

**Alaska Energy Authority Background for Agency Overview Presentation
to the House Energy Committee on February 21, 2017**



AEA is an independent public corporation of the State of Alaska, created by the Legislature in 1976, with the mission to reduce the cost of energy in Alaska. The following is a short summary of AEA's forty-year history as well as key statutory and regulatory guidance for agency action.

In 1993 legislative consolidation action created the Shared Services Department within AIDEA and AEA, which now brings almost 25 years of combined expertise and structural flexibility to address state energy issues while capitalizing on both front- and back-office efficiencies to the mutual benefit of both agencies.

In 1999 the Legislature initiated the re-establishment of AEA as the State's Energy Office by reuniting State energy programs with the AEA owned assets, and, renewed focus and funding for rural energy infrastructure.

When oil prices increased starting in 2007 (Alaska families and communities saw their energy costs sky rocket) there was a push for further focused state leadership for renewable energy development and energy planning. AIDEA and AEA were asked to help develop a plan and manage new energy programs. The Board of Directors responded through by-law changes, establishing a management structure within AIDEA and AEA that allowed for the AEA "cost of energy" focus to be independent of AIDEA's "jobs and economic development" focus.

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."

AS 42.45.900. Assistance to rural utilities.

(a) The authority shall provide technical assistance to rural utilities including catastrophe prevention programs and other training programs for utility projects. The authority shall provide rural utilities with the technical assistance and training that the utilities need to improve the efficiency, safety, and reliability of their power systems and to prevent emergency situations from developing. At a minimum, the assistance and training must include information on

- (1) reducing distribution line losses;
- (2) installation of generators that are more fuel efficient;
- (3) preventative maintenance programs;
- (4) safety inspections;
- (5) installing and maintaining waste heat systems;
- (6) improved metering systems;
- (7) improved management and administration; and
- (8) coordinating regional activities, including circuit rider maintenance programs.

(b) In providing rural utilities with technical assistance and training, the authority shall give priority to contracting with the private sector for these services.

3 AAC 108.230. Electrical emergency assistance provided by the authority

(a) If a utility eligible under 3 AAC 108.210 suffers an electrical emergency, the authority will, subject to the availability of appropriations, assist the utility in responding to the emergency and recovering the ability to generate and transmit power to the utility's customers in a manner that does not constitute a significant threat to life or property. Assistance may include financial assistance or technical assistance, including emergency repairs.

(b) In this section, "electrical emergency" means a condition in a utility's system that presents an imminent danger to life or likelihood of significant disruption of electrical service.