

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

January 29, 2024

1:32 p.m.

MEMBERS PRESENT

Senator Jesse Bjorkman, Chair
Senator Elvi Gray-Jackson
Senator Kelly Merrick
Senator Forrest Dunbar

MEMBERS ABSENT

Senator Click Bishop, Vice Chair

COMMITTEE CALENDAR

SENATE BILL NO. 182

"An Act extending the termination date of the Big Game Commercial Services Board; and providing for an effective date."

- MOVED SB 182 OUT OF COMMITTEE

SENATE BILL NO. 152

"An Act relating to community energy facilities."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 182

SHORT TITLE: EXTEND BIG GAME COMM SERVICES BOARD

SPONSOR(s): LABOR & COMMERCE

01/16/24	(S)	READ THE FIRST TIME - REFERRALS
01/16/24	(S)	L&C, FIN
01/22/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
01/22/24	(S)	Heard & Held
01/22/24	(S)	MINUTE(L&C)
01/29/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 152

SHORT TITLE: COMMUNITY ENERGY FACILITIES; NET METERING

SPONSOR(s): WIELECHOWSKI

05/15/23	(S)	READ THE FIRST TIME - REFERRALS
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05/15/23 (S) L&C
01/29/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

RAYMIE MATIASHOWSKI, Staff
Senator Jesse Bjorkman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided a recap of SB 182.

CABOT PITTS, representing self
Palmer, Alaska

POSITION STATEMENT: Testified in support of SB 182.

DICK ROHRER, representing self
Kodiak, Alaska

POSITION STATEMENT: Testified in support of SB 182.

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

POSITION STATEMENT: Gave a presentation on SB 152.

MARIE FRANCIS, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 152.

ALEX PETKANAS, Clean Energy and Climate Program Manager
The Alaska Center
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 152.

SARA THOMAS, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 152.

PHIL WRIGHT
Alaska Public Interest Research Group (AKPIRG)
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 152.

ACTION NARRATIVE

[1:32:35 PM](#)

CHAIR JESSE BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Dunbar, Gray-Jackson, Merrick and Chair Bjorkman.

SB 182-EXTEND BIG GAME COMM SERVICES BOARD

[1:33:27 PM](#)

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 182 "An Act extending the termination date of the Big Game Commercial Services Board; and providing for an effective date."

[1:34:17 PM](#)

RAYMIE MATIASHOWSKI, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, provided a recap of SB 182. He explained that SB 182 extends the Big Game Commercial Services Board until June 30, 2032.

[1:35:23 PM](#)

SENATOR GRAY-JACKSON expressed gratitude for the timely response to her questions at the previous meeting. She stated that while she supports extending the Big Game Commercial Services Board (the Board), she respects the auditors' [recommendation] to extend the Board for 6 years.

[1:36:02 PM](#)

CHAIR BJORKMAN opened public testimony on SB 182.

[1:36:38 PM](#)

CABOT PITTS, representing self, Palmer, Alaska, testified in support of SB 182. He said he has been an Alaska resident for 15 years and holds a registered guide license. He added that he is a bush pilot and a commercial fisherman. He explained that his work as a guide has been positively impacted by the oversight that the Board provides. The Board puts forth regulations, sets high standards, and holds individuals accountable, which has had a positive impact on the industry. He said that keeping licensees up to date with current rules and regulations saves money.

[1:39:19 PM](#)

DICK ROHRER, representing self, Kodiak, Alaska, testified in support of SB 182. He said he has been an Alaska resident for over 50 years and is a master guide-outfitter. He explained that he was one of two guides to serve on the Board when it was reinstated in 2005. He acknowledged the time commitment required from board members. He shared the Board's recommendation that a

permanent full-time executive administrator position be created and added that this could be paid for with Board funds.

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CHAIR BJORKMAN closed public testimony on SB 182.

[1:42:13 PM](#)

SENATOR GRAY-JACKSON corrected her earlier statement, changing "auditor's opinion" to "auditor's recommendation."

[1:42:28 PM](#)

CHAIR BJORKMAN acknowledged the need for a full-time executive administrator position and stated his intention to keep SB 182 a sunset bill, without adding additional legislative changes. He said he plans to introduce legislation that would create a position that would assist the Board with licensing and administrative support.

[1:43:45 PM](#)

CHAIR BJORKMAN invited further comment from committee members. Finding none, he solicited the will of the committee.

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SENATOR GRAY-JACKSON moved to report SB 182, work order 33-LS1124\A, from committee with individual recommendations and attached fiscal note(s).

[1:44:03 PM](#)

CHAIR BJORKMAN found no objection and SB 182 was reported from the Senate Labor and Commerce Standing Committee.

[1:44:16 PM](#)

At ease

SB 152-COMMUNITY ENERGY FACILITIES; NET METERING

[1:46:41 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 152 "An Act relating to community energy facilities."

