

**ALASKA STATE LEGISLATURE**  
**SENATE LABOR AND COMMERCE STANDING COMMITTEE**

April 10, 2024

1:31 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. 219

"An Act relating to utilization review entities; exempting certain health care providers from making preauthorization requests for certain services; and providing for an effective date."

- MOVED SB 219 OUT OF COMMITTEE

SENATE BILL NO. 152

"An Act relating to community energy facilities."

- HEARD & HELD

SENATE BILL NO. 257

"An Act relating to the Regulatory Commission of Alaska; relating to public utilities; relating to electric reliability organizations; relating to the Alaska Energy Authority; relating to the Railbelt Transmission Organization; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 219

SHORT TITLE: PRIOR AUTH EXEMPT FOR HEALTH PROVIDERS

SPONSOR(S): SENATOR(S) WILSON

02/07/24 (S) READ THE FIRST TIME - REFERRALS  
02/07/24 (S) L&C, HSS  
03/13/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
03/13/24 (S) Heard & Held  
03/13/24 (S) MINUTE(L&C)  
04/08/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
04/08/24 (S) Heard & Held  
04/08/24 (S) MINUTE(L&C)  
04/10/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

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)

BILL: SB 257

SHORT TITLE: ELECTRIC UTILITY REGULATION  
SPONSOR(s): RESOURCES

03/01/24 (S) READ THE FIRST TIME - REFERRALS  
03/01/24 (S) L&C, RES, FIN  
03/01/24 (S) L&C WAIVED PUBLIC HEARING NOTICE, RULE  
23  
03/04/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
03/04/24 (S) Heard & Held  
03/04/24 (S) MINUTE(L&C)  
03/04/24 (S) RES AT 3:30 PM BUTROVICH 205  
03/04/24 (S) <Bill Hearing Canceled>  
03/27/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
03/27/24 (S) Heard & Held  
03/27/24 (S) MINUTE(L&C)  
04/05/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
04/05/24 (S) Heard & Held  
04/05/24 (S) MINUTE(L&C)  
04/10/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

SENATOR BILL WIELECHOWSKI, District K  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 152.

SARAH MOON, Co-Founder  
Fieldworks Power  
San Francisco, California

**POSITION STATEMENT:** Provided invited testimony in support of SB 152.

KEVIN CRAY, Senior Regional Director  
Coalition for Community Solar Access  
Denver, Colorado

**POSITION STATEMENT:** Provided invited testimony in support of SB 152.

JENNY MARIE-STRIKER, Political Director  
The Alaska Center  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 152.

EMILY COHEN, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 152.

KYLA KOSEDNAR, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 152.

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

**POSITION STATEMENT:** Provided the summary of changes for SB 152.

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

**POSITION STATEMENT:** Provided comments and answered questions on SB 152.

SENATOR CATHY GIESSEL, District E  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 257.

SARAH LAMBE, CFO, Homer Electric Association  
Homer, Alaska

**POSITION STATEMENT:** Co-presenter for a presentation on SB 257.

KERIANN BAKER, Chief Strategic Office, Homer Electric Association  
Homer, Alaska

**POSITION STATEMENT:** Co-presenter for a presentation on SB 257.

MIKE CRAFT, representing self  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of SB 257.

KEN HUCKEBA, representing self  
Wasilla, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 257.

JOEL GROVES, Board Chair  
Railbelt Reliability Council  
Anchorage, Alaska

**POSITION STATEMENT:** Testified with concerns on SB 257.

NATALIE KILEY-BERGEN, Energy Lead  
Alaska Public Interest Research Group  
Anchorage, Alaska

**POSITION STATEMENT:** Testified with concerns on SB 257.

CHRIS ROSE, Director  
Renewable Alaska Energy Project  
Sutton, Alaska

**POSITION STATEMENT:** Testified with concerns on SB 257.

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

**POSITION STATEMENT:** Testified in opposition to SB 257.

ANTONY SCOTT, representing self,  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 257.

DAVID NEWMAN, representing self  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of SB 257.

MARYLEE GUTHRIE, representing self  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified with concerns on SB 257.

#### **ACTION NARRATIVE**

[1:31:49 PM](#)

**CHAIR JESSE BJORKMAN** called the Senate Labor and Commerce Standing Committee meeting to order at 1:31 p.m. Present at the call to order were Senators Gray-Jackson, Dunbar, Merrick, and Chair Bjorkman.

**SB 219-PRIOR AUTH EXEMPT FOR HEALTH PROVIDERS**

[1:32:50 PM](#)

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 219 "An Act relating to utilization review entities; exempting certain health care providers from making preauthorization requests for certain services; and providing for an effective date."

[1:33:33 PM](#)

CHAIR BJORKMAN solicited the will of the committee.

[1:33:36 PM](#)

SENATOR GRAY-JACKSON moved to report SB 219, work order 33-LS1302\A, from committee with individual recommendations and attached fiscal note(s).

[1:33:51 PM](#)

CHAIR BJORKMAN found no objection and SB 219 was reported from the Senate Labor and Commerce Standing Committee.

[1:34:00 PM](#)

At ease

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

[1:35:11 PM](#)

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

He noted that this is the second hearing of SB 152 by the Senate Labor and Commerce Standing Committee.

[1:35:45 PM](#)

SENATOR BILL WIELECHOWSKI, District K, Alaska State Legislature, Juneau, Alaska, Sponsor of SB 152; gave a recap of SB 152:

- SB 152 will create a framework for community renewable energy projects and virtual net metering in Alaska.

- Current net metering regulations require that the generation facility be tied to a specific meter; this bill will allow for ratepayers to share a facility and share their net metering benefits across multiple meters.
- Community energy facilities enabled by this bill could be as small as a four-plex putting a solar array on the roof and splitting the benefits with all residents, or larger scale projects that are crowd-funded by subscribers.
- Community solar is the fastest growing area of the renewable energy sector, and at least 26 states have passed community solar legislation.
- Since the initial hearing in January, we have worked closely with utilities and other stakeholders to craft a committee substitute to ensure this bill works for utilities and ratepayers.

