



## **Alaska Power Association 2021 Federal Policy Positions**

### **Federal support for electric infrastructure and clean energy innovation**

Electric infrastructure is the bedrock of the nation's economy and the operation of the daily lives of Alaskans and all other Americans. Congress and the administration should recognize that Alaska electric consumers have not benefited from power marketing administration-style federal programs like many areas of the Lower 48. Consequently, it is imperative that Congress include funding for electric infrastructure – generation, transmission and distribution – that helps Alaska electric utilities provide their consumers with the safest, most reliable and most modern means of power supply. On the latter, Congress and the administration should invest meaningfully in clean energy technologies—such as hydropower, solar, wind, batteries, geothermal and advanced nuclear.

### **Support for policies that increase the purchase and use of electric vehicles**

As Alaska electric utilities and businesses continue installing electric vehicle (EV) charging stations and as more of the barriers to EV usage are being addressed through technological advances and consumer education, more Alaska residents and businesses will be considering the purchase of EVs.

Congress and the administration should pursue laws and policies that promote the use of EVs through offering tax credits or other incentives to help support EV purchases until price parity with internal combustion vehicles is reached. Offering incentives to business and governments for the deployment of EV charging stations is another important way to increase EV usage while decreasing fossil fuel consumption and lowering carbon emissions. At the same time, the federal government should add EVs to their fleet of vehicles where appropriate to help lead the way toward wider adoption of EVs.

EVs are beneficial to electric utilities by providing a new load during times of the day when loads are typically at their lowest since EVs are commonly charged at night. Many areas of Alaska have seen increased use of EVs, particularly in cities where road miles are very limited. A significant push from the federal government to facilitate EV ownership would be advantageous for drivers and for electric utilities that provide EVs' power source.

## **Consideration of impacts on Alaska when enacting environmental policy and other regulations**

The federal government must fully recognize the severe impacts many regulations have on Alaska electric consumers that may not exist in the Lower 48. APA supports requiring the Environmental Protection Agency and other regulatory agencies to consider the costs of a regulation before its finalization. Congress must continue pushing for this as well.

For example, hydropower operators in Alaska are dealing with a continued increase of new regulations from the Federal Energy Regulatory Commission that place a large financial burden on the small electric utilities serving the state. In fall of 2020, in response to the 2017 Oroville Dam crisis, FERC proposed one-size-fits-all regulations dealing with dam safety that pose a significant financial burden on projects in Alaska that are vastly smaller in scale compared to Oroville.

According to a 2018 report from the Alaska Department of Environmental Conservation, electrical generation has consistently accounted for about 8 percent of Alaska's greenhouse gas emissions over the past 25 years. Electric utilities in Alaska generate, transmit and distribute in some of the harshest conditions on earth, over vast expanses of difficult terrain that separates most communities and power supply systems. One-size-fits-all regulations simply increase the cost of power in Alaska while often providing minimal benefits.

## **Support for programs that lower or stabilize the cost of energy in Alaska**

At a minimum, Congress and the federal Administration should restore funding for the USDA High Energy Cost Grant Program to \$30 million and restore meaningful energy funding to Alaska's Denali Commission. The High Energy Cost Grant Program was authorized by Congress in the 2000 Rural Electrification Act. The funds are dispersed through a national competitive process.

The Denali Commission has played an important role in power supply facilities and bulk fuel storage in numerous rural Alaskan communities. However, tens of thousands of Alaskans are still without necessary infrastructure. Alaska residents, like those in other states, must be assured reliable and affordable electric service.

Congress and the Administration should continue funding for the Low Income Home Energy Assistance Program (LIHEAP) in the FY21 budget and beyond. According to National Rural Electric Cooperative Association data, electric cooperatives serve 93 percent of the persistent poverty counties in the country, and the LIHEAP program is a critical for our nation's most vulnerable consumers. The need for this program remains high in Alaska. Congress should at least maintain the current funding level of \$3.39 billion.