

LAWS OF ALASKA 2020

Source CSSB 123(RBE) am H

Chapter	No.
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AN ACT

Relating to electric and telephone cooperatives; relating to telephone service and related telecommunications services; relating to the creation and regulation of electric reliability organizations; relating to participation of electric utilities in electric reliability organizations; relating to duties of electric reliability organizations; providing for integrated resource planning; requiring project preapproval for certain interconnected large energy facilities; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

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- 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
- 9 **"* Section 1.** AS 10.15.005 is amended to read:
- Sec. 10.15.005. Purposes for which cooperatives may be organized. A cooperative may be organized under this chapter for any lawful purpose, except for the purpose of banking or insurance or the furnishing of electric or telephone <u>or related</u> telecommunications service.
 - * **Sec. 2.** AS 10.15.575(a) is amended to read:

(a) A person other than a cooperative association incorporated under this chapter or a previous law of the state may not use the term "cooperative," or any variation of the term, as part of its corporate or other business name or title. However, this section does not apply to cooperatives organized to generate and transmit electric energy and power or to furnish electric or telephone <u>or related telecommunications</u> service.

* **Sec. 3.** AS 10.15.585 is amended to read:

Sec. 10.15.585. Application of chapter. This chapter applies to the fullest extent permitted by the laws and constitution of the United States and of the state to all existing cooperative associations incorporated under a previously existing law of the state relating to incorporation of cooperative associations. However, this section does not apply to cooperatives organized to generate and transmit electric energy and power or to furnish electric or telephone **or related telecommunications** service.

* **Sec. 4.** AS 10.25.010(a) is amended to read:

- (a) Except as provided in (b) of this section, an electric or telephone cooperative may
 - (1) sue and be sued in its corporate name;
 - (2) have perpetual existence;
 - (3) adopt a corporate seal and alter it:
- (4) construct, buy, lease, or otherwise acquire, and equip, maintain, and operate, and sell, assign, convey, lease, mortgage, pledge, or otherwise dispose of or encumber lands, buildings, structures, electric or telephone lines or systems, dams, plants and equipment, and any other real or personal property, tangible or intangible, that is necessary, convenient, or appropriate to accomplish the purpose for which the cooperative is organized;
- (5) buy, lease, or otherwise acquire, and use, and exercise and sell, assign, convey, mortgage, pledge or otherwise dispose of or encumber franchises, rights, privileges, licenses, and easements;
- (6) borrow money and otherwise contract indebtedness, and issue evidences of indebtedness, and secure the payment of the indebtedness by mortgage, pledge, or deed of trust of, or any other encumbrance upon its real or personal

1	property, assets, franchises, or revenues;
2	(7) construct, maintain, and operate electric transmission and
3	distribution lines [,] or telephone or related telecommunications service lines along,
4	on [UPON], under and across publicly owned lands and public thoroughfares,
5	including, without limitation, all roads, highways, streets, alleys, bridges, and
6	causeways;
7	(8) exercise the power of eminent domain;
8	(9) become a member of other cooperatives or corporations or own
9	stock in them;
10	(10) conduct its business and exercise its powers inside or outside the
11	state;
12	(11) adopt, amend, and repeal bylaws;
13	(12) make all contracts necessary, convenient, or appropriate for the
14	full exercise of its powers;
15	(13) make donations for the public welfare or for charitable, scientific,
16	or educational purposes;
17	(14) do and perform any other act and thing, and have and exercise any
18	other power that may be necessary, convenient, or appropriate to accomplish the
19	purpose for which the cooperative is organized.
20	* Sec. 5. AS 10.25.030(a) is amended to read:
21	(a) A telephone cooperative may
22	(1) furnish, improve, and expand telephone <u>or</u> [SERVICE AND]
23	related telecommunications service to its members [,] and to other users not in excess
24	of 10 percent of the number of its members; however, telephone or related
25	telecommunications service may be made available by a cooperative through
26	interconnection of facilities to any number of subscribers of other telephone or
27	related telecommunications systems, and through pay stations to any number of
28	users, and a cooperative that [WHICH] acquires existing telephone facilities or