[1:37:00 PM](#)

CHAIR BJORKMAN announced invited testimony for SB 152.

[1:37:20 PM](#)

SARAH MOON, Co-Founder, Fieldworks Power, San Francisco, California, said her team had experience developing and operating community solar projects in the lower 48 and that SB 152 would enable investment from companies like Fieldworks Power in the State of Alaska. She said SB 152 offered several tangible benefits:

1. SB 152 would provide an element of energy choice and freedom to residents and businesses who choose to subscribe to these projects. She said this enables access to much-needed bill relief as subscribers to community solar generally save ten percent or more on their energy costs.
2. Community solar helps to modernize the grid by leveraging private investment dollars from companies like Fieldworks Power to improve local distribution infrastructure. This investment benefits all ratepayers, especially those who live near the project.
3. Installing these mid-scale projects across the state improves reliability and resilience by diversifying energy resources.
4. Because facilities must be built in the utility service territory where the customer resides, it creates local, home-grown energy.

MS. MOON said in other states that have already passed community solar legislation, the impact has been significant. Over 1600 community solar projects have been built across the country, enough to power over 1 million homes. She said each of these projects delivered significant investment to the communities where they are located, not only through grid upgrades, but also through local jobs, property taxes, lease payments and more.

MS. MOON concluded passing SB 152 will enable local energy generation, economic development, grid upgrades, increased reliability and resilience, and electric bill relief for consumers and businesses.

[1:40:19 PM](#)

KEVIN CRAY, Senior Regional Director, Coalition for Community Solar Access (CCSA), Denver, Colorado, said CCSA is the national trade organization solely focused on the community solar industry, representing 120 members in virtually all community solar markets across the country and at the federal level. He said CCSA's mission is to expand customer choice and freedom to access the benefits of solar energy to all Americans regardless of their ability to host a solar array. He said community solar fills several notable gaps in the renewable energy space, whose sizing perspective is to thread between small rooftop systems that can already be found across the state and large utility-scale systems that provide bulk power needs to the system. He said they are commonly two to five megawatts in capacity and roughly ten to twenty-five megawatts of land-sizing, meaning they can be located near areas where people live, work and play, providing energy close to where it would be consumed. This locational proximity provides increased grid efficiencies by reducing the need for costly transmission lines to transport energy from larger systems to load centers that could be hundreds of miles away. Smaller system sizes also provide opportunities for smaller landowners to host projects and reap the benefits of doing so.

[1:41:35 PM](#)

MR. CRAY said from an industry perspective CCSA's members have collectively deployed over \$10 billion of private capital to upgrade the electric grid, bring electric bill savings to millions of customers across the lower 48 and drive economic development primarily in rural communities. He said CCSA stands ready and excited to bring those investments and economic opportunities northward to the great state of Alaska upon passage of SB 152.

MR. CRAY noted that economic development opportunities extend well beyond the temporary construction jobs needed to physically build the [energy generation] projects to other in-demand sectors that include engineering, marketing, sales, land acquisition, siting, etc. He noted tangential industries such as logging, food and beverage, transportation that would see a boost in demand from the development of these projects. He said these benefits precede the economic impacts of subscribing customers who will put their energy bill savings to use in their local communities or taking the trip their family has been looking forward to.

[1:42:51 PM](#)

CHAIR BJORKMAN opened public testimony on SB 152.

[1:43:12 PM](#)

JENNY MARIE-STRIKER, Political Director, The Alaska Center, Anchorage, Alaska, testified in support of SB 152 on behalf of The Alaska Center which she said was a state-wide non-profit organization that seeks to create a thriving, just and sustainable future for all Alaskans. She said SB 152 would be very impactful based on communication from Alaskans about the need for more affordable and accessible community energy. She described the Solarize program run by The Alaska Center in Anchorage, Fairbanks and a coalition of other partners, since 2018. She said Solarize brings neighbors, businesses and community spaces together to purchase solar panels and installation at group rates. She said there were many people who would like to access solar energy or participate in the Solarize program but are unable to for a variety of reasons such as: cost of solar equipment, inability to support solar equipment, and renters who don't own their residence. She said SB 152, by allowing community energy with virtual net metering and a subscriber model would open energy generation to many more Alaskans regardless of where they live and whether they own property or not. In addition to addressing the [energy] needs of individuals, she said SB 152 would make an impact on Alaska's overall energy portfolio by encouraging more private investment from dispersed energy generation.

MS. MARIE-STRIKER noted the natural gas crisis in Alaska and energy proposals in the legislature to address it. She said SB 152 would add to the toolbox of solutions that Alaskans would benefit from.

[1:45:41 PM](#)

EMILY COHEN, representing self, Anchorage, Alaska, testified in support of SB 152 and that she supports community solar because it allows residents who rent to have more choice about the source of the energy they use. She said solar panel ownership is currently limited to individuals who own their own homes and land and solar co-ops would allow renters and homeowners who live on shaded property to buy into shares of solar energy farms in their neighborhoods. She said solar energy has been shown to decrease energy costs for households and renters deserve the ability to enjoy those cost savings. She advocated for the ability to choose her source of energy and said the ability to buy into a community solar cooperative would help counteract the monopoly that Chugach Electric Association has in Southcentral Alaska and a more stable and diverse energy portfolio for Alaska. She noted the looming [natural] gas crisis in Cook Inlet said passing SB 152 is an excellent way to insure stable energy production and consumption in the state. She urged the committee to pass SB 152 and be energy champions for the state.

