

ALASKA ENERGY AUTHORITY

# SB 150: NET METERING PROGRAM AND FUND

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Senate Labor and Commerce Committee  
February 18, 2026



50 YEARS OF SERVICE



# AEA Programs and Services Overview



## Owned Assets

- Bradley Lake Hydroelectric Project
- Alaska Intertie
- Sterling to Quartz Creek Transmission Line
- Cook Inlet PowerLink



## Power Cost Equalization

- \$46 Million Program
- 188 Rural Communities
- 81 Electric Utilities
- Benefits 81,000+ Alaskans (All figures reflect FY2025)



## Rural Energy

- Bulk Fuel Upgrades
- Rural Power System Upgrades
- Circuit Rider Program
- Electrical Emergency Assistance



## Renewable Energy and Energy Efficiency

- Renewable projects; biomass, electric vehicles, hydroelectric, solar, and wind
- Federal programs: National Electric Vehicle Infrastructure and Home Energy and High Efficiency Rebate Allocation



## Grants and Loans

- Renewable Energy Fund
- Power Project Fund
- Federal Grants



## Energy Planning

- Alaska Energy Security Task Force
- State Energy Security Profile
- Electronic Library
- Energy Data Resources
- 40101(d) Grid Resilience



## Railbelt Transmission Organization

- AEA, Railbelt Reliability Council, and Utility Governance
- Certificate of Public Convenience and Necessity
- Tariff Under Regulatory Review

# Program Structure & Benefits

## Program Structure

- Establishes a new net metering program for Railbelt utilities to incentivize renewable generation.
- Integrates behind-the-meter renewable generation by purchasing excess power from consumer-generators.
- Credits issued monthly for excess energy supplied at the rate the consumer would pay if purchasing the same energy.

## Consumer Benefits

- Monthly bill credits provided for excess generation supplied to the grid.
- Annual offset of energy purchases using accrued credits (credits expire after March 31).
- Grandfathers systems installed before July 1, 2025, under prevailing tariff terms (3 AAC 52.900–3 AAC 52.949).

## Rate Flexibility

- Utilities may set specific net metering rates, including seasonal or time-of-use options, within tariffs.
- Clarifies that such rates and credits do not violate utility statutes on discriminatory rates or unreasonable preferences (AS 42.05.391(a)).

## Reimbursement Fund

- Creates a "net metering reimbursement fund" administered by AEA to address potential revenue loss.
- Subject to appropriation and RCA regulations, the fund covers eligible revenue losses that would otherwise increase rates.

# Sectional Analysis — Bill Structure

## Sec 01 Discrimination in Rates

AS 42.05.391(a)



- Allows utilities to set specific net metering rates and issue related credits in tariffs without violating discrimination or undue preference statutes.

## Sec 02 Net Metering Program

AS 42.05.395



- Establishes the net metering program under the Alaska Public Utilities Regulatory Act.
- Grandfathers systems installed before July 1, 2025, under prevailing tariff terms (3 AAC 52.900–52.949).
- Includes grid protections; utilities may limit participation for reliability or to prevent unjust rates (subject to RCA approval).
- Permits Railbelt utilities to recover eligible revenue losses via the AEA reimbursement fund.
- Directs the RCA to adopt regulations for calculating eligible revenue losses.

## Sec 02 Net Metering Program (continued)

AS 42.05.395



- Defines key terms including "consumer-generator" and "electric reliability organization."

## Sec 03 Reimbursement Fund

AS 42.45.015



- Establishes the "net metering reimbursement fund" as a separate, non-dedicated fund consisting of appropriations, gifts, and interest.
- Designates AEA as the administrator and fiduciary of the fund.
- Authorizes payments to eligible utilities for revenue losses based on RCA regulations and standards.

## Sec 04 Effective Date

Implementation



- July 1, 2025

# Bill Support and Governor's Priorities



## Task Force Alignment

Directly supports **priority strategy B-2: Alaska Policy Recommendations** from the Alaska Energy Security Task Force (AESTF) report (December 2023), established under Administrative Order 345.

 Focus Areas: Energy Affordability, Reliability, Security and Resilience



## Strategic Policy Action

Advances **priority action item B-2.2** to strengthen Alaska's net metering energy framework, tariffs, and regulations to promote net metering renewable energy investments.



## Program Contribution

Enhances policy tools that spur and sustain **renewable energy and transmission development** to cut energy costs and advance economic prosperity for Alaska.



# Thank You

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