

SENATE FINANCE COMMITTEE

May 6, 2024

9:06 a.m.

[9:06:11 AM](#)

CALL TO ORDER

Co-Chair Olson called the Senate Finance Committee meeting to order at 9:06 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair  
Senator Donny Olson, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Click Bishop  
Senator Jesse Kiehl  
Senator Kelly Merrick  
Senator David Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Senator Cathy Giessel.

PRESENT VIA TELECONFERENCE

Erlingur Gudleifsson, Adjunct Researcher, University of Alaska Fairbanks, Denmark; Jenn Miller, CEO, Renewable Independent Power Producer, Anchorage; Philip Wight, Self, Fairbanks; Ken Griffin, Self, Wasilla; Kassie Andrews, Self, Anchorage.

SUMMARY

SB 217 INTEGRATED TRANSMISSION SYSTEMS

SB 217 was heard and HELD in Committee for further consideration.

CSHB 50 (FIN)

CARBON STORAGE

CSHB 50(FIN) was SCHEDULED but not HEARD.

#sb217

SENATE BILL NO. 217

"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."

9:06:34 AM

Co-Chair Olson relayed that the committee would hear public testimony on the bill. The committee had heard the bill several times over the last few weeks.

9:06:55 AM

Co-Chair Olson OPENED public testimony.

9:07:07 AM

ERLINGUR GUDLEIFSSON, ADJUNCT RESEARCHER, UNIVERSITY OF ALASKA FAIRBANKS, DENMARK (via teleconference), offered a prepared testimony:

Chair and members of the finance committee, I want to touch on a few things regarding bill SB217.

First, I would like to tell you how I enjoyed having the opportunity to show legislators around Iceland last fall in the policy tour we at ACEP organized.

Through my work for UAF I have realized that Alaska and Iceland have surprisingly many things in common, but most importantly for us here today is to recognize similarities in the power sector. As Alaska, Iceland has mostly public power where the state generates more than 70% of all power but also there are vertically integrated municipality owned utilities that both generate and distribute power.

For about two decades the Icelandic power sector has been going through incremental changes that at first were driven by EU policy but nowadays driven more by internal motivation. The fundamental changes I'm referring to is separation between generation and

transmission that lead to the establishment of the Icelandic transmission system operator (TSO) named Landsnet which was one of the focus points during the policy tour last fall that I referred to in the beginning.

Now one might ask was this transition no problem, forcing transmission assets owners to either sell or hand over their assets in exchange for equity in this newly established TSO. Here it's worth mentioning that some concerns arose regarding how dominating the state power producer Landsvirkjun was within the company, having formally owned about 70% of all transmission assets which was reflected in their dominance within the company. This was later sorted out by when the state bought most of the shares so today the state owns about 95% of the TSO.

Furthermore, this procedure is known for having been a good decision for Iceland and today there is broad agreement that this was an important step in creating an open competitive energy market.

We at UAF have shared many of the details regarding this unbundling procedure of the Icelandic TSO in a paper, a paper that I wrote with my colleague at UAF Gwen Holdmann. I appreciate the collaboration and partnership the Icelandic TSO has shown to us for the past year, or since we started establishing understanding on how Alaska might benefit from another island grid in the arctic.

At last, I would like to thank you for the opportunity given to me here today to testify on our work.

[9:10:43 AM](#)

JENN MILLER, CEO, RENEWABLE INDEPENDENT POWER PRODUCER, ANCHORAGE (via teleconference), testified in support of the legislation and offered talking points from the organization's letter of support (copy on file).

[9:14:19 AM](#)

PHILIP WIGHT, SELF, FAIRBANKS (via teleconference), spoke in favor of the bill. He mentioned being an energy historian of Alaska. He asserted that there was an urgent

need to create a Railbelt Transmission Organization (RTO) as soon as possible. He supported the elimination of wheeling fees, the creation of an effective transmission organization, and ensuring vital transmission assets were properly owned and managed. He offered a historical story regarding Alaska's first transmission organization.

[9:18:03 AM](#)

Senator Bishop asked Mr. Wight to provide his public testimony in written form.

Mr. Wight agreed to provide the information.

[9:18:44 AM](#)

KEN GRIFFIN, SELF, WASILLA (via teleconference), testified in opposition to the bill. He stressed that he had read every energy bill and believed that none of the bills would benefit the residents of Alaska. He reminded the committee that they worked for the citizens of the state and not for industry.

[9:20:30 AM](#)

RECESSED

[9:34:33 AM](#)

RECONVENED

KASSIE ANDREWS, SELF, ANCHORAGE (via teleconference), spoke in opposition to the bill. She thought the bill contained multiple subsidies to corporations.

[9:36:23 AM](#)

Co-Chair Olson CLOSED public testimony.

SB 217 was heard and HELD in Committee for further consideration.

Co-Chair Olson discussed the agenda for the a //

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ADJOURNMENT

[9:36:49 AM](#)

The meeting was adjourned at 9:36 a.m.