ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE
May 16, 2025
3:30 p.m.

MEMBERS PRESENT

Senator Cathy Giessel, Chair
Senator Matt Claman
Senator Forrest Dunbar
Senator Scott Kawasaki
Senator Shelley Hughes
Senator Robert Myers

MEMBERS ABSENT

Senator Bill Wielechowski, Vice Chair

OTHER LEGISLATORS PRESENT

Representative Ky Holland

COMMITTEE CALENDAR

PRESENTATION(S): ALASKA RAILBELT RELIABILITY COUNCIL

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

ED JENKIN, President and Chief Executive Officer (CEO)
Alaska Railbelt Reliability Council (RRC)
Anchorage, Alaska
POSITION STATEMENT: Co-presented the Alaska Railbelt Reliability Council Update.

LOU FLORENCE, Chair
Board of Directors and Executive Committee
Alaska Railbelt Reliability Council (RRC)
Fairbanks, Alaska
POSITION STATEMENT: Co-presented the Alaska Railbelt Reliability Council Update.

ACTION NARRATIVE

3:30:49 PM
CHAIR GIESSEL called the Senate Resources Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Myers, Dunbar, Hughes, Claman, and Chair Giessel. Senator Kawasaki arrived thereafter.

PRESENTATION(S): ALASKA RAILBELT RELIABILITY COUNCIL UPDATE

3:31:20 PM
CHAIR GIESSEL announced the presentation, Alaska Railbelt Reliability Council Update.

3:31:54 PM
ED JENKIN, President and Chief Executive Officer (CEO), Alaska Railbelt Reliability Council (RRC), Anchorage, Alaska, introduced himself and provided a brief history of his work in the utility industry.

3:33:28 PM
LOU FLORENCE, Chair, Board of Directors and Executive Committee, Alaska Railbelt Reliability Council (RRC), Fairbanks, Alaska, introduced himself and provided a brief history of his work on the RRC Board of Directors (RRC Board) and in the utility industry.

3:34:32 PM
MR. JENKIN advanced to slide 2 and explained the agenda for the presentation:

[Original punctuation provided.]

Agenda

- The Railbelt Power System
- Who is the RRC
- The RRC's Purpose
- Why the RRC was Formed
- The RRC and the RTO
- Standards and IRP Development

3:35:12 PM
MR. JENKIN advanced to slide 3, containing a map of various electric associations and the City of Seward:

The Railbelt Bulk Electric System

- An interconnected network of approx. 700 miles of high voltage transmission lines, providing a physical path to serve approximately 750 MW peak load from approx. 2 GW of installed generating capacity
- Operated by 5 interconnected public utilities, 1 Department of Defense (DoD) contractor, and the State of Alaska.
- Encompassing three regions connected by single transmission lines with stability limits of about 10 percent of the peak load.
- Providing electricity for nearly three quarters of Alaska's population.

MR. JENKIN directed attention to the map on slide 3. He pointed out the following three regions and associated electric utilities:

North: Golden Valley in the North
Central: Matanuska Electric Association, Chugach Electric Association the City of Seward
South: Homer Electric

MR. JENKIN explained how a lack of regional planning has impacted each utility's design and offered examples. He emphasized that each utility has designed its system to meet its own needs within its local region. He noted a lack of emphasis on communication between the various regions and offered an example to illustrate the impact this has on potential projects.

3:37:09 PM
MR. JENKIN advanced to slide 4:

[Original punctuation provided.]

Who is the RRC?

A stakeholder organization

The RRC is governed by a thirteen voting-member board:

- 6 utilities (CEA, GVEA, HEA, MEA, Seward, Doyon Utilities)

- Alaska Energy Authority
- 2 Independent Power Producers
- 1 seat advocating for residential-small commercial interests (Alaska Public Interest Research Group)
- 1 seat advocating for large commercial and/or industrial users (Fairbanks Gold Mining Inc./ Kinross)
- 1 seat representing electricity consumers who advocate in support of the reduction of environmentally harmful greenhouse gas emissions and/or other environmental concerns regarding the Railbelt electric system (Renewable Energy Alaska Project)
- 1 independent, non-affiliated member

The RCA and RAPA each hold one non-voting, ex-officio seat on the Board.

