

**ALASKA STATE LEGISLATURE**  
**SENATE RESOURCES STANDING COMMITTEE**

May 5, 2025

3:31 p.m.

**MEMBERS PRESENT**

Senator Cathy Giessel, Chair  
Senator Bill Wielechowski, Vice Chair  
Senator Matt Claman  
Senator Forrest Dunbar  
Senator Shelley Hughes  
Senator Robert Myers

**MEMBERS ABSENT**

Senator Scott Kawasaki

**COMMITTEE CALENDAR**

SENATE BILL NO. 32

"An Act relating to costs incurred by certain electric utilities for renewable energy and battery energy storage."

- HEARD & HELD

SENATE BILL NO. 180

"An Act relating to the regulation of liquefied natural gas import facilities by the Regulatory Commission of Alaska."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 32

SHORT TITLE: ALLOWED COSTS IN ELECTRIC COOP RATES

SPONSOR(s): SENATOR(s) GIESSEL

01/22/25	(S)	PREFILE RELEASED 1/10/25
01/22/25	(S)	READ THE FIRST TIME - REFERRALS
01/22/25	(S)	RES, FIN
04/25/25	(S)	RES AT 3:30 PM BUTROVICH 205
04/25/25	(S)	Scheduled but Not Heard
04/30/25	(S)	RES AT 3:30 PM BUTROVICH 205
04/30/25	(S)	-- MEETING CANCELED --
05/05/25	(S)	RES AT 3:30 PM BUTROVICH 205

BILL: SB 180

SHORT TITLE: LNG IMPORT FACILITIES

SPONSOR(s): RESOURCES

04/22/25	(S)	READ THE FIRST TIME - REFERRALS
04/22/25	(S)	RES, L&C
04/25/25	(S)	RES AT 3:30 PM BUTROVICH 205
04/25/25	(S)	Heard & Held
04/25/25	(S)	MINUTE(RES)
04/30/25	(S)	RES AT 3:30 PM BUTROVICH 205
04/30/25	(S)	-- MEETING CANCELED --
05/05/25	(S)	RES AT 3:30 PM BUTROVICH 205

**WITNESS REGISTER**

INTIMAYO HARBISON, Staff  
Senator Cathy Giessel  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced SB 32 on behalf of the sponsor.

GWEN HOLDMANN, Chief Scientist  
Alaska Center for Energy and Power  
University of Alaska Fairbanks  
Fairbanks, Alaska

**POSITION STATEMENT:** Gave a presentation on the CS for SB 32.

STEVE COLT, Research Professor  
Alaska Center for Energy and Power  
University of Alaska Fairbanks  
Fairbanks, Alaska

**POSITION STATEMENT:** Gave a presentation on the CS for SB 32.

KEN HUCKEBA, representing self  
Wasilla, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 32.

CASSIE ANDREWS, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 32.

INTIMAYO HARBISON, Staff  
Senator Cathy Giessel  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced SB 180 on behalf of the Senate Resources Committee, Cathy Giessel, Chair.

JOHN ESPINDOLA, Commissioner and Chair  
Regulatory Commission of Alaska  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions on SB 180.

RICHARD GAZAWAY, Administrative Law Judge  
Regulatory Commission of Alaska  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions on SB 180.

### **ACTION NARRATIVE**

[3:31:12 PM](#)

CHAIR GIESSEL called the Senate Resources Standing Committee meeting to order at 3:31 p.m. Present at the call to order were Senators Dunbar, Myers, Claman, and Chair Giessel. Senators Hughes and Wielechowski arrived thereafter.

### **SB 32-ALLOWED COSTS IN ELECTRIC COOP RATES**

[3:31:57 PM](#)

CHAIR GIESSEL announced the consideration of SENATE BILL NO. 32 "An Act relating to costs incurred by certain electric utilities for renewable energy and battery energy storage."

[3:32:06 PM](#)

SENATOR HUGHES joined the meeting.