<u>related telecommunications facilities</u> may continue service to persons, not exceeding 40 percent of the number of its members, who are already receiving service from the

facilities without requiring them to become members, and these persons may become

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1	members on [UPON] terms as may be prescribed in the bylaws;
2	(2) connect and interconnect its telephone or related
3	telecommunications service lines, facilities, or systems with other telephone on
4	related telecommunications service lines, facilities, or systems;
5	(3) make its facilities available to persons furnishing telephone $\underline{\mathbf{o}}$
6	<u>related telecommunications</u> service inside or outside the state.
7	* Sec. 6. AS 10.25.040(a) is amended to read:
8	(a) The name of a cooperative must include the words "electric ₂ " [OR
9	"telephone," <u>"telecommunications," or "telecom,"</u> as appropriate to its purpose, and
10	"cooperative" or "association," and the abbreviation "Inc." ["INC."]
11	* Sec. 7. AS 10.25.080(a) is amended to read:
12	(a) Each incorporator of a cooperative shall be a member of the cooperative o
13	of another cooperative that is a member of it. A person may not become a membe
14	unless that person agrees to use electric energy, [OR] telephone or related
15	telecommunications service, or other services furnished by the cooperative when they
16	are made available through its facilities.
17	* Sec. 8. AS 10.25.090(a) is amended to read:
18	(a) An annual meeting of the members of a cooperative shall be conducted a
19	[HELD AT THE TIME AND PLACE] provided in the bylaws of the cooperative. At
20	annual meeting of the members of a cooperative that has been divided into districts as
21	provided for in AS 10.25.190 may consist of separate annual meetings of the members
22	of each district. Unless prohibited by the articles or bylaws of the cooperative, the
23	members of a cooperative may conduct an annual meeting by teleconference of
24	another means of communication that ensures all members participating can
25	hear each other during the meeting.
26	* Sec. 9. AS 10.25.090(c) is amended to read:
27	(c) An annual meeting of district delegates of a cooperative shall be
28	conducted as [HELD AT THE TIME AND PLACE] provided in the bylaws of the
29	<u>cooperative</u> .
30	* Sec. 10. AS 10.25.100 is amended to read:
31	Sec. 10.25.100. Notice of meetings. Except as otherwise provided in this

chapter or the articles or bylaws of a cooperative, written notice stating the time and place of each meeting of the members or district delegates shall be given to each member or district delegate, in person [EITHER PERSONALLY] or by mail, electronic mail, or text message, not less than 15 days nor [OR] more than 60 days before the date of the meeting. Notice of a special meeting of the members, together with notice of the purpose for which the meeting is called, shall be given to each member or district delegate [, EITHER] personally or by mail, electronic mail, or text message, not less than 90 days nor [OR] more than 120 days before the date of the meeting. If mailed, notice is considered given when the notice [IT] is deposited in the United States mail with postage prepaid addressed to the member or district delegate at the address of the member or delegate as the address [IT] appears on the records of the cooperative. If sent by text or electronic mail, notice is considered given when the notice is sent to the member's telephone number, if the telephone is capable of receiving text messages, or the electronic mailing address on record with the cooperative.

* **Sec. 11.** AS 10.25.110(a) is amended to read:

- (a) Unless the bylaws prescribe the presence of a greater percentage or number of the members for a quorum, a quorum for the transaction of business at all meetings of the members of a cooperative or the members of a district of a cooperative having not more than 1,000 members is five percent of all members [, PRESENT IN PERSON], and a quorum for the transaction of business of the members of a cooperative or the members of a district of a cooperative having more than 1,000 members is 50 members [, PRESENT IN PERSON]. If less than a quorum is present or considered present under (c) of this section, at a meeting, a majority of those present, or considered present under (c) of this section, [IN PERSON] may adjourn the meeting from time to time without further notice.
- * Sec. 12. AS 10.25.110 is amended by adding a new subsection to read:
 - (c) Unless prohibited by the articles or bylaws, a member or delegate who votes on a matter by electronic communication received or mail postmarked before a meeting begins is considered to have attended the meeting for the matter on which the member or delegate voted.