MR. JENKIN noted that the Regulatory Commission of Alaska (RCA) regulates RRC, while Regulatory Affairs and Public Advocacy (RAPA) intercedes on behalf of the public during RCA proceedings. He emphasized the importance of stakeholder input and briefly discussed the makeup of the board. He explained the board's role in moving plans and projects forward.

CHAIR GIESSEL asked Mr. Jenkin to define RAPA.

MR. JENKIN could not recall what RAPA stands for; however, he said it is a public advocacy group that is a part of the State of Alaska. He reiterated that RAPA advocates for the public during RCA proceedings.

3:39:47 PM
MR. JENKIN advanced to slide 5:

[Original punctuation provided.]

Who is the RRC

- CEO and Staff
- Independent Technical Group (TAC)
- Working Groups

MR. JENKIN explained that he is the only employee on the board and he currently has two staff members. He shared the goal of

having one engineer and two support staff. He briefly discussed the plan for bringing RRC into compliance with adopted standards, which will include bringing on additional staff.

3:40:28 PM
MR. FLORENCE returned to Chair Giessel's question about RAPA. He said that Regulatory Affairs and Public Advocacy (RAPA) is an office of the Attorney General within the State of Alaska. He confirmed that RAPA typically intervenes in matters that come before RCA.

3:40:54 PM
MR. JENKIN continued to discuss slide 5. He described the Technical Advisory Council (TAC). He emphasized that TAC is an independent council, providing independent oversight and product development. He briefly discussed the working group and highlighted the role of stakeholders and their representatives. In addition, he noted the process for public participation and comment periods. He stated that members can apply to become a part of the working group and TAC reviews those requests. He explained that the working group is set up to ensure balanced representation and discussion.

3:42:51 PM
CHAIR GIESSEL asked whether TAC members are paid for their work.

MR. JENKIN replied yes.

3:43:01 PM
MR. JENKIN advanced to slide 6 and provided an overview of TAC members and their work in the industry. He noted that RRC would add one additional member to TAC as it moves into the Integrated Resource Plan (IRP) process:

[Original punctuation provided.]

Who is the RRC

The TAC

- David Hilt - Founder, Grid Reliability Consulting, LLC, Marion, Illinois. Past NERC VP responsible for the development of their Compliance and Monitoring Program.
- Haider Naveed - Senior NERC Compliance Specialist, Electric Power Engineers, Austin,

Texas. 15 years of international industry experience.

- Todd Ponto - Director of OT and NERC Compliance, ScottMadden, Raleigh, North Carolina. Supported the develop the Utility Consensus Critical Infrastructure Protection Standards in 2018.
- David Burlingame - Principal, Electric Power Systems, Anchorage, Alaska. 40 years of engineering and operations experience focusing on islanded systems.

3:45:24 PM
CHAIR GIESSEL asked whether RRC recruited TAC members or whether they volunteered.

3:45:31 PM
MR. JENKIN replied that Mr. Burlingame was hired to represent Seward early in the formulation of RRC. RRC reached out to the other members. He briefly discussed Mr. Hilt, his role on TAC, and his interest in working with RRC.

3:46:15 PM
MR. JENKIN advanced to slide 7:

[Original punctuation provided.]

Who is the RRC

Funded by Utility Members

- The RRC is funded through a surcharge that is allocated to load-serving entities (Railbelt utilities) through the ERO tariff. Most LSEs have implemented a transparent per-KWh line item on customer bills, similar to the Regulatory Cost Charge.

