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Sponsor Statement for HB 250 **Relating to the Renewable Energy Fund and Recommendation Program**

In 2008, the Alaska Legislature passed HB 152 which established an energy fund for renewable projects across the state. Since then, the program has gone through four rounds of grant applications and issued grants for 200 renewable energy projects across the state. With an emphasis towards issuing grants for those who see the highest power costs, these grants have made huge differences in the power rates of many small communities who otherwise would be totally dependent on diesel fuel.

AEA, along with the Renewable Energy Fund Advisory Committee, evaluates each grant application based on various criteria including the current cost of energy in the area, availability of matching funds, and the overall feasibility of the project. By 2013 it is estimated that the Renewable Energy Grant Fund will displace six million gallons of diesel fuel each year.

The program is set to expire in 2013. HB 250 reauthorizes the program until 2018. It also continues the legislative intent that was made in 2008 to fund the program at \$50,000,000 a year.

I urge your support of HB 250.