

HOUSE CONCURRENT RESOLUTION NO. 7

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES THOMPSON, Cronk, Fields, Kreiss-Tomkins

Introduced: 5/15/21

Referred: Read First Time

A RESOLUTION

1 **Requesting that the Alaska Energy Authority develop an infrastructure plan to reduce**
2 **power costs in the state.**

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

4 **WHEREAS**, because Alaska gained statehood in 1959, the state was precluded from
5 benefiting from earlier efforts made by the federal government to invest in rural electrification
6 throughout regions of the lower 48 states; and

7 **WHEREAS** the state's electrical grids are not interconnected to those in other states
8 or territories, and many communities in the state have isolated microgrids; and

9 **WHEREAS** the isolation of many electric systems throughout the state means that
10 consumers in communities served by those systems cannot benefit from a reduction in energy
11 bills by utilizing lower-cost power from other areas of the state; and

12 **WHEREAS** the average retail price of electricity in the state's rural communities is
13 the highest in the United States; and

14 **WHEREAS** more than 300 of the state's rural communities are not connected to the
15 railbelt electrical grid or state road system; and

16 **WHEREAS**, of the state's 710,000 residents, 20 percent live in rural communities

1 spread over 500,000 square miles; and

2 **WHEREAS** rural communities have virtually no access to natural gas as an energy
3 source for heating and electricity, relying instead primarily on diesel fuel, wood, and
4 renewable energy; and

5 **WHEREAS** diesel fuel and gasoline used for heating, electricity, and transportation
6 typically costs from 50 to 100 percent more in communities off the road system compared to
7 those on the road system; and

8 **WHEREAS** high energy costs for heating, electricity, and transportation have a
9 multiplying effect, increasing the cost of all goods and services in rural communities; and

10 **WHEREAS** the compounded effect of high energy costs and limited economic
11 opportunity result in low-income rural residents paying as much as 40 percent of their annual
12 incomes on home energy needs; and

13 **WHEREAS** high energy costs have a negative effect on small and large businesses
14 and industrial and other development; and

15 **WHEREAS** improving electric infrastructure, such as transmission, will encourage
16 development of the state's abundant renewable energy sources and enhance system reliability
17 among interconnected communities; and

18 **WHEREAS** residents in communities with the highest power costs in the state are
19 unable to shoulder the financial burden of developing large-scale power infrastructure without
20 significant government investment; and

21 **WHEREAS** carbon emissions can be lowered through the development of
22 economically feasible renewable energy projects and investment in an electric vehicle
23 charging network; and

24 **WHEREAS** the future of the state's economy will depend, in large part, on affordable
25 electric energy in all parts of the state;

26 **BE IT RESOLVED** that the Alaska State Legislature requests that the Alaska Energy
27 Authority, in coordination with utilities throughout the state and with statewide power and
28 electrical organizations, develop a comprehensive 10-year infrastructure plan to reduce power
29 costs in areas of the state that endure extremely high electric and heating costs; and be it

30 **FURTHER RESOLVED** that the Alaska State Legislature requests that the Alaska
31 Energy Authority deliver a plan for the reduction of power costs in the state to the senate

1 secretary and the chief clerk of the house of representatives by May 31, 2022, and notify the
2 legislature that the plan is available.

3 **COPIES** of this resolution shall be sent to the Honorable Mike Dunleavy, Governor
4 of Alaska; the Honorable Julie Anderson, Commissioner, Department of Commerce,
5 Community, and Economic Development; and Curtis Thayer, Executive Director, Alaska
6 Energy Authority.