[1:47:02 PM](#)

KYLA KOSEDNAR, representing self, Anchorage, Alaska, said SB 152 would go a long way toward making energy more affordable and accessible for her family. She said she and her husband own a home that is part of a homeowner's association (HOA). She said they don't own their roof and can't invest in rooftop solar, though she said even if their HOA allowed it, they wouldn't be able to afford a traditional solar array. She said the community solar projects proposed by Chugach Electric would not provide cost savings that would allow them to invest in solar energy [equipment] and that is why it was important to pass SB 152 to make energy more accessible to families like theirs and it would go a long way toward lowering their energy costs. She noted their two-bedroom townhouse electric bill sometimes exceeds \$200 per month in the winter. She said the ability to offset that cost with savings from solar year-round with virtual net metering, would make a big difference for their family. She said passing SB 152 seems like a simple, equitable and inexpensive way to bring more renewables onto the grid and lower dependency on natural gas.

[1:48:40 PM](#)

CHAIR BJORKMAN closed public testimony on SB 152.

[1:48:55 PM](#)

CHAIR BJORKMAN solicited a motion.

[1:48:57 PM](#)

SENATOR GRAY-JACKSON moved to adopt the committee substitute (CS) for SB 152, work order 33-LS0607\U, as the working document.

[1:49:10 PM](#)

CHAIR BJORKMAN objected for purposes of explanation.

[1:49:44 PM](#)

DAVID DUNSMORE, Staff, Senator Bill Wielechowski, Alaska State Legislature, Juneau, Alaska, explained the changes in the CS for SB 152.

[Original punctuation included]

**Senate Bill 152**  
**Community Energy Facilities**

Summary of Changes Version B to Draft CS Version U

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.

[1:51:47 PM](#)

MR. DUNSMORE continued to explain the changes in the CS for SB 152.

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.

[1:52:26 PM](#)

CHAIR BJORKMAN noted the new CS for SB 152 would give the Regulatory Commission of Alaska (RCA) a to-do list for the projects addressed by the bill. He asked how long it would take to develop a community solar project, working through the RCA.

[1:53:02 PM](#)

MR. DUNSMORE said SB 152 would give the RCA one year after the effective date to adopt regulations. He said the community energy tariff filings would have the same timeline the RCA uses for other tariff filings. Regarding specific projects, he said the goal of SB 152 was that once utilities have approved energy tariffs in place, utilities and ratepayers and entities looking to create community energy projects would be provided regulatory certainty. He said as long as they are interconnecting within the standards approved through the utility's energy tariff, the RCA would not be involved in the process.

[1:54:09 PM](#)

CHAIR BJORKMAN asked for an explanation of the provision in SB 152 to protect other ratepayers from being negatively impacted.

[1:54:23 PM](#)

MR. DUNSMORE said the vision for SB 152 was that it would work similarly to existing net metering regulations where ratepayers

who participate in the metering are credited with the avoided cost for the electricity they create but are still required to pay for things like the base rate which would pay for administrative and transmission services.

[1:54:59 PM](#)

CHAIR BJORKMAN asked who would pay for installation and connection of solar generation equipment to the grid under the provisions of SB 152.

[1:55:20 PM](#)

MR. DUNSMORE said the project owner would pay for the equipment and installation through terms of the subscriptions.

[1:55:50 PM](#)

CHAIR BJORKMAN asked the RCA representative to comment on SB 152.

[1:56:06 PM](#)

BECKI ALVEY, Advisory Section Manager, Regulatory Commission of Alaska, Anchorage, Alaska, noted the timeline for the adoption of regulations within a year of the effective date of SB 152. She said the current statutory deadline for regulations is two years. The provisions of SB 152 would supersede statute. Other than the timeline, she said the RCA had not taken a position on SB 152, but in December the RCA approved a pilot community solar program proposed by Chugach Electric Association as a tariff filing with the RCA.

[1:57:34 PM](#)

CHAIR BJORKMAN removed his objection. He found no further objection and CSSB 152 was adopted as the working document.

[1:57:51 PM](#)

CHAIR BJORKMAN held SB 152 in the Senate Labor and Commerce Standing Committee.

[1:57:59 PM](#)

At ease

### **SB 257-ELECTRIC UTILITY REGULATION**

[2:00:10 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 257 "An Act relating to the Regulatory Commission of Alaska; relating to public utilities; relating to electric reliability organizations; relating to the

Alaska Energy Authority; relating to the Railbelt Transmission Organization; and providing for an effective date."

[2:00:52 PM](#)

SENATOR CATHY GIESSEL, District E, Alaska State Legislature, Juneau, Alaska, Sponsor of SB 257, gave a recap of SB 257. She said she has been inspired by Alaskans coming together to solve the electric transmission and energy issues of the state. She reported that she and several others traveled to Iceland and that she was also inspired by what they have done to solve these issues for themselves. She said they began with separated and isolated grid utilities, and they came together with the single goal to unite and create a more efficient system. She said there are numerous stakeholders that came together to work on SB 257, including the governor. She expressed sincere and serious hope that there was a goal that has united the stakeholders. She emphasized the federal funding made available through the hard work of Alaska's federal delegation.

SENATOR GIESSEL said the goal of SB 257 was to unite Alaskans, to integrate the transmission system into an efficient highway for electrons, to lower the cost of energy and get the transmission system open to renewable resources and ultimately [provide] cleaner, lower cost energy for all Alaskans.

[2:02:49 PM](#)

CHAIR BJORKMAN announced invited testimony on SB 257.

[2:03:06 PM](#)

SARAH LAMBE, Chief Financial Officer, Homer Electric Association, Homer, Alaska, introduced herself and her colleague and said they would provide a presentation on SB 257.

[2:03:21 PM](#)

KERIANN BAKER, Chief Strategic Officer, Homer Electric Association, Homer, Alaska, introduced herself and began a presentation on SB 257. She expressed appreciation for SB 257 and said Homer Electric Association (HEA) shared the goals expressed by the sponsor. She said HEA would like to see a unified system with economic dispatch for all. She expressed the desire to talk through the promises of SB 257 and some concerns unique to HEA.

[2:04:00 PM](#)

MS. BAKER continued to slide 2. She read through the points that the presentation would address and said SB 257 may not go far enough. She said HEA has concerns with the manner of the

drafting for SB 257 and she reiterated alignment with the goals expressed for SB 257.

[Original punctuation provided.]