* **Sec. 13.** AS 10.25.175(a) is amended to read:

- (a) A meeting of the board of directors may be attended by members of the cooperative. Except when voice votes are authorized, a vote shall be conducted in such a manner that the members may know the vote of each person entitled to vote. The board of directors may conduct a meeting by teleconference, or another means of communication that ensures all participating directors can hear each other during the meeting. [OR SIMILAR COMMUNICATIONS EQUIPMENT] if the board gives reasonable notice of the meeting and if members of the cooperative are able to attend the meeting sites and hear the meeting. This section applies only to a meeting at which a quorum of the board participates.
- * Sec. 14. AS 10.25.175(c) is amended to read:
 - (c) The following excepted subjects may be discussed in an executive session:
 - (1) matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative;
 - (2) subjects that tend to prejudice the reputation and character of a person; however, the person may request a public discussion;
 - (3) matters discussed with an attorney for the cooperative, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative:

(4) personnel matters.

- * **Sec. 15.** AS 10.25.290(a) is amended to read:
 - (a) A corporation organized under the laws of the state and supplying or having the corporate power to supply electric energy [,] or to furnish telephone <u>or related telecommunications</u> service [,] may be converted into a cooperative by complying with the requirements of this section and thereupon becomes subject to this chapter as if originally organized under this chapter.
- * **Sec. 16.** AS 10.25.430 is amended to read:
 - Sec. 10.25.430. Validity of mortgage under Rural Electrification Act [OF 1936]. A mortgage made by a cooperative organized under this chapter to the United States of America, or an agency or instrumentality of it, to secure indebtedness incurred under <u>7 U.S.C. 901 950bb-2</u> [7 U.S.C. 901 950b] (Rural Electrification

Act [OF 1936]), as amended, is not void as against creditors of the mortgagor and subsequent purchasers and encumbrancers of the property in good faith for value because the mortgage is not accompanied by an affidavit of the parties to it, or an affidavit of the agent or attorney-in-fact of a party to it, that the mortgage is made in good faith to secure the amount named, and without a design to hinder, delay or defraud creditors. A mortgage made by a cooperative organized under this chapter to the United States of America, or an agency or instrumentality of it to secure indebtedness incurred under <u>7 U.S.C. 901 - 950bb-2</u> [7 U.S.C. 901 - 950b] (Rural Electrification Act [OF 1936]), as amended, need not set <u>out</u> [FORTH] the date upon which the indebtedness secured by it becomes due.

* **Sec. 17.** AS 10.25.460 is amended to read:

- **Sec. 10.25.460. Registered office and registered agent.** Each cooperative shall have and continuously maintain in the state a registered
- (1) office₂ which may be, but need not be, the same as the location of the principal office;
- (2) agent who is <u>either</u> an individual resident in the state [AND] whose business office is identical with the registered office <u>or a domestic or foreign</u> corporation authorized to transact business in the state whose business office is identical with the registered office.
- * **Sec. 18.** AS 10.25.810 is amended to read:
 - **Sec. 10.25.810. Purpose.** Cooperative, nonprofit, membership corporations may be organized under this chapter for the purpose of supplying electric energy or telephone <u>or related telecommunications</u> service and promoting and extending the use of these services.
- * **Sec. 19.** AS 10.25.820 is amended to read:

Sec. 10.25.820. Chapter extended to existing cooperatives. This chapter applies to all nonprofit cooperatives organized under any other law of the state for the purpose of supplying electric energy and power, or telephone <u>or related</u> <u>telecommunications</u> service, to its members, or for the purpose of promoting and extending the use of electric energy and power [,] or telephone <u>or related</u> <u>telecommunications</u> service. These cooperatives are subject to this chapter as if

