

# FISCAL NOTE

**STATE OF ALASKA  
2011 LEGISLATIVE SESSION**

Fiscal Note Number	<u>7</u>
Bill Version	<u>HB 103</u>
(H) Publish Date	<u>1/18/11</u>

Identifier (file name) 1822-CED-AEA-12-10-10	Dept. Affected <u>DCCED</u>
Title <u>Powers of Alaska Energy Authority</u>	Appropriation <u>Alaska Energy Authority</u>
	Allocation <u>Statewide Project Development</u>
Sponsor <u>Rules Committee</u>	Alternative Energy and Efficiency
Requester <u>Request of the Governor</u>	OMB Component Number <u>2888</u>

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>OPERATING EXPENDITURES</b>	<b>FY 2012</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Personal Services	1,125.0		1,181.3	1,240.3	1,302.3	1,367.4	
Travel							
Contractual	238.0		247.8	252.7	252.7	257.1	
Supplies							
Equipment	413.0		5.0	5.0	5.0	5.0	
Land & Structures							
Grants & Claims							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>1,776.0</b>	<b>0.0</b>	<b>1,434.1</b>	<b>1,498.0</b>	<b>1,560.0</b>	<b>1,629.5</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>							
<b>CHANGE IN REVENUES</b>							
<b>FUND SOURCE</b>	(Thousands of Dollars)						
1004 GF							
1007 I/A Receipts							
1061 CIP Receipts	1,776.0		1,434.1	1,498.0	1,560.0	1,629.5	
1102 AIDEA Receipts							
1074 Bulk Fuel							
1107 AEA Corporate Receipts							
<b>TOTAL</b>	<b>1,776.0</b>	<b>0.0</b>	<b>1,434.1</b>	<b>1,498.0</b>	<b>1,560.0</b>	<b>1,629.5</b>	<b>0.0</b>

Estimate of any current year (FY2011) cost                   

**POSITIONS**

Full-time	<u>8.0</u>	
Part-time		
Temporary		

**Why this fiscal note differs from previous version**

Prepared by <u>Sara Fisher Goad, Deputy Director - Operations</u>	Phone <u>907-771-3012</u>
Division <u>Alaska Energy Authority</u>	Date/Time <u>1/12/11 5:00 PM</u>
Approved by <u>Susan K. Bell, Commissioner</u>	Date <u>1/13/2011</u>
Commerce, Community, & Economic Development	

**Analysis**

Note: This is fiscal note 2 of 2 for the AEA Statewide Project Development component. The cost information relevant to the AEA project construction portion of this legislation is presented separately from the cost information relevant to the power of AEA to have employees (See fiscal note 1 of 2 for the costs of AEA Statewide Project Development to have employees).

Section 6, 9, and 11 of this bill expands AEA's powers to allow AEA to acquire, construct, and conduct feasibility studies of new power projects. Section 6 of the bill would amend the powers of AEA to add provisions related to new power projects. Sections 9 and 11 of the bill would empower AEA to exercise for new power projects, the existing statutory authority managing power projects which are currently limited to power projects from the pre-1993, "former energy program for Alaska."

This fiscal note reflects the costs to AEA to establish a project office in pursuit of constructing and owning the Susitna Hydro project.

**PERSONAL SERVICES: \$1,125.0** - Increased to include 8 staff for the first year as follows:

Project Manager Rg 27  
Environmental Manager Rg 26  
Administrative Assistant Rg 12  
Project Accountant Rg 18  
Financial/Budget Analyst Rg 24  
Public Outreach/Legislation Liaison Rg 23  
Procurement Manager Rg 24  
Data System Specialist Rg 20

**CONTRACTUAL: \$238.0** - Increase for Contractual services including Lease, Utilities, and G&A costs for Project Office. Utilities and G&A estimates include a cost associated with contract labor personnel.

\$ 189.0	Annual Lease - 4,500 sq. ft. x \$3.50 per sq. ft./mo. x 12 mo.'s.
\$ 13.0	Utilities \$1.3 per person x 10 (8 staff + 2 contractors) first year.
<u>\$ 36.0</u>	G&A Expense: \$3.6 per person - \$3.6 x 10 (8 staff + 2 contractors).
\$ 238.0	

**EQUIPMENT/FURNITURE: \$413.0** - Increase for 1st year Project Office set up costs. This cost estimate assumes all equipment and furniture purchases in the first year as well as one time only moving expenses and tenant improvements.

\$ 28.0	IT Equipment \$2.0 per person per year x 14 (8 staff + 6 contractors). Assumes all equipment purchases in 1st year for project office (including contract labor needs).
<u>\$ 385.0</u>	Tenant Improvement \$315.0 (\$70 x 4,500 sq. ft.); Moving Expenses \$21.0; and Furniture 49.0
\$ 413.0	