**Overview  
SB 257 and its implications**

01-

Understanding SB257

- Overview of SB257

02-

Concerns & Impacts

- Potential Impacts of SB257

03-

What's Missing

- Suggestions for Legislative Consideration

04-

Summary

[2:05:17 PM](#)

MS. LAMBE continued to slide 3 and expanded on the points outlined.

[Original punctuation provided.]

**Concerns and Impacts  
As written, SB 257 may:**

07

**Potential Member Impact**

- Current & future assets investment
- AEEC lost opportunities
- RTO Governance Structure
- Cost Causer vs. Cost Payer

06

**Transmission Assets**

- Book values & costs will vary based upon age, debt, etc.
- Consistent valuation methodology needed

05

**State: Buying or Leasing**

- Refinancing of assets
- Utility LTD rates vs. State LTD rates
- Who is responsible for penalties?

04

**Rural/Small Utility Status**

- RUS LTD rates
- PACE Program
- USDA NEW ERA Program
- GRIP Topic 1

03

**Un-equal Access To Grid**

- Islanding of HEA system
- System Constraints
- Bradley Agreement

02

**Administrative Burden**

- Overlapping & duplicative duties between RRC, RTO, RCA & AEA
- No clear delineation between duties
- Coordination between 4 entities and 5 utilities with duplicate duties creates unnecessary complexity

MS. LAMBE said HEA has invested to reliably serve the generation and transmission needs of its membership in its own service territory. She said HEA is the only utility that currently does not pay any transmission wheeling charges, nor do they receive transmission wheeling revenues and so HEA is in a unique position when considering the impact of socializing the cost of the Railbelt transmission system. She described the transmission system as analogous to a pipe in that only so much water can fit in it and that the current transmission tie line between Bradley Lake and Anchorage is only capable of pushing power north. She said transmission capacity is so restricted that upgrades will be required if the state and its utility partners invest in the expansion of Bradley Lake by way of the Dixon Diversion. She said historically there has not been "room in the pipe" for HEA to participate in any wholesale sales for resale markets. She said this has necessitated that HEA right-size projects to fit their system, prohibiting HEA's ability to take advantage of economies of scale. To compensate for that, HEA has competed for

and recently received an invitation to apply for a U.S. Department of Agriculture (USDA) grant under the Power and Clean Affordable Energy (PACE) program for a battery system necessary to support HEA achieving a renewable energy level of 60 percent. She said the PACE program is part of the inflation reduction act which represents the largest investment in rural electrification since Franklin D. Roosevelt signed the Rural Electrification Act in 1936. If HEA proceeds under the application, they would receive 60 percent loan forgiveness of a \$100 million investment with the remaining \$40 million recaptured under the IRS direct pay program.

[2:07:14 PM](#)

MS. LAMBE said HEA has diligently been working towards leveraging its rural electric utility status to diversify its energy resources, reduce dependence on carbon-based fuel and reduce the upward pressure on rates. She said HEA's ability to proceed with the application and to secure these federal funds amidst SB 257 is relatively unclear and it is not a benefit she would lightly relinquish.

MS. LAMBE noted the items bulleted under Items 05 and 06 on slide 3 and said she did not know whether it was the dividing up of the current pool of transmission costs that was the greatest concern to HEA, but certainly future plans for replacement and expansion has HEA looking at it from a return-on-investment perspective. She said the Railbelt modernization and resiliency plan contemplates an investment close to \$3 billion. HEA's contribution to the plan would gain them access to but would not provide for the most economic dispatching of generation resources to HEA's membership. Until the system is unconstrained and system islanding events contemplated, HEA's service territory would not be an ideal location for IPPs to invest in since the greater Railbelt resale market is unavailable to HEA. In addition, HEA's attractiveness as an off-taker for IPP projects developed in the interior has diminished since system islanding prevents delivery to HEA for up to three months of the year for the next five to ten years.

MS. LAMBE concluded that SB 257 provides a path to, but stops short of delivery of the most economically dispatched [energy] generation on the Railbelt. It may not be the right addition to the plethora of organizations existing or being set up to administer these assets on the Railbelt.

[2:08:58 PM](#)

MS. BAKER continued to slide 4 and said HEA had concerns about unintended consequences and the unknown.

[Original punctuation provided.]

**Concerns and Impacts  
The #1 Concern to HEA**

01 the **Unknown & Unintended Consequences**

MS. BAKER noted HEA also sent representatives to Iceland and one of the things they learned was it took 20 years for Iceland to accomplish their system. She said HEA does not think it would take 20 years to accomplish what Alaska needs, but she advocated for full understanding. She said the Railbelt managers set up a transmission committee, composed of a team of experts and hired two experts as consultants, one of whom will focus on the governance model to ensure that it makes sense for Alaska and the other will focus on inter-regional transfers from a technical perspective and from a tariff-based perspective.

[2:10:18 PM](#) fix

MS. BAKER advanced to slide 5 and expanded on the points outlined.

[Original punctuation provided.]

**What's Missing**

A Careful Approach to a Unified Railbelt System  
Suggestions for Legislative Consideration

01

Does not reduce prices for utilities or members.

02

Does not resolve the fuel issue.

03

Creates socialized transmission costs without equal access.

04

Does not increase capacity or re-allocate capacity

05

Transmission Wheeling not based on demand.

06

Does not remove system constraints prior to effective date.

MS. BAKER said SB 257 would not reduce prices for utility members and would not resolve the issue of fuel. She said it would socialize transmission cost but does not create access. She suggested that, for the Kenai, this is equivalent to putting out an all-you-can-eat buffet, and charging for a ticket, though one party has already eaten and can't go through the buffet line. She acknowledged the over-simplification [of her metaphor] but maintained the concept and said the importance of an effective date for the system to be constrained is critically important for equal access to the market for all. She emphasized that she refers to access not only for the utilities, but also for IPPs. She said HEA looks forward to the time when there is a free, open and competitive market which means energy would be produced by utilities with free access to the market without physical or other constraints. She said the IPPs also would compete with the idea that the lowest cost electrons wins. She said that is what HEA's members really want; she opined they don't really care where the electricity comes from as long as it is the lowest price and HEA is committed to providing that. She said SB 257 would not increase capacity and it wouldn't reallocate the capacity. Other concerns HEA would like to carefully work through with the transmission group are that transmission wheeling charges would not be based on demand or use and the system constraints would not be removed prior to the effective date.