1	originally organized under it.
2	* Sec. 20. AS 10.25.840 is amended by adding a new paragraph to read:
3	(6) "related telecommunications service" means
4	(A) the transmission and reception of messages, impressions,
5	pictures, and signals by means of electricity, electromagnetic waves, or any
6	other source of energy, force variations, or impulses, whether conveyed by
7	cable, wire, radiated through space, or transmitted through other media; or
8	(B) a service capable of electronically generating, acquiring,
9	storing, transforming, processing, retrieving, utilizing, or making available
10	information, through the use of broadband Internet access, data center services,
11	information technology, or other technology services.
12	* Sec. 21. AS 42.05 is amended by adding new sections to read:
13	Article 9A. Electric Reliability Organizations, Plans, and Standards.
14	Sec. 42.05.760. Electric reliability organizations. (a) An electric utility must
15	participate in an electric reliability organization if the utility operates in an
16	interconnected electric energy transmission network served by an electric reliability
17	organization certificated by the commission. The commission may not require an
18	electric reliability organization for an interconnected bulk-electric system if all of the
19	load-serving entities operating in the interconnected bulk-electric system are exempt
20	under AS 42.05.711(b).
21	(b) A person may submit to the commission an application for certification as
22	an electric reliability organization for an interconnected bulk-electric system. The
23	commission may certificate one electric reliability organization for each
24	interconnected electric energy transmission network. The commission may certificate
25	an electric reliability organization if the commission determines that the electric
26	reliability organization has the ability to comply with AS 42.05.762.
27	(c) The commission shall immediately notify the interconnected load-serving
28	entities within a new or existing interconnected bulk-electric system of the
29	requirements of this section.

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(d) Notwithstanding the requirements in (e) of this section, if all load-serving

entities within an interconnected bulk-electric system petition the commission for an

1	exemption from the requirement to establish an electric reliability organization for the
2	interconnected electric energy transmission network, the commission may waive the
3	requirement to form an electric reliability organization for that interconnected electric
4	energy transmission network.
5	(e) The commission shall form and certificate an electric reliability
6	organization for an interconnected bulk-electric system under this section if, within
7	(1) 90 days after the commission notifies the interconnected load-
8	serving entities under (c) of this section, no person has applied for certification as an
9	electric reliability organization for that interconnected bulk-electric system; or
10	(2) 270 days after the commission notifies the interconnected load-
11	serving entities under (c) of this section, the commission has not certificated an
12	electric reliability organization for that interconnected bulk-electric system.
13	(f) The commission may certificate an electric reliability organization for an
14	interconnected electric energy transmission network that is not an interconnected bulk-
15	electric system if
16	(1) one or more load-serving entities within that network successfully
17	petition the commission to find that an electric reliability organization should be
18	established for the network; and
19	(2) a person applies for certification as an electric reliability
20	organization for the network.
21	Sec. 42.05.762. Duties of an electric reliability organization. An electric
22	reliability organization shall
23	(1) develop reliability standards that provide for an adequate level of
24	reliability of an interconnected electric energy transmission network;
25	(2) develop integrated resource plans under AS 42.05.780(a);
26	(3) establish rules to
27	(A) ensure that the directors of the electric reliability
28	organization and the electric reliability organization act independently from
29	users, owners, and operators of the interconnected electric energy transmission
30	network;
31	(B) equitably allocate reasonable dues, fees, and other charges

1	among all load-serving entities connected to the interconnected electric energy
2	transmission network for all activities under AS 42.05.760 - 42.05.790;
3	(C) provide fair and impartial procedures for the enforcement
4	of reliability standards;
5	(D) provide for reasonable notice and opportunity for public
6	comment, due process, openness, and balancing of interests in exercising its
7	duties; and
8	(4) be governed by a board that
9	(A) includes as nonvoting members the chair of the
10	commission or the chair's designee and the attorney general or the attorney
11	general's designee; and
12	(B) is formed as
13	(i) an independent board;
14	(ii) a balanced stakeholder board; or
15	(iii) a combination independent and balanced
16	stakeholder board.
17	Sec. 42.05.765. Reliability standards. (a) An electric reliability organization
18	shall file each reliability standard or modification to a reliability standard with the
19	commission as a new or revised tariff provision. All users, owners, and operators of an
20	interconnected electric energy transmission network served by an electric reliability
21	organization, including a user, owner, or operator that is exempt from other regulation
22	under AS 42.05.711 or another provision of this chapter, shall comply with reliability
23	standards contained in a tariff that is approved by the commission. The commission
24	may enforce a reliability standard approved under this section. A reliability standard
25	approved under this section
26	(1) shall provide for the reliable operation of the interconnected
27	electric energy transmission network or of an interconnected electric energy
28	transmission network facility;
29	(2) may provide for
30	(A) protection from a cybersecurity incident;
31	(B) facility security;

