

SENATE BILL NO. 105

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY SENATOR MCGUIRE

Introduced: 4/11/15

Referred: Senate Special Committee on Energy, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act creating the Railbelt Electrical Transmission Authority; and relating to the**
2 **duties of the Regulatory Commission of Alaska."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 42.05.711 is amended by adding a new subsection to read:

5 (u) Provisions of this chapter that have been explicitly superseded by a
6 provision adopted by the Railbelt Electrical Transmission Authority created under
7 AS 42.05.900 - 42.05.950 do not apply to a utility with a representative on the board
8 of the Railbelt Electrical Transmission Authority created under AS 42.05.900 -
9 42.05.950.

10 *** Sec. 2.** AS 42.05 is amended by adding new sections to read:

11 **Article 9A. Railbelt Electrical Transmission Authority.**

12 **Sec. 42.05.900. Creation of authority.** The commission shall establish the
13 Railbelt Electrical Transmission Authority for the purpose of developing a reasonable
14 plan to manage the electric transmission system of the Railbelt area; determining,

1 objectively and unbiasedly, the optimal output of electrical generation facilities to
 2 meet the system load, at the lowest possible cost, subject to transmission and
 3 operational constraints of the Railbelt area; and consolidating operations and tariffs.
 4 The authority is a division of the commission.

5 **Sec. 42.05.910. Members.** (a) The authority shall consist of 13 members who
 6 are appointed by and serve at the pleasure of the commission, as follows:

7 (1) six members representing utilities, with one member from each of
 8 the following areas:

9 (A) the Anchorage and upper Kenai Peninsula areas;

10 (B) the Fairbanks, Delta Junction, Nenana, Healy, Cantwell
 11 areas;

12 (C) the Matanuska-Susitna, Eagle River, and Chugiak areas;

13 (D) the Homer and the lower Kenai peninsula areas;

14 (E) the Anchorage area;

15 (F) the Seward area;

16 (2) at least one member representing independent power producers in
 17 the Railbelt area of the state;

18 (3) at least one member representing consumers of the Interior area of
 19 the state;

20 (4) at least one member representing consumers of the coastal Railbelt
 21 area of the state;

22 (5) at least one member representing the renewable energy sector in
 23 the Railbelt area of the state;

24 (6) at least one member who is an employee of the Alaska Energy
 25 Authority.

26 (b) The commission shall, in the appointment of members under this section,
 27 endeavor to create an authority that represents the interests of diverse stakeholders
 28 across the Railbelt area.

29 (c) The members of the authority shall, by seven or more affirmative votes,
 30 elect a chair from the members listed in (a)(2) - (6) of this section.

31 **Sec. 42.05.920. Powers and duties.** (a) The authority may, for the Railbelt

1 area and subject to the approval of the commission,

2 (1) adopt rules

3 (A) governing a unified transmission system, with the goal of
4 optimizing the output of electrical generation facilities in the area in order to
5 meet the system load, at the lowest possible cost;

6 (B) establishing and administering a transparent and universal
7 transmission tariff;

8 (C) implementing open access nondiscriminatory transmission
9 services;

10 (D) establishing reliability, planning, and interconnection
11 standards;

12 (E) establishing planning and interconnection protocols;

13 (F) allowing rate recovery for transmission;

14 (2) authorize interconnections and the construction, development, or
15 expansion of a transmission project;

16 (3) create a long-term plan for the transmission system, including
17 upgrades, and regional and area cooperation.

18 (b) A rule, authorization, or plan developed under (a) of this section must
19 receive nine or more affirmative votes before the authority may submit it to the
20 commission for approval.

21 (c) In developing rules and authorizing interconnection and transmission
22 projects under (a) of this section, the authority shall, to the greatest extent possible,

23 (1) adhere to nationally recognized reliability and interconnection
24 standards;

25 (2) use existing transmission and interconnection infrastructure;

26 (3) provide nondiscriminatory access and service.

27 (d) The authority may not own assets in excess of \$100,000.

28 (e) The commission shall provide staff for the authority.

29 **Sec. 42.05.950. Definition.** In AS 42.05.900 - 42.05.950, "authority" means
30 the Railbelt Electrical Transmission Authority.