

# LEGAL SERVICES

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### MEMORANDUM

March 11, 2010

**SUBJECT:** Sectional summary of CSHB 305(ENE)  
(Work Order No. 26-LS1223\E)

**TO:** Representative Bryce Edgmon  
Co-Chair of the House Special Committee on Energy  
Attn: Adam Berg

**FROM:** Brian J. Kane *BJK*  
Legislative Counsel

You have requested a sectional summary of CSHB 305(ENE), a bill relating to energy.

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 requires the Department of Education and Early Development to provide an operations and maintenance cost report for construction and adopt regulations regarding energy efficiency for construction and maintenance.

Sections 2 and 3 of the bill amend the definitions of "major maintenance" and "school construction" relating to achieving an operating cost savings.

Section 4 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 5 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. The section 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. The section 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.

Sections 6 and 7 of the bill make conforming amendments to statutory changes within the bill.

**Section 8** of the bill requires the Alaska Supreme Court, in relation to court facilities, to comply with the state energy use reduction plan.

**Section 9** 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 10** of the bill adds the board of directors of the Alaska Energy Authority to the definition of "state commission or board" in AS 39.50, the chapter that requires financial disclosure by the state's public officials.

**Section 11** of the bill states that the Alaska Energy Authority is a public corporation and instrumentality of the state within the Department of Energy.

**Section 12** 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 13** of the bill amends the renewable energy fund statute by requiring the Alaska Energy Authority to hire an economist or financial analyst to prepare a written evaluation of each recommended grant application.

**Section 14** of the bill creates the emerging energy technology fund.

**Section 15** of the bill amends the definition of "power project" or "project" in AS 42.45.990(4) as it applies to rural and statewide energy programs that are subject to AS 42.45 to delete the phrase "other than nuclear energy production."

**Section 16** of the bill adds the renewable energy production tax credit as an exception to a tax credit limitation set for corporations.

**Section 17** of the bill establishes a renewable energy production tax credit as part of the Alaska Net Income Tax Act (AS 43.20).

**Section 18** of the bill adds the Department of Energy to the list of state government offices and departments.

**Section 19** of the bill establishes the Department of Energy and, within that department, creates the home energy conservation and weatherization program.

**Section 20** 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 21** states that the Alaska Energy Authority is a public corporation of the state within the Department of Energy, transferring it from the Department of Commerce, Community, and Economic Development.

**Section 22** of the bill reconstitutes the membership of the board of directors of the Alaska Energy Authority and removes the members of the Alaska Industrial Development and Export Authority as board members.

**Section 23** of the bill amends AS 44.83.040(a) to conform to the changes of the Alaska Energy Authority board of directors.

**Section 24** of the bill amends the definition of "power project" or "project" in AS 44.83.990(6) as it applies to power projects subject to the Alaska Energy Authority to delete the phrase "other than nuclear energy production."

**Sections 25 - 32** 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 33** of the bill amends the definition of "alternative energy system" in AS 46.11.900(1) by removing reference to "nuclear fuel," thereby including that as an alternative energy system electrical energy source.

**Section 34** of the bill repeals AS 18.45.027, AS 18.56.850, AS 45.88.010(c), AS 45.88.030(c), AS 45.88.030(d), and AS 45.88.040(a).

**Section 35** of the bill repeals the renewable energy production tax credit (AS 43.20.046) on January 1, 2025.

**Section 36** of the bill specifies the manner of initial appointment of directors for the board of directors of the reconstituted Alaska Energy Authority.

**Section 37** 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 38** of the bill directs the revisor of statutes to change the heading of article 1 of AS 45.88 to "Alternative Energy Revolving Loan Fund."