[1:47:03 PM](#)

DAVID DUNSMORE, Staff, Senator Bill Wielechowski, Alaska State Legislature, Juneau, Alaska, gave a presentation on SB 152.

[1:47:20 PM](#)

MR. DUNSMORE reviewed slide 2:

[Original punctuation provided.]

In 2009 the Legislature Adopted a State Energy Policy Setting the Goal that:

[T]he state remain a leader in petroleum and natural gas production and become a leader in renewable and alternative energy development.

SB 152 helps Alaska meet this goal.

[1:47:32 PM](#)

MR. DUNSMORE reviewed slide 3:

[Original punctuation provided.]

What is Community Energy?

- Also known as virtual net metering.
- Allows individual Alaskans to subscribe to renewable energy projects
- Helps achieve goals of affordability and reliability.

He explained that SB 152 creates a community energy program for economically regulated utilities. Individual ratepayers can subscribe to renewable energy projects and receive a share of the benefits as a credit on their bill.

[1:48:00 PM](#)

MR. DUNSMORE reviewed slide 4:

[Original punctuation provided.]

Community Energy is Popular Across the Nation

- 23 other states and dozens of utilities have community energy programs.
- 7.3 GW of new solar capacity expected by 2030.
- Community energy is the fastest growing sector in renewable energy.

[1:48:30 PM](#)

MR. DUNSMORE explained that SB 152 helps to close gaps in Alaska's current net-metering program. He then reviewed slide 5:

[Original punctuation provided.]

Current Net-Metering Program

- In current regulations adopted by the Regulatory Commission of Alaska.
- Wind or solar installation tied to specific property and meter.
- The excess energy produced is sent back to the grid.
- The utility credits the ratepayer for the excess energy generated applied to future bills. Ratepayers must still pay base rate charges.

[1:49:00 PM](#)

MR. DUNSMORE reviewed slide 6:

[Original punctuation provided.]

SB 152 Targets Those Without Net Metering Access

- Renters, condo associations, and homeowners without access to good sun or wind would now be able to benefit.
- Customers can stay subscribed to the program if they move within the same utility service area.
- Both residential and commercial ratepayers can subscriber to community energy projects.

[1:49:40 PM](#)

MR. DUNSMORE reviewed slide 7:

[Original punctuation provided.]

SB 152 Expands Options for Net Metering

- Allows ratepayers to pool resources on a single project and split the net metering benefits
- Makes net metering available for apartment and condo buildings so each ratepayer won't need their own generator
- Ratepayers can crowdsource small-scale renewable energy projects by subscribing to community energy projects

- Utilities can operate their own projects that ratepayers can choose to subscribe to

[1:50:17 PM](#)

MR. DUNSMORE reviewed slide 8:

[Original punctuation provided.]

Regulatory Commission of Alaska Oversight

- SB 152 applies only to utilities that are economically regulated by the RCA.
- Utilities will be required to submit community energy plans to the RCA for review and approval.
- The RCA may modify or waive any requirements of SB 152 to meet the needs of specific utilities.

[1:50:47 PM](#)

MR. DUNSMORE reviewed slide 9:

[Original punctuation provided.]

How Community Energy Works

- Third Party submits application to a utility, or the utility initiates their project.
- Utility accepts project if parameters met.
- Utility forwards project to Regulatory Commission of Alaska (RCA).
- Project is approved by RCA.
- When subscribers are signed up, the project is developed.
- When project is finished and comes online, credits to subscribers begin.
- Credits are visible on same monthly utility bill.

MR. DUNSMORE stated that examples of a third party include condo associations and private businesses.

[1:51:26 PM](#)

MR. DUNSMORE reviewed slide 10:

[Original punctuation provided.]

Benefits

- Lower energy bills for Alaskans
- More Federal and private investment
- Creates renewable energy jobs
- Offsets natural gas usage in Cook Inlet
- Improves grid resiliency
- Condo associations and apartments can participate

[1:51:57 PM](#)

MR. DUNSMORE reviewed slide 11:

[Original punctuation provided.]

Lowers Energy Bills

- Subscribers save 10-20 percent on their energy bills after payback period.
- Payback period averages 3-5 years.
- Specific savings are project dependent.

[1:52:17 PM](#)

MR. DUNSMORE reviewed slide 12:

[Original punctuation provided.]

More Jobs and Investment

- \$7 Billion dollars in federal money is available for community energy projects nationwide.
- Alaska ranks last in the nation in solar jobs, taking advantage of our potential would create 100s of jobs.
- There are now more jobs worldwide in renewable energy than fossil fuels according to BP annual report.
- Community Solar is currently the fastest growing sector in renewable energy.

[1:52:52 PM](#)

MR. DUNSMORE reviewed slide 13:

[Original punctuation provided.]

Offsets Natural Gas

- Railbelt utilities are facing a natural gas shortage.
- Costly proposals to import natural gas to Alaska are now on the table.
- An 8 percent increase in renewable energy on the Railbelt could be enough to address Cook Inlet Supply issues before 2030.

