

Marijuana Legalization

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**Green doesn't mean what it used
to in today's utility industry**
How utilities are dealing with legalized marijuana



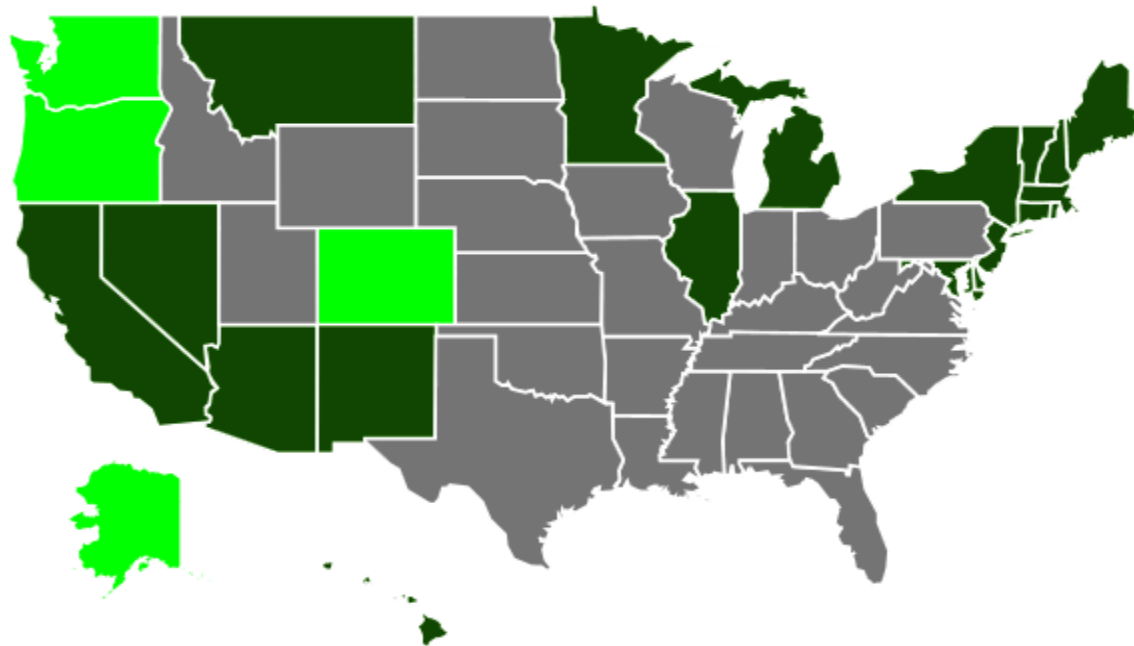
Outline

- 1) How we got here
- 2) Where are we going
- 3) What is in place
- 4) What is underway
 - a) State
 - b) Local governments
- 5) What might it look like when it gets here

How we got here

- 1973 – Oregon decriminalized cannabis
- 1975 – Alaska decriminalized cannabis
- 1996 – California legalized medical marijuana
- 1998 – Alaska Legalized medical marijuana
- 2012 – Colorado legalized recreational marijuana
- 2014 – Alaska Legalized recreational marijuana

