

Alaska Energy Authority
House Finance Budget Subcommittee

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Feb. 11, 2015



Alaska Energy Authority: Mission

“To Reduce the Cost of Energy in Alaska”

- AEA is an independent and public corporation of the State of Alaska
- Created by the Alaska Legislature in 1976
- 44.83.070: “ The purpose of the Authority is to promote, develop, and advance the general prosperity and economic welfare of the people of the state by providing a means of financing and operating power projects and facilities that recover and use waste energy and by carrying out the powers and duties assigned to it under AS 42.45.”

Mission: Reduce the Cost of Energy in Alaska



- Rural Energy Programs and Technical Assistance
 - Emergency Response
 - Circuit Rider
 - Rural Energy Infrastructure
 - Community Technical Assistance
- Statewide Alternative Energy and Energy Efficiency
 - State Energy Office
 - Renewable Energy Fund
 - Emerging Energy Technology Fund
 - Energy Efficiency
 - Power Project Loan Fund
- Power Cost Equalization
- AEA-Owned Infrastructure
 - Bradley Lake Hydroelectric Project
 - Alaska Intertie
 - Susitna-Watana Hydro



10-Year AEA Look Back

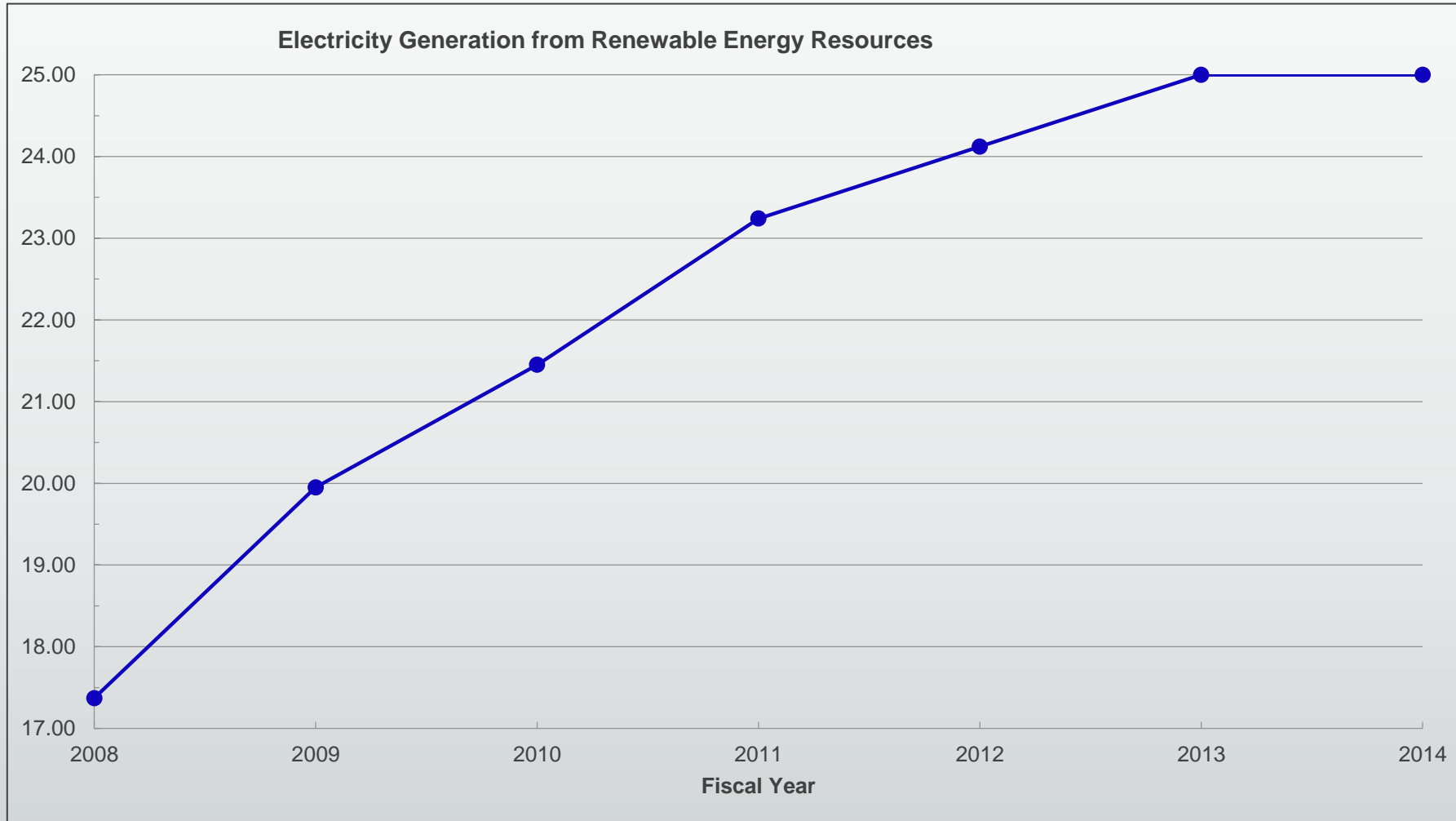
- 2000-2008
 - Primary focus on rural energy infrastructure, funded by the Denali Commission
- 2008
 - Separate AEA and AIDEA executive directors
 - AEA produced the Energy Pathways
 - Creation of the Renewable Energy Fund