[1:53:23 PM](#)

MR. DUNSMORE reviewed slide 14:

[Original punctuation provided.]

Community Energy Improves Grid Resiliency

- Reliability in grid is top goal for utilities and customers.
- Several instances of fires, snowstorms and windstorms have left sections of the Railbelt without power for extended periods of time.
- Smaller renewable energy projects with battery systems up and down the Railbelt will improve reliability in communities.

MR. DUNSMORE stated that community energy can improve grid resiliency by decentralizing energy generation.

[1:54:00 PM](#)

SENATOR DUNBAR pointed out that SB 152 only applies to regulated facilities. He asked if smaller, private grids exist in Alaska and, if so, are they intentionally exempt from these regulations.

[1:54:21 PM](#)

MR. DUNSMORE replied that, in general, smaller scale utilities are not directly economically regulated by the Regulatory Commission of Alaska (RCA). He offered his understanding that this is to allow smaller utilities more flexibility and freedom to operate. He added that smaller utilities are already able to operate their own community energy programs and therefore do not need to be included in SB 152.

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At ease

[1:55:44 PM](#)

CHAIR BJORKMAN reconvened the meeting and solicited questions from the committee. Finding none, he opened public testimony on SB 152.

[1:56:29 PM](#)

At ease

[1:56:51 PM](#)

CHAIR BJORKMAN reconvened the meeting.

[1:57:27 PM](#)

MARIE FRANCIS, representing self, Anchorage, Alaska, testified in support of SB 152. She stated that she lives on the rail belt and expressed alarm at the natural gas shortages the state will soon face. She explained that, although she has a vested interest in the transition to renewable energy, she rents her home and is therefore unable to install a solar panel.

[1:58:55 PM](#)

ALEX PETKANAS, Clean Energy and Climate Program Manager, The Alaska Center, Anchorage, Alaska, testified in support of SB 152. He highlighted several economic implications, including a 10 percent savings on energy bills, diversification of the State's energy supply, and job opportunities within the state.

[2:00:58 PM](#)

SARA THOMAS, representing self, Anchorage, Alaska, testified in support of SB 152. She emphasized the importance of diversifying energy sources and making solar energy cheaper and more accessible.

[2:02:02 PM](#)

PHIL WRIGHT, Alaska Public Interest Research Group (AKPIRG), Fairbanks, Alaska, testified in support of SB 152. He stated that he is an expert in energy policy focusing on consumer choice, competition, and reducing system costs. He said that SB 152 makes the cheapest, cleanest energy available to nearly all Alaskans. He emphasized the cost reduction potential of renewable energy sources. He added that more investments are flowing into renewable energy production than into oil and gas production. He stated that cost reduction is particularly important because of the upcoming natural gas shortage. Additionally, he noted that SB 152 would allow for more diverse energy sources.

[2:03:36 PM](#)

MR. WRIGHT gave a brief history of community solar programs. He pointed out the potential savings for consumers and stated that in some cases the savings can be seen right away. He said that SB 152 would make the benefits of renewable energy accessible to more Alaskans and would provide more options for cost-saving energy sources while unlocking opportunities for private sector investments.

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CHAIR BJORKMAN asked who would bear the cost of constructing solar panels and connecting them to the power grid, as well as costs resulting from adjustments that utilities would need to make in order to accommodate solar panels.

[2:07:10 PM](#)

MR. DUNSMORE replied that many of these details would be addressed in plans created by the utilities and reviewed by the RCA. He noted that SB 152 will not expand the current cross-subsidization policy.

[2:08:19 PM](#)

CHAIR BJORKMAN asked how this community energy program improves on the current net metering program.

[2:08:31 PM](#)

MR. DUNSMORE answered that the biggest improvement is increased accessibility. He reiterated that, currently, these renewable energy sources are only available to those who meet specific property requirements. To illustrate this, he shared a story about a senior housing collective that had considered net metering and discovered that it was not feasible. SB 152 would expand net metering benefits to more ratepayers by allowing pooling and crowd-sourcing projects.

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SENATOR DUNBAR commented that many legislators have engaged in conversations with the four major railbelt utilities regarding these issues and noted that none of these utilities were represented at the hearing. He asked if they have had discussions with the four major railbelt utilities and, if so, have they expressed strong opposition to SB 152.

[2:10:27 PM](#)

MR. DUNSMORE replied that they have had conversations with individual utilities, the Alaska Power Association, and other stakeholders. They have expressed concern with some of the

language in SB 152 which will be addressed during the committee process.

[2:11:11 PM](#)

CHAIR BJORKMAN explained why the utility representatives were not present. He said that utility representatives would be in town during the week and suggested that this would be a good opportunity to work with them on SB 152.

[SB 152 was held in committee.]

[2:12:17 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:12 p.m.