



Alaska Power Association Legislative Session Wrap-up First Session of the 34th Alaska Legislature

When the Alaska legislature gavelled into session on January 21, spectators commented on the smooth opening compared to previous years. Gone was the rancor surrounding caucus organization, which only a few years ago delayed any action in the House of Representatives for 30 days. This year, lawmakers convened and got right down to business. But delays and controversies weren't too far off.

From education funding and priorities to budget issues, to the size of the Permanent Fund Dividend, there was plenty to raise the temperature in the capitol building and to fray coalitions and relations.

While Alaska Power Association pays attention to issues such as those insofar as they impact the flow of session, we stay laser focused on legislation that will affect our electric utility members. APA maintained a near constant presence in Juneau this session, ensuring lawmakers were familiar with our priorities and issues and jumping in when accurate information was needed. With the expertise and support of our membership, APA speaks with a unified voice on behalf of the state's electric utilities.

The legislative process can be messy at times, but targeted advocacy and a strong presence where the decision makers are pays dividends.

Now that the first session of the 34th Alaska legislature is over, any legislation that has not passed is frozen in place. These bills will resume their legislative journey when lawmakers return to Juneau next January. The end of the session is not the end of APA's advocacy. Your association continues our legislative program during the interim, meeting with lawmakers and staff, being responsive to requests, and preparing for the start of the legislature's second session.

Despite some of the bitterness that happened mid-session, lawmakers adjourned the session a day early with little fanfare. Like the start of session, the end was uncommonly calm and low drama. A couple of months ago some lawmakers were predicting a special session amid budget uncertainty. It goes to show how predicting the legislative future is a futile exercise.

Advocacy is a year-round endeavor, and APA is honored to take on that role on behalf of our members.

Keep reading for a review of where legislation that APA was tracking or involved with ended up and what was included in the Fiscal Year 2026 budgets that may impact electric utilities. Note – the bills listed below are only those that received hearings or other attention during session. The list below is not exhaustive. None of the legislation below passed the legislature.

Note: The APA Legislative Wrap-Up is a service for APA members only. Please do not distribute this information outside the APA membership. If you receive inquiries about APA's legislative priorities, please direct them to Crystal Enkvist or Michael Rovito.

Legislation:

[House Bill 153/Senate Bill 149](#) – These companion bills establish a renewable portfolio standard for Railbelt electric utilities. Although the bills are companions, the House version differs from the Senate version due to a committee substitute and an amendment adopted in April. The House version of the legislation, which had the most deliberation, requires the utilities to generate 40 percent of electricity from renewables by December 31, 2032, and then 55 percent by December 31, 2035. The penalty for non-compliance is \$45/MWh for every MWh below the required target. There are other provisions in the House version, but forward momentum on the bill stopped on April 24 after an amendment by Rep. George Rauscher, R-Sutton, was adopted that forbids electric utilities subject to the RPS from recovering cost to comply by raising rates or imposing additional surcharges on customers. This led the bill's sponsor, Rep. Ky Holland, N-Anchorage, to declare that he will work with stakeholders over the interim to try to find a path forward on the bill.

[House Bill 164/Senate Bill 150](#) – These companion bills filed by Gov. Mike Duleavy require Railbelt electric utilities to provide a net metering program that provides monthly bill credits at the utility's prevailing retail rate. The bill also requires billing account credits to accrue and be used on an annual cycle. The Regulatory Commission of Alaska (RCA) can limit participation in net metering under the legislation if the RCA deems it necessary to protect system reliability and unreasonable rate increases for non-net metering customers. The bills also establish a net metering reimbursement fund for utilities to seek recovery of losses due to the net metering program. Importantly, the reimbursement fund was not funded in the bill. That last issue led to concern among the House Energy Committee members about the financial impact of HB 164 on electric utilities and ratepayers. The bill had just one hearing before stalling in House Energy.

[Senate Bill 32](#) – This bill would allow Railbelt electric cooperatives to recover in rates the cost of up to three renewable energy facilities or battery energy storage systems with a nameplate capacity of less than 5 MW within a three-year period without RCA approval if the co-op's board of directors approves the projects. According to the bill's sponsor, Sen. Cathy Giessel, R-Anchorage, the legislation would allow small renewable energy projects and battery energy storage projects to advance at a faster rate. The bill received one hearing and is in the Senate Resources Committee awaiting next session.

[House Bill 196](#) – This bill was filed on April 15 by, Rep. Robyn Burke, D-Utqiagvik. The legislation amends sections of statute governing the state's Renewable Energy Grant Fund (REF). Among the provisions in the bill, there is a requirement that AEA provide technical assistance to communities of less than 2,000 people to draft and submit REF applications; requires annual solicitation and review of grant applications; and directs the legislature to appropriate money to the REF in a lump sum instead of listing projects. The legislature is already appropriating a lump sum to the REF, so the provision in the bill requiring that action may not be necessary. The bill had one hearing in the House Resources Committee and was held for more review.

