March 29, 2019

Stephen McAlpine, Chair  
Regulatory Commission of Alaska  
701 West Eighth Avenue, Suite 300  
Anchorage, Alaska 99501-3496

RE: DOCKET NO. I-15-001(13)/I-16-002(13)

The Alaska Public Interest Research Group (AkPIRG) is writing to express its support for the RCA’s proposed legislative language in the matter of the operation and regulation of the Alaska Railbelt Electric Transmission System, as well as the proposed regulation of reliability and security standards and practices of Alaska electric utilities.

AkPIRG, established in 1974, advocates on behalf of public and consumer interests. To our knowledge, we are the only non-governmental organization focused on addressing Alaska-specific consumer interest issues.

Our organization is concerned that Railbelt ratepayers have not had a meaningful voice in the electric rate increases of the past decade. These increases are mostly due to new electric generation based entirely on local, not regional, needs. Roughly $1.5 billion has recently been spent on generation that co-operative owners must now pay for, significantly raising electric rates.

In addition to AkPIRG’s concern over recent rate increases, the organization is also concerned that the Railbelt’s electric portfolio is dangerously undiversified. About 85% of the region’s electricity is generated by burning natural gas from Cook Inlet, most of which is controlled by just one producer. Railbelt utilities also pay far more for natural gas than utilities in the Lower 48.

The RCA’s proposal to implement region-wide planning is necessary, and the correct response to the 2014 mandate by the Alaska Legislature to determine the best path forward for an Independent System Operator-type entity. The inclusion of other stakeholders besides the utilities co-ops themselves--notably, consumer and renewable energy advocates, member-owner representatives, and independent power producers--will make the Railbelt electric utility landscape more efficient, diverse, resilient and responsive.

AkPIRG strongly encourages the Regulatory Commission of Alaska and the Railbelt utilities to actively include consumer voices when making energy decisions that impact all of us—not just the utilities themselves. This proposed legislative language is a strong step in that direction.

Sincerely,

Verdi Suvero  
Executive Director  
Alaska Public Interest Research Group