10-Year AEA Look Back

- 2010
 - Omnibus energy bills (SB 220 and HB 306) define energy state policy
 - Creation of the Emerging Energy Technology Fund
 - AEA begins Regional Energy Planning process (Railbelt Integrated Resource Plan and Southeast Integrated Resource Plan)
- 2011
 - Susitna-Watana Hydro authorization (SB 42) and initial funding
- 2012
 - AEA is designated as the State Energy Office

Performance Measures

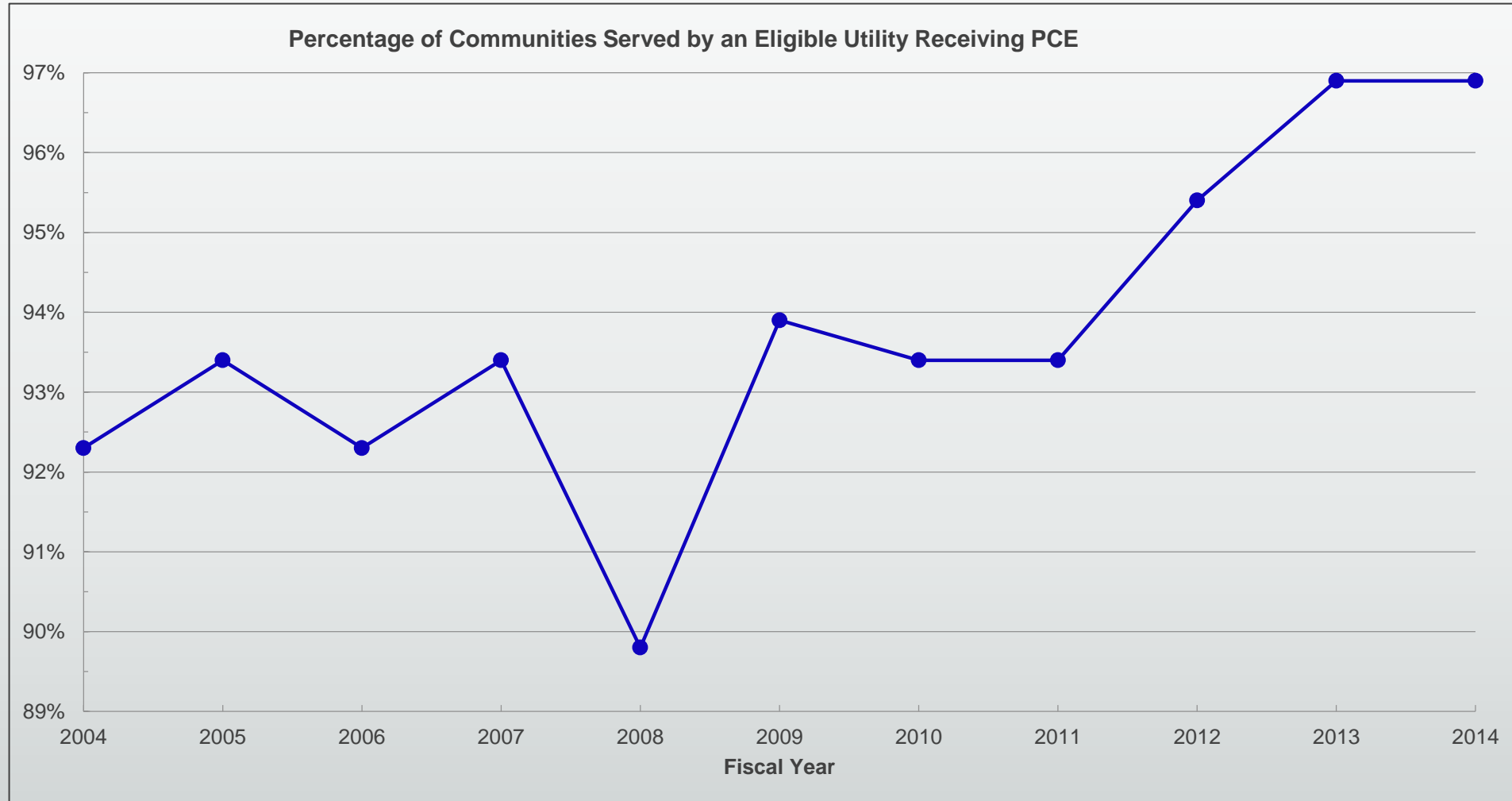
Mission Results Target No. 1: By 2025, 50 percent of electricity generation is from renewable sources.