Regulated by the Regulatory Commission of Alaska

- The commission shall adopt regulations governing electric reliability organizations (AS 42.06.770)

MR. JENKIN commented that the surcharge is minimal relative to fuel costs. He opined that if IRP can decrease the cost of fuel, the value of RRC to the railbelt will become clear.

3:47:32 PM

CHAIR GIESSEL recalled that RRC must be certificated. She asked why this is important, what the certification process consists of, and what this means for RRC.

3:47:52 PM
MR. JENKIN confirmed that RRC is certificated. He explained that RCA is the oversight organization for RRC. He briefly discussed the regulatory requirements RCA has set out. He described the certification process. He emphasized that RRC had to demonstrate fitness, willingness, and an ability to perform the necessary tasks. He said the dynamic between RCA and RRC reflects the structure and process of the Federal Energy Regulatory Commission (FERC) and the [North American Electric Reliability Corporation (NERC)]. He clarified that Alaska is not under FERC and/or NERC jurisdiction.

3:48:07 PM
SENATOR KAWASAKI joined the meeting.

3:49:38 PM
MR. JENKIN advanced to slide 8:

[Original punctuation provided.]

The RRC's Purpose

Legislatively Established Electric Reliability Organization

- Establish reliability standards through an open and transparent public process. (AS 42.05.765)
- Monitor and enforce compliance with reliability standards, including investigation of alleged and possible imposition of penalties for confirmed compliance violations, (AS 42.05.775)
- Develop and adopt a comprehensive Integrated Resource Plan (IRP) for the applicable Bulk Electric System. (AS 42.05.780)

MR. JENKIN stated that RRC must consider transmission alongside end-use activities to improve load efficiency as it formulates the IRP.

3:51:06 PM
MR. JENKIN advanced to slide 9:

[Original punctuation provided.]

Why the RRC:
Reduce Long-Term Costs

- **Generation Planning**
  - Utility Generation
    - CEA 2013: 200MW 3X1 Combined Cycle Facility (w/ ML&P)
    - MEA 2014: 171MW Reciprocating Engine Facility
    - ML&P 2016: 129MW 2X1 Combined Cycle Facility
- **Transmission System Concerns**

MR. JENKIN explained that the utilities in this region were highly interconnected, which allowed large amounts of power to reliably and firmly flow between them. He briefly discussed the generation facilities built by each utility and the impact the new facilities had on generation, fuel usage, and transmission capabilities.

3:53:00 PM
MR. JENKIN continued to discuss the facilities listed on slide 9. He emphasized the importance of efficiency. He noted the combined megawatt generation of the facilities. He briefly discussed the role of RRC in regional planning and in making determinations for future generation resources, which can lead to greater generation and transmission efficiency. He stated that RRC ensures there is a centralized, regional approach that takes advantage of opportunities to put the best mix of generation into place for the railbelt.

3:55:25 PM
MR. JENKIN advanced to slide 10:

[Original punctuation provided.]

Why the RRC – Ensure Reliability

Reliability Standards Development and Enforcement

- System Modeling
- Generation and Load Balancing
- Facilities Interconnection
- Transmission Planning

- Monitoring and Enforcement

MR. JENKIN stated that, historically, a lack of standards - and/or a lack of enforcement of standards - has had a negative impact on the system. He offered an example to illustrate the reliability issues that the development and enforcement of standards would address.

3:57:55 PM
MR. JENKIN advanced to slide 11:

[Original punctuation provided.]

The RRC and the RTO

- The RRC develops a regional Integrated Resource Plan to provide the greatest value to Railbelt utility members and customers

- The RTO administers a regional tariff to recover transmission costs equally to all Railbelt utility customers and members

- Both look at the Railbelt as a single region

- RRC develops a regional generation plan, and the RTO removes transmission wheeling rates to facilitate the operation of the plan

MR. JENKIN offered an example of wheeling rates, which are fees that one utility will levy against another to move power across that utility's transmission system. He explained that this creates a financial barrier, limiting projects that would otherwise be economic and that would allow for increased railbelt efficiency.

