

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

April 25, 2024  
10:15 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

**OTHER LEGISLATORS PRESENT**

Representative Cliff Groh

**COMMITTEE CALENDAR**

CS FOR SENATE BILL NO. 152 (L&C)  
"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."

- BILL HEARING CANCELED

HOUSE BILL NO. 328  
"An Act relating to community energy facilities."

- BILL HEARING CANCELED

**PREVIOUS COMMITTEE ACTION**

BILL: SB 152  
SHORT TITLE: COMMUNITY ENERGY FACILITIES; NET METERING  
SPONSOR(S): SENATOR(S) WIELECHOWSKI

05/15/23	(S)	READ THE FIRST TIME - REFERRALS
05/15/23	(S)	L&C
01/29/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
01/29/24	(S)	Heard & Held
01/29/24	(S)	MINUTE(L&C)
04/10/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/10/24	(S)	Heard & Held
04/10/24	(S)	MINUTE(L&C)
04/17/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/17/24	(S)	Moved CSSB 152(L&C) Out of Committee
04/17/24	(S)	MINUTE(L&C)
04/19/24	(S)	L&C RPT CS 2DP 1NR SAME TITLE
04/19/24	(S)	NR: BJORKMAN
04/19/24	(S)	DP: DUNBAR, GRAY-JACKSON
04/22/24	(S)	TRANSMITTED TO (H)
04/22/24	(S)	VERSION: CSSB 152(L&C)
04/23/24	(H)	ENE AT 10:15 AM BARNES 124
04/23/24	(H)	<Pending Referral>
04/24/24	(H)	READ THE FIRST TIME - REFERRALS
04/24/24	(H)	ENE
04/25/24	(H)	ENE AT 10:15 AM BARNES 124

**WITNESS REGISTER**

SENATOR BILL WIELECHOWSKI  
 Alaska State Legislature  
 Juneau, Alaska

**POSITION STATEMENT:** Presented CSSB 152(L&C), as the prime sponsor.

DAVID DUNSMORE, Staff  
 Senator Bill Wielechowski  
 Alaska State Legislature  
 Juneau, Alaska

**POSITION STATEMENT:** Presented the summary of changes in CSSB 152(L&C) on behalf of Senator Wielechowski, prime sponsor.

MIKE JONES, representing self  
 Homer, Alaska

**POSITION STATEMENT:** Testified during the hearing on CSSB 152(L&C).

**ACTION NARRATIVE**

[10:15:33 AM](#)

CHAIR RAUSCHER called the House Special Committee on Energy meeting to order at 10:15 a.m. Representatives Prax, Baker, McKay, Schrage, and Rauscher were present at the call to order. Representatives Wright and Armstrong arrived as the meeting was in progress. Also present was Representative Groh.

**SB 152-COMMUNITY ENERGY FACILITIES; NET METERING**

10:16:52 AM

CHAIR RAUSCHER announced that the only order of business would be CS FOR SENATE BILL NO. 152(L&C), "An Act relating to community energy facilities."

10:17:29 AM

SENATOR BILL WIELECHOWSKI, Alaska State Legislature, prime sponsor, presented CSSB 152(L&C). He spoke to the sponsor statement [included in the 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.

SB 152 will allow multiple ratepayers to pool their resources to receive net metering benefits from a single project. SB 152 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 [gigawatt] of new solar capacity nationwide by 2030. Utility customers who subscribe to community energy projects save between 5 and 15 [percent] 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.

SENATOR WIELECHOWSKI stated that the bill would enable community energy projects and virtual net metering. Regulations for the current net metering program, he explained, were established by the Regulatory Commission of Alaska (RCA). The regulations require that an on-site wind or solar generator be tied to a single electric meter and that credit for any excess energy is applied to that meter. Current Alaska law disallows any excess energy that is generated from being tied into a neighbor's house. As well, a [building complex] with multiple individual living units is disallowed from putting solar arrays on the building's roof because the regulatory structure disallows that array from being tied into multiple meters. He further pointed

out that independent power producers (IPPs) would like the opportunity to do this through small scale energy projects. Senator Wielechowski emphasized that extensive work has been done with a wide array of utilities and other stakeholders to get consensus and support for the bill, one example being that the bill has been opened from just solar to include wind and small-scale hydropower.

[10:21:22 AM](#)

REPRESENTATIVE SCHRAGE inquired about the changes made to the original version of the bill.

SENATOR WIELECHOWSKI replied that SB 152 was introduced last year, and significant changes have been made in the interest of compromise and finding consensus with the utilities. He turned to his staff to present the changes made in CSSB 152(L&C).

[10:22:04 AM](#)

DAVID DUNSMORE, Staff, Senator Bill Wielechowski, Alaska State Legislature, on behalf of Senator Wielechowski, prime sponsor, presented a summary of the changes in CSSB 152(L&C) [included in the committee packet and titled "Senate Bill 152, Community Energy Facilities, Summary of Changes Version B to CSSB 152(L&C) Version R]. He paraphrased from the summary, which read as follows [original punctuation provided]:

The bill was shortened and streamlined in consultation with utilities and other stakeholders.

