

**ALASKA STATE LEGISLATURE  
HOUSE RESOURCES STANDING COMMITTEE**

March 25, 2024

1:05 p.m.

**MEMBERS PRESENT**

Representative Tom McKay, Chair  
Representative George Rauscher, Vice Chair  
Representative Thomas Baker  
Representative Kevin McCabe  
Representative Dan Saddler  
Representative Stanley Wright  
Representative Jennie Armstrong  
Representative Donna Mears  
Representative Maxine Dibert

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 295

"An Act relating to salmon hatchery permits; and authorizing the sale of salmon to permitted persons for stocking lakes."

- MOVED CSHB 295 (RES) OUT OF COMMITTEE

PRESENTATION(S): REGULATORY COMMISSION OF ALASKA BY BECKI ALVEY~ ADVISORY SECTION MANAGER

- HEARD

HOUSE BILL NO. 359

"An Act relating to the permanent fund dividend and a one-time permanent fund dividend payment and land voucher; and providing for an effective date."

- HEARD & HELD

HOUSE BILL 349

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

- BILL RESCHEDULED TO 03/27/24

**PREVIOUS COMMITTEE ACTION**

BILL: HB 295

SHORT TITLE: SALMON HATCHERY PERMITS

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/26/24	(H)	READ THE FIRST TIME - REFERRALS
01/26/24	(H)	FSH
02/06/24	(H)	FSH AT 10:00 AM GRUENBERG 120
02/06/24	(H)	Scheduled but Not Heard
02/20/24	(H)	FSH AT 10:00 AM GRUENBERG 120
02/20/24	(H)	-- MEETING CANCELED --
02/27/24	(H)	FSH AT 10:00 AM GRUENBERG 120
02/27/24	(H)	Heard & Held
02/27/24	(H)	MINUTE(FSH)
03/05/24	(H)	FSH AT 10:00 AM GRUENBERG 120
03/05/24	(H)	<Bill Hearing Canceled>
03/07/24	(H)	FSH AT 10:00 AM GRUENBERG 120
03/07/24	(H)	Moved CSHB 295(FSH) Out of Committee
03/07/24	(H)	MINUTE(FSH)
03/11/24	(H)	FSH RPT CS(FSH) NEW TITLE 4DP 3NR
03/11/24	(H)	DP: CARPENTER, STUTES, MCCABE, VANCE
03/11/24	(H)	NR: C.JOHNSON, HIMSCHOOT, MCCORMICK
03/13/24	(H)	RES REFERRAL ADDED AFTER FSH
03/18/24	(H)	RES AT 1:00 PM BARNES 124
03/18/24	(H)	-- MEETING CANCELED --
03/20/24	(H)	RES AT 1:00 PM BARNES 124
03/20/24	(H)	Heard & Held
03/20/24	(H)	MINUTE(RES)
03/22/24	(H)	RES AT 1:00 PM BARNES 124
03/22/24	(H)	Heard & Held
03/22/24	(H)	MINUTE(RES)
03/25/24	(H)	RES AT 1:00 PM BARNES 124

BILL: HB 359

SHORT TITLE: ONE-TIME PFD PAYMENT

SPONSOR(s): CRONK

02/20/24	(H)	READ THE FIRST TIME - REFERRALS
02/20/24	(H)	RES, FIN
03/01/24	(H)	RES AT 1:00 PM BARNES 124
03/01/24	(H)	Heard & Held
03/01/24	(H)	MINUTE(RES)
03/08/24	(H)	RES AT 1:00 PM BARNES 124
03/08/24	(H)	Heard & Held
03/08/24	(H)	MINUTE(RES)
03/15/24	(H)	RES AT 1:00 PM BARNES 124

03/15/24 (H) <Bill Hearing Canceled>  
03/25/24 (H) RES AT 1:00 PM BARNES 124

**WITNESS REGISTER**

BECKI ALVEY, Advisory Section Manager  
Regulatory Commission of Alaska  
Anchorage, Alaska

**POSITION STATEMENT:** Gave the Regulatory Commission of Alaska presentation.

TREVOR JEPSEN, Staff  
Representative Tom McKay  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Mike Cronk, prime sponsor, presented CSHB 359 (RES) to the committee.

DAVE STANCLIFF, Staff  
Representative Mike Cronk  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Cronk, prime sponsor, answered committee questions on CSHB 359 (RES).

CODY RICE, Professional Assistant  
House Majority Office  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Mike Cronk, prime sponsor, answered committee questions on CSHB 359 (RES).

**ACTION NARRATIVE**

[1:05:19 PM](#)

**CHAIR TOM MCKAY** called the House Resources Standing Committee meeting to order at 1:05 p.m. Representatives Mears, Armstrong, Dibert, McCabe, Wright, Baker, Rauscher, and McKay were present at the call to order. Representative Saddler arrived as the meeting was in progress.