[3:32:07 PM](#)

CHAIR GIESSEL, speaking as sponsor of SB 32, paraphrased from the sponsor statement:

[Original punctuation provided.]

### **Senate Bill 32 (version N) Sponsor Statement**

"An Act relating to costs incurred by certain electric utilities for renewable energy and battery energy storage."

This bill seeks to remove barriers to small renewable energy and battery storage projects in the Railbelt, which will benefit Alaskans.

Alaska's electric cooperatives organized under AS 10.25 that participate in the Railbelt Reliability Council certified by the Regulatory Commission of Alaska (RCA) are rate-regulated.

RRC - Railbelt Reliability Council, integrated planning process

RTO - Railbelt Transmission Organization

This legislation mirrors the approach used by many electric cooperatives in the U.S., focusing on renewable energy projects and battery energy storage projects.

CHAIR GIESSEL explained that the legislature created the Railbelt Reliability Council (RRC) in 2024. RRC does integrated project planning for the railbelt grid. She contrasted this with the Railbelt Transmission Organization (RTO), which manages the railbelt backbone transmission system.

[3:33:32 PM](#)

CHAIR GIESSEL continued to paraphrase the sponsor statement for SB 32:

[Original punctuation provided.]

This bill would allow small renewable energy projects and battery energy storage projects to advance at a faster rate and would eliminate the projects under five megawatts from rate-regulation by the Regulatory Commission of Alaska, thus freeing the RCA to work on larger, more pressing matters.

Projects five megawatts and larger would still need to go through the RCA for approval, as is currently done.

SB 32 streamlines the approval process for adding small renewable energy and battery energy storage projects along the Railbelt.

This will help diversify generation resources and gradually reduce the reliance on fossil fuel power by

electric utilities, leaving more locally sourced natural gas available for other uses.

Under this bill, the Houston Solar project is 8.5 megawatts and [would require] rate approval by the RCA. Fire Island Wind is 17.6 megawatts and would still be required to seek rate approval from the RCA.

[3:34:50 PM](#)

CHAIR GIESSEL commented that Regulatory Commission of Alaska (RCA) reviews take time. She added that the reviews are extensive and costly. She emphasized that the intention of SB 32 is to diversify Alaska's generation resources and utilize renewable energy sources when available. She explained that this legislation would exempt up to three of the 5-megawatt projects from RCA approval during a three-year timeframe. She said these changes would limit the effects of those projects on the transmission system. She noted that upcoming invited testimony would address this issue.

[3:35:38 PM](#)

SENATOR WIELECHOWSKI joined the meeting.

[3:35:54 PM](#)

INTIMAYO HARBISON, Staff, Senator Cathy Giessel, Alaska State Legislature, Juneau, Alaska, noted that there is a committee substitute (CS) for SB 32.

[3:36:41 PM](#)

CHAIR GIESSEL solicited a motion.

[3:36:52 PM](#)

SENATOR WIELECHOWSKI moved to adopt the committee substitute (CS) for SB 32 work order 34-LS0307\I, as the working document.

[3:37:09 PM](#)

CHAIR GIESSEL objected for purposes of discussion.

[3:37:14 PM](#)

MR. HARBISON provided a brief explanation of changes from version N to version I of SB 32. He directed attention to CSSB 32, page 1, lines 9-10. He explained that the CS would reduce the size from 15,000 kilowatts to 5,000 kilowatts. The CS would also limit the number of projects to no more than three projects in a three-year period. He directed attention to CSSB 32, page 1, line 13 and said the CS changes 15,000 kilowatts to 5,000

kilowatts. This is the extent of the changes between version N and version I.

