

LEGAL SERVICES

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MEMORANDUM

January 19, 2010

SUBJECT: Sectional summary of HB 305 (Work Order No. 26-LS1223\R)

TO: Representative Bryce Edgmon
Co-chair of the House Special Committee on Energy
Attn: Adam Berg

FROM: Brian J. Kane 
Legislative Counsel

You have requested a sectional summary of HB 305, a bill relating to energy and the Alaska Energy Authority board of directors.

Please note that a sectional summary of a bill is not an authoritative interpretation of a bill. The bill itself is the best statement of its contents.

Section 1 of the bill requires the Department of Education and Early Development to assure energy efficiency in public and private schools of the state that meet or exceed the requirements of the 2009 edition of the International Energy Conservation Code.

Section 2 of the bill requires the Department of Education and Early Development to review plans for construction of new public elementary and secondary schools to ensure energy efficiency.

Section 3 of the bill amends AS 18.45.020 to add the term "facility" regarding permitting for nuclear material activities.

Section 4 of the bill amends AS 18.45.025 to state that the legislature shall act in the interest of regulating the economics of nuclear energy and removes the current requirement that the governor approve a permit for a nuclear fuel production facility.

Sections 5 and 6 of the bill making conforming amendments to statutory changes within the bill.

Section 7 of the bill requires the Alaska Supreme Court, in relation to court facilities, to comply with the state energy use reduction plan.

Section 8 of the bill tasks the Department of Transportation and Public Facilities with reviewing the option of using alternative energy when adopting plans and specifications for public works.

Section 9 of the bill requires an agency requesting an appropriation of \$1,000,000 or more for capital improvements to submit to the legislature an energy audit report, proposal for energy efficiency improvements, and a cost-savings analysis.

Section 10 of the bill adds the board of directors of the Alaska Energy Authority to the definition of "state commission or board" in AS 39.50, the chapter that requires financial disclosure by the state's public officials.

Section 11 of the bill states that the Alaska Energy Authority is a public corporation and instrumentality of the state within the Department of Energy.

Section 12 of the bill amends a provision of the renewable energy grant fund regarding the methodology for determining the order of projects to receive funding and requiring activity reports to be filed by grant recipients.

Section 13 of the bill amends the renewable energy fund statute by requiring the Alaska Energy Authority to hire an economist or financial analyst to prepare a written evaluation of each grant proposal.

Section 14 of the bill creates the emerging energy technology fund.

Section 15 of the bill amends the definition of "power project" or "project" in AS 42.45.990(4) as it applies to rural and statewide energy programs that are subject to AS 42.45 to delete the phrase "other than nuclear energy production."

Section 16 of the bill adds the renewable energy production tax credit as an exception to a tax credit limitation set for corporations.

Section 17 of the bill establishes a renewable energy production tax credit as part of the Alaska Net Income Tax Act (AS 43.20).

Section 18 of the bill adds the Department of Energy to the list of state government offices and departments.

Section 19 of the bill establishes the Department of Energy and, within that department, creates the home energy conservation and weatherization program.

Section 20 of the bill tasks the Department of Transportation and Public Facilities with updating the energy use index database and conducting an energy audit of public facilities that are determined to have substantial energy inefficiency.

Section 21 of the bill requires the Department of Transportation and Public Facilities to submit a report to the legislature summarizing the energy audits conducted.

Section 22 of the bill tasks the Department of Transportation and Public Facilities with preparing and adopting a state energy use reduction plan and considering the use of performance energy contracts.

Section 23 states that the Alaska Energy Authority is a public corporation of the state within the Department of Energy, transferring it from the Department of Commerce, Community, and Economic Development.

Section 24 of the bill reconstitutes the membership of the board of directors of the Alaska Energy Authority and removes the members of the Alaska Industrial Development and Export Authority as board members.

Section 25 of the bill amends AS 44.83.040(a) to conform to the changes of the Alaska Energy Authority board of directors.

Section 26 of the bill requires the Alaska Energy Authority to establish an energy use index for public facilities.

Section 27 of the bill amends the definition of "power project" or "project" in AS 44.83.990(6) as it applies to power projects subject to the Alaska Energy Authority to delete the phrase "other than nuclear energy production."

Section 28 of the bill amends the alternative energy revolving loan fund by adding funding sources for the fund.

Section 29 of the bill states that loans from the alternative energy revolving loan fund may only be made for alternative energy systems located within the state.

Section 30 of the bill amends the loan terms of loans made from the alternative energy revolving loan fund to add a security requirement and set an interest rate.

Section 31 of the bill amends the definition of "alternative energy system" as it relates to the alternative energy revolving loan fund.

Section 32 of the bill amends the definition of "alternative energy system" in AS 46.11.900(1) by removing reference to "nuclear fuel," thereby including that as an alternative energy system electrical energy source.

Section 33 of the bill repeals AS 18.45.027, AS 18.56.850, AS 45.88.010(c), AS 45.88.030(e), and AS 45.88.040(a).

Section 34 of the bill repeals the renewable energy production tax credit (AS 43.20.046) on January 1, 2025.

Section 35 of the bill states that unused renewable energy production tax credits may not be carried forward to tax years beginning after December 31, 2025.

Section 36 of the bill states that the Alaska Energy Authority shall establish the energy use index database no later than six months after the effective date of the Act.

Section 37 of the bill requires the Department of Transportation and Public Facilities to submit an energy performance report to the legislature regarding energy efficiency measures not later than January 31, 2011.

Section 38 of the bill specifies the manner of initial appointment of directors for the board of directors of the reconstituted Alaska Energy Authority.

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