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Subject: Petition for Intervention in U-25-028
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Attachments: [REAP's Petition to Intervene in U-25-028 ROSE 8-25.ags.pdf](#)

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The attached contains a Petition to Intervene, filed by Renewable Energy Project Alaska's (REAP). Although Petitions should be submitted through the RCA's portal, the Commission has not yet responded to REAP's request for a username and password. REAP submits this Petition to Intervene by email

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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

John M. Espindola , Chair
Steve D. DeVries
Mark A. Johnston
Robert M. Pickett
John C. Springsteen

In the Matter of the Initial Nondiscriminatory Open)
Access Transmission Tariff Designated as TA1-8001)
Filed by the RAILBELT TRANSMISSION)
ORGANIZATION)

U-25-028

**RENEWABLE ENERGY ALASKA PROJECT’S
COMMENTS AND PETITION TO INTERVENE**

The Renewable Energy Alaska Project (REAP), pursuant to 3 AAC 48.110, respectfully offers comments and submits its Petition in the above-captioned docket to the Regulatory Commission of Alaska (“the Commission”). This filing is timely pursuant to the Commission’s August 14, 2025, Order in this docket.¹

I. INTRODUCTION AND COMMENTS

REAP is a non-profit organization incorporated under the Alaska Nonprofit Corporation Act, AS 10.20, and exempt under Section 501(c)(3) of the Internal Revenue Code. Founded in 2004, REAP’s mission is to increase the development of renewable energy development and energy efficiency in Alaska. In those areas, REAP represents the interests of its more than 60 member organizations, including Alaska Native corporations, renewable energy project developers, consumer advocates, utilities, and other nonprofits.² REAP is

¹ Order No. U-25-028(1) at 13 (Aug. 14, 2025).

² A current list of REAP’s member organizations is available on its website at <https://alaskarenewableenergy.org/about/members/>

governed by a 21-seat board of directors³ which are elected to serve three-year terms by the members. REAP's member organizations include several direct and indirect ratepayers of various Railbelt utilities that are members of the Railbelt Transmission Organization (RTO). REAP is also an indirect Chugach Electric Association ratepayer with a direct financial interest in the outcome of this proceeding.⁴

TA1-8001 was filed by the RTO in an attempt to comply with the requirements of HB 307, passed by the Alaska Legislature in 2004.⁵ The primary purpose of HB 307 is to eliminate wheeling charges, or the per-kWh charges imposed by third-party transmission owners for moving electricity between utility systems.⁶ Doing so will "remove impediments to competition in the wholesale bulk power marketplace in the state".⁷ This is because wheeling charges transform the otherwise fixed costs of transmission assets into variable costs that increase consumer costs of wheeled power. As such, wheeling charges serve as a "tax" on the buying and selling of wholesale power that move between the Railbelt's several service territories. Accordingly, wheeling charges increase the effective cost of electricity generated by all independent power producers (IPPs).

Wheeling charges pose a particular barrier for renewable energy IPPs. Renewable IPPs have no choice but to generate power where the best renewable resources actually exist. Not uncommonly, the IPP's potential wholesale customers reside in a location that requires the use of third-party transmission assets. This need for renewable IPPs to use third party transmission facilities is even more likely given that renewable energy facilities enjoy

³ Six director seats are reserved for businesses with an interest in renewable energy and efficiency in Alaska, six seats are reserved for non-profits, educational institutions and local government entities with an interest in renewable energy and efficiency in Alaska; six seats are reserved for At-Large directors elected from REAP's individual donor base and three seats are reserved for electric utilities operating in Alaska.

⁴ REAP's physical address is: 2550 Denali St., 7th Floor, Anchorage, AK 99503

⁵ Chapter 24 SLA 24

⁶ See, e.g., AS 44.83.090(b)(2).

⁷ AS 44.83.710(b).

significant economies of scale, which means that the most cost-effective generation assets may have a capacity greater than the wholesale demand of any single Railbelt utility.

The problem of wheeling charges for renewable energy developers, and the barriers that they pose to reducing customer bills, has been well known in the Railbelt at least since an otherwise cost-effective expansion of the Fire Island Wind project was stymied because wheeling charges from Anchorage to Fairbanks rendered the cost of the wind power from the proposed expansion uneconomic for Golden Valley Electric Association to purchase it.⁸ Despite this well understood problem, there was no concrete progress in the Railbelt to develop a solution until the Legislature stepped in in 2024. The tight timeline requirements contained in HB 307 reflects the Legislature’s intent that wheeling charges must be eliminated – and eliminated now.

