

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS HB182 (ENE)
 () Publish Date: _____

Identifier (file name): HB182CS(ENE)-CED-AEA-3-24-10
 Title Greater Railbelt Energy and Transmission Corporation
 Sponsor Rules Committee by Request of the Governor
 Requester House Energy Committee
 Dept. Affected: DCCED
 RDU Alaska Energy Authority
 Component Statewide Project Development
 Component Number 2888

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual	155.0		155.0	155.0				
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	155.0	0.0	155.0	155.0	0.0	0.0	0.0	0.0
Capital Expenditures	2,395.0							
CHANGE IN REVENUES ()								

FUND SOURCE (Thousands of Dollars)

	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1012 Railbelt Energy Fund	2,550.0		155.0	155.0			
TOTAL	2,550.0	0.0	155.0	155.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)
 This bill creates the framework for a Greater Railbelt Energy and Transmission Corporation. The fiscal note assumes Alaska Energy Authority (AEA) project management staff time and AEA admin support to assist in the formation of the Greater Railbelt Energy and Transmission Corporation (GRETC), including \$50,000 contractual costs for Department of Law assistance to AEA. AEA is to provide coordination of business development by providing project manager technical assistance, legal assistance and meeting space and coordination of meetings and document development. (\$155.0 contractual costs)
 (Continued)

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 Division: Alaska Energy Authority Date/Time 3/24/10 12:00 AM
 Approved by: Emil Notti, Commissioner Date 3/24/2010
Commerce, Community and Economic Development

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BILL NO. CSHB 182(ENE)

ANALYSIS CONTINUATION

\$2,395 is made available for a 0% interest loan to GRETC develop the business structure of the new entity, contingent upon the delivery to AEA a letter of intent, in form and substance acceptable to AEA, from four or more of the railbelt utilities an agreement to become a member of GRETC.

The sum of \$2,395,000 is appropriated from the Alaska railbelt energy fund (AS 37.05.520) to the Alaska Energy Authority, as a debt obligation recoverable from GRETC as a cost of the formation the GRETC business structure.

The debt obligation is repayable to the railbelt energy fund(AS 37.05.520), with interest at