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SENATOR DUNBAR stated that he preferred the original version of SB 32. He said he would like to hear invited testimony regarding the decision to change 15,000 kilowatts to 5,000 kilowatts. He opined that it is unfortunate that the Houston Solar Project in the Matsu Valley was too large to meet the 5,000-kilowatt cap. He stated that he would have liked that project to move forward without requiring RCA approval. He further opined that reducing the amount from 15,000 kilowatts to 5,000 kilowatts is an over-adjustment. He suggested the possibility of a future amendment to raise the limit to 10,000 kilowatts. He emphasized that he supports the original version of SB 32, but said he would not object to adopting the CS.

[3:39:05 PM](#)

CHAIR GIESSEL said there are electric transmission and economic reasons for the change from 15,000 to 5,000 kilowatts, as well as for limiting the number of projects during a three-year timeframe. She indicated that invited testimony would provide further details.

[3:39:27 PM](#)

SENATOR CLAMAN shared his understanding that the three projects per three-year period limits the number of projects a particular utility or project manager can have during that timeframe; the limit does not apply to the total number of projects regionally or statewide. He asked whether this understanding is correct.

[3:39:53 PM](#)

CHAIR GIESSEL affirmed this understanding.

[3:40:04 PM](#)

CHAIR GIESSEL removed her objection. She found no further objection and CSSB 32, work order 34-LS0307\I, was before the committee.

[3:40:57 PM](#)

GWEN HOLDMANN, Chief Scientist, Alaska Center for Energy and Power, University of Alaska Fairbanks, Fairbanks, Alaska, introduced herself and said she would provide technical context for CSSB 32, work order 34-LS0307\I.

[3:41:29 PM](#)

MS. HOLDMANN advanced to slide 1 and provided a brief overview of CSSB 32. She pointed out the change in the project size threshold and the project count limit.

[3:41:50 PM](#)

MS. HOLDMANN advanced to slide 2:

[Original punctuation provided.]

**What this bill does and does not do:**

- Does not prohibit the construction of a project <15 MW. This has already been exempted (42.05.785 - section preapproval for large energy facilities). This does not impact this aspect of "pre-approval."
- This bill addresses rate basing and pass-through of costs from IPPs. It allows the utility to put the entire costs of the project (or PPA) into the rate base, without being subject to RCA review (only the coop board of the "constructing" utility is the decision maker).
- CS limits both the size and the number of projects that can qualify.

[3:42:52 PM](#)

MS. HOLDMANN advanced to slide 3:

[Original punctuation provided.]

**Why change the threshold from 15MW-> 5MW?**

The 5 MW threshold reflects real system constraints. Projects larger than 5 MW are more likely to connect to the transmission system rather than a local distribution network, making them far more likely to impact other users and require regional coordination.

There's a practical inflection point—typically somewhere between 5 and 10 MW—where a project begins injecting more power than the local distribution system can safely or efficiently carry

MS. HOLDMANN explained that the Houston Solar Farm, a roughly 6-megawatt project that was connected to the distribution grid for Matanuska Electric Association, is one example of a project that lies within that 5-10-megawatt inflection point.

[3:44:12 PM](#)

MS. HOLDMANN said that upcoming slides would help to illustrate this issue. She invited Steve Colt to present those slides.

[3:44:36 PM](#)

STEVE COLT, Research Professor, Alaska Center for Energy and Power, University of Alaska Fairbanks, Fairbanks, Alaska, advanced to slide 4, containing an image of an elephant:

[Original punctuation provided.]

### **Thought experiment**

#### **Very expensive project (14 MW)**

Current Scenario:

- Not prohibited under AS 42.05.785
- Increased rates could probably be passed through under SRF for a while ...
- But, the RCA might not approve rate-basing of the project at some point (e.g., general rate case).
- Another utility or other parties within their own service territory could challenge the rates.

Original Language SB 32:

- Project is still not prohibited under AS 42.05.785
- The additional project costs would be automatically added to the rate base or passed through (for purchased power)
- They could not be challenged by others at the RCA.
- Limits other parties' ability to challenge the rate (especially another utility that is not represented in the original decision).

