



ALASKA PUBLIC INTEREST RESEARCH GROUP

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February 20th, 2025

To: John M. Espindola, Chair
Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501-3496

From: Alaska Public Interest Research Group

RE: Community Solar Project (TA547-8 and TA425-121)

The Alaska Public Interest Research Group (AKPIRG) welcomes Chugach Electric Association Inc.'s (Chugach) efforts to bring the benefits of community solar to its members. This letter updates a public comment letter AKPIRG submitted to the Regulatory Commission of Alaska (RCA) on January 29, 2024 in response to TA547-8 and TA425-121 filed by Chugach, which proposed new tariffs for a community solar offering.

AKPIRG and Chugach have had discussions over the past year to resolve differences and to better clarify the proposed program. The RCA, in its Letter Order L2400035 dated February 6, 2024, required Chugach to post AKPIRG's public comment to Chugach's community solar web pages where it will register members. Now that Chugach's program is more developed, we request that Chugach not post our prior letter, but instead post this updated letter regarding the Chugach Community Solar Project and our shared interests in seeing community solar succeed in Alaska.

AKPIRG is a 501(c)3 nonprofit and the only non-governmental state-wide consumer advocacy and research organization in Alaska. We focus on nonpartisan consumer and good government issues, including electric ratepayer advocacy.

Most Alaskans support rooftop solar energy, but many cannot receive benefits from this kind of solar because they rent, have a shaded roof, low credit score, or do not have sufficient capital. Community solar is an important opportunity for Alaskans to earn comparable financial benefits as their neighbors with rooftop solar. Chugach's Community Solar allows a larger group of citizens to invest through a monthly subscription in local and renewable power generation, and diversify the grid without a prohibitive upfront investment. While there are currently no community solar arrays on Alaska's Railbelt, Chugach's project will change that reality.

It is common practice in other markets that subscribers receive savings when investing in a community solar subscription. Throughout the United States, the average bill savings of a community solar subscriber is 10%. That being said, we recognize that the Alaska market is not yet mature. Chugach's facility will be one of the first in the state. There is not yet a critical mass of private community solar developers to build these projects.

Chugach is providing a service that its members have requested, based on membership surveys and stated demand. If generation matches projections, Chugach's proposed tariff for their 500 kilowatt (kW) project would cost members an extra \$1.20 per panel per month at current rates. However, due to the expectation that electric rates will slowly rise over time, member-owners who subscribe to the project should break even and eventually save money if they subscribe for a long duration of time. Participation in the project serves as a hedge against rising electricity costs, which are expected to rise with a shortfall of local methane gas supplies.

This is a pilot project for community solar in Alaska that is both innovative and economically conservative. Given that this project is relatively small (500 kW) for a utility of Chugach's size, this project cannot achieve the economy of scale that a larger project could, however we understand that the selected pilot scale also mitigates the risk to all ratepayers of unsubscribed panels. Despite these consumer drawbacks, Chugach's community solar project could be helpful in implementing a number of important projects throughout the Railbelt, as it would provide useful project implementation data to iterate from and familiarize consumers with the idea of community solar.

The Regulatory Commission of Alaska is in the process of enacting regulations for community solar tariff across the Railbelt following the recent passage of SB152, the SAVE Act (Saving Alaskans money with Voluntary community Energy). As the community solar industry establishes itself in Alaska, the industry of independent power producers building and operating community solar projects will grow and be more cost efficient.

As consumers are presented with an ever-varying array of cost-saving energy sources, it is helpful for Chugach to socialize the idea of community solar at the state's largest electric utility. This familiarity helps to ensure widespread and successful adoption of community solar. Chugach's project could demonstrate a successful regulatory approach and drive down costs over time.

Chugach has gone to great lengths to reduce the capital and operating costs (and therefore the subscription cost) of this community solar project while also maximizing the energy output benefits to participants. While the project results in a monthly cost that is currently above the retail rate, AKPIRG recognizes that subscribers are receiving a convenient, low-risk source of renewable energy and supporting the emergence of community solar in Alaska.

Sincerely,

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