renewable energy projects, with the approval of their member owners.

AS 42.05.731 establishes the authority of the commission to modify this program and adopt additional requirements by regulation.

- Subsection (a) allows the commission to waive or modify the requirements of this bill.

- Subsection (b) allows the commission to adopt regulations governing safety, power quality, and interconnection standards for community energy projects.

AS 42.05.733 establishes community energy facilities and outlines the parameters for how these facilities can operate.

- Subsection (a) sets criteria for who may own a community energy facility.

- Subsection (b) sets procedures for enrolling and billing subscribers.

- Subsection (c) sets criteria for what must be included in a utilities community energy plan.

- Subsection (d) requires the commission to ensure that community energy plans that are targeted to low- to moderate income households are crafted to achieve tangible cost savings.

- Subsection (e) provides that a subscriber or subscription organization is not considered an electric utility.

- Subsection (f) establishes criteria for community energy facilities to be eligible.

- Subsection (g) establishes requirements for subscriber organizations.

- Subsection (h) defines "low-to moderate-income" household.

AS 42.05.735 provides definitions of terms used in the bill.

Section 2 requires the commission to adopt regulations necessary to implement this bill within one year of its effective date.

[10:26:39 AM](#)

MR. GOFF moved to the associated PowerPoint presentation on HB 328 [hardcopy included in committee packet]. He defined what community energy is and explained that it is popular and the fastest growing sector in the renewable energy sector. He explained how the current net metering program works, and how HB 328 would target users without net metering access.

[10:28:29 AM](#)

CHAIR RAUSCHER asked for the source of the claims made on slide 4 and asked for a qualification of the numbers on the slide.

MR. GOFF responded that each utility is only allowed 50 Megawatts of energy from community solar.

CHAIR RAUSCHER asked if Alaska has an expectation of the numbers used in the formula.

MR. GOFF responded that he doesn't think there is a number secured yet because the bill sponsor is waiting for utilities companies to figure out their expectations/limits in regard to community energy.

[10:30:27 AM](#)

MR. GOFF resumed his presentation and moved to slide 7 to explain how HB 328 would expand options for net metering. He explained how the Regulatory Commission of Alaska would have oversight of a community energy program and said that the RCA may waive any requirement or law established by HB 328 in order to regulate community energy. He explained the process in order of start to finish of establishing a community energy project and explained the benefits of community energy. In response to Chair Rauscher, he gave a breakdown on net metering and how it is performed from ratepayer to utility company.

[10:35:54 AM](#)

MR. GOFF continued his presentation on the latter half of slide 10, which detailed the benefits of using community energy.

[10:37:08 AM](#)

REPRESENTATIVE WRIGHT asked whether there is a continuous benefit with a proposed tax credit or a one-time benefit.

MR. GOFF answered that it is a one-time credit, and the percentage of the cost credited varies year by year.

[10:38:01 AM](#)

REPRESENTATIVE ARMSTRONG asked whether a new \$125 million federal grant has been taken into account with regard to HB 349.

MR. GOFF answered that he himself has not yet considered that grant.

[10:38:51 AM](#)

MR. GOFF continued his presentation on slide 11, which detailed how HB 328 and community energy projects can lower energy bills in Alaska. He explained how HB 328 would create more jobs in investment, and that a renewable energy sector has more jobs than fossil fuels. He said it would offset natural gas and improve grid resiliency and reliability by creating a system of redundancies.

[10:42:53 AM](#)

REPRESENTATIVE PRAX asked whether the regulations would dictate how the utilities would pay their avoided cost or whether that would be negotiated for each project.

MR. GOFF answered that if someone is using the energy in a net metering scenario, the person is credited the price per Kilowatt (Kw) because they are not using the energy to begin with. He added that whatever excess energy they would produce would come at a much lower cost at the end of the month.

REPRESENTATIVE PRAX asked whether Mr. Goff had checked with the utilities about his previous answer.

