

RENEWABLE ENERGY ALASKA PROJECT (REAP) SURVEY

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In 2010, the Alaska Legislature passed a declaration of state energy policy (HB 306) that included reaching a goal of generating 50% of Alaska's electricity from renewable energy sources by 2025. Today, Alaska gets less than 25% of its electricity from renewable energy (including hydro) and many Alaskans feel that not enough progress is being made toward the 50% goal. One option is to make the 50% goal into a binding Renewable Portfolio Standard (RPS), as 29 other states have already done. Both Hawaii and California now have Renewable Portfolio Standards that require 100% renewable electricity in those states by 2045.

1. *Would you support legislation to create a binding 50% by 2030 Renewable Portfolio Standard for Alaska?*

LAMKIN: I look forward to the day we can wean ourselves off a dependence on fossil fuels. I do support incentives and policies putting Alaska's feet to the fire by adopting an RPS. I would look to energy experts to recommend a realistic date by which to be attaining the 50% goal. I am not convinced the year 2030 is realistic, but do agree that we need to be moving in that direction and to identify an attainable year for realizing the goal. If it is possible to realize 100% by 2045, I would embrace that goal as well.

The Regulatory Commission of Alaska (RCA) sent a letter on June 30, 2015 to the Alaska Legislature containing Findings and Recommendations the Commission made regarding reform of the Railbelt electricity grid. Among those RCA Findings was that "[t]he Railbelt electric system does not deliver the maximum benefit possible to ratepayers, who will be paying approximately \$1.5 billion for new generation." The Commission went on to say that "[n]on-discriminatory access to the grid, open and transparent system-wide transmission pricing and economic dispatch of generation by an independent entity are key principles that must guide the transformation of the Railbelt electrical system." Inefficiencies that raise electric rates in the Railbelt also negatively impact consumers in rural Alaska because higher urban electric rates raise the floor for the Power Cost Equalization (PCE) electricity subsidy. More than three years after the RCA made its Findings and Recommendations, the independent Railbelt entity that the RCA called for in its 2015 letter to the Legislature still does not exist.

2. *Would you support legislation to create an independent entity in the Railbelt to ensure non-discriminatory open access to the grid, open and transparent system-wide transmission pricing and economic dispatch of the region's generation assets?*

LAMKIN: Notwithstanding my service as staff in the Legislature for the past 21 years, this issue has not been something I have been assigned, nor been given just attention. Sadly, too many public resources and utilities seem to be profit- or politically driven. I very much support the idea of opening access to the power grid and improving non-discriminatory policies for what is an essential community resource, distributed fairly among users both urban and rural.

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Over the last decade the Alaska Legislature appropriated more than \$640 million to support the AHFC home weatherization and rebate programs referenced above. The Legislature also appropriated \$270 million for grants under the Renewable Energy Fund (REF) that the Legislature created in 2008. Those State REF appropriations leveraged more than \$200 million in federal and private funding, and resulted in the construction of more than 70 renewable energy projects across the state that the Alaska Energy Authority (AEA) estimates are displacing the equivalent of more than 30 million gallons of diesel fuel every year.

Because of the State's fiscal situation, these large state appropriations for clean energy grants are unlikely to continue in the future. Furthermore, energy efficiency in particular is something that can and should be financed, often with very short payback periods.

Other states are forming clean energy development banks (often called "green banks") that are successfully taking modest amounts of state money and using it to decrease the perceived risk of clean energy financing that still exists with many banks in the private sector. In states like Connecticut, public money is leveraging large amounts of private capital into carefully designed loan programs that consumers can easily access to borrow money to make energy efficiency and renewable energy upgrades to their homes and businesses.

3. *Would you support the creation of a State clean energy development bank that develops energy efficiency and renewable energy loan programs that can attract private banks as partners and provide affordable loans to Alaska's energy consumers?*

LAMKIN: I understand this to be similar in principle to our state commercial fisheries loan fund, which is a policy area I worked on directly, and with success, for the past few years in the Legislature. Notwithstanding the political resistance from the private banking sector, I very much understand how this can help the "little guy," using public funds to help leverage what is arguably inflated risk assigned by the private sector, and in the big picture improve Alaska's energy policy portfolio. I therefore support this program in concept and would take great interest in seeing it move forward.

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As noted above, AHFC's home weatherization and rebate programs touched more than 50,000 residences that received state grants to make their homes more energy efficient, resulting in energy savings that have averaged 30%. And yet, Alaska still does not have a statewide building code for new residential home construction that would ensure that new homes being built are energy efficient, with lower operating costs and higher market values than inefficient housing. Several local jurisdictions in the state do have such building codes, leading to a patchwork of regulation that is often difficult for home builders to navigate.

4. *Would you support the creation of statewide residential building code for new home construction?*

LAMKIN: Building codes are tricky. And Alaska is huge and diverse in its environmental conditions. A one-size-fits-all approach will not work. If we are to adopt a statewide code, it would first have to convince me that it is relevant to Alaska's geographic and environmental diversity. I would also like to give local community governing bodies some flexibility in opting out of provisions that may not be relevant or attainable for their respective environment. I like the idea of a uniform code for new construction, for the supposed improvement of energy efficiency and maximizing market value. But at least currently, I'm skeptical it would work very well, and I have not seen or heard in recent years of such a code being offered and on the table. This again, is not a policy area I have been assigned legislatively, but am poised to take much greater interest in it given the opportunity.

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Many leaders believe that addressing the threat of our changing climate by reducing greenhouse gas emissions is the biggest challenge of our time. Jurisdictions all over the world have already put a price on carbon emissions by either setting up carbon cap-and-trade systems or instituting carbon taxes (or fees). Many of the world's leading economists and businesses, including the oil industry, support putting a price on carbon.

To develop and implement equitable funding mechanisms for the State's climate change strategy, Governor Walker's Climate Action for Alaska Leadership Team has recommended that the State "evaluate the development of a carbon fee and dividend program."

<http://climatechange.gov.alaska.gov/policy-statements/investment/>

5. *What measures do you believe the State of Alaska should take to put a price on carbon, reduce greenhouse gas emissions and develop funding mechanisms to adapt to the impacts of climate change and support clean energy programs and financing?*

LAMKIN: I am inclined to believe the earth's climate is changing. It is unclear whether or not humans have directly contributed to that change. Our planet Earth has evolved for billions of years and will continue to do so with or without us Humans. So regardless of the cause, what is important to recognize is how humans should choose to respond to climate change. It is every human's responsibility to contribute to that discovery. State leaders can act accordingly. Rather than fix the blame, or spin our wheels denying the existence of climate change, let's sort out how to fix our future, for the sake of Humans having a future.

That being said, I would like to acknowledge the work that experts and advocates have put forward via the CAALT's recommendations. Setting up green banks to help spur investment and innovation in renewable energy technology, collaborating with federal efforts that are relevant and attainable in Alaska, and exploring carbon fees and dividends are all examples of programs and activities that should be on the table, vetted, and pursued at all levels in our State.

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