



Alaska Power Association 2022 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. Alaska's electric utilities face unique challenges due to the state's expansive geography, lack of interconnected grids between communities and to Canada and the Lower 48, harsh climate, distances between population centers, and small number of ratepayers.

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 by offering tax credits or other incentives to help support EV purchases and to offset the costs of operating EVs in communities with high electricity costs. Offering incentives to businesses, owners of multifamily housing, and state, local, and tribal 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 can enforce this by passing legislation to require additional financial review for regulations on electric utilities that are not part of the national electric grid and exempting those whose customers will experience a disproportionately negative impact as a result of implementation

Alaska's electric utilities are not connected to a national or regional grid. Most electric utilities in the state are stand-alone utilities serving small ratepayer bases that are uniquely impacted by the costs of national regulations. While APA recognizes the goals of federal regulations, the impacts of them on Alaska ratepayers are more dramatic than for consumers in the Lower 48 states.

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 to our citizens.

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 FY22 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.