MR. COLT explained that currently, a project larger than 15 megawatts would be subject to RCA preapproval under AS 42.05.785. A project that is 15 megawatts or larger without RCA approval is prohibited. He briefly described how cost recovery would impact rate payers and offered examples.

[3:50:51 PM](#)

SENATOR CLAMAN shared his understanding that lowering the threshold from 15 to 5 [megawatts] is essentially providing consumer protection, insofar as the increased costs would be passed through via rate increases. He asked for confirmation of this understanding.

[3:51:31 PM](#)

MR. COLT concurred. He said the next slide would provide further clarification.

[3:51:56 PM](#)

MR. COLT advanced to slide 5, containing an image of a small elephant:

[Original punctuation provided.]

### **Thought experiment continued ...**

Very expensive project (4 MW)

#### **Current Scenario:**

- Not prohibited under AS 42.05.785
- Increased rates could probably be passed through under SRF for a while ...
- But, the RCA might not approve rate-basing of the project at some point (e.g., general rate case).
- Another utility or other parties within their own service territory could challenge the rates.

#### **CS for SB 32:**

- Project is still not prohibited under AS 42.05.785
- The additional project costs would be automatically added to the rate base or passed through (for purchased power)
- They could not be challenged by others at the RCA.
- Limits other parties' ability to challenge the rate (especially another utility that is not represented in the original decision).

MR. COLT explained that, in essence, the co-op board would determine whether the project is prudent for the purposes of going into the rate base. The Regulatory Commission of Alaska (RCA) would not be able to (directly) weigh in on the project's cost-effectiveness and whether the project should be allowed to

influence the rate base (whether in whole or in part). He stated that projects smaller than 5 megawatts depend on the co-op board to make cost-effective decisions; therefore, those projects could potentially have fewer consumer protections. He commented that this aligns with Senator Claman's interpretation that the change to the megawatt threshold would result in added consumer protections. He asked whether this sufficiently answers that question.

SENATOR CLAMAN replied yes.

[3:54:09 PM](#)

MR. COLT advanced to slide 6, containing an image of a small, caged elephant:

[Original punctuation provided.]

**Thought experiment continued ...**

Very expensive project (4 MW)

**Current Scenario:**

- Not prohibited under AS 42.05.785
- Increased rates could probably be passed through under SRF for a while ...
- But the RCA might not approve rate-basing of the project at some point (e.g. general rate case).
- Another utility or other parties within their own service territory could challenge the rates.

**CS for SB32:**

- Project is still not prohibited under AS 42.05.785
- The additional project costs would be automatically added to the rate base or passed through (for purchased power)
- They could not be challenged by others at the RCA.
- Limits other parties' ability to challenge the rate (especially another utility that is not represented in the original decision).

[3:54:11 PM](#)

CHAIR GIESSEL asked for clarification of the differences between slide 5 and slide 6. She noted that the elephant on slide 6 is caged, while the elephant on slide 5 is not.

[3:54:44 PM](#)

MR. COLT said that the cage on slide 6 is meant to illustrate that dropping the limit down to 5 megawatts not only reduces the threshold but also limits the project pool to those projects which fit within the distribution system.

[3:55:32 PM](#)

MS. HOLDMANN added that from a technical standpoint, this limits the project to the local distribution network. From the standpoint of the decision-maker, the co-op board is the entity making decisions for those projects that are 5 megawatts or lower. Therefore, if project costs escalate - or if the board decides the project is worthwhile despite escalating costs - this is a local decision with local impacts. She stated that the Alaska Center for Energy and Power does not want to interfere with a board's ability to move forward with a project of this kind.

[3:56:32 PM](#)

SENATOR MYERS noted that the current scenarios specified in the presentation included the risk that RCA may not approve the rate-basing of a new project. He asked what it means, both for the utility and the consumer, if the RCA does not approve the rate-basing.

