

Net Metering Incentive Payment Pilot Program Overview

Program Purpose

The Net Metering Incentive Payment Pilot Program (hereafter “NMIPP” or “Program”) is established as a pilot effort to:

- I. Provide economic and financial incentive for utility members and/or customers (hereafter interchangeably referred to as ‘members’) to enroll in those net metering programs as offered through their local Program-participating utility, via an accelerated rate of return on their net-metering investments through potential offsets to their monthly electric utility bills through credits/payments earned under their net metering program; and
- II. Increase the nameplate capacity of behind-the-meter, customer-owned, utility-grid-interconnected infrastructure through the enrollment of new net metering members or the augmenting of existing nameplate capacity by existing net metering members; and
- III. Offset the consumption of available natural gas supplies within the Cook Inlet basin, and
- IV. Provide for reduced volatility in utility load demand, including instances of short-duration, high-peak demand owing to increasing consumer adoption of power-intensive assets including electric vehicles, electric heat pumps, and electric boilers; and
- V. Gain greater understanding as to the long-term impacts to utility grid infrastructure owing to increased net metering program participation.

Program Summary

To achieve those purposes stated above, the Program is established as a pilot program for the issuance of Program Incentive Payments (“Payments”) directly to enrolled eligible entities, as defined below, hereafter referred to as “Participants”. The Payments are to offset the initial capital expenditure of Net Metered, or distributed, generation and energy storage systems for members of a Participant’s existing net-metering program.

Program Participation

Participation in the Program is on a voluntary basis. Enrollment in the Program is effectuated via the execution of a Program-Participant Agreement (“Agreement”) between the Alaska Energy Authority (“AEA” or “Authority”) and the Participant. The Participant may opt-out of the Program at any time by written notification to AEA stating Participant’s decision to withdraw from the Program. Should the Participant elect to withdraw from the Program and with the Participant having received one or more Payments under the Program, it is required that the Participant provide to the Authority any information requested relating to the Participant’s enrollment, however limited, in the Program.

Eligible Entities

All electric utilities operating under a Certificate of Public Convenience and Necessity (“CPCN”) as issued by the RCA, and that operate a net metering program as required under 3 AAC 50.900 – 3 AAC 50.949, and are interconnected with the Railbelt transmission grid are eligible to participate in the Program.

Calculation of Payments

Under the Program, Participants will submit a request for payment to AEA, on a biannual basis, via a request for payment form, a template for which is provided in the Participant’s Agreement. Payments are to be issued by AEA directly to the Participant. Program funds shall be used exclusively for providing such Payments directly to the Participant, and for no other purpose.

Payments to Participants under the Program shall be drawn from allocations of the total programmatic funding allotment as follows:

- a) Each eligible Participant will have an allocated amount from the total programmatic funding allotment available to draw from. These allocations will be based on the total amount of customers that the Participant serves, as reported by the Participants in their respective annual reports to the RCA.
 - a. Each Participant will also be able to draw an additional 10% for administrative costs set aside from the AEA admin budget
 - b. The allocation will be adjusted after each biannual reimbursement period
- b) Participants shall prioritize projects that have associated energy storage.
- c) Participants' Customers will install net metered energy generation and energy storage systems and submit invoices/receipts to the Participant. The Participant will then collect invoices/receipts and verify the completion of all installations. Once the Participant has all supporting materials collected for the biannual period, they will submit that along with a request for reimbursement to AEA.
- d) The initial allocation as follows will form the baseline of programmatic funds:

Utility	# of Customers	% of Total	Programmatic Allocation	10% Admin Allocation
Chugach Electric Association	113,257	43%	\$ 322,463.73	\$ 32,246.37
Golden Valley Electric Association	47,924	18%	\$ 136,448.53	\$ 13,644.85
Homer Electric Association	33,426	13%	\$ 95,170.03	\$ 9,517.00
Matanuska Electric Association	68,811	26%	\$ 195,917.70	\$ 19,591.77
TOTAL	263,418		\$ 750,000.00	\$ 75,000.00

Participants shall prioritize projects that include a net metered energy storage component and may offer differing levels of incentives to members based on the inclusion of such systems. If differing levels of incentives are utilized, Participants shall note the adjustment(s) on the repayment form after receiving approval from AEA.

Projects that are eligible include all energy generation and energy storage projects that are categorized as net metered in a given Participant's service territory. Ineligible projects include those that do NOT have a customer partner; e.g. a Participant installing a neighborhood based energy storage system without including a customer entity (Condo association, Homeowners association, Housing Authority, etc...).

Participants shall inquire with AEA if there is uncertainty regarding the eligibility of a proposed project under the Program.

Use of Payments

Payments received under this Agreement are to be used solely to offset initial capital expenditures of net metered energy projects to those members of the Participant's net metering program, as calculated and issued per the Participant's request for payment. Payments issued by AEA will be issued directly to the Participant. It is the responsibility of the Participant to process and forward such Payments received onto their respective residential net metering members. Under this Agreement, AEA reserves the right to request verification of the installation of net metered energy systems in the Participant's net metering program. Verification may include, but is not limited to, vendor invoices, paid receipts, photographic/inspection reports.

Participant Requests for Payment

Participant requests for payment shall be limited to one request 6-month, biannual period and must be made via the completion and submission of a request for payment form, which AEA will make available to the Participant. AEA shall issue Payments directly to the Participant as requested by the Participant, and as per the terms and conditions set forth in their Agreement. Participant must provide its completed request for payment form and all necessary and supporting documentation, as stated in its Agreement, in order to satisfy the terms and conditions for Payment.

Requests for payment are due to AEA by 5pm on the 20th day of month following the 6-month period for which the Participant is requesting payment. The first payment cycle will conclude on June 30, 2026. For example, if the Participant is submitting a request for payment for the installation of eligible net metered energy projects during January to June 2026, the Participant's request for payment under the Program is due to AEA by July 20th, 2026. Requests for payment received after 5pm on the date due will be rejected until the next biannual period concludes.

A Participant cannot submit a request for payment to AEA under this Program for a net metering installation which concluded prior to the effective date of its Agreement. For example, if the effective date of its Agreement is November 20, 2025, the Participant shall not be allowed to submit a request for payment for a period that concluded prior to November 20, 2025.

All applicable terms and conditions concerning the issuance of Payments can be found in the Participant's Agreement.

Participant Reporting Requirements

In order to measure the efficacy of the Program, certain supporting documentation and reporting will be required to be provided by the Participant to AEA when submitting requests for payment, for purposes of verifying the request for payment amount. All required supporting documentation will be stated in the Request for Payment form, as provided by AEA to the Participant. The supporting documentation requirements may be changed at AEA's sole discretion at any time during the term of this Agreement. Additional/Supplemental reporting may also be requested of Participants. All information/data collected under the Program will be retained by AEA, and may be published and made accessible to the general public.

Program Terms and Conditions

All applicable terms and conditions of the Program can be found in the Participant's Agreement.

Program Administration

The Program shall be administered by AEA.

Program Duration

Funds made available for payments under the program are limited. Agreements under the program shall be effective from the date of execution of the Agreement between the Participant and AEA, until the earlier of: (a) the date on which Program funds are exhausted; (b) the date on which AEA or the Participant unilaterally terminate this Agreement, and thereby discontinue participation in the Program, by providing written notice of such termination; or (c) June 30, 2028, notwithstanding the provision of those reporting requirements of the Program as stated in the Participant's Agreement.