Performance Measures

Core Services A1: Power Cost Equalization Program

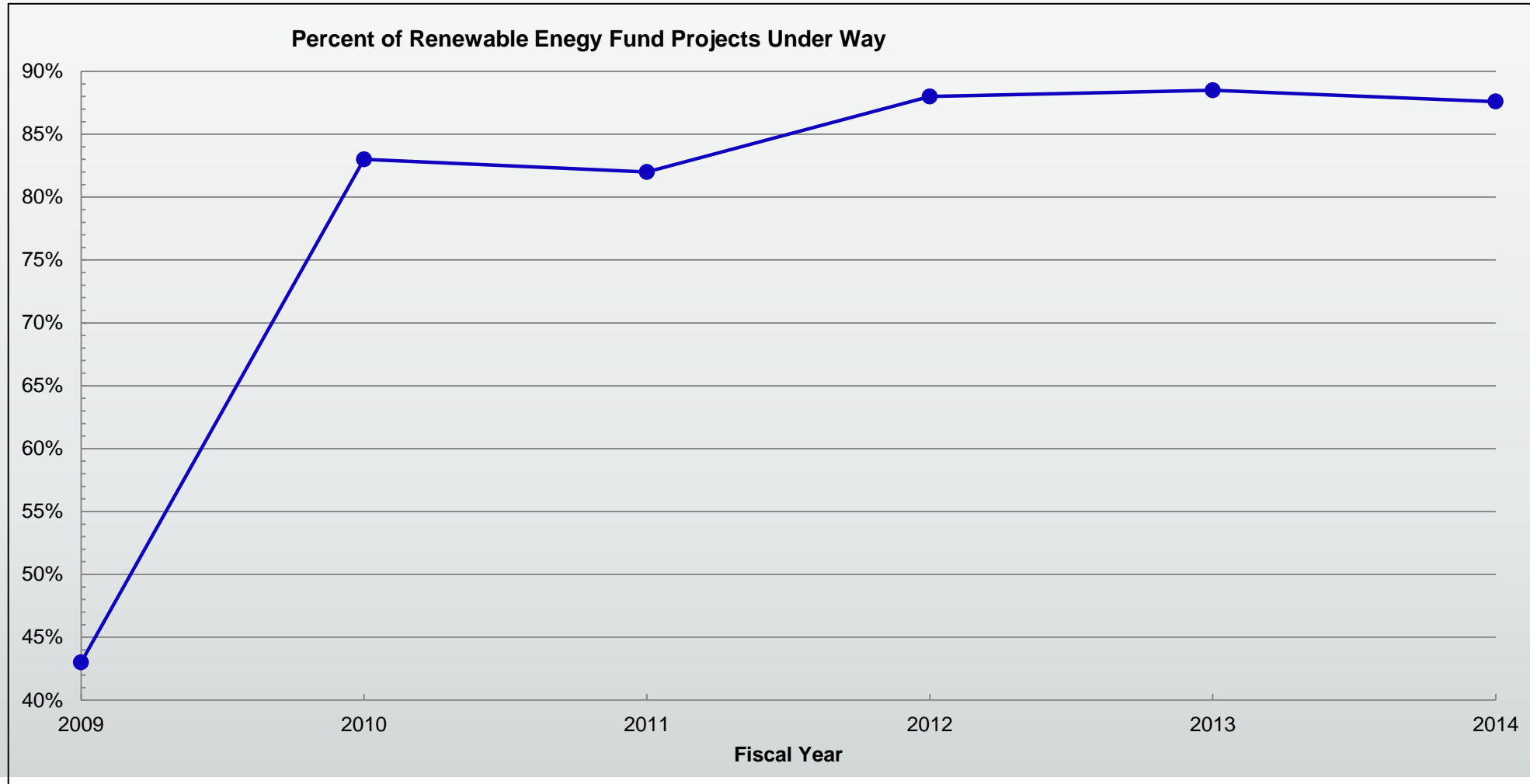
Target No. 1: 100% Eligible Electric Utilities Receive PCE Payments