Note: The APA Legislative Wrap-Up is a service for APA members only. Please do not distribute this information outside the APA membership. If you receive inquiries about APA's legislative priorities, please direct them to Crystal Enkvist or Michael Rovito.

[Senate Bill 180/House Bill 208](#) – These companion bills would repeal a section of state statute that exempts liquefied natural gas import facilities under the jurisdiction of the Federal Energy Regulatory Commission (FERC) from RCA regulation. The Senate version of the bill is sponsored by the Senate Resources Committee and carried by the committee's chair Sen. Cathy Giessel, R-Anchorage. Sen. Giessel noted during a hearing on the bill that FERC regulates the physical LNG facility but not the cost of gas sold from that facility. SB 180 seeks to remedy that. During one of the bill's committee hearings in the Senate, RCA Chairman John Espindola testified that the RCA believes they do have the power to regulate gas sold from an LNG facility but added that the bill would clear up any uncertainty. This prompted committee members to express confusion over the need for the bill. The bill was held for more consideration next session.

[House Bill 119/Senate Bill 114](#) – These companion bills require an in-state natural gas pipeline constructed by the Alaska Gasline Development Corporation (AGDC) include a spur to Fairbanks. The House version of this bill received the most legislative attention this session, moving from its first committee of referral to the House Resources Committee where it will stay until next session.

Budget Items:

The only bill that must pass the legislature each year is the following fiscal year's operating budget. This is because the operating budget funds the government for another year and without it the state government would cease operating in most cases. Along with the operating budget, the legislature passes a capital budget with appropriations for a variety of projects around the state. The capital budget also often includes required matching funds for federal grants to the state.

Below is a summary of budget items that may be of interest to APA's members (any omissions are unintentional):

[Operating Budget HB 53](#)–

- Alaska Energy Authority –
 - Power Cost Equalization Program - \$48,049,800 (full funding)
 - Round 17 Renewable Energy Fund Project Grants - \$6,315,507 (this appropriation is also included in the capital budget, but it is the same money. The operating budget delineates the funding source, while the capital budget sends the money to the program.)
 - AEA Circuit Rider Program - \$710,000 from the general fund (in one version of the operating budget, this money was coming from the PCE Endowment. The legislature ultimately decided against that approach).
- Alaska Sustainable Energy Corporation
 - \$20 million (this is federal receipts for Alaska's green bank, which was created last year through legislation.)

Capital Budget on Next Page

Note: The APA Legislative Wrap-Up is a service for APA members only. Please do not distribute this information outside the APA membership. If you receive inquiries about APA's legislative priorities, please direct them to Crystal Enkvist or Michael Rovito.

Capital Budget – SB 57

- Alaska Energy Authority Appropriations –
 - Bulk Fuel Upgrades - \$4 million
 - Cruise Ship Terminal Port Electrification - \$4.4 million
 - Green House Gas Reduction Fund – Solar for All (federal grant) - \$42,450,000
 - Grid Resilience and Innovation Partnership Grant Match - \$1.5 million
 - Dixon Diversion - \$6 million
 - Round 17 Renewable Energy Fund Project Grants - \$6,315,507 (funds the first six projects on the [REF Round 17 list](#))
 - Rural Power Systems Upgrades - \$5 million
 - Statewide Grid Resilience and Reliability IJA Formula Grant - \$16,691,684

What's Next:

The governor holds the fate of passed legislation and budget bills at the tip of his veto pen. The governor has 20 days, excluding Sundays, to act on bills delivered to him after the session ends.

For budget bills, the governor can choose from several courses of action – he can sign the bills, let them go into law without his signature, veto the bills completely, reduce individual line items, or completely remove individual line items. The governor cannot add additional funds to the budgets.

For non-budget bills, the governor can veto a bill, sign it or let the 20 days expire with no signature and the bill still becomes law.

Even though session is over, and no more action can be taken on bills, interim meetings can go far to moving the needle on issues important to the APA membership.

As the unified voice of Alaska's electric utilities, APA will continue to advocate for our members and support their mission of providing safe, reliable, and affordable power to Alaskans.

APA Government Relations Team:

Crystal Enkvist
Executive Director
cenkvist@alaskapower.org

Michael Rovito
Deputy Director/Lobbyist
mrovito@alaskapower.org

Note: The APA Legislative Wrap-Up is a service for APA members only. Please do not distribute this information outside the APA membership. If you receive inquiries about APA's legislative priorities, please direct them to Crystal Enkvist or Michael Rovito.