**HB 295-SALMON HATCHERY PERMITS**

[1:06:32 PM](#)

CHAIR MCKAY announced that the first order of business would be HOUSE BILL NO. 295, "An Act relating to salmon hatchery permits; and authorizing the sale of salmon to permitted persons for stocking lakes." [Before the committee was CSHB 295(FSH).]

1:06:47

CHAIR MCKAY moved Amendment 1 to CSHB 295(FSH), labeled 33-GH2383\S.1, Bullard, 3/22/24, which read as follows:

Page 1, line 1:

Delete "relating to salmon hatchery permits; and"

Page 1, line 8, through page 2, line 1:

Delete all material.

REPRESENTATIVE RAUSCHER objected for the purpose of discussion.

CHAIR MCKAY explained that his office introduced Amendment 1 to HB 295 in response to public testimony that was received in previous House Resources Standing Committee meetings. He said that the proposed Amendment would entirely remove Section 2 of HB 295 and said that his concern with the section was that it would have removed the public process surrounding the management of fish hatcheries.

[1:08:12 PM](#)

REPRESENTATIVE RAUSCHER removed his objection. There being no further objection, Amendment 1 was adopted.

[1:08:29 PM](#)

REPRESENTATIVE RAUSCHER moved to report CSHB 295, Version 33-GH2383\S, Nauman, 3/15/24, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 295(RES) was reported out of the House Resources Standing Committee.

[1:09:01 PM](#)

The committee took an at-ease from 1:09 p.m. to 1:12 p.m.

**PRESENTATION(S): Regulatory Commission of Alaska**

[1:12:36 PM](#)

CHAIR MCKAY announced that the next order of business would be the Regulatory Commission of Alaska presentation.

[1:13:36 PM](#)

BECKI ALVEY, Advisory Section Manager, Regulatory Commission of Alaska (RCA), gave a presentation, titled "Regulatory Commission of Alaska," via PowerPoint [hard copy included in the committee packet]. She began on slide 2, which described a brief history of the RCA and some of its accomplishments since its inception. She continued to slide 3, which outlined the organizational structure of the RCA and highlighted the different sections of regulatory work that it covers.

[1:15:05 PM](#)

REPRESENTATIVE RAUSCHER asked how the responsibilities of the RCA have changed since its creation in 1960. He asked if the cost of operating the RCA has increased over the years and asked if all of the positions in the RCA are currently filled.

[1:15:43 PM](#)

MS. ALVEY answered that the responsibilities of the then Alaska Public Service Commission (APSC) and now RCA have not changed since the founding of either of the groups. She said that the cost of operation within the RCA has grown over time and the RCA has multiple open positions at the time of the current committee meeting.

[1:18:09 PM](#)

MS. ALVEY resumed the presentation on slide 4, which outlined the RCA's authorities and limitations as a commission in the State of Alaska. She continued to slide 5, which defined the term "Public Utility" as is written in Alaska Statute and moved to slide 6, which explained what a certificate of Public Convenience and Necessity is as it is written in Alaska Statute. She continued to slide 7, which highlighted what a "certificated entity" is as the term relates to all public utilities in Alaska.

[1:20:27 PM](#)

REPRESENTATIVE SADDLER asked what the terms "not rate-regulated" and "rate regulated" mean as they refer to public utilities in Alaska.

[1:20:49 PM](#)

MS. ALVEY answered that a "rate-regulated" utility has their rates set by the RCA and a "not rate-regulated" utility may set their own rates.

[1:21:56 PM](#)

MS. ALVEY resumed the presentation on slide 8, which described the task of the RCA in its role as a regulatory authority for public utilities in Alaska. She continued to slide 9, which listed certain public utilities that are currently exempt from rate regulation under the RCA.

[1:24:02 PM](#)

REPRESENTATIVE SADDLER asked if the state was responsible for regulating specific communications entities that are currently covered by the Federal Communications Commission (FCC).

[1:24:14 PM](#)

MS. ALVEY answered that the state was not responsible for regulating specific communications entities covered by the FCC

[1:24:50 PM](#)

MS. ALVEY resumed the presentation on slide 10, which outlined the RCA's current tariff review process for entities affected by trade tariffs. She moved to slide 11, which touched on the power cost equalization (PCE) program and its goals. She continued to slide 12, which outlined Cook Inlet's history of natural gas supply and storage.

[1:28:18 PM](#)

REPRESENTATIVE MCCABE asked if the RCA is experiencing a "large employee shortage" and asked why the RCA is not advertising any employment opportunities.

[1:28:41 PM](#)

MS. ALVEY answered that the RCA currently has only one of its five total "master analyst" positions filled and said that there are six other miscellaneous positions unfilled. She explained that the RCA advertises for its positions on Workplace Alaska

and said that the commission is currently working on filling several of the open positions Representative McCabe was referring to.

