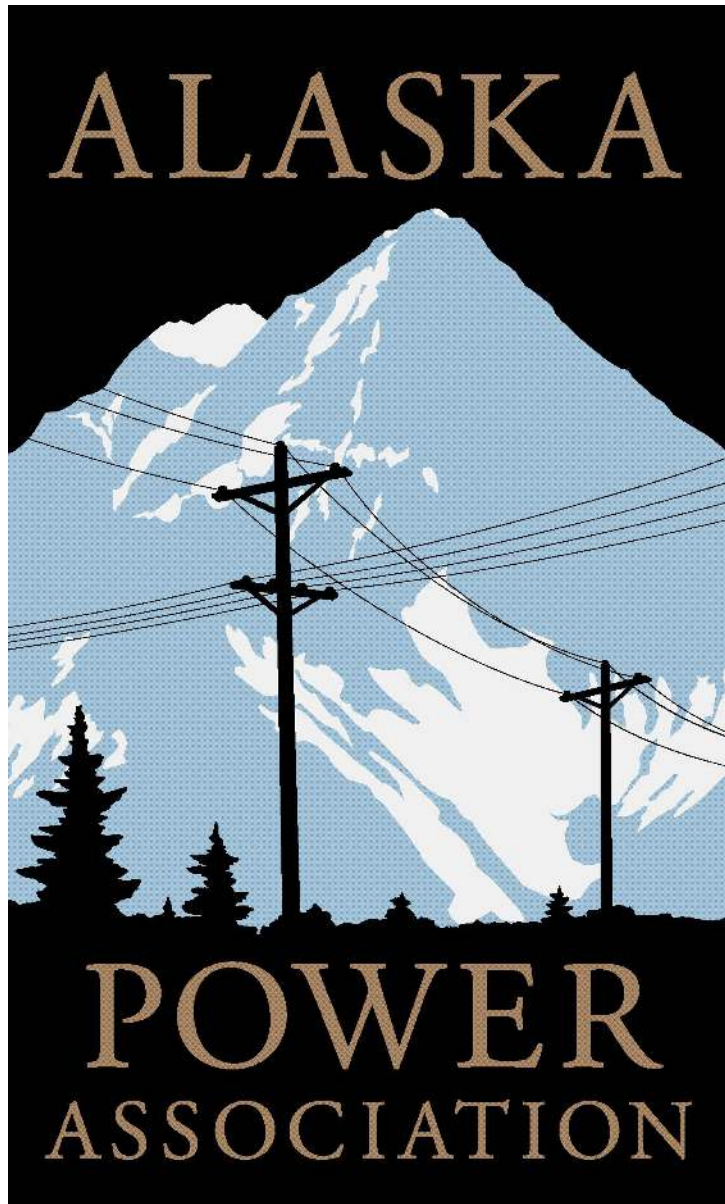


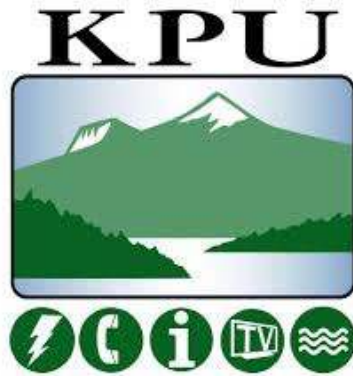
Alaska Power Association Electric Utility Industry

▶ Update

Michael Rovito, APA Deputy Director
Southeast Conference Annual Meeting
September 17, 2025



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.



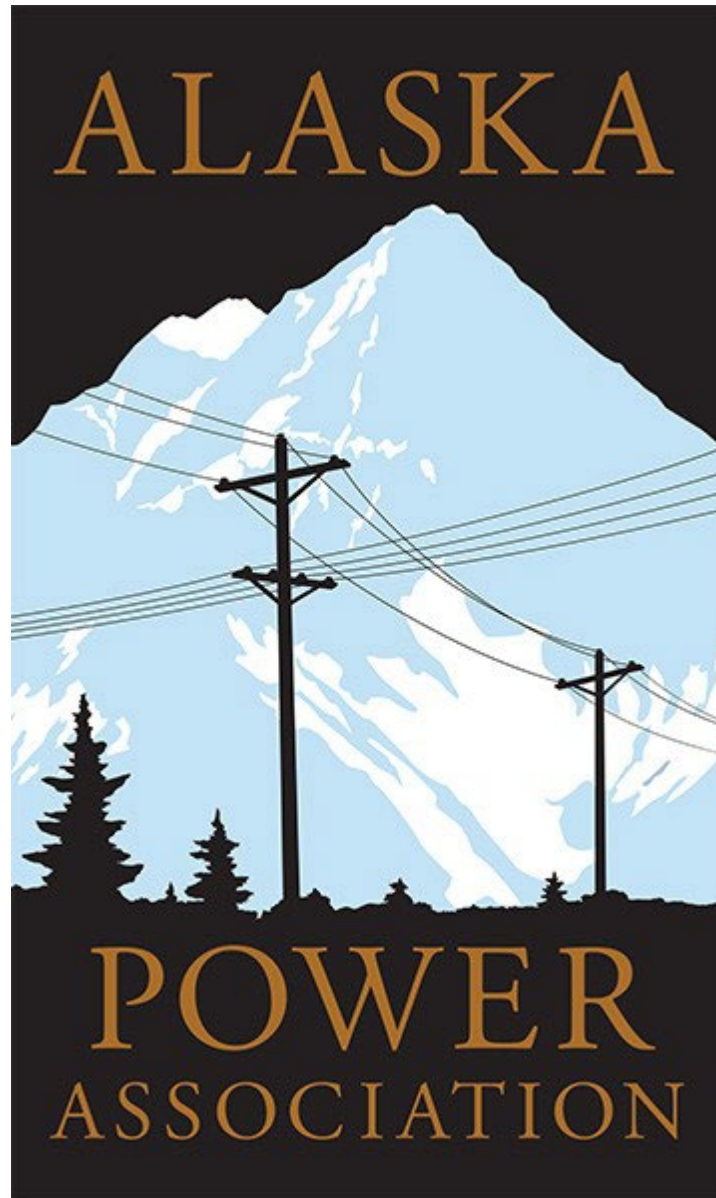
What Does the Future Hold?

- ▶ 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