[3:57:01 PM](#)

MS. HOLDMANN said RCA has the duty to ensure that projects are in the best interest of consumers. She noted cases where projects were constructed that may or may not have been in the best interest of consumers from a rate standpoint. The RCA's decision regarding any project is unknown, which results in increased risk for the utility (if a project is built that the utility cannot recover rates from in the future). She opined that that is part of what SB 32 is addressing.

[3:58:11 PM](#)

SENATOR DUNBAR asked for clarification about whether the 6-megawatt Houston Solar Farm did or did not alter the transmission system.

[3:58:34 PM](#)

MS. HOLDMANN explained that there are many technical factors to consider, including the robustness of the distribution system. She stated that the Houston Solar Farm was connected to the distribution system - and was at the system's upper limit. She stated that the 5-megawatt threshold is somewhat arbitrary. An

alternative would be to consider any project connected to the transmission versus the distribution system. She reiterated that the Houston Solar Farm was able to connect to the distribution grid.

[3:59:18 PM](#)

SENATOR DUNBAR said that arbitrary lines are often drawn because of their simplicity (and sometimes out of necessity). He surmised that it may be better to consider the transmission versus distribution system; however, he acknowledged that this could introduce a great deal of complexity. He opined that the testimony related to the Houston Solar Farm, along with the upcoming slides related to economies of scale, suggest that the limit should fall somewhere above 5 megawatts. He suggested that increasing the limit would allow for larger projects that could meet the economies of scale outlined in the presentation. He wondered if increasing the single-project limit to 7 or 7.5 megawatts, with a 3-year limit of 15 megawatts (regardless of the total number of projects), would be a good alternative.

[4:00:51 PM](#)

MS. HOLDMANN agreed that some limits, including the 5-megawatt limit, are arbitrary. She said that anything over 7.5 megawatts would almost certainly be connected to the transmission system; however, it depends on the project's placement within the overall system. She said she is not prepared to speak definitively on this issue. She mentioned that CSSB 32 covers both energy generation and battery storage systems and suggested that considering a different threshold for battery storage systems could be appropriate, since those systems interact with the grid in a different way.

[4:01:42 PM](#)

SENATOR HUGHES asked whether the local distribution systems vary in capacity and could therefore handle different thresholds. She opined that setting the limit around whether a project moves beyond the local distribution system makes more sense.

[4:02:48 PM](#)

MS. HOLDMANN replied that local distribution systems do vary in capacity; however, this is related to infrastructure as well as the physical electrical lines. Each utility likely has its own unique vulnerabilities and areas with stronger distribution nodes. She stated that she is unable to speak to any individual utility. She reiterated that the 5-megawatt threshold was arbitrary; however, this number is also related to potential economic impacts. She referenced the remaining three slides in

her presentation (slides 7-9) and explained that economies of scale are limited when the threshold is raised above 5 megawatts.

[4:04:02 PM](#)

CHAIR GIESSEL briefly discussed the role of the Railbelt Reliability Council (RRC) in the integrated planning process. She asked Ms. Holdmann to review this.

[4:04:26 PM](#)

MS. HOLDMANN said the RRC has two roles: setting reliability and interconnection standards and resource planning. She explained that, in this case, any projects greater than 15 megawatts would be subject to the integrated resource plan developed by the RRC. She invited Mr. Colt to elaborate on this.

[4:05:00 PM](#)

MR. COLT added that, according to Alaska Statute, a project greater than 15 megawatts must be approved in advance by the RCA. He emphasized that projects that have not received prior approval are prohibited. He opined that this is a "blunt instrument" for projects greater than 15 megawatts.

[4:06:20 PM](#)

MS. HOLDMANN added that it may be worth considering the point at which a project of a particular size may impact neighboring utility jurisdictions or the transmission system. She indicated that it is important to ensure that the arbiter is clear in the event of disagreements between different utilities. She stated that gaps are undesirable and offered examples to illustrate this point.