[1:31:42 PM](#)

MS. ALVEY resumed the presentation on slide 13, which described the Twenty-Sixth Alaska State Legislature's House Bill 280, also known as the "Cook Inlet Recovery Act". She continued to slide 14, which highlighted the two RCA-certificated natural gas facilities in the Cook Inlet Gas Region.

[1:33:07 PM](#)

CHAIR MCKAY asked if the Interior Alaska Natural Gas Utility (IANGU) is owned by the Alaska Industrial Development and Export Authority (AIDEA) and if the Cook Inlet Natural Gas Storage Alaska (CINGSA) is owned by the ENSTAR Natural Gas Company.

[1:33:23 PM](#)

MS. ALVEY replied that Chair McKay's understanding of the current ownership of the public utilities' companies in the Cook Inlet Gas Region was correct.

[1:33:47 PM](#)

MS. ALVEY resumed the presentation on slide 15, which detailed CINGSA and the role that it plays as a public utility in the Cook Inlet Gas Region.

[1:34:45 PM](#)

CHAIR MCKAY asked when two additional gas wells would be developed.

[1:34:58 PM](#)

MS. ALVEY answered that the two additional gas wells in the Cook Inlet Gas Region were scheduled to be developed by the year 2025.

[1:35:21 PM](#)

REPRESENTATIVE MEARS asked what goes into the decision-making process when the RCA is working on a public utility's tariff

review filing. She asked what rules the RCA used when it was hearing a public utility's tariff review claim.

[1:35:41 PM](#)

MS. ALVEY answered that the decision making process regarding a public utility's tariff filing is largely dependent upon which company is filing for the tariff review and what the proposed terms of the tariff agreement were. She articulated that rules, rates, and contracts influence the RCA's decision-making process.

[1:39:08 PM](#)

REPRESENTATIVE MCCABE asked Ms. Alvey if the RCA was aware of the Alaska Federation of Natives' (AFN's) resolution to investigate the RCA's failure to serve its customers in rural communities and asked if the RCA has done anything in response to the resolution.

[1:39:34 PM](#)

MS. ALVEY answered that the RCA was aware of the resolution passed by the AFN. She explained that the RCA has thoroughly reviewed its own internal processes and operations as a result of the AFN resolution and said that the RCA has opened a new regulatory consideration to ensure that customers are getting fair and swift service.

[1:45:05 PM](#)

REPRESENTATIVE SADDLER asked if the RCA is allowed to set a higher than minimum cost of gas in the interest of incentivizing production.

[1:45:49 PM](#)

MS. ALVEY explained that the RCA is bound to its statutes and said that it would always look to regulate in the public interest. She said that the RCA does not regulate gas producers and explained how its regulations interact with both producers and public utilities.

[1:50:37 PM](#)

CHAIR MCKAY asked what four public utilities companies are regulated by the RCA. He asked if the RCA would regulate a

small, private renewable energy operation and asked how often the RCA challenges public utilities' agreed upon gas prices.

[1:51:25 PM](#)

MS. ALVEY, in response to a series of questions from Representative McKay, answered that the RCA regulates ENSTAR Natural Gas Company; Doyon, Limited; and Norgasco while AIDEA regulates the Fairbanks Natural Gas Company. She said that the RCA would regulate the rates set by the contractual agreement between the utility and the renewable energy provider. She said that RCA staff review each individual contract between a public utility and a gas producer.

[1:59:00 PM](#)

REPRESENTATIVE SADDLER shared his understanding that the RCA does not have the authority to regulate commercial utilities.

MS. ALVEY confirmed that the RCA would review the producer and utilities' gas contracts but would not regulate any rates for commercial utilities.

[2:00:21 PM](#)

REPRESENTATIVE RAUSCHER asked how many vacancies there are within the RCA and asked how long it would take to fill them.

MS. ALVEY replied that she would follow-up with the committee with the requested information.

[2:01:31 PM](#)

REPRESENTATIVE SADDLER asked how many of the vacancies within the RCA are directly affecting its ability to perform its duties.

MS. ALVEY assured Representative Saddler that the RCA is fully functioning despite the vacancies.

[2:03:33 PM](#)

CHAIR MCKAY thanked Ms. Alvey and the RCA for its presentation.

[2:03:58 PM](#)

The committee took an at-ease from 2:03 p.m. to 2:06 p.m.

HB 359-ONE-TIME PFD PAYMENT

2:06:01 PM

CHAIR MCKAY announced that the final order of business would be HOUSE BILL NO. 359, "An Act relating to the permanent fund dividend and a one-time permanent fund dividend payment and land voucher; and providing for an effective date."