Performance Measures

Core Services A3: Development, Design and Construction of Sustainable, Safe, Reliable, Efficient and Environmentally Sound Energy Systems in Alaska.

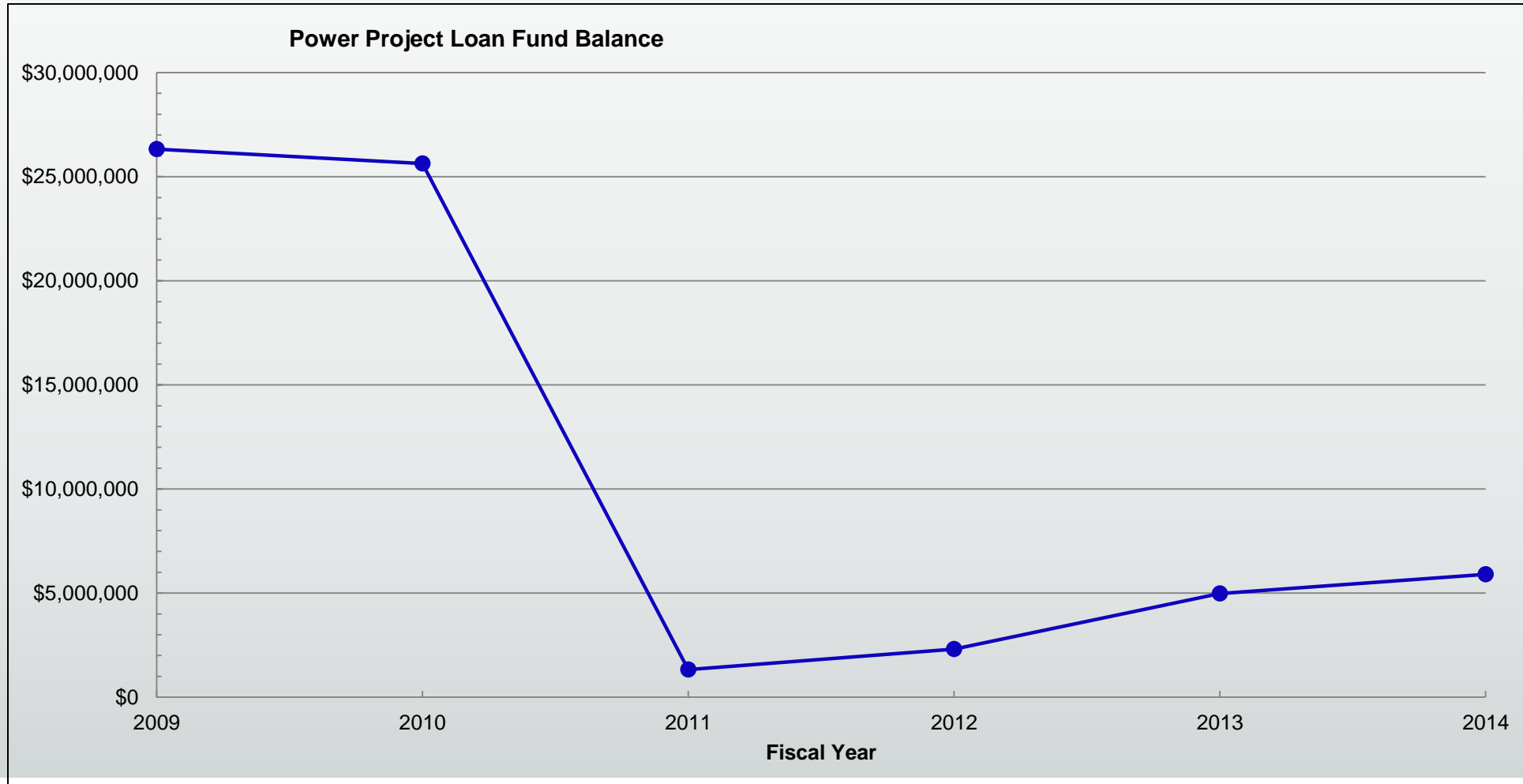
Target No. 3: 100% of Renewable Energy Fund Projects are Underway.