1 (C) additions or modifications to an interconnected bulk-2 electric system facility to the extent necessary to provide for reliable operation 3 of the interconnected electric energy transmission network;

- (3) may result in, but may not be designed for the purpose of, requiring enlargement of interconnected bulk-electric system facilities or construction of new transmission capacity or generation capacity.
- (b) The commission may, after public notice, approve a proposed reliability standard or modification to a reliability standard submitted by an electric reliability organization. The commission shall determine whether the proposed standard or modification is just, reasonable, not unduly discriminatory or preferential, and in the public interest before approving the standard or modification. If, after public notice and a hearing, the commission determines that a proposed reliability standard or modification to a reliability standard submitted by an electric reliability organization should be changed, the commission shall return the standard to the electric reliability organization for timely modification and resubmission, consistent with the commission's order. The commission may modify a resubmitted standard if the commission determines that the standard is inconsistent with the commission's order or the public interest. A standard approved under this subsection satisfies the requirements of AS 42.05.291(c).
- (c) The commission may, on its own motion or upon complaint, order an electric reliability organization to submit to the commission a proposed reliability standard or modification to a reliability standard that addresses a specific matter.
- (d) If a reliability standard adopted under this section conflicts with a function, rule, tariff, rate schedule, or agreement that has also been accepted, approved, adopted, or ordered by the commission, a user, owner, or operator shall comply with the function, rule, tariff, rate schedule, or agreement until the conflict is resolved by the commission.
- (e) If, as a condition of a contract with the United States Department of Defense, a user, owner, or operator is subject to a federal standard, rule, or function that conflicts with a reliability standard adopted under this section, the user, owner, or operator shall comply with the federal standard, rule, or function until the conflict is

1	resolved by the commission. The commission may not resolve the conflict in a manner
2	that prevents the user, owner, or operator from fulfilling the contract with the United
3	States Department of Defense.
4	(f) The commission may direct an electric reliability organization to conduct
5	assessments of the reliability and adequacy of the interconnected electric energy
6	transmission network.
7	Sec. 42.05.767. Electric reliability organization rules; approval. An electric
8	reliability organization shall file with the commission each proposed rule or proposed
9	rule change, along with an explanation of the basis and purpose of the proposed rule or
10	proposed rule change. The commission may, on its own motion or upon complaint,
11	propose a change to the rules of an electric reliability organization. A rule change
12	proposed by the commission takes effect upon a finding by the commission, after
13	notice and opportunity for public comment, that the rule change is just, reasonable, not
14	unduly discriminatory or preferential, and in the public interest.
15	Sec. 42.05.770. Regulations. The commission shall adopt regulations
16	governing electric reliability organizations, reliability standards, and modifications to
17	reliability standards consistent with this section. Regulations under AS 42.05.760 -
18	42.05.790 must
19	(1) require that an electric reliability organization's tariff include
20	(A) standards for nondiscriminatory open access transmission
21	and interconnection;
22	(B) standards for transmission system cost recovery;
23	(2) provide a process to identify and resolve conflicts between a
24	reliability standard and a function, rule, tariff, rate schedule, or agreement that has
25	been accepted, approved, adopted, or ordered by the commission;
26	(3) allow an electric reliability organization to recover its costs through
27	surcharges added to the rate for each participating load-serving entity.
28	Sec. 42.05.772. Duties of load-serving entities. All load-serving entities,
29	including load-serving entities otherwise exempt from regulation under this chapter, in
30	an interconnected bulk-electric system served by an electric reliability organization are
31	subject to the electric reliability organization's tariff on file with the commission.