[4:07:22 PM](#)

CHAIR GIESSEL said that there is the potential to bypass RRC and RCA by breaking a large project into multiple small pieces. She acknowledged that the regulatory review process (done by RCA) is expensive and lengthy; however, this process provides greater consumer protection. She added that RRC is responsible for generation planning. She asked for comment on this issue.

[4:08:23 PM](#)

MR. COLT briefly discussed gaps in the supervisory structure. He offered a hypothetical situation involving a very costly project that fell just below the 15-megawatt threshold. He stated that, while RCA would have limited authority in that case, the utilities involved could take legal action. He offered the Bradley Lake Hydroelectric Project as an example of one such

case. The result was more costly to the utilities than RCA involvement would have been.

[4:10:21 PM](#)

SENATOR MYERS stated that SB 32 applies specifically to renewable energy projects and is an attempt to make building those projects more accessible. He offered several examples and asked why, if the intention is to increase experimentation and get projects on the grid more quickly, this is not extended to all energy projects.

[4:11:28 PM](#)

MS. HOLDMANN deferred the question and stated that she does not see a technical reason why SB 32 could not be expanded.

[4:11:48 PM](#)

CHAIR GIESSEL stated that her intention is to expand the ability for renewable projects (particularly solar and wind). The independent power producers and the utilities are considering more renewable energy sources. She opined that nuclear energy is a great idea but acknowledged that this is not technically considered a renewable energy source. She further opined that non-renewable energy sources such as coal and natural gas require regulation. She stated that she would not object to an amendment adding nuclear energy to SB 32.

[4:13:27 PM](#)

CHAIR GIESSEL opened public testimony on SB 32.

[4:13:55 PM](#)

KEN HUCKEBA, representing self, Wasilla, Alaska, testified in opposition to SB 32. He said he is both a rate payer and has a history in the energy industry. He opined that SB 32 is a justification for small infractions to become larger infractions. He offered several examples to illustrate this. He said Alaska cannot afford to have unreliable energy sources. He offered to supply the information to the committee. He emphasized that regulatory oversight is needed, regardless of project size. He indicated that renewable energy sources are not reliable or affordable and SB 32 would result in ratepayers paying for transmission and backup infrastructure for "greenwashing profiteers." He expressed resentment at this proposal and stated that he is opposed to SB 32.

[4:16:29 PM](#)

CASSIE ANDREWS, representing self, Anchorage, Alaska, testified in opposition to SB 32. She asserted that the changes proposed

by this legislation are reckless and dangerous. She emphasized the importance of RCA oversight. She asserted that, without RCA oversight, Alaskans will be at the unchecked will of environmental activists pushing unreliable energy projects. She reiterated that more oversight is needed, and RCA must retain the authority to vet projects before they are thrust onto ratepayers. She asserted that utility co-op boards are being infiltrated by radical green agenda activists. She stated that SB 32 has no place in Alaska's energy future.

[4:17:32 PM](#)

CHAIR GIESSEL closed public testimony on SB 32.

[4:17:46 PM](#)

CHAIR GIESSEL held SB 32 in committee.

### **SB 180-LNG IMPORT FACILITIES**

[4:18:00 PM](#)

CHAIR GIESSEL announced the consideration of SENATE BILL NO. 180 "An Act relating to the regulation of liquefied natural gas import facilities by the Regulatory Commission of Alaska."

[4:18:29 PM](#)

INTIMAYO HARBISON, Staff, Senator Cathy Giessel, Alaska State Legislature, Juneau, Alaska, said SB 180 would repeal AS 42.05.711(v). This would return the authority to regulate the import of liquified natural gas to the Regulatory Commission of Alaska (RCA). He explained that the RCA previously had this authority; however, this was removed during the previous legislature. SB 180 repeals that change.