[2:11:51 PM](#)

MS. BAKER advanced to slide 6 which depicted a group of people standing together in an outdoor setting and a paper napkin with a pencil sketch of a hand poised to draw on the napkin. She said the slide was meant to suggest "the napkin" drafted in Iceland by the Railbelt managers. She said the managers were very excited by what they saw in Iceland, and one of the things that is included [on the napkin sketch] is unified rates when capacity constraints are removed. She said that is very important to HEA. She emphasized that HEA is a partner [in the Railbelt transmission system] and advocated for the idea of a unified system with true economic dispatch. She expressed a desire to get it right and consider all the issues on the forefront so future legislatures are not asking for fixes. She concurred with the motives and objectives of the bill sponsor and suggested that SB 257 may not be the vehicle to accomplish the desired goals.

[2:13:38 PM](#)

CHAIR BJORKMAN asked for examples of energy constraint to and from the HEA service area and what causes the constraint.

[2:14:05 PM](#)

MS. BAKER answered the current constraint is the limited capacity of the transmission system. She said HEA is also constrained by the Bradley Project Management agreement and settlement, which designated a priority list: 1) Chugach Electric Association (CEA) native load and Cooper Lake Hydro 2) Bradley Energy production 3) Bradley Spinning Reserve. She explained that any remaining capacity after those priorities are satisfied theoretically could be sold by HEA. However, she said, there simply would not be enough capacity. She further explained that when the additional [transmission] line is built the physical constraint will be removed, so the transfer and receiving concerns would be removed. She noted that when power is sent to HEA, called an "off-setting flow", it reduces the pressure and allows more energy to flow through. It isn't an equivalent because it offsets what is being sent north.

[2:15:39 PM](#)

CHAIR BJORKMAN summarized the testimony and said, under the RTO, as SB 257 is currently written, HEA members would be responsible to pay for transmission assets as well as any ancillary services connected to those assets without the benefit of the option to purchase low-cost power or selling lower cost power to other areas of the grid. He asked whether this summary was correct.

[2:16:10 PM](#)

MS. BAKER confirmed the summary and noted HEA members would also still be responsible for producing and paying for their own power and they would have to upgrade their system because they don't have the access; they would also be responsible for paying for the [indisc] without equal access to the similar value that would be provided to other people on the grid. She emphasized this would be true for IPPs in addition to HEA. She further opined the IPPs would be reluctant to locate in the HEA area, even if it made sense from a science or technology perspective, for the same reason.

[2:16:54 PM](#)

CHAIR BJORKMAN described the two-line system envisioned after the Grid Resilience and Innovation Program (GRIP) is completed and asked whether HEA anticipated truly open access due to the

lifting of constraints on the transmission system with the two lines.

2:17:20 PM

MS. BAKER confirmed that a second line off the Kenai would remove the physical constraints [to energy transmission] and there would be equal access to the market for all parties, whether utilities or IPPs and regardless of their location.

2:17:41 PM

CHAIR BJORKMAN referred to a financial analysis report produced by Steve Colt [Research Professor of Energy Economics and Policy at Alaska Center for Energy and Power, University of Alaska]. He highlighted data in the report regarding potential costs and benefits for HEA. He asked whether Ms. Baker had seen the report.

2:18:08 PM

MS. LAMBE answered that there were a number of points in the document that she opined reflected the complexities that utilities encounter particularly with regard to ratemaking. She suggested that, on paper, it would appear HEA is the only winner in the re-allocation of transmission costs. She suggested the report did not represent an "apples to apples" comparison of the utilities and the findings were the result of annual filings HEA submits to the Regulatory Commission of Alaska (RCA). She said Alaska Electric & Energy Cooperative (AAEC) and Homer Electric Association (HEA) have a unique relationship in that they are a wholly owned subsidiary for Railbelt Generation and Transmission (RG&T) and the rest of the Railbelt utilities are a consolidated entity. She suggested distinctions could be made regarding the required tier or margin on the distribution cooperative versus the transmission and generation cooperative. She referred to the allocations of costs and what is included in the reporting of costs and acknowledged the incentive to report costs as transmission costs with the understanding that the pool of transmission costs will be shared. She said it is important to consider the competing priorities the individual utilities have in representing their transmission costs to be shared. She recalled specific revenues and costs from the referenced report and argued that the amount of margins did not accurately reflect the costs and revenues. She said the report is an example of taking all the data, throwing it together and creating a narrative with some of the numbers that support what you want to report.

2:21:09 PM

CHAIR BJORKMAN summarized that the cost analysis report by Colt and the Alaska Center for Energy and Power did not accurately reflect HEA's real, on-the ground situation financially and asked whether that was the view of HEA.

[2:21:21 PM](#)

MS. LAMBE replied that the report was an understandable outsider's perspective on the utility's finances, but she did not agree with the final analysis.

[2:21:32 PM](#)

CHAIR BJORKMAN asked how SB 257 would impact grants or other rural financing HEA receives.

[2:21:40 PM](#)

MS. LAMBE said she was not sure. She noted HEA is in the process of applying for the afore-mentioned PACE grant. She noted the \$100 million loan forgiveness [at 60 percent] provided by the grant would be applicable to HEA because of its rural and tribal and energy community status. She said without those attributes, it becomes a straight loan and so what may be at risk is the 60 percent subsidy.

[2:22:40 PM](#)

CHAIR BJORKMAN referred to islanding events due to wildfire or planned maintenance and the perception that HEA has access to electricity from Bradley Lake when other utilities do not. He asked for an explanation of what happens in those events from HEA's perspective. He described the public perception that HEA can enjoy all the free power they want from Bradley Lake while the other utilities are disconnected.