A new Section 1 was added giving the bill the short title "the Saving Alaskans Money with Voluntary Community Energy (SAVE) Act."

Throughout the bill, provisions that restated net metering provisions that currently exist in Regulatory Commission of Alaska (RCA) regulations were removed. In new AS 42.05.725 the language related to exemptions was replaced with a provision that this bill does not apply to utilities that are exempt from net metering requirements adopted by the RCA.

In new AS 42.05.727 the term "community energy plan" is replaced with "community energy tariff." The limit of 50 megawatts of power from community energy facilities was removed from this section, and instead

this limit would be set by the utilities and the RCA through community energy tariffs and regulations.

New Section 42.05.729 was shortened to simply state that the RCA will adopt rates for community energy facilities that reflect the full economic value provided and do not have a negative effect on other ratepayers. Language was added that the RCA may adopt different rates for facilities that provide battery storage.

New AS 42.05.731 was renamed from "Authority of the commission" to "Authority and duties of the commission." Provisions were added to this section to clarify the RCA's role in ensuring the implementation of community energy programs. The language related to prevailing wages for construction of community energy facilities that was previously in new AS. 42.05.733 was moved to this section.

New AS 42.05.733 was removed from the bill.

In new AS 42.05.735, terms that are no longer used in the bill were removed and the definition of "subscriber" was updated to limit it to residential ratepayers and commercial ratepayers with monthly demand of less than 50 kilowatt-hours.

CHAIR RAUSCHER cited a grant of \$62 million and asked whether that grant is part of the \$127 million federal grant secured by Alaska's federal delegation or is in addition to the \$127 million or is not connected to the \$127 million.

MR. DUNSMORE replied that he will get back to the committee with an answer.

[10:25:56 AM](#)

REPRESENTATIVE PRAX asked whether the bill contemplates that people in residential areas could be utilizing differing types of electrical wire between houses.

MR. DUNSMORE responded that the interconnection standards would be set by the RCA and the utilities through the regulatory process. Under current net metering, he explained, a solar panel on someone's house is tied directly into a meter for the house. Under community energy and virtual net metering, he

continued, a four plex could be hooked directly to the grid where it would be metered and the usage apportioned to the four units. He cited other examples of how apportionment would work.

10:27:40 AM

REPRESENTATIVE PRAX requested clarification regarding [removal of the limit of 50 megawatts of power from community energy facilities].

MR. DUNSMORE answered that Golden Valley Electric Association (GVEA) [suggested removing the limit]. Practical limits will be set by the RCA and the utilities for the total capacity, he explained, and this will avoid a situation where a single industrial customer could take the entire load that would be available for community energy, thereby crowding out smaller scale customers from participating.

CHAIR RAUSCHER posed a scenario of a community solar project with multiple units receiving the benefits. He asked how that would be divvied up between the customers.

MR. DUNSMORE replied that the project-specific details would be worked out by each utility company through the utility's community energy tariff. The construction and other costs of the project, he explained, would be borne by the project, not by the utility or other ratepayers. Something like a duplex would be simple, so would probably be worked out by themselves. However, a larger scale project is often done through the sale of subscriptions which gets the capital to install the project. The utility is responsible for making sure that the project's interconnections are in accordance with the community energy tariff and meet the safety standards, and the utility would proportionally credit the power generated. For example, someone with a subscription for one one-hundredth of the project would be credited by the utility for one percent of the power generated from that project.

10:31:08 AM

CHAIR RAUSCHER posed a scenario of five apartment units. He asked whether each unit would still have its own meter and then the credit would be applied proportionately among the units.

MR. DUNSMORE confirmed each unit would have its own electrical metering and would be credited against its electrical usage for its proportional share of the community energy generated.

[10:31:55 AM](#)

CHAIR RAUSCHER opened public testimony on CSSB 152(L&C).

[10:32:43 AM](#)

MIKE JONES, representing self, testified that while HB 328 and CSSB 152(L&C) have substantially different language, the presentations for the bills were identical. He pointed out that neither bill considers the northern latitudes of Alaska and renewable energy would perform poorly this far north. He maintained that CSSB 152 (L&C) is a wind and solar power bill with the other renewables just being window dressing. He argued that the lower energy bills are due to subsidy provided by net energy metering. He urged members to look at the actual cash flows of wind and solar companies to see what money comes out of whose pockets. He stated that wind and solar are inherently unreliable and without battery systems they aren't suitable. He urged the committee to work on solutions that eliminate these flaws and to use market principles rather than a net metering subsidy.

[10:35:05 AM](#)

CHAIR RAUSCHER, after ascertaining there was no one else who wished to testify, closed public testimony on CSSB 152(L&C).

[CSSB 152(L&C) was held over.]

[10:36:28 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Energy meeting was adjourned at 10:36 a.m.