

HOUSE BILL NO. 196

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES BURKE, Fields

Introduced: 4/15/25

Referred: House Special Committee on Energy, Finance

A BILL**FOR AN ACT ENTITLED**

1 "An Act relating to carbon offset revenue; and relating to the renewable energy grant
2 fund."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 38.95.430 is amended to read:

5 **Sec. 38.95.430. Carbon offset revenue.** The legislature shall appropriate
6 [TWENTY PERCENT OF] the revenue generated from the carbon offset program as
7 follows:

8 (1) 20 percent to [SHALL BE DEPOSITED INTO] the renewable
9 energy grant fund (AS 42.45.045);

10 (2) [. THE REMAINING] 80 percent for any other public purpose
11 [OF THE REVENUE FROM THE CARBON OFFSET PROGRAM SHALL BE
12 SEPARATELY ACCOUNTED FOR UNDER AS 37.05.142 AND MAY BE
13 APPROPRIATED BY THE LEGISLATURE].

14 * **Sec. 2.** AS 42.45.045(a) is amended to read:

(a) A renewable energy grant fund is established as a separate fund to finance certain energy projects in Alaska **for the purpose of providing affordable energy to all communities in the state.**

* **Sec. 3.** AS 42.45.045(b) is amended to read:

(b) The authority shall administer the fund as a fund distinct from other funds of the authority. The fund consists of **appropriations to the fund, including**

(1) [MONEY APPROPRIATED TO THE FUND BY THE LEGISLATURE TO PROVIDE GRANTS FOR CERTAIN ENERGY PROJECTS DETERMINED BY THE LEGISLATURE;

(2)] gifts, bequests, contributions from other sources, and federal money;

(2) [(3)] interest earned on the fund balance; and

(3) [(4)] investments to be managed by the Department of Revenue, which shall be the fiduciary of the fund under AS 37.10.071.

* **Sec. 4.** AS 42.45.045(d) is amended to read:

(d) The authority shall, in consultation with the advisory committee established under (i) of this section and the Department of Natural Resources,

(1) develop a methodology for determining the order of projects that may receive assistance, including separate requirements for grant eligibility, and adopt regulations identifying criteria to evaluate the benefit and feasibility of projects for which an applicant applies for **a grant under this section** [SUPPORT FROM THE LEGISLATURE], with the most weight being given to projects that serve any area in which the average cost of energy to each resident of the area exceeds the average cost to each resident of other areas of the state, and significant weight being given to a statewide balance of grant funds and to the amount of matching funds an applicant is able to make available;

(2) **provide technical assistance to communities with a population of less than 2,000 to help the community prepare and submit grant applications for projects;**

(3) annually solicit and review grant applications for projects;

(4) provide [MAKE RECOMMENDATIONS TO THE

1 LEGISLATURE FOR] renewable power production reimbursement grants; and

2 **(5)** [(3)] not later than 10 days after the first day of each regular
 3 legislative session, submit to the legislature a report summarizing and reviewing each
 4 grant application submitted under this section and **an explanation of the authority's**
 5 **decision to approve or deny the grant** [A RECOMMENDED PRIORITY FOR
 6 AWARDING GRANTS].

7 * **Sec. 5.** AS 42.45.045(e) is amended to read:

8 (e) In consultation with the advisory committee established in (i) of this
 9 section, the authority shall make **determinations** [RECOMMENDATIONS TO THE
 10 LEGISLATURE] regarding eligible applicants' projects that finance feasibility
 11 studies, reconnaissance studies, energy resource monitoring, and construction of
 12 renewable energy projects, natural gas projects, or transmission or distribution
 13 infrastructure located in Alaska that meet the requirements of (f), (g), or (h) of this
 14 section, as applicable, and shall, at least once each year **and before making the**
 15 **determinations**, solicit from the advisory committee funding recommendations for all
 16 grants.

17 * **Sec. 6.** AS 42.45.045(f) is amended to read:

18 (f) For a renewable energy project to qualify for a grant
 19 [RECOMMENDATION] under (e) of this section, the project must

20 (1) be a new project not in operation on August 20, 2008, or an
 21 addition to an existing project made after August 20, 2008; and

22 (2) be a

23 (A) hydroelectric facility;

24 (B) direct use of renewable energy resources;

25 (C) facility that generates electricity from fuel cells that use
 26 hydrogen from renewable energy resources or natural gas; or

27 (D) facility that generates energy from renewable energy
 28 resources.

29 * **Sec. 7.** AS 42.45.045(g) is amended to read:

30 (g) To qualify for a grant [RECOMMENDATION] under (e) of this section, a
 31 project that is a natural gas project must benefit a community that

- 1 (1) has a population of 10,000 or less; and
 2 (2) does not have economically viable renewable energy resources it
 3 can develop.

4 * **Sec. 8.** AS 42.45.045(h) is amended to read:

5 (h) To qualify for a grant [RECOMMENDATION] under (e) of this section,
 6 transmission or distribution infrastructure must link a renewable energy project or
 7 natural gas project to the transmission or distribution infrastructure. **The authority**
 8 **may provide a** [A] grant [MAY BE RECOMMENDED] under this subsection even if
 9 the grant applicant is not itself financing the construction of the renewable energy
 10 project or natural gas project.

11 * **Sec. 9.** AS 42.45.045(k) is repealed and reenacted to read:

12 (k) The authority may spend money appropriated to the fund for grants for
 13 renewable energy projects described in this section without further appropriation.
 14 Money appropriated to the fund does not lapse.

15 * **Sec. 10.** AS 42.45.045 is amended by adding a new subsection to read:

16 (m) The advisory committee appointed under (i) of this section shall elect a
 17 chair from among its members. The chair serves for a term of two years. The chair
 18 may not serve for consecutive terms. After a year of not serving as chair, the member
 19 is eligible for election as chair again. The advisory committee shall meet at the call of
 20 the chair.