4:01:00 PM
MR. JENKIN continued to discuss slide 11. He stated that the Railbelt Transmission Organization (RTO) eliminates wheeling rates. He explained that transmission costs are now collected from end users. He said that eliminating wheeling costs allows more projects to move forward and increases system efficiency. He contrasted the RTO with the RRC and the Integrated Resource Plan (IRP). He explained that the IRP takes a regional approach, considering ways to develop generation that is most efficient for the region. He offered examples to illustrate the benefit of

a regional approach. He emphasized the importance of RTO in this process, as removing wheeling rates is critical to developing generation with regional efficiency. He reiterated that RRC develops the IRP and RTO facilitates the IRP by removing barriers. He noted that this does not require the operation and operating areas remain separate. He explained that successful implementation of the IRP requires coordination amongst the various operating areas. He reiterated the importance of RRC and RTO in developing and implementing a plan that is of greatest value to the railbelt.

4:03:25 PM
MR. JENKIN opined that RTO is a good organization to address the regional tariff, as it is made up of transmission owners. He reiterated that RRC - a stakeholder organization - is responsible for planning and briefly discussed the ways stakeholder input benefits planning.

4:04:06 PM
CHAIR GIESSEL expressed appreciation for the explanation of the ways RRC and RTO work together and of the overall goal of [House Bill 307]. She briefly discussed the historical timeline and said the issue ultimately required a legislative solution.

4:04:51 PM
SENATOR CLAMAN noted that the RTO board is made up of transmission owners and asked who the transmission owners are.

4:05:00 PM
MR. JENKIN replied that the transmission owners are the following railbelt utilities:

- Golden Valley Electric Association
- Matanuska Electric Association, Inc.
- Chugach Electric Association
- City of Seward
- Homer Electric Association, Inc.
- Alaska Energy Authority

MR. JENKIN noted that he is an ex-officio member of the RTO board. He clarified that, while he is a member of the RTO board, he is speaking in his capacity as a representative of RRC and is not speaking for RTO.

CHAIR GIESSEL commented that a future presentation from RTO could be helpful.

4:05:54 PM
SENATOR CLAMAN observed that there is some overlap between RRC and RTO board membership.

MR. JENKIN said this is correct. He said the aforementioned utilities are also on the RRC board. He explained that RTO is being set up in such a way that the cost of creating a stakeholder organization is reduced.

4:06:35 PM
MR. FLORENCE agreed that there is overlap between the RTO board and the RRC board membership; however, he clarified that the role of members on the RTO Board and the RRC Board are distinct. He explained that on the RTO board, a representative for the utility represents that utility. He contrasted this with the RRC board, where those same individuals represent stakeholder classes (and not the entities with which they are typically associated). He said that the RRC board is governed by specific regulations that specify who the members must represent. He emphasized that the RRC board often discusses board members' duties and responsibilities and reiterates to members that they are not representing the entities but the stakeholders.

MR. JENKIN added that, when acting on behalf of RRC, members are required to represent the best interest of the RRC. Conversely, members of the RTO board represent the best interest of the utility, not the best interest of RTO.

4:08:15 PM
MR. JENKIN advanced to slide 12:

[Original punctuation provided.]

Standards and IRP Development

Applicable RRC Rules and Policies

- **ER7 - Public Notice and Meetings Rule**
  - Notice Content
  - Notice Timeline
- **ER1 - Product Development Rule**
  - Invitation and Schedule
  - During Development
  - Board Submission
  - RCA Report

- **BPR602 - TAC Structure and Process Procedure**
  - Task Order Work Plan and Budget
  - Formation of the Working Group
  - Manager's Recommendation
  - Dissents
  - TAC Recommendation
  - Board Action

MR. JENKIN briefly discussed the rules and regulations that govern RRC processes. The processes of RRC must be open to the public, balanced between energy users and producers, and balanced between utilities and non-utilities.

