

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 8
 Bill Version: CSSB 220(FIN)
 (S) Publish Date: 4/10/10

Identifier (file name): SB220CS(FIN)-CED-AEA-4-9-10 Dept. Affected: DCCED
 Title: Omnibus Energy Bill RDU: Alaska Energy Authority
 Component: Statewide Project Development
 Sponsor: Senate Resources Committee
 Requester: Senate Finance Committee Component Number: 2888

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES							
Personal Services							
Travel	21.8		20.2	20.2	20.2	20.2	20.2
Contractual	358.5		276.5	276.5	276.5	276.5	276.5
Supplies							
Equipment	10.0						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	390.3	0.0	296.7	296.7	296.7	296.7	296.7
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	390.3		296.7	296.7	296.7	296.7	296.7
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	390.3	0.0	296.7	296.7	296.7	296.7	296.7

Estimate of any current year (FY2010) cost: _____

POSITIONS (see AIDEA FN for details)

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

SB 220, titled the "Alaska Sustainable Energy Act," impacts the Alaska Energy Authority by:

Section 11 - repealing and reenacting the purpose of the existing Southeast Energy Fund managed by the Alaska Energy Authority. From this fund AEA could award grants to a municipality, a joint action agency, or a utility cooperative for power projects, repayment of loans, and payments on bonds for hydroelectric projects and electrical transmission lines or interties serving Southeast Alaska that are entirely owned by the grantee.

(Continued)

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 Division: Alaska Energy Authority Date/Time 4/9/10 12:00 AM
 Approved by: Emil Notti, Commissioner Date 4/9/2010
Commerce, Community and Economic Development

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ANALYSIS CONTINUATION

Currently the fund balance is zero. Depending on the capitalization, AEA would need to draft regulations and develop a process to administer grants including an allocation method for the various types of eligible projects which would bring additional expenses. Costs are unknown at this time.

Section 12 - establishing the "Emerging Energy Technology Fund" and requiring the authority to administer the fund by making grants to eligible applicants. Cost Assumptions:

Approximately **\$82,000** in one-time start up costs to develop program criteria, RFA process, review process, grant agreements, etc. (Contractual)

Approximately **\$21,840** per year to cover Advisory Committee expenses (travel - assume \$660 airfare + 120 per diem x 7 members x 4 quarterly meetings)

Approximately **\$276,518** per year to cover contract for personal services with AIDEA
Positions required: 1 Range 22 for program/project management; 1 Range 15 for finance/grant administration;
1 Range 12 for administrative support.(Contractual)

Approximately **\$10,000** (Equipment) for new staff

Section 13 - changing the definition of a power project relative to the power project fund to include nuclear production. AEA's costs are zero because there are currently no projects of this type. However, in the event viable nuclear projects are identified, annual operating costs would increase by \$365,000 for each nuclear power project that has to be managed; \$165,000 for a project manager with technical nuclear knowledge and \$200,000 for contractual advisory service in the field.