[4:19:11 PM](#)

SENATOR HUGHES shared her understanding that the previous legislature deliberated at length before changing the policy in question. She noted that the policy has been in effect a short time. She pointed out that the Federal Energy Regulatory Commission (FERC) has jurisdiction over liquified natural gas (LNG) import facilities. She said SB 180 would add an additional layer of oversight. She shared her understanding that the chair of the RCA supported the exemption. She wondered why a repeal is needed. She opined that it makes sense for FERC to have jurisdiction.

[4:19:59 PM](#)

CHAIR GIESSEL explained that this change was in House Bill 50, Section 49 and was not extensively deliberated. She recalled a

meeting in January of 2025, during which the RCA commissioner expressed concern about the wording of that section. She recalled a meeting of the RCA on or around April 20, 2025, during which Enstar requested permission to recover \$4.6 million in costs associated with its LNG import development. She briefly explained this request, which RCA rejected. She recalled that, at that time, there was confusion related to the authority of FERC.

CHAIR GIESSEL referred to 15 CFR 717b, which states FERC has authority over siting, construction, expansion, or operation of an LNG terminal. She clarified that FERC does not have control over rate-setting and the cost of the gas produced. She reiterated that there is confusion over the authority of FERC. She reiterated and emphasized that FERC does not have authority over the price regulation of imported LNG. She added that, similarly, FERC does not have authority over the gas purchased from a platform in Cook Inlet. She reiterated that AS 42.05.711(v) has created this confusion; therefore, SB 120 would repeal that language and return to oversight of LNG rates and price regulation to RCA. FERC would continue to regulate its listed functions.

[4:23:32 PM](#)

SENATOR HUGHES recalled that the change was added to House Bill 50 late in the legislative session. She stated that House Bill 394 also contained the change and was deliberated. She recalled that the industry supported the change at that time. She shared her understanding that the Resource Development Council has concerns. She shared her understanding that the language in House Bill 394 - language that was later added to House Bill 50 - did not remove RCA authority over LNG rates and price regulation. She reiterated her concern that SB 120 would add an additional layer that could result in legal action. She stated that industry testimony is necessary. She recalled that RCA previously testified that the language in House Bill 394 was not problematic. She expressed confusion and stated that, if RCA has changed its position, she would like to know why.

[4:24:50 PM](#)

CHAIR GIESSEL clarified that SB 120 repeals language that caused confusion; it does not add more layers.

[4:25:09 PM](#)

CHAIR GIESSEL announced invited testimony on SB 120.

[4:25:13 PM](#)

JOHN ESPINDOLA, Commissioner and Chair, Regulatory Commission of Alaska (RCA), Anchorage, Alaska, said that he is unable to speak to the Enstar filing referenced by Chair Giessel. He stated that RCA issued an order on April 22, 2025. He explained that 3 AAC 48.105 allows a party 15 days from that date to file a petition for reconsideration. RCA is still within the reconsideration period for that order. He stated that the order cites the regulatory jurisdictional authority of the commission as it relates to rates. He confirmed that RCA does have jurisdiction over rates; however, RCA believes that the repeal of AS 42.05.711(v) would eliminate any uncertainty regarding its jurisdiction over the review of gas supply agreements or terminal use agreements for public utilities using the services of an LNG import facility.

[4:26:31 PM](#)

SENATOR MYERS noted that under current statute, RCA cannot regulate an LNG facility. He asked whether RCA is currently able to regulate a contract between the facility and the utility.

[4:26:52 PM](#)

MR. ESPINDOLA replied yes. He clarified that RCA believes it maintains the authority to regulate those contracts.

[4:27:01 PM](#)

SENATOR MYERS asked what authority RCA would gain from repealing AS 42.05.711(v). He pointed out that RCA can still regulate the rate charged to the consumer via the contract.

[4:27:36 PM](#)

MR. ESPINDOLA replied that RCA would not gain any authority by repealing AS 42.05.711(v). He clarified that the repeal would eliminate the uncertainty of the jurisdictional boundaries of RCA.

