



Alaska Power Association Electric Utility Industry

► Update

Michael Rovito, APA Deputy Director
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Alaska Power Association is dedicated to assisting our members in accomplishing their goals of delivering electric energy and other services at the best value to their customers.



State Legislature - in the rearview mirror and in the windshield

- ▶ Most energy legislation in the 2025 session focused on Railbelt electric utilities.
 - ▶ RPS
 - ▶ Net metering
 - ▶ Co-op small renewable projects
- ▶ Power Cost Equalization was quiet (and fully funded).
- ▶ Renewable Energy Fund
 - ▶ \$6,315,507 appropriated to 6 projects (\$21.2 million needed to full fund all 18 projects).
 - ▶ HB 196, by Rep. Robyn Burke, D-Utqiagvik, makes some changes and clarifies existing practice.
- ▶ Next session-
 - ▶ What happens to renewable energy focused bills with loss of certain tax credits?
 - ▶ How will federal priorities influence or impact state legislative priorities?
 - ▶ APA will continue to advocate for state funding for electric infrastructure in coordination with the state's electric utilities.



APA advocated for the programs during our annual D.C. fly-in the first week of June.

One Big Beautiful Bill Act - Alaska Hydro

- ▶ The OB3 preservation of Sections 45Y (PTC) and 48E (ITC) for hydropower projects is a significant win for Alaska.
- ▶ Like all hydropower, projects take time.
 - ▶ Alaska's location and logistics can often extend project timelines.
- ▶ Maintaining elective pay was crucial for Alaska's majority public power electric utilities.
- ▶ In most communities with hydropower, diesel is the only other option.

Wind and Solar... not so lucky

- ▶ Many communities in Alaska do not have hydropower opportunities.
- ▶ The early phase out of wind and solar tax credits will impact investments.
 - ▶ Construction must begin by July 4, 2026
 - ▶ Must be placed in service by December 31, 2027
 - ▶ Wind and solar tax credits largely terminated after that.
- ▶ Many communities are looking to wind, solar, and battery to diversify their generation.
- ▶ The choice will be between volatile fossil fuels or more expensive renewables.
- ▶ Also concerns that large projects in the Lower 48 will buy up materials and Alaska will lose out.



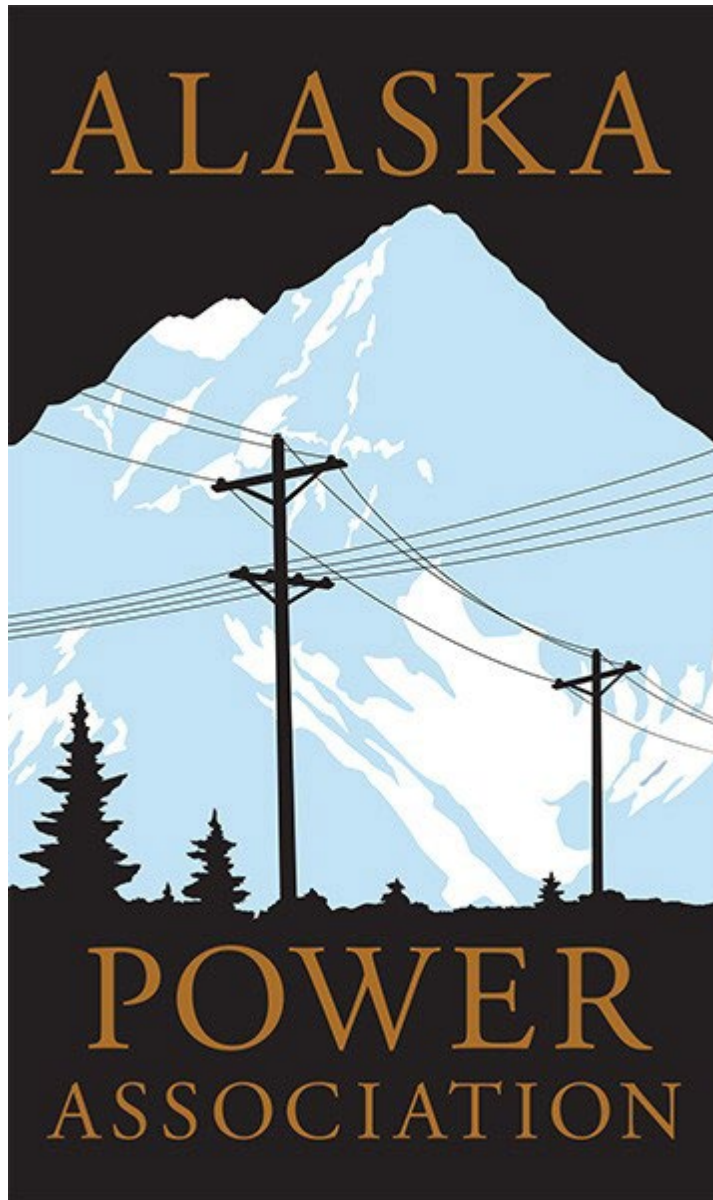
What Does the Future Hold?

- ▶ Utilities will have to make hard decisions over the next few months.
 - ▶ What projects are feasible for investment?
 - ▶ What potential PPAs offer the most secure energy supply at reasonable costs?
 - ▶ Will tax credits and programs be constrained by executive action?
- ▶ The most important question - will it protect reliability and costs?



ALASKA NORTH TO THE FUTURE

- ▶ Aspects that will not change:
 - ▶ Alaska's remote, disconnected location.
 - ▶ Alaska's small population.
 - ▶ Alaska's need for federal (and state) spending on infrastructure.
 - ▶ Alaska electric utilities innovation and invention.
 - ▶ The need for certainty around federal programs for investment decisions.
 - ▶ Alaska's electric utilities will continue serving the most remote places in the United States.



Thank You!

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The Unified Voice of Alaska's Electric Utilities