



Alaska Power Association 2024 Federal Policy Positions

Federal prioritization of Alaska's electric system needs when considering grant program applications

Alaska's electric utilities should be given special priority consideration when federal agencies are considering grant applications under funding programs. Following the passage of the Infrastructure Investment and Jobs Act and the Inflation Reduction Act, numerous grant programs are being designed to assist the electric utility sector. Alaska's unique electric system – disconnected from any regional or national grid and with many microgrids throughout the state – must be considered with high priority so these funding programs can address the stark needs of electric systems that operate in some of the most remote and climatically challenging locations in the country. Furthermore, the state's strategic importance to our nation's defense program, energy independence from foreign suppliers, mitigation of climate change impacts, and its significance as a U.S. member of the Arctic region must be weighted heavily when Alaska applications are reviewed and considered.

Federal agencies tasked with implementing grant programs should give additional weight to applications from Alaska. With no interconnections to larger grids, and most Alaska communities relying on a microgrid for power, funding through federally administered grants is crucial to improving power systems and keeping rates affordable for Alaskans.

Support for laws that streamline and improve the hydropower licensing and relicensing process

Nearly 30 percent of Alaska's electric energy comes from hydropower projects. Congress must pass legislation to streamline and improve the hydropower licensing and relicensing process. This legislation must include designating FERC as the lead licensing agency, giving FERC the authority to set and enforce deadlines that other participating agencies must adhere to, allowing for previous improvements at hydropower sites to be considered during the relicensing process, and other changes in consultation with the hydropower community.

Hydropower is a crucial source of electricity for many Alaska communities, but the cost and length of licensing and relicensing drives the cost of this carbon-free power to levels that are difficult for electric utilities to manage.

Consideration of regulatory impacts on Alaska and challenges posed by permitting delays and costs

The federal government must fully recognize the severe impacts many regulations and lengthy permitting timelines have on Alaska electric consumers. APA supports requiring the Environmental Protection Agency and other regulatory agencies to separately consider the costs of a regulation in Alaska 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

Congress must also address the overly long permitting processes that many projects must endure. 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 and permitting. While APA recognizes the goals of federal regulations and permitting processes, the impacts on Alaska ratepayers are more dramatic than for consumers in the contiguous United States.

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 and a burdensome permitting process without strictly enforced deadlines on the permitting agencies 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

Congress and the federal Administration should adequately fund the USDA High Energy Cost Grant Program and appropriate 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 Alaska 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 regardless of where they reside in the state.

Congress and the Administration should continue funding for the Low Income Home Energy Assistance Program (LIHEAP) in the FY24 budget and beyond. The LIHEAP program is of crucial benefit in Alaska, especially during the cold winter months. The

program has been successful in enabling Alaskans who qualify for the program to afford to heat their homes and maintain utilities necessary for life and health. The need for this program remains high in Alaska. Congress should maintain the funding level of \$24.6 million as included in the American Rescue Plan.