[2:23:15 PM](#)

MS. BAKER said she wished it worked that way, but it doesn't. She said one of the Bradley units must be shut down to preserve the system's stability. HEA is unable to maintain consistent frequency with those units when they are islanded. She said HEA does have full use of the water within Bradley, but that it is their water, their fuel that is stored there and they can't take another utility's water. She said during islanding events they then bring on other [energy generation] units. She noted the additional generating unit required during the Swan Lake wildfire cost an additional \$25,000 per day for fuel. She explained that the Bradley project is not a regulating source [of energy] and the extra unit is required to control the electrical frequency. She said the acquisition of battery storage was critical for HEA to cut out the extra cost of fuel.

[2:24:53 PM](#)

CHAIR BJORKMAN asked for confirmation of his understanding that the battery serves as the spinning reserve and eliminates the need to start up a new generation set.

[2:25:04 PM](#)

MS. BAKER concurred.

[2:25:11 PM](#)

CHAIR BJORKMAN referred to the suggestion in the presentation that an RTO may not go far enough from HEA's perspective and asked for clarification. Specifically, he asked what would better meet the needs of the Railbelt.

[2:25:34 PM](#)

MS. BAKER answered that HEA is committed to the agreement made by the Railbelt [utility] managers in Iceland. She said HEA wonders if a Generation and Transmission (G&T) model would be a more appropriate vehicle. She also said HEA does not think it is necessary to pass legislation this year and would prefer to take more time for the transmission group of experts to consider various models. She restated the goals shared by HEA with the sponsors of the legislation and the managers who met in Iceland: economic dispatch across the Railbelt, and the vision of a time when everyone served by the Railbelt energy system would pay the same price. She noted that the system in Iceland was not developed overnight and is a system worth looking at. She considered the possibility of two systems with Bradley under one big G&T. She said there are numerous things that could be done, and she advocated for taking time to consider possibilities and to get it right. She noted that considering the whole system and how to move forward is very complicated.

[2:27:31 PM](#)

CHAIR BJORKMAN noted discussions about the Electric Reliability Organization (ERO) and its board and the success of deliverables from the ERO. He asked for reflection about the role and function of the ERO in generation and transmission planning for the future from the perspective of HEA.

[2:28:04 PM](#)

MS. BAKER reflected that the ERO was developed with the best intent and that it was charged with a lot of responsibility. The cost of the ERO for HEA is \$20,000 monthly; under the new tariff which will go into effect in August, she said the cost will increase 116 percent to \$43,000 per month. She said ERO's total

budget for 2024 will be \$5 million and that is concerning to HEA. She said HEA would prefer a more streamlined approach with clearly delineated responsibilities, for example having the ERO operate as a standards-based organization, developing standards for safe operation of the grid and how interconnections function, etc; and the RTO would be the market. She suggested that it is complicated for the entity that has created the standards to then function competitively in the market. She said there is a separation between those duties in other states and that separation and clearly delineated powers provides a cleaner way of doing it and would be beneficial for the board members who, she opined, all have the best intentions.

2:30:27 PM

CHAIR BJORKMAN opened public testimony on SB 257.

2:31:06 PM

MIKE CRAFT, representing self, Fairbanks, Alaska, testified in support of SB 257. He said he is a home builder, the gravel pit operator in Fairbanks, the owner and operator of the Delta Wind Farm, and that he put the first two wind farms on the Railbelt grid in 2008. He served on the Railbelt Reliability Council (RRC) formation committee. He said he considers his testimony to be part of an intervention in that the same conversations about the Railbelt grid, utilities working better together etc. have been happening for over 14 years. Meanwhile there are hundreds of millions of dollars spent through the Alaska Energy Authority to develop renewable energy technology in Alaska, which he said has been very successful. He noted the energy goal [50 percent of Alaska's power from renewables by 2025] set out by Sarah Palin in 2010. He noted that the situation now in 2024 is not enough fuel to power the capacity in the major cities in Alaska. He detailed recent fuel consumption and shortfalls and the level of power consumption in cities on the Railbelt system. He expressed frustration with the lack of progress and said there are a dozen or so [renewable energy] projects that have been allowed to "die on the vine" in the meantime. He noted that fuel was at its highest cost and possibly not even available. He said the utilities are forced to burn fuel in Fairbanks during an air quality alert which means poor air quality will be exacerbated and high cost. He said his local utility had a 21 percent increase in rates in the last 60 days. He concluded saying that he supported all three energy bills that are currently on the table, SB 152, SB 257 and the one addressing wheeling rates [SB 217]. He supported any efforts to open the Railbelt grid to competition.

2:34:25 PM

KEN HUCKEBA, representing self, Wasilla, Alaska, testified in opposition to SB 257. He said he had experience working in the power producers' world in California and, in his experience, there were many precautions to be taken to prevent opportunists and grifters and to save ratepayers and taxpayers money. He said those precautions needed to be set in place before enacting legislation. He opposed SB 257 and the comparison to Iceland, which he characterized as a nationalist grid. He said he is opposed to any kind of centralized government planning and consolidation of private assets. He said the entire premise of SB 257 is to set up to beg for and further legitimize going after inflationary and damaging federal funds. It stands up yet another state-owned enterprise at a time when federal and state spending is wildly out of control. He said the sponsor statement claims SB 257 lays the groundwork for an electric system that is more affordable, more sustainable and more equitable. He asked how that could be true when it requires so much money from ratepayers and taxpayers. He asked for whom the proposed system would be more equitable. He claimed SB 257 would be taxation without representation. He said central planning is government free-market interference, yet all the invited testimony by unelected bureaucrats and technocrats tells a different story. He noted the claims that SB 257 was needed for IPPs, that it would provide energy security and would result in affordable energy and would allow free and open access to the grid by removing barriers. He said, if all that were true, why would [there be] subsidies and the infrastructure charges just to get renewables on there. He said he did not see an alternative analysis for the natural gas pipeline and yet the position is that's the only way to go forward. He noted invited testimony points to [experience of] Texas and Hawaii and that they have adopted this framework yet do not talk about what the detrimental energy transition policies have done to their grid. He said he read that the North American Reliability Corporation consider energy policy as a top risk to grid reliability. He said SB 257 is a great example of exactly that energy policy. He urged that SB 257 be tabled until is more formed to protect Alaskans.