2:06:29 PM

The committee took a brief at-ease at 2:06 p.m.

2:06:43 PM

REPRESENTATIVE RAUSCHER moved to adopt the proposed committee substitute (CS) for HB 359, Version 33-LS1292\B, Nauman, 3/15/24, as the working document.

2:07:15 PM

REPRESENTATIVE MEARS objected for the purpose of discussion.

2:08:02 PM

TREVOR JEPSEN, Staff, Representative Tom McKay, on behalf of Representative Mike Cronk, prime sponsor, gave the summary of changes under the proposed CS for HB 359 [included in the committee packet], which read as follows [original punctuation provided]:

Summary of Changes - CS for House Bill 359(RES)  
Permanent Fund Dividend Buy-Out

Title: "An Act relating to the permanent fund dividend and a permanent fund dividend buy-out; and providing for an effective date"

Slight title changes to account for change in payment from a one-time lump sum to a three-year buyout program.

Sec. 1 Removes section 1 of HB 359 version A (Permanent Fund Dividend Land Vouchers) and replaces with a modified version of HB 359 version A section 2 that conforms the language to account for three PFD

buy-out payments instead of a one-time lump sum payment.

Sec. 2 Amended version of HB 359 version A section 3 which defines the PFD payout as three \$5,000.00 payments in addition to three regular PFD payments distributed over a three-year period (2026-2028) instead of a one-time lump-sum payment.

Sec. 3 Amended version of HB 359 version A section 4 with conforming language to reflect the three-year buy-out program as compared to the one-time payment.

Sec. 4 Same as section 5 in HB 359 version A

[2:09:43 PM](#)

A roll call vote was taken. Representatives McCabe, Baker, Rauscher, Saddler, Wright, and McKay voted in favor of adopting the proposed CS for HB 359, Version 33-LS1292\B, Nauman, 3/15/24, as the working document. Representatives Armstrong, Mears, and Dibert voted against it. Therefore, Version B was before the committee by a vote of 6-3.

[2:11:04 PM](#)

REPRESENTATIVE MEARS shared her concern that Version B would negatively affect Alaskans who live in the state versus individuals who might want to move to Alaska to abuse the permanent fund dividend (PFD).

[2:12:41 PM](#)

DAVE STANCLIFF Staff, Representative Mike Cronk, on behalf of Representative Mike Cronk, prime sponsor, answered committee questions regarding HB 359, Version B. He said that no one can know exactly what part of the demographic will benefit from the proposed legislation and explained how the option to receive a lump sum PFD might be beneficial for senior Alaskans or younger families.

[2:16:02 PM](#)

CODY RICE, Professional Assistant, House Majority Office, on behalf of Representative Mike Cronk, prime sponsor, answered committee questions regarding HB 359, Version B. He shared a specific data set that he prepared for the committee meeting

that highlighted how the proposed PFD distribution policies could be implemented without risk of the PFD recipient leaving Alaska or the State Treasury running out of money too quickly.

[2:18:23 PM](#)

REPRESENTATIVE ARMSTRONG reiterated that behavioral economics indicate that a majority of people would choose to receive a lump sum check rather than a delayed distribution and asked why Version B is a good idea in the first place.

[2:18:43 PM](#)

MR. RICE confirmed Representative Armstrong's knowledge of behavioral economics.

[2:20:04 PM](#)

MR. STANCLIFF added that Version B was being proposed to create an option for residents that would prefer a lump sum PFD. He said that some Alaskans are worried about the future of the state and opined that Version B could create hope for those people feeling uncertain about living in Alaska.

[2:22:20 PM](#)

REPRESENTATIVE MEARS asked if the proposed lump sum PFD would be subject to federal income taxes.

[2:22:39 PM](#)

MR. RICE said that he did not know whether or not the proposed lump sum PFD would be subject to federal taxes.

[2:23:32 PM](#)

REPRESENTATIVE SADDLER hypothesized about an individual who is allowed to sell their rights to any future PFD they might be eligible to receive and asked how the \$15,000 figure mentioned under Version B was attained.

MR. RICE answered that he was unsure if the PFD was transferrable.

[2:25:30 PM](#)

MR. STANCLIFF added that the \$15,000 figure was the product of "a lot of discussion."

[2:26:31 PM](#)

REPRESENTATIVE RAUSCHER asked if the "Pick.Click.Give" program would be included with the proposed lump sum PFD.

[2:27:01 PM](#)

MR. STANCLIFF assured Representative Rauscher that the Pick.Click.Give program would be retained under the provisions of Version B.

[2:27:40 PM](#)

CHAIR MCKAY shared his agreement with Representative Mears that Version B should be deliberated further.

[2:29:57 PM](#)

CHAIR MCKAY announced that HB 359, Version B was held over.

[2:30:05 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 2:30 p.m.