Performance Measures

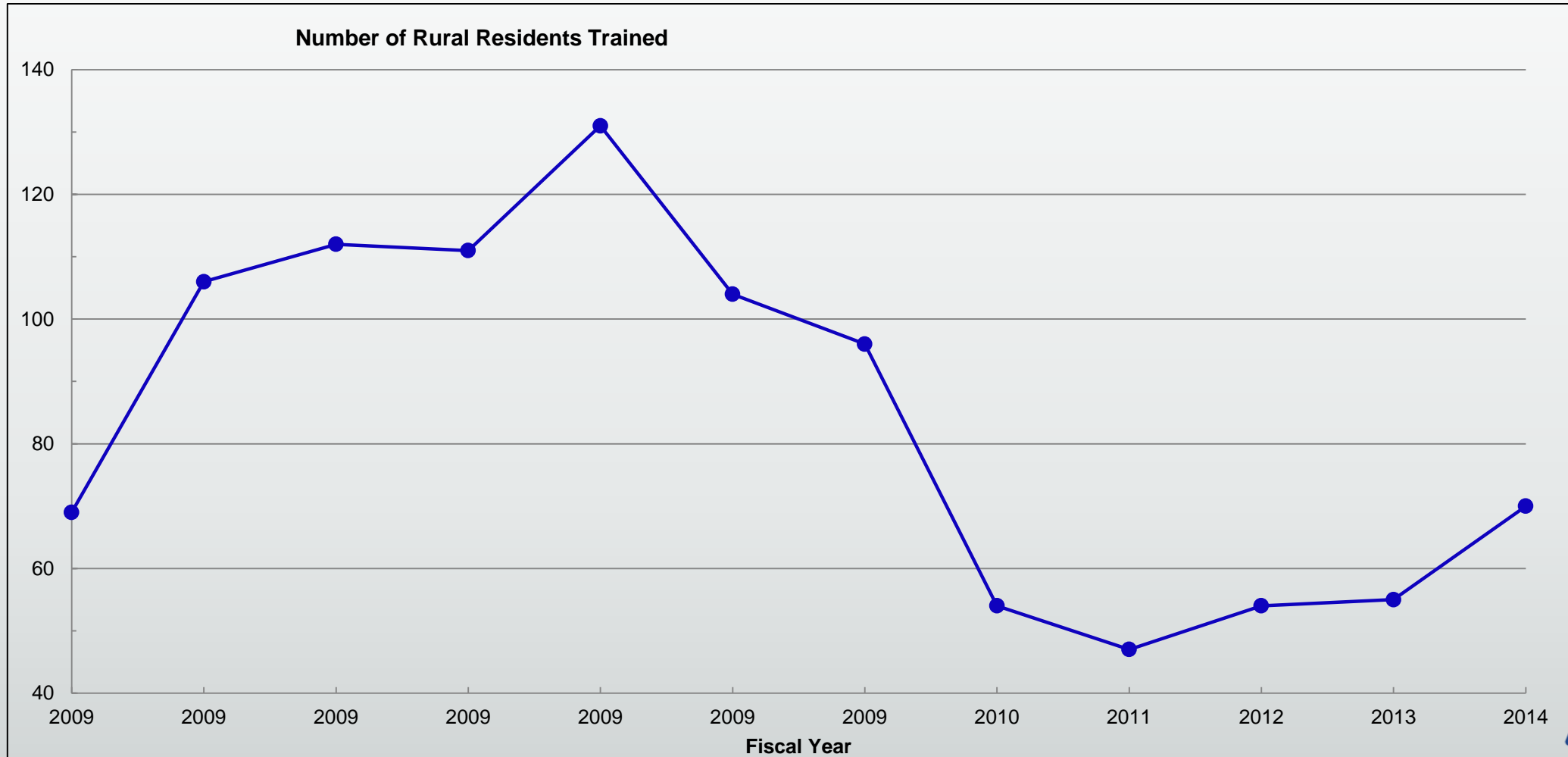
Core Services A4: Power Project Loan Fund