2:37:03 PM

JOEL GROVES, Board Chair, Railbelt Reliability Council, Anchorage, Alaska, gave a timeline and an overview of the RRC's history, current work and future direction in order to provide a better understanding of the RRC and suggest implications for the potential roll-out of SB 257 if the bill passes. He said the Railbelt Reliability Council (RRC) spent over three years

jumping through the various regulatory hoops in order to obtain the regulatory approvals needed to function as the Electric Reliability Organization (ERO). He described the efforts to hire a CEO and reported that appears to be nearly complete. RRC/ERO have also retained a chief administrative officer and chief technical officer as stop-gap measures to get on with the work of the organization.

MR. GROVES said, with the potential rollout of SB 257, he would expect a timeline similar to that of the RRC, with a three-year Senate approval window for the RTO. He summarized by urging the committee and the legislature at large to consider the realistic timeframes for the roll-out of SB 257 and the implications for potential outcomes for the RRC, including the possibility of sending the RRC back to redo some of the regulatory approvals due to the reforms implemented.

[2:40:24 PM](#)

CHAIR BJORKMAN asked what the total revenue after the ERO tariff was implemented for 2024 and what is expected for 2025.

[2:40:33 PM](#)

MR. GROVES answered the total revenue for 2024 under the currently approved tariff was approximately \$2.4 million for 2024.

[2:41:01 PM](#)

CHAIR BJORKMAN asked whether the amount was expected to increase for 2025.

[2:41:07 PM](#)

MR. GROVES said RRC filed a request with the commission for an increase to support product development, basically the initiation of reliability standards and that is to support the chief technical officer referred to earlier. He said RRC does expect a higher budget for 2025 and estimated it would be around \$5 million with the expectation of having hired a CEO and the key staff that will begin and lead the work of the organization.

[2:42:00 PM](#)

NATALIE KILEY-BERGEN, Energy Lead, Alaska Public Interest Research Group, Anchorage, Alaska, said Alaska Public Interest Research Group (AKPIRG) is a 501(c)(3) non-profit and the only non-partisan, non-governmental consumer advocacy and research organization in Alaska. AKPIRG serves in the small consumer seat on the RRC. She said her comments represent the views of AKPIRG and not necessarily the RRC. She said AKPIRG strongly supports

the inclusion of diverse voices in the legislatures efforts to improve transmission legislation. Although AKPIRG supports the creation of a regional transmission entity, she said there are concerns about sections of SB 257 that repeal the statutory authority for Electric Reliability Organizations (EROs) to conduct integrated resource planning. She said the Railbelt ERO is governed by a board that includes representation from providers of electric energy, transmission and distribution along with consumer voices. She said RRC board members have a fiduciary duty to act independently and exercise first loyalty to the mission of the RRC to achieve what is best for the Railbelt. She said Railbelt ratepayers are best served by the wholistic planning process and the inside approach the RRC already embodies. She said AKPIRG opposes the notion that the RRC has been operating for four years with little progress. She said the RRC has been a certified ERO since September 2022, and in that time has undertaken substantial effort to create a framework for RRC planning and has gone through public processes to create rules and bylaws to insure robust technical excellence and substantial public participation. She said AKPIRG supports that the proposed RTO would oversee and manage the Railbelt's key transmission assets and the Regulatory Commission of Alaska would oversee its management. AKPIRG would like an RTO that operates a transmission system for economic dispatch of energy across the Railbelt system. This would best serve the collective interest of ratepayers. Regardless of framework, AKPIRG will continue to push for robust transparency and stakeholder engagement within any structure and can provide specific suggestions in this direction as legislation evolves.

[2:44:32 PM](#)

CHRIS ROSE, Director, Renewable Alaska Energy Project, Sutton, Alaska, said Renewable Alaska Energy Project (REAP) has been working with electric industry professionals and experts around the country on issues related to energy efficiency and renewable energy across the state for the past 20 years. He commended the Senate Resources Committee for its commitment to reforms in the Railbelt region of Alaska and the Senate Labor and Commerce Committee for hearing SB 257. He noted that energy in the Railbelt region of Alaska is 60 percent more expensive than the national average, which makes the need for reform more urgent than ever. He said REAP supports elements of SB 257 but has grave concerns about the provision to move planning out of the Railbelt Reliability Council (RRC). REAP supports SB 257's intent to eliminate transmission wheeling charges in the Railbelt, while they may prefer language in another bill currently under consideration. He said they believe eliminating

wheeling is an important reform that has been discussed for decades. He said REAP also supports enhanced qualifications for the commissioners on the Regulatory Commission of Alaska (RCA). However, REAP does not support language in SB 257 that would take away either generation or transmission planning from the RRC.

[2:45:52 PM](#)

MR. ROSE said in the lower 48, there are seven Regional Transmission Organizations (RTOs), and all of them with the exception of Electric Reliability Council of Texas (ERCOT) is governed by a board that is independent of the owners and users of the transmission system. He said RTO's with independent governance in the lower 48 do conduct transmission planning and much of the latest thinking in the field is that conducting transmission and generation or resource adequacy planning may be better done by the same body. In addition, RTO's in the lower 48 also act to dispatch generation resources on the system in the most economical way to benefit consumers. In contrast, he said REAP believes it's important to note that the governance of the RTO as contemplated in SB 257 within the co-ops and Alaska Energy Authority (AEA) is not independent. There is independent industry literature and precedent from the Federal Energy Regulatory Commission (FERC) that explains why independence is so important, but the essential point is that the owners of the transmission system all have inherent biases and economic interest, and putting those owner's interest in charge of planning the system or dispatching generation resources sets up the real danger that the interest of one or more of those owners will dominate the decision-making. He said that it is highly important that the decision to build transmission be made by decision-makers that do not have any local or parochial interest.

