**Government Mandated Renewable Portfolio Standard (RPS) Info Sheet**

5/10/23 – Assembled by [Chugach Consumers](http://www.ChugachConsumers.org)

Introduced in the 33rd Alaska Legislature (2023-2024) - [HB 121](https://www.akleg.gov/basis/Bill/Detail/33?Root=hb121) and [SB 101](https://www.akleg.gov/basis/Bill/Detail/33?Root=sb101)

* The standards force the Railbelt utilities to meet unreasonable RPS milestones. The RPS sets an 80% renewables generation by 2040, which is not reasonable, technically feasible or realistic – here in Alaska – considering many factors.
* As written, the RPS fails to recognize technical challenges to integration of intermittent solar and wind farms, which will likely comprise most of the renewable generation.
* The RPS fails to recognize the transmission system upgrades that will be required to fully utilize the produced power from these intermittent, renewable power sources. These upgrades are complex and could require in excess of $2 to $3 billion in investment and 10 to 15 years to implement.
* When these intermittent, weather/wind dependent and seasonal power sources are integrated into the transmission system, spinning reserve (thermal generation) will still be required, which will duplicate and add costs. Those costs will pass to rate payers. Chugach Electric currently has approximately $800mm in existing thermal generation assets with a useful service life between 20 and 30 years. These assets should be protected for our ratepayers.
* As written, the RPS is punitive in nature; if minimum renewable generation thresholds are not met by the timelines set, steep penalties will be imposed on the utilities ($20,000 for every GWh that the utility is below the RPS). Such penalties could seriously impact the Railbelt utility’s credit rating and financial viability. Further, the RPS legislation as written does not allow the utility to recover these fines through member rates. That threatens the entire sustainability of the utility itself; could go bankrupt.
* The standards fail to recognize alternative carbon reduction measures and other clean energy solutions such as microreactors (nuclear), carbon sequestration, carbon capture, emissions reductions, and other potential alternatives.

These standards will force capital investments that may be unwise, ill-timed or inefficient, raising members’ rates unnecessarily. Existing assets that are still well within their useful life may be stranded, requiring early depreciation losses that will also raise rates. Finally, the RPS will increase risk to reliability of our power along the Railbelt – and members have come to expect their power to be reliable.

RPS POSITIONS TAKEN BY 2023 CANDIDATES FOR THE CHUGACH ELECTRIC BOARD OF DIRECTORS

The AK Center/REAP-endorsed candidates boldly support the proposed RPS as written.

The incumbent team of Ms. Chastain and Mr. Hollis, along with Mr. Authier ([www.VoteChugachStability.org](http://www.VoteChugachStability.org)) does not for the reasons stated on the previous page. This team certainly supports an aggressive transition to renewables, but at a planned, logical, realistic pace, as technology and financials enable, while protecting member rates.

From everything that Chugach Consumers understands about the current Chugach Electric Association (CEA) election it is abundantly clear that The Alaska Center (for the Environment) and the Renewable Energy Alaska Project (REAP) will stop at nothing to win the three open CEA Board seats in order to obtain a majority to seize control of the cooperative’s seven-member board. There already are two members of the Chugach Board (Sam Cason and Mark Wiggin) working behind the scenes with special interest groups to get the Ak Center- and REAP-endorsed candidates elected to secure their majority voting bloc. It is ultimately their quest to push through the contentious Renewable Portfolio Standard (RPS) that was recently introduced in the state legislature as House Bill 121 and Senate Bill 101, as quickly as possible.

The Chugach Electric incumbent team of Bettina Chastain and Harold Hollis and Brad Authier ([www.VoteChugachStability.org](http://www.VoteChugachStability.org)) candidates do not support the current proposed RPS and believe that enforcing these standards on utilities in Alaska, at this time, in their current form, is absolutely the wrong approach to integrating renewable energy into the current Railbelt grid.

The incumbent Chugach Stability candidates do however, support CEA’s strategic plan approved by the Board in December 2022, which recognizes the primary climate change objective: reducing carbon emissions. The plan identifies aggressive, yet reasonably achievable goals and milestones such as 35% carbon reduction by 2030, and 50% by 2040. These reductions are significant, and will require investment, planning and effort, but they are realistic. The carbon reduction strategy includes other clean energy solutions (like nuclear, hydro and carbon capture) besides variable generation sources (wind and solar). The strategic plan prioritizes fiscally conscious, planned integration into the Chugach system so that member rates are not negatively impacted.

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