Target No. 1: Effectiveness Measure: Power Project Loan Fund Outstanding Balance Increases Annually



Performance Measures

Core Services A5: Training, Technical Assistance and Emergency Response to Rural Utilities
Target No. 1: 100 Rural Residents Trained Annually to Manage and Operate Rural Energy Infrastructure



FY16 Operating and Capital Budget

in thousands

AEA Operating Components	FY2016 Adjusted Base	FY2016 Governor	Change	Percent Change
Owned Facilities	\$1,067.1	\$981.7	-\$85.4	-8.0%
Rural Energy Operations	\$6,434.5	\$5,425.4	-\$1,009.1	-15.7%
Technical Assistance	\$576.7	\$530.6	-\$46.1	-8.0%
Statewide Project Development, AEE	\$6,728.7	\$7,073.7	\$345.0	5.1%
Total (excluding PCE)	\$14,807.0	\$14,011.4	-\$795.6	-5.4%

Funding Sources:

Unrestricted GF	\$2,763.4	\$2,763.4	-	-
Designated GF	\$3,308.2	\$3,308.2	-	-
Other State Funds	\$8,463.5	\$7,322.9	-\$1,140.6	-13.5%
Federal Receipts	\$271.9	\$616.9	\$345.0	126.9%

Other Operating & Supplemental Items

Section		
Language	Power Cost Equalization	\$41,355.0
Debt Service	Debt and Other Obligations: Kodiak Electric Association	\$943.7
Debt Service	Debt and Other Obligations: Copper Valley Electric	\$351.2
Fund Transfers	Fund Transfers – Renewable Energy Fund	\$13,000.0

Supplemental Items		
Federal Receipts for EETF Data Collection – FY15-FY17	\$345.0	Operating Budget
Repeal Ormat Nevada Inc. – Mount Spurr Geothermal Project – Repeal to Renewable Energy Fund	-\$2,000.0	Capital Budget

Capital Projects

Project Description	Amount	
Renewable Energy Projects – Round VIII	\$15,000.0	
Reappropriation – Alternative Energy and Energy Efficiency	\$2,200.0	Reappropriation from Mount Spurr \$12.5 million
Reappropriation – Kake Rural Power System Upgrade Project	\$1,070.0	Reappropriation from Mount Spurr \$12.5 million
Reappropriation – Port Heiden Rural Power System Upgrade Project	\$4,000.0	Reappropriation from Mount Spurr \$12.5 million
Reappropriation – Tuluksak Bulk Fuel Upgrades	\$3,900.0	Reappropriation from Mount Spurr \$12.5 million
Reappropriation – Electrical Emergencies Program	\$330.0	Reappropriation from Mount Spurr \$12.5 million
Fund Capitalization – Emerging Energy Technology Fund	\$1,000.0	Reappropriation from Mount Spurr \$12.5 million
Repeal Mount Spurr Geothermal Project Development	-\$12,500.0	

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