MR. ROSE concluded that REAP is not confident the RTO's governance as described in SB 257 will protect consumers. He said most of the litigation between the Railbelt utilities of Alaska over the past several decades has been over the issue of transmission. He said it is not reasonable to think that an RTO composed of the transmission owners would be able to effectively plan for the transmission system without major disputes arising.

[2:47:57 PM](#)

ALEX PETKANAS, Climate and Clean Energy Program Manager, The Alaska Center, Anchorage, Alaska, said SB 257 would have some very positive impacts including increased requirements for future RCA commissioners and allowing additional considerations

like diversity of supply and the determination of utility areas. However, he said the Climate and Clean Energy Program was concerned that removing some or all planning authority from the existing Electric Reliability Organization (ERO) would create a slower and less efficient process with less public input and transparency. He said the ERO represents a wide range of stakeholders that establish clear methods for engagement to take significant steps toward developing wholistic standards for power generation. He said requiring the Alaska Energy Authority to begin an initial plan and an RTO to take over long-term planning at this point would undermine work that has already been done and would complicate and slow down the process. Establishing a new organization takes time and planning work would not start immediately. Additionally, he said debates over exactly who gets to make certain transmission and planning decisions would further slow the process. He said SB 257 as written requires the EROs to work with the RTO on planning, but it is not clear exactly who gets final say over each aspect of transmission. He said there is no evidence at this point that creating a new organization would be more efficient than allowing the existing ERO to continue its work to create a wholistic plan for the Railbelt energy system. He concluded that the Climate Clean Energy Program strongly opposes removing planning authority from the ERO.

[2:49:40 PM](#)

ANTONY SCOTT, representing self, Anchorage, Alaska, said he was testifying from his perspective as a former commissioner of the Regulatory Commission of Alaska. He said SB 257 in it's intent to create a Regional Railbelt Transmission organization is well-meaning, but that there are important technical flaws in the bill. He said the source of the defects have to do with overlapping jurisdictional authority and concerns about property rights. He said he had three areas of concern, not with policy, but concerns with the construction of the authority of the RTO.

MR. SCOTT said, though there is intent that the entity [RTO] would be regulated by the RCA, there would still be jurisdictional and non-jurisdictional portions of the transmission system as is the case today. He noted the portions of the transmission system that are currently governed under certain Bradley Lake agreements and the exemption of those Bradley Lake agreements are under AS 42.05.431(c) and not addressed in the language [of SB 257].

[2:51:14 PM](#)

MR. SCOTT said the concept of "backbone" transmission assets is a more significant concern. He said that concept does not self-execute, and he is concerned that it will create significant litigation and future conflict. The fact that it doesn't self-execute is called out by the need for new regulations under SB 257 defining that, but he said it is not clear what is contemplated by "backbone". He pointed out that ten years ago there was very extensive and expensive litigation over whether the transmission lines connecting Chugach's generation assets west of the grid were "backbone" or instead were "radial". The RCA came up with one answer, but it is unclear what the drafters of SB 257 had in mind. He said this is a very significant issue for local utilities which have transmission assets to potentially being able to meet their Certificate of Public Convenience and Necessity (CPCN) obligations when management of certain assets may be handed over to the RTO.

MR SCOTT sought to address issues over overlapping jurisdictions and the prospects of litigation that are created by that. He summarized that he has significant concerns with several provisions of SB 257 regarding the powers and duties of the RTO that have been enumerated and overlapping authority with the RCAs' jurisdiction.

[2:53:06 PM](#)

DAVID NEWMAN, representing self, Fairbanks, Alaska said he was a faculty member at UAF in physics and that he had studied power transmission, blackouts and resource adequacy issues for the last 30 years. He said he had worked at the academic level and at the practical level, doing projects for entities such as California Independent System Operator (ISO), which he said operates basically like an RTO. He noted the "I" in ISO which stands for "Independent". He said the sponsor's goal for SB 257 is fabulous and he offered full support for those goals. He said independent, but unified planning is critical. He said the planning organization must do both resource planning and transmission planning to maximize economic dispatch and achieve system reliability. He said one without the other is a real problem and has been experienced across the country. He said Regenerative Fuel Cell (RFC) is just getting started now, but he said its mission is the same as that of SB 257 in the organization of an RTO. He said IRPs in particular need integrated planning with cost and reliability included and he opined that the proposed entity would be reinventing the wheel, but worse. He said the flaw is that it would no longer be independent. He said one of the things that contributed to the

development of the RRC board is that though it is not independent, it is balanced among the stakeholders.

MR. NEWMAN concluded that he supported the establishment of the RTO in SB 257, but did not support the bill in total because he said it would make costs higher, reduce reliability and violate the principles of equal representation.

[2:56:20 PM](#)

MARYLEE GUTHRIE, representing self, Fairbanks, Alaska, said she was a resident with old electric heaters in her house and that she had been paying electric bills and watching things going on in Golden Valley Electric Association (GVEA) in particular. She said she was very happy a few years ago when the integrated, independent and transparent processes of the board to integrate the various pieces of the Railbelt came into existence and very hopeful that it would be a way to help all move forward in the new energy situation. She said she was concerned that those features [integrated, independent and transparent] are not a robust part of SB 257.

[2:57:39 PM](#)

CHAIR BJORKMAN noted that changes are coming and are in the works that will protect utilities like Homer [Electric Association] and others from islanding issues and making sure that de-constraining the system is prioritized prior to any costs being assessed to utilities that may not be served by a system under constraint.

[2:58:20 PM](#)

[CHAIR BJORKMAN held SB 257 in committee.]

[2:58:28 PM](#)

There being no further business to come before the committee, CHAIR BJORKMAN adjourned the Senate Labor and Commerce Standing Committee meeting at 2:58 p.m.