Dear Rep. Paul Seaton and members of the Alaska Legislature:

HB 288, which would mandate net metering in Alaska, is well intended, but is not appropriate in Alaska today.

Why not? First and foremost, because we are a “public power” state, meaning that almost all Alaskans who receive power from their serving utilities actually own those utilities. When a member receives electricity from the utility that he is not paying for—via a “net meter”—then all of the other members are going to be paying a little more for their electricity, or will receive a little less patronage capital. In other words, the unfunded mandate will be paid for by the remaining customers of the utility.

The next major problem with HB 288 is the figure of 25 kilowatts (kW) that was identified as the limit on a member’s generation sources that would be allowed to receive net metering. This number may appear to be appropriate to certain regional Alaskan standards but, in reality, this number would blow the socks off more than a hundred generating utilities in our state.

In AVEC’s 53 villages, for example, the largest annual sales we enjoy is in St. Mary’s, where our members use about 2.8 million kilowatt-hours (kWh)—an average load of 320 kW. In the Lower-48, the staunchest renewable energy supporters do not recommend allowing more than 0.5 percent of consumer-produced energy into the local grid. That would translate to about 1.6 kW in St. Mary’s. In our average village, where we sold about 1.1 million kWh last year, the average load is less than 125 kW. I’m sure you can envision what an uncontrolled, intermittent power source of 25 kW can do to such a system.

Net metering is a concept that is heavily promoted by individuals who are better equipped financially than many others to consider installating alternative energy sources for their personal use, and by the vendors of products those consumers might use. In Alaska a net metering mandate will result in inappropriate burdens being placed upon consumers who are not part of the elite self-generation group and whose interests are not being represented by those who are promoting net metering. It also will place further financial and operational constraints on the member-owned utilities that are struggling to keep the lights on under circumstances more onerous than any that have ever been experienced before in this state’s history.

Finally, rather than considering a bill such as HB 288, which will benefit perhaps 50 to 100 Alaskans and a few vendors, please instead consider providing funds to enable the development of utility-grade alternative energy sources that will serve all of the benefitting utility’s customers into the foreseeable future.

The only thing that is stopping our electric utilities from harnessing renewable energy sources is the prohibitive cost of developing such resources. Alaska’s legislature should not be promoting special interest legislation such as net metering, but should rather be joining in partnership with our municipal and cooperative utilities to bring the benefits of renewable energy to the 90 percent of Alaskans who are served by their nonprofit publicly owned utilities.

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