Sec. 42.05.775. Penalties. (a) An electric reliability organization may impose a penalty on a user, owner, or operator of an interconnected electric energy transmission network for a violation of a reliability standard if, after notice and a hearing, the electric reliability organization

- (1) finds that the user, owner, or operator has violated a reliability standard; and
- (2) files notice of the proposed penalty and the record of the proceeding with the commission at least 30 days before imposition of the penalty.
- (b) The commission may, on its own motion or upon complaint, order a user, owner, or operator of an interconnected electric energy transmission network to comply with a reliability standard and impose a penalty against the user, owner, or operator if the commission finds, after notice and a hearing, that the user, owner, or operator has engaged or is about to engage in an act or practice that violates a reliability standard.
- (c) A user, owner, or operator may appeal to the commission a penalty imposed under (a) of this section. The commission may, on its own motion, review a penalty imposed under (a) of this section. The commission shall, after notice and a hearing, issue an order affirming, modifying, reinstating, or revoking the penalty or remand the penalty to the electric reliability organization for further proceedings. Unless otherwise ordered by the commission, a penalty shall remain in effect during proceedings under this subsection. The commission shall expedite proceedings under this subsection.
- (d) A penalty imposed under this section must bear a reasonable relation to the seriousness of the violation and take into consideration the effort of a user, owner, or operator to remedy the violation in a timely manner.
- Sec. 42.05.780. Integrated resource planning. (a) An electric reliability organization shall file with the commission in a petition for approval an integrated resource plan for meeting the reliability requirements of all customers within its interconnected electric energy transmission network in a manner that provides the greatest value, consistent with the load-serving entities' obligations. An integrated resource plan must contain an evaluation of the full range of cost-effective means for

load-serving entities to meet the service requirements of all customers, including additional generation, transmission, battery storage, and conservation or similar improvements in efficiency. An integrated resource plan must include options to meet customers' collective needs in a manner that provides the greatest value, consistent with the public interest, regardless of the location or ownership of new facilities or conservation activities.

(b) The commission shall, after public notice and review of the process used to develop an integrated resource plan, approve or modify an integrated resource plan filed under (a) of this section, consistent with the public interest. The commission shall determine whether the petition is complete, has been publicly noticed, and is consistent with the commission's regulations and orders. The commission may reject all or part of a petition that does not comply with the commission's form or filing regulations. Within 45 days after receipt, the commission shall approve the petition or suspend the petition to an investigation docket. If a petition is not suspended to an investigation docket within 45 days, the petition is considered approved. If, after public notice and a hearing, the commission concludes that the plan requires modification, the commission shall return the plan to the electric reliability organization for timely modification and refiling, consistent with the commission's order. The commission may modify a refiled integrated resource plan if the commission determines that the plan is inconsistent with the commission's order or the public interest.

- (c) The commission may include in a public utility's rates
- (1) the cost of resources acquired in accordance with an integrated resource plan adopted under this section;
- (2) cost-effective expenditures for improving the efficiency with which a public utility provides and its customers use utility services; and
- (3) the cost of a utility to comply with the planning requirements of this section, including planning costs and portfolio development costs.
- (d) The commission shall adopt regulations governing the filing of a plan under this section, including the content of a plan, time for filing a plan, criteria for determining cost-effectiveness and greatest value, and other criteria as determined by