[4:28:05 PM](#)

SENATOR MYERS asked for a detailed explanation of how the process would change if the RCA was able to regulate the LNG import facility.

[4:28:28 PM](#)

MR. ESPINDOLA replied that the import facility would not be subject to RCA regulation. This is the case regardless of whether the statute in question is repealed. He clarified that the rates passed on to ratepayers would fall within RCA jurisdiction. He reiterated that the facility would not fall under RCA jurisdiction. He stated that he was not chair of RCA

when RCA testified regarding House Bill 394 and House Bill 50 and is not able to speak to that testimony.

[4:29:12 PM](#)

SENATOR MYERS shared his understanding that SB 120 would give RCA control over rates; however, RCA already has that control because RCA is able to regulate the contract. He asked for further clarification as to why the repeal is necessary.

[4:29:38 PM](#)

MR. ESPINDOLA clarified that RCA does not believe it is necessary to repeal the language.

[4:29:50 PM](#)

SENATOR CLAMAN asked for confirmation of his understanding that RCA can already do what SB 120 would allow RCA to do.

[4:30:19 PM](#)

MR. ESPINDOLA asked Senator Claman to repeat the question.

[4:30:26 PM](#)

SENATOR CLAMAN repeated his question. He asked for confirmation of his understanding that, from the perspective of RCA, SB 120 is unnecessary in terms of the power of RCA to regulate the price consumers are paying for potentially imported LNG.

[4:30:45 PM](#)

MR. ESPINDOLA confirmed this understanding.

[4:30:51 PM](#)

SENATOR CLAMAN asked whether RCA holds the position that, despite already having that authority, it would nevertheless be advantageous to clarify the authority of RCA by removing AS 42.05.711(v).

[4:31:07 PM](#)

MR. ESPINDOLA replied yes. He clarified that repealing AS 42.05.711(v) would eliminate the uncertainty related to the jurisdiction of RCA.

[4:31:19 PM](#)

CHAIR GIESSEL recalled that during the most recent Enstar case, the two property entities argued the legislature had an intent to restrict the jurisdiction of RCA by adopting AS 42.05.711(v). She stated that the following language was removed:

For ratemaking purposes, the commission shall consider the investment of a public utility in an LNG import of export facility.

CHAIR GIESSEL explained that removing this language created confusion. Some argued that RCA does not have jurisdiction over ratemaking. She stated that, at that meeting, RCA disagreed and argued that it maintains jurisdiction to consider gas supply and terminal use agreements and is not barred by statute from doing so.

[4:32:58 PM](#)

CHAIR GIESSEL pointed out the confusion that arose during that meeting and briefly discussed the statute responsible for that confusion. She acknowledged that RCA believes it maintains jurisdiction over the rate setting. However, because some have argued that RCA does not have jurisdiction over ratemaking, the issue of whether the jurisdiction falls to FERC or RCA may come up each time RCA attempts to exercise its authority over rate setting.

[4:34:43 PM](#)

SENATOR CLAMAN asked whether the RCA would be subject to significant risk if it was determined that RCA did not have proper statutory authority. He asked for confirmation that SB 120 would simply remove any doubt related to the jurisdiction of RCA.

[4:35:36 PM](#)

RICHARD GAZAWAY, Administrative Law Judge, Regulatory Commission of Alaska, Anchorage, Alaska, stated that he was not involved in the docket in question. However, he recalled concerns regarding ambiguous language related to the jurisdiction of RCA over rates for purchases from a liquified natural gas (LNG) facility. He indicated that RCA disagreed with the determination. He stated that clarification would eliminate any ambiguity.

[4:36:55 PM](#)

CHAIR GIESSEL opened public testimony on SB 180; finding none, she closed public testimony.

[4:37:11 PM](#)

CHAIR GIESSEL held SB 180 in committee.

[4:37:39 PM](#)

There being no further business to come before the committee,  
Chair Giessel adjourned the Senate Resources Standing Committee  
meeting at 4:37 p.m.