REAP is concerned that TA1-8001 fails to fulfill the filing requirements of AS 44.83.710. REAP appreciates the considerable effort that members of the RTO devoted to developing aspects of an open-access transmission tariff, or OATT. However, an essential element of the new law is that the tariff filing must “pool backbone transmission system costs and allocate those costs through certificated load serving entities ...”. AS 42.83.710(c)(1). The RTO admits in its filing that its tariff fails to pool actual, documentable costs and to provide inception rates.⁹ Indeed, the RTO suggests that an actual inception rate will not be filed for some years.¹⁰ Accordingly, TA1-8001 fails to comport with statutory requirements to remove Railbelt wheeling charges.

The legislature anticipated that the members of the RTO could fail to timely file a tariff that complies with the requirements of AS 44.83.700 – AS 44.83.710. The statute

⁸ See “Alaska’s Fire Island wind project put on hold for lack of buyers”, *Utility Dive*, February 2, 2015; available online at <https://www.utilitydive.com/news/alaskas-fire-island-wind-project-put-on-hold-for-lack-of-buyers/359020/>

⁹ “The RTO is not, in this filing, proposing an inception cost of service”; TA1-8001 at 3.

¹⁰ “...the RTO is optimistic that the Legislature’s goals can be achieved in the coming years”; *ibid*, at 11.

requires that, if an adequate tariff is not timely filed then “the commission shall, after notice and an opportunity for public comment, establish an open access transmission tariff consistent with this section”. AS 44.83.710(b). HB 307 does not enable the Commission to give the RTO a grade of “incomplete”, to be made up by future RTO work “in coming years”.¹¹ Instead, the statute clearly directs the Commission to craft a remedy.

Unlike some other commenters,¹² REAP does not believe that this docket should be concerned with establishing timelines for the RTO to complete its work. Instead, REAP believes that this docket should be concerned primarily with two issues. First, the Commission should determine which portions of the filing it can find to be just and reasonable. Second, the Commission must determine which portions of a tariff that would comply with the requirements of HB 307 are missing, so that *the Commission* can, in a future docket, establish them. REAP understands that developing inception rates will take significant Commission effort. However, the required effort is well within the Commission’s expertise. Each of the transmission-owning Railbelt utilities that are members of the RTO have had rate cases that determine the methodologies and costs of their respective assets that provide a transmission function. Although the details of how each of them do so may vary, the Commission has already determined how functionalized transmission costs can and should be determined. There is no formal reason why the RTO’s inception rates cannot or should not be based upon the sum of these separate costs. If the RTO wishes to make subsequent, revised tariff filings that uses different a methodology for determining such costs – by, for example, adopting a unified TIER for all transmission assets – they will be free to do so.

¹¹ *Ibid.*

¹² *See, e.g.,* Alaska Public Interest Research Group Comments on TA1-8001 filed July 16, 2005; Alaska Wind Holdings LLC Comments on TA1-8001 filed July 16, 2005.

II. REAP’S PETITION TO INTERVENE

Commission regulations provide that “[a]ny person whose intervention will be conducive to the ends of justice and will not unduly delay the conduct of the proceeding will, in the commission's discretion, be permitted to intervene.”¹³ Under 3 AAC 48.110(b), such a person may be permitted to intervene in a docket following consideration of seven factors:

- (1) the nature of the petitioner's right under statute to be made a party to the proceeding;
- (2) the nature and extent of the property, financial, or other interest of the petitioner;
- (3) the effect on petitioner's interest of the order which may be entered in the proceeding;
- (4) the availability of other means by which the petitioner's interest may be protected;
- (5) the extent to which petitioner's interest will be represented by existing parties;
- (6) the extent to which petitioner's participation may reasonably be expected to assist in the development of a sound record, including the issues that petitioner intends to address in the proceeding; and
- (7) the extent to which participation of the petitioner will broaden the issue or delay the proceeding.¹⁴

REAP has compelling interests in this proceeding that it should be allowed to present. REAP seeks intervention as a local organization with a relevant mission, interests, and expertise. REAP considers the factors in 3 AAC 48.110(b) in turn, below.

1. REAP does not assert a statutory right to participate in this proceeding.

Instead, REAP respectfully requests permission to intervene under the Commission’s discretionary standard.

2. Nature and extent of REAP’s property, financial or other interest in this proceeding.

The Commission will evaluate whether the OATT filed by the RTO provides just and reasonable rates that meet the requirements of AS 44.83.700-720.¹⁵ REAP has been advocating for the reform of Railbelt wheeling charges for at least 15 years. As noted in

¹³ 3 AAC 48.110(a).