4:10:30 PM
MR. JENKIN continued to discuss slide 12. He explained how the package RRC presents to RCA lays out the public process in a detailed way that hopefully gives RCA confidence that RRC has followed a robust public process. He highlighted BPR602, which is an internal policy governing TAC structure and process. He briefly explained the process, highlighting the procedure for recommendation and dissent.

4:12:55 PM
MR. JENKIN advanced to slide 13, containing an infographic illustrating the various energy generation and transmission sites:

[Original punctuation provided.]

Standards and IRP Development

Integrated Resource Planning
- Board Workshop and Kickoff
- Independent Technical Expertise
- Policy Development
- Define Objectives and Greatest Value
- 2026 Completion

MR. JENKIN provided an overview of the IRP planning process to date. The board workshop included a walk-through of the process that will be used to develop the IRP. He indicated that additional work is necessary to finalize the process. He said this is similar to the TAC process outlined on slide 12. He stated that the IRP process would kickoff in May 2025. RRC is developing the independent technical expertise contracts. He

stated that RRC is ready to begin working group meetings. He provided a brief overview of working group meetings. He emphasized the importance of board approval and offered examples. He stated that the RRC Board makes the final determination regarding the proposed objectives. He stated that the final plan must produce the greatest value for the railbelt.

4:15:04 PM
SENATOR DUNBAR commented that plans matter the most when they change behavior. He asked what changes Mr. Jenkins foresees as a result of the process. He clarified that he is primarily asking about changes that would impact the utilities.

4:15:54 PM
MR. JENKIN answered that the process would drive a regional approach. He explained that utilities currently do their own transmission and resource planning and briefly discussed this process. While this will continue, it will become part of a regional plan.

4:18:00 PM
MR. JENKIN explained that the IRP would consider how individual utility's projects fit into the regional approach. He offered examples to illustrate this change. He said that projects previously developed by a utility to meet the individual needs of that utility would be reconsidered within the context of the regional approach. This also applies to future railbelt needs and future projects. He pointed out that some projects will not meet the "greatest value" requirement, while others may meet this requirement and be included in the IRP. He explained that projects in the IRP are considered "justified" and implied that this would increase the likelihood of receiving RCA approval for those projects.

4:19:52 PM
SENATOR HUGHES offered a hypothetical situation to illustrate the potential for change between now and the completion of the plan in 2026. She asked if the plan would be updated on a regular basis.

4:20:20 PM
MR. JENKIN replied yes. He said RRC will review the plan every two years (at which time RRC will make any necessary changes) and will renew the plan every four years. He explained that RRC is required to renew the plan every four years unless RCA has approved deferral. He stated that the two- and four-year cycle is relatively short for IRP creation. He said RRC would likely

be continually updating the IRP and briefly described what that would entail.

4:21:13 PM
SENATOR CLAMAN directed attention to slide 9 and the power plants build between 2013-2016. He shared his understanding that utilizing a regional approach during that timeframe might have resulted in the utilities building fewer power plants. He asked if this is one example in which a regional approach may have led to a different plan.

4:21:53 PM
MR. JENKIN replied yes. He clarified that he is not implying that three plants would not have been built. However, regional planning might have changed the capacity and design of each. He agreed that the proposed projects would have been rolled into the IRP, and explained how the IRP guidance could have informed the utilities' projects. He added that inclusion in the IRP would have increased the likelihood of securing RCA approval and financing.

4:22:42 PM
SENATOR HUGHES asked who approves project plans.

4:23:03 PM
MR. JENKIN replied that RCA approves project plans and briefly described that process.

4:23:19 PM
SENATOR HUGHES commented that RRC would be very familiar with plans once they reach the RCA approval stage. She asked whether RRC would make recommendations to RCA regarding project plans.

4:23:28 PM
MR. JENKIN replied that RRC would have the ability to intercede in the RCA proceeding and shared his understanding that RRC would then become a party to the proceeding. RRC could then provide input about the project.

