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MEMORANDUM March 5, 2010

SUBJECT: Sectional summary of CSSB 220(RES) (Work Order No. 26-LS1197\D)

TO: Senator Lesil McGuire
Co-Chair of the Senate Resources Committee
Attn: Mike Pawlowski

FROM: Brian J. Kane BJK
Legislative Counsel

You have requested a sectional summary of Work Order No. 26-LS1197\D, a bill draft known as the Alaska Sustainable Energy Act.

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 provides for the short title of the bill.

Sections 2 and 3 of the bill offer the legislative policy and purpose for certain sections of the bill.

Section 4 of the bill allows a regional school board to apply for and use the proceeds of a loan from the Alaska energy efficiency revolving loan fund.

Section 5 of the bill amends AS 18.45.020 to include the phrases "special nuclear material facility" and "by-product material facility" in order to cover more projects or activities in this section for which a license or permit may be needed from the Nuclear Regulatory Commission.

Section 6 of the bill adds the phrase "nuclear utilization facility" to AS 18.45.025(a) in order to conform with definitions listed in AS 18.45.900.

Section 7 of the bill amends AS 18.45.025(b) to state that when the legislature designates by law the land in the state on which a nuclear utilization facility or utilization facility may be located, it must act only in the interest of regulating the economics of nuclear energy.

Section 8 of the bill deletes a line of AS 18.45.025(c) that states that a permit may not be issued unless approved by the governor, leaving only a requirement for approval by the Department of Environmental Conservation and a municipality.

Section 9 of the bill provides the Alaska Housing Finance Corporation with the power to provide technical assistance to municipalities regarding energy codes and efficiency standards.

Section 10 of the bill creates an energy efficiency revolving loan fund in the Alaska Housing Finance Corporation for providing loans to regional attendance areas, municipalities, or the state for the purpose of financing energy efficiency improvements to buildings.

Section 11 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 12 of the bill provides that the state shall give consideration in procurements to purchasing energy efficient equipment.

Section 13 of the bill requires the Office of Management and Budget to work with state agencies to develop a standardized methodology to collect and store energy consumption and expense data.

Section 14 of the bill repeals and reenacts the Southeast Energy Fund to expand the options for money going into the fund and expands the projects for which the fund may be used.

Section 15 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 16 of the bill amends the renewable energy fund statute by requiring the Alaska Energy Authority to hire an expert to conduct financial and economic analysis for each recommended grant application.

Section 17 of the bill tasks the Alaska Energy Authority with facilitating the organization of a statewide fuel purchasing cooperative.

Section 18 of the bill creates the emerging energy technology fund.

Section 19 of the bill amends the definition of "power project" or "project" in AS 42.45.990(4) to delete the exclusion of nuclear energy from the definition in relation to statewide and rural energy programs.

Section 20 of the bill adds the renewable energy production tax credit as an exception to a tax credit limitation set for corporations.

Section 21 of the bill establishes a renewable energy production tax credit.

Section 22 of the bill requires the Department of Transportation and Public Facilities to purchase energy efficient cars whenever practicable.

Section 23 of the bill tasks the Department of Transportation and Public Facilities with retrofitting 25 percent of all public facilities by 2020, making sure that deferred maintenance and new construction meet national standards for energy efficiency, and reporting to the legislature on the department's progress.

Section 24 of the bill requires the Alaska Energy Authority to annually plan and conduct, in cooperation with the Alaska Housing Finance Corporation, a public education campaign to promote energy efficiency and conservation.

Section 25 of the bill amends the definition of "power project" or "project" in AS 44.83.990(6) to delete the exclusion of nuclear energy from the definition in relation to the Alaska Energy Authority.

Sections 26 - 33 of the bill amend the alternative energy revolving loan fund by amending the funding sources and having the fund used only for commercial buildings.

Section 34 of the amendment amends the definition of "alternative energy system" in AS 46.11.900(1) to remove the exclusion of nuclear fuel as it relates to financing of energy efficient homes and buildings.

Sections 35 - 42 converts the Alaska heating assistance program into the Alaska affordable heating program and makes substantive and conforming changes to that program.

Section 43 of the bill repeals AS 43.20.046 and 43.98.040, which are the renewable energy production tax credit sections of the bill, on January 1, 2018.

Section 44 of the bill repeals AS 44.42.067(c) (retrofit and new construction for energy efficiency, added by bill section 23) on January 1, 2021.

Section 45 of the bill repeals AS 45.88.010(c), 45.88.030(c), 45.88.030(d), and 45.88.040(a).

Section 46 of the bill requires the Office of Management and Budget to work with state agencies to develop a standardized methodology to collect and store energy consumption and expense data no later than November 1, 2010.

Section 47 of the bill requires the Department of Transportation and Public Facilities, in consultation with the Alaska Energy Authority, to adopt and implement a systematic process for prioritizing the retrofitting of state facilities for a long-term increase in energy efficiency and reduction of energy costs.

Section 48 of the bill requires the Department of Transportation and Public Facilities to study the feasibility of using compressed natural gas to power vehicles in the state and develop a proposal for a pilot program if warranted by the study.

Section 50 of the bill authorizes the Alaska Housing Finance Corporation to issue bonds to support making loans from the energy efficiency revolving loan fund established by AS 18.56.855.

Section 51 of the bill directs the revisor of statutes to make two changes to article headings to conform with statutory changes.

BJK:plm
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