¹⁴ 3 AAC 48.110(b).

¹⁵ RCA Order U-25-028(1) at 5-6 (Aug. 14, 2025).

REAP's comments above, the Commission's actions in this docket will have a direct bearing on REAP's mission, and the interests of its 60 member organizations, in promoting the development of renewable energy in Alaska. The subject matter of this proceeding is squarely on-point regarding REAP's mission. REAP has particular interest in insuring that inception rates that fulfil the requirements of AS 44.83.700-720 are established in a timely manner, consistent with statute.

REAP is an electricity consumer in Anchorage. Wheeling charges continue to serve as a break on Chugach Electric's ability to acquire cost-effective renewable energy from an IPP that is generated in a different utility service territory. Accordingly, REAP has a financial interest in this proceeding as an electricity consumer.¹⁶

3. The effect on REAP's interest of the order which may be entered in the proceeding.

This proceeding will determine whether an OATT is established that satisfies the time requirements of AS 44.83.700-720. The outcome of this proceeding will therefore determine how quickly an unnecessary barrier to development of renewable energy in the Railbelt is removed. REAP believes that should the Commission fail to shape this proceeding in a way that clarifies its own obligations to establish an appropriate OATT, it is possible that the Commission may find itself lacking adequate jurisdiction to force the RTO to correct the deficiencies in its filing. The RTO is not a "public utility". Accordingly, the remedies that the Commission could use if the RTO was a public utility may not be available if the Commission does not act now to establish an inception rate. In that case, REAP's interests in the outcomes that the Legislature intended for this proceeding could be stymied indefinitely.

¹⁶ REAP indirectly pays electricity costs through its rented office space at 2550 Denali Street in Anchorage and intends to continue to maintain a physical office in Anchorage.

4. The availability of other means by which REAP's interest may be protected.

REAP's participation in this case is the only effective means by which its interests as an organization and electric consumer can be protected. REAP has advocated for well over a decade for Railbelt wheeling reform. That advocacy, and REAP's efforts in the 2024 legislative session, culminated in HB 307. As enacted, the legislation provides the framework that the Legislature intended for wheeling reform. REAP should be granted intervention to enable it to participate in this proceeding and work to protect its established interests.

5. The extent to which REAP's interest will be represented by other parties.

REAP has a core interest in ensuring timely establishment of a tariff that eliminates wheeling charges in the Railbelt. The Legislature provided one clear statutory mechanism – and only one – by which such a tariff must be established. None of the other comments filed in TA1-8001, from interested persons or existing parties, advocate for the establishment of a clear and transparent roadmap *for the Commission* to follow to fulfill its duty to establish an inception tariff for a new transmission cost recovery mechanism. REAP also has the expertise to help the Commission determine that road map. REAP intends, through its participation, to help establish how an appropriate cost recovery mechanism can in fact be established in a timely manner.

6. The extent to which REAP's participation may reasonably be expected to assist in the development of a sound record, and the issues that REAP intends to address in the proceeding.

REAP intends to help develop a sound record that demonstrates how the Commission can complete the work that the RTO has partially performed. Rather than merely pointing to current deficiencies, REAP will focus on the concrete steps the Commission can take to quickly develop and discover the information necessary to establish inception rates for the

required cost recovery mechanism that is the core intent of HB 307. REAP hopes also to suggest specific mechanisms by which Bradley Lake transmission costs can be included within a Commission-approved cost-allocation mechanism, which the legislation appears to require.

7. The extent to which REAP’s participation will broaden the issues or delay the proceedings.

REAP will meet all deadlines established by the Commission and will not delay the proceeding. REAP’s participation will focus on issues that are squarely within the scope of this proceeding. REAP pledges that its participation in this proceeding will not unduly broaden the issues beyond those that the RTO has raised in its filing.

III. CONCLUSION

REAP satisfies the conditions for discretionary intervention under 3 AAC 48.110 in U-25-028. For the reasons above, REAP respectfully requests that the Commission grant its Petition to Intervene.

IV. COMMUNICATIONS WITH REGARD TO REAP’S PETITION TO INTERVENE.

All communications with respect to these matters should be addressed to the following:

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Respectfully submitted August 25, 2025,

Cady Lister
Executive Director, REAP

Antony Scott
Director of Economic and Regulatory Analysis, REAP

CERTIFICATE OF SERVICE

I hereby certify that on August 25, 2025, a copy of the foregoing PETITION TO INTERVENE was served via email on the following:

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/s/ Antony Scott
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