4:23:47 PM
MR. JENKIN advanced to slide 14:

[Original punctuation provided.]

Standards and IRP Development

Standards Development

- Weekly working group meetings
- Four standards before the RCA for approval
- Two additional standards passed by RRC Board
- Six standards coming before the Board in June
- 28 Standards to be approved by the RRC in 2025

MR. JENKIN stated that standards development is ongoing. He said the first four standards were noncontroversial and were chosen specifically to test the process and ensure it worked well. Those standards have been approved by RRC and are now awaiting RCA approval. RRC is waiting to observe the RCA approval process before submitting additional standards for approval. He said that RRC expects to see six critical infrastructure and protection standards in July 2025. He indicated that these are a high priority.

4:25:21 PM
SENATOR MYERS recalled that RCA would update the IRP every two years and would create a new plan every four years. He asked how this timeline would integrate with the RCA approval timeline. He shared his understanding that RCA can take 2-4 years to approve rate cases, which can put utilities into a continuous cycle in which one rate case is approved and the next is submitted. He asked whether RRC has any concerns about how the RCA approval timeline could potentially impact the IRP process.

4:25:57 PM
MR. JENKIN replied that RCA has 180 days to deliberate and make a determination regarding tariff revision standards. He shared his understanding that RCA can also take no action, in which case the standard would become law after 45 days. He said that because RRC has not yet sent an IRP to RCA for approval, he cannot speak to that timeline and process.

4:27:39 PM
MR. JENKIN continued to discuss slide 14. He said RRC has budgeted for 28 standards in 2025. There has been a great deal of interaction amongst stakeholder groups during this process, which is expected. He opined that this high level of interaction is good, as it provides a final product that has been well-vetted amongst all stakeholders.

4:28:25 PM
MR. FLORENCE said that the first task of the RRC Board was to consider legislative and regulatory requirements and to put the necessary rules, procedures, and processes in place to ensure

that the actions of RRC are done in accordance with those requirements. He explained that the RRC Board completed the bulk of that work prior to hiring Mr. Jenkin as CEO. He said the board's second task was to hire the CEO. He stated that since hiring Mr. Jenkin, the work has picked up pace. He explained that, at this time, the RRC Board is tasked with ensuring that the process is unfolding as planned.

MR. FLORENCE emphasized that the RRC Board is not a technical board. He said the board exists to ensure that the stakeholder engagement process is occurring - and that the process is aligned with the associated rules and regulations. He added that the conversations with the workings groups and TAC are technical but can become animated. The meetings are open to the public. He said that, from the board's perspective, the process is working very well. He indicated that the development of standards is moving forward at a good pace. He commented that the standards can be complicated. He said the IRP process is also coming along well. He stated that the RRC Board is tasked with ensuring that the work is done timely, and from board's perspective the IRP process is going well.

4:30:57 PM
SENATOR HUGHES asked Mr. Florence to share his background as it relates to these issues.

4:31:12 PM
MR. FLORENCE said that most of his work history is in power generation and Alaska is the third jurisdiction in which he has worked. He briefly described his work history, highlighting his work in the development and implementation of reliability standards. He commented that Alaska is unique in that the railbelt grid is geographically large but electrically it is small. He noted that the RRC Board has both local and nationwide experts. He emphasized that Alaska requires unique solutions but faces the same reliability and planning problems as other jurisdictions. He opined that, of the jurisdictions he has worked in, Alaska is both the most challenging and the most interesting.

4:32:49 PM
CHAIR GIESSEL thanked the presenters. She noted the perception that RRC had been making slow progress and observed that the progress has sped up significantly since hiring the CEO, Mr. Jenkin. She commented that it is gratifying to consider the recent passage of legislation that created RTO and helped to amplify the work of RRC.

4:34:27 PM
There being no further business to come before the committee, Chair Giessel adjourned the Senate Resources Standing Committee meeting at 4:34 p.m.