

AP/AL: Appropriation **Project Type:** Energy
Category: Development
Location: Statewide **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40) **Contact:** Curtis Thayer
Estimated Project Dates: 07/01/2020 - 06/30/2025 **Contact Phone:** (907)771-3000

Brief Summary and Statement of Need:

The Bulk Electrical System in the Railbelt region of the state has gone through tremendous change since the completion of the last Railbelt Integrated Resource Plan (RIRP) in 2010. Multiple dockets have been opened at the Regulatory Commission of Alaska (RCA) and over \$56 million in state funds have been appropriated for improvements consistent with the RIRP. Institutional reform is necessary to address increases to Railbelt ratepayers' energy costs.

| Funding: | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | Total |
|---------------------|-------------|--------|--------|--------|--------|--------|-------------|
| 1012 Rail Energy | \$3,000,000 | | | | | | \$3,000,000 |
| Total: | \$3,000,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,000,000 |

| | | | | |
|---|---|---------------------------------------|---|---|
| <input type="checkbox"/> State Match Required | <input type="checkbox"/> One-Time Project | <input type="checkbox"/> Phased - new | <input type="checkbox"/> Phased - underway | <input checked="" type="checkbox"/> Ongoing |
| 0% = Minimum State Match % Required | | <input type="checkbox"/> Amendment | <input type="checkbox"/> Mental Health Bill | |

Operating & Maintenance Costs:

| | <u>Amount</u> | <u>Staff</u> |
|----------------------|---------------|--------------|
| Project Development: | 0 | 0 |
| Ongoing Operating: | 0 | 0 |
| One-Time Startup: | 0 | 0 |
| Totals: | 0 | 0 |

Prior Funding History / Additional Information:

Project Description/Justification:

The statewide energy plan comprehensively addresses the following:

1. Identify institutional reform mechanisms that most effectively mitigate cost increases in the railbelt region of the state.
2. Investigate the best use of state funds to leverage private investment in the most beneficial public private partnership (3P) opportunities in the energy markets of the railbelt region of the state.
3. Investigate the potential to un-constrain the lowest cost power generation (Bradley Lake Hydroelectric facility) in the Railbelt through existing and planned power pooling arrangements and other potential cost saving measures.

4. Investigate the most efficient and effective suite of priorities for a redundant transmission system consistent with transmission planning standards used throughout the contiguous United States.

With the State of Alaska addressing the above items, the burden on ratepayers decreases. Discernable costs are mitigated by institutional reform. For example, the Swan Lake fire precipitated a burden to ratepayers exceeding \$10 million dollars in 2019. Similar burdens in the future will be addressed and mitigated with a statewide energy plan in place. Previous and current initiatives have identified the need for these reforms, but have lacked the necessary incentive and disincentive regulatory framework to bring all effected stakeholders together to implement the necessary reforms.