Marijuana laws by State



Marijuana Legalization Status

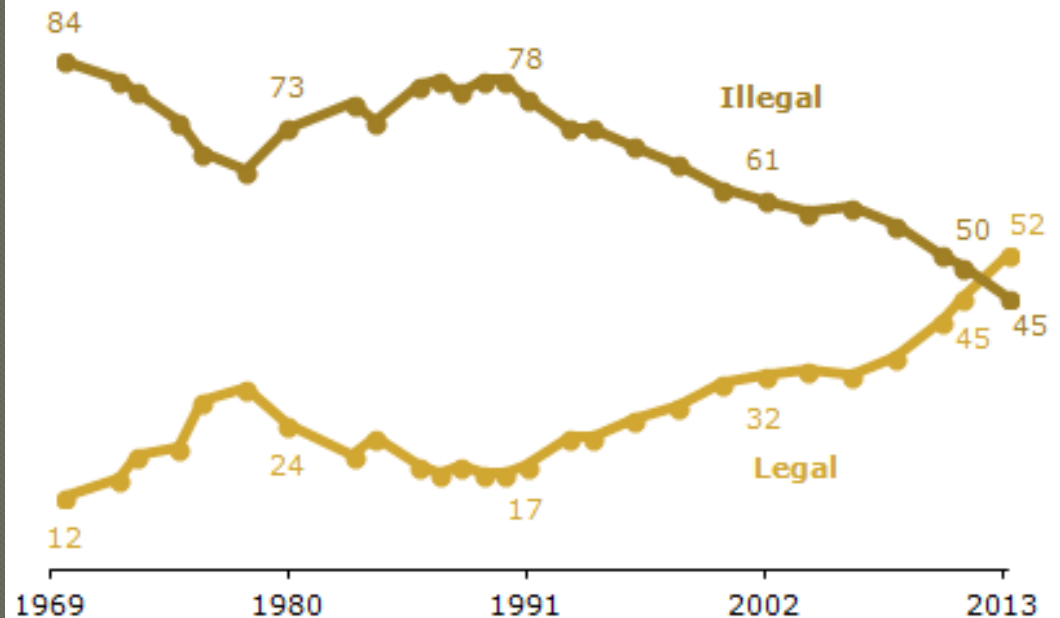
- Medical marijuana legalized
- Marijuana legalized for recreational use
- No laws legalizing marijuana

Where we are going

The Obama administration directed federal prosecutors last year to stop enforcing drug laws that contradict state marijuana policies.

Views of Legalizing Marijuana: 1969-2013

% saying marijuana should be ...



PEW RESEARCH CENTER March 13-17, 2013.
1973-2008 data from General Social Survey; 1969 and 1972 data from Gallup.

What is in place

State: as of February 24, 2015

- Legalization of personal use up to one ounce
- Limited grow for personal use up to 6 plants
- Provision for State Marijuana Control Board
- Allowance for municipal governments to enact governing ordinances or ban facilities altogether

What is underway

- State: on November 24, 2015 Regulations shall be in place
- State: as of February 24, 2016 Applications shall be accepted

Draft State Regulations

- Cultivation facilities:
 - Limited or Standard
- Retail Stores:
 - Can't give away free samples
 - Can't sell anything but marijuana
 - Can't have anyone less than 21 on the premise
- No public use

Draft MOA Ordinance

- Probably no distinction between limited and standard cultivation facilities
- Zoning will most likely be the way the location of facilities is restricted
- The application may require the electric utility to sign off that power is available
- Ordinance will not be in place by November 24th, but should be by February 24th, 2016

Draft Fairbanks Regulations

- ◉ Private use can be disturbing the peace
- ◉ Defines three sizes of cultivation facilities and looks at outdoor facilities
- ◉ Has proposed changes to zoning to define where various marijuana facilities are allowed or may be allowed with a conditional use permit
- ◉ No facilities or areas zoned residential
- ◉ No other restriction of State regulations

Draft Mat-Su Regulations

- Preliminary results are that the City of Palmer has banned commercial operations through vote. The Houston ballot measure appears to have failed.
- No zoning restrictions
- Setbacks of buffer (50 feet from residence on adjoining property)
- Notification process as part of permitting requires notification of electric utility

What it might look like

- Outdoor
- Greenhouse
- Indoor

Outdoor

- **Pros**
 - Easy
 - Cheap
 - Bigger yield
- **Cons**
 - Land requirement
 - Mother nature
 - One harvest
 - Security and screening



Greenhouses

- Pros
 - Cheaper than indoor
 - Like outdoor but with control
- Cons
 - Less Production than indoor
 - Security and screening
 - Heating



Indoor

- **Pros**
 - Control
 - Continued harvests
 - Security
- **Cons**
 - Cost



Electricity Use

- Lighting & HVAC



Conclusion

- We do not yet have regulations in place, but in the MOA, we suspect the electrical utility will get a look early in the process. This is important to the utility.
- Initially grow operations will be probably be indoors and use older technology lighting. This equates to larger electrical load.

Conclusion

- Be involved to the process of determining permit requirements.
- Do you need to review your Tariff?
 - line extension policy

Questions?