MR. GOFF responded that he currently has a solar array at his house, so that is how he knows.

REPRESENTATIVE PRAX said that on a large scale, renewables aren't reliable, and he expressed a concern that using renewables could increase costs to ratepayers.

MR. GOFF said that HB 328 would limit the amount that each utility company would be able to go into a certain sector of

energy generation, so there would still be redundancies in the energy grid.

[10:48:01 AM](#)

CHAIR RAUSCHER opened public testimony on HB 328.

[10:49:04 AM](#)

MIKE JONES, representing self, testified in opposition to HB 328. He said that this bill would penalize people who use more traditional utilities options. He criticized the reliability of renewable energy and said that the net metering clause of the bill is flawed. He gave a series of perceived flaws and encouraged committee members to vote no on HB 328.

[10:51:39 AM](#)

DYANI CHAPMAN, State Director, Alaska Environment, testified in support of HB 328. She said this bill would allow individuals who can't afford energy on their own to obtain reliable and affordable energy.

[10:52:44 AM](#)

CHAIR RAUSCHER, after ascertaining there was no one else who wished to testify, closed public testimony on HB 328.

[10:53:02 AM](#)

The committee took an at-ease from 10:53 a.m. to 10:56 a.m.

[10:56:28 AM](#)

CHAIR RAUSCHER announced that HB 328 was held over.

**HB 349-RENEWABLE ENERGY PROJECT LEASES**

[10:56:54 AM](#)

CHAIR RAUSCHER announced that the final 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."

CHAIR RAUSCHER opened public testimony on HB 349. After ascertaining there was no one who wished to testify, he closed public testimony.

[10:58:03 AM](#)

REPRESENTATIVE PRAX gave his understanding that the lease as defined in HB 349 must provide for recreational activities.

[10:58:23 AM](#)

REPRESENTATIVE CLIFF GROH, Alaska State Legislature, as prime sponsor, directed the question to Cameron Ebersold.

[10:58:30 AM](#)

CAMERON EBERSOLD, Staff, Representative Cliff Groh, Alaska State Legislature, on behalf of Representative Groh, prime sponsor, answered committee questions on HB 349. He said that Representative Prax' observation is correct that HB 349 would preserve access for other kinds of public uses.

REPRESENTATIVE PRAX asked whether the threat of vandalism to the renewable energy infrastructure had been taken to account when funding a project.

[10:59:30 AM](#)

MR. EBERSOLD asked for clarification because HB 349 relates to licensing of the state land, determining the feasibility of a project, and establishing lease terms.

REPRESENTATIVE PRAX cited a windmill project in Fairbanks, Alaska, that he believed was under threat from vandalism and asked how HB 349 would protect the renewable energy projects from vandalism.

[11:00:52 AM](#)

REPRESENTATIVE GROH answered that he has never worked with a lease contract for renewable energy, but he thinks the individual contracts to develop the project would address the threat of vandalism, not the bill.

REPRESENTATIVE PRAX asked for confirmation that the protection would be addressed in the lease.

REPRESENTATIVE GROH said he thinks so but directed the question to Mr. Ebersold for additional clarification.

MR. EBERSOLD cited an experience from his childhood, highlighting that there is nothing that would stop someone from shooting or damaging the turbine. He said it would be up to the company to protect its property, not the Department of Natural Resources (DNR).

[11:03:03 AM](#)

REPRESENTATIVE SCHRAGE commented that the wind turbines on Kodiak are fenced off from access and added that Alaskans would rather shoot road signs versus energy infrastructure.

[11:04:10 AM](#)

CHAIR RAUSCHER said people shoot the pipeline, so people can shoot a wind turbine. He said people are going to do what they're going to do.

[11:05:18 AM](#)

CHAIR RAUSCHER announced that HB 349 was held over.

[11:05:34 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Energy meeting was adjourned at 11:05 a.m.