1	the commission.
2	(e) In this section,
3	(1) "planning costs" means the costs of evaluating the future demand
4	for services and alternative methods of satisfying future demand;
5	(2) "portfolio development costs" means the costs of preparing a
6	resource in a portfolio for timely acquisition of the resource.
7	Sec. 42.05.785. Project preapproval for large energy facilities. (a) A public
8	utility, including a public utility that is exempt from other regulation under
9	AS 42.05.711 or another provision of this chapter, that is interconnected with an
10	interconnected electric energy transmission network served by an electric reliability
11	organization certificated by the commission may not construct a large energy facility
12	unless the commission determines that the facility
13	(1) is necessary to the interconnected electric energy transmission
14	network with which it would be interconnected;
15	(2) complies with reliability standards; and
16	(3) would, in a cost-effective manner, meet the needs of a load-serving
17	entity that is substantially served by the facility.
18	(b) Unless the commission finds otherwise by clear and convincing evidence,
19	a large energy facility that was included in the most recent integrated resource plan
20	approved under AS 42.05.780 is considered to satisfy the requirements of (a) of this
21	section.
22	(c) The commission may not require preapproval for a
23	(1) project for refurbishment or capitalized maintenance;
24	(2) hydropower project licensed by the Federal Energy Regulatory
25	Commission before September 30, 2016.
26	(d) The commission shall adopt regulations
27	(1) governing project preapproval;
28	(2) defining refurbishment and capitalized maintenance;
29	(3) maintaining municipal jurisdiction over local planning decisions;
30	and
31	(4) addressing projects undertaken before integrated resource plan

1	approval for an interconnected electric energy transmission network.	
2	(e) In this section, "large energy facility" means	
3	(1) an electric power generating plant or combination of plants at a	
4	single site with a combined capacity of 15,000 kilowatts or more with transmission	
5	lines that directly interconnect the plant with the transmission system;	
6	(2) a high-voltage, above-ground transmission line that	
7	(A) has a capacity of 69 kilovolts or more; and	
8	(B) is longer than 10 miles;	
9	(3) a high-voltage submarine or underground cable that	
10	(A) has a capacity of 69 kilovolts or more; and	
11	(B) is longer than three miles;	
12	(4) an energy storage device or combination of devices at a single site	
13	with a combined capacity of 15,000 kilowatts and one hour or more of energy storage	
14	that directly connects with the interconnected bulk-electric system; and	
15	(5) a reactive compensation device or combination of devices at a	
16	single site with a combined reactive capability of 15,000 kilovars or more with a step-	
17	up device to regulate interconnected bulk-electric system voltage.	
18	Sec. 42.05.790. Definitions. In AS 42.05.760 - 42.05.790,	
19	(1) "cybersecurity incident" means a malicious act or suspicious event	
20	that disrupts or attempts to disrupt the security of data or the operation of	
21	programmable electronic devices and communication networks, including hardwar	
22	and software that are essential to the reliable operation of the interconnected electric	
23	energy transmission network;	
24	(2) "electric reliability organization" means an organization that is	
25	certificated by the commission under AS 42.05.760;	
26	(3) "electric utility" means a public utility that provides electricity	
27	service;	
28	(4) "interconnected bulk-electric system" means an interconnected	
29	electric energy transmission network that includes two or more load-serving entities,	
30	at least one of which is subject to the provisions of AS 42.05.291;	
31	(5) "interconnected electric energy transmission network" means a	

- network of interconnected electrical generation resources, transmission lines, interconnections, and associated equipment operated at voltages of 69 kilovolts or more, operating in a geographic area that are synchronized so that the failure of one or more of the components may adversely affect the ability of the operators of other components within the system to maintain reliable operation of the facilities within the control of the operators:
- (6) "load-serving entity" means an electric utility that has a service obligation to distribute power to more than 10 customers that receive invoices directly from the entity;
- (7) "reliable operation" means operating the elements of the interconnected electric energy transmission network within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of the system will not occur as a result of a sudden disturbance, including a cybersecurity incident, or unanticipated failure of system elements.
- * **Sec. 22.** AS 10.25.030(b) and 10.25.400(e) are repealed.
- * Sec. 23. The uncodified law of the State of Alaska is amended by adding a new section to read:
- 18 TRANSITION: REGULATIONS. On or before July 1, 2021, the Regulatory
 19 Commission of Alaska shall adopt regulations necessary to implement the changes made by
- sec. 21 of this Act. The regulations take effect under AS 44.62 (Administrative Procedure
- Act), but not before the effective date of the law implemented by the regulation.
- * Sec. 24. Sections 1 20, 22, and 23 of this Act take effect immediately under
- 23 AS 01.10.070(c).

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* Sec. 25. Except as provided in sec. 24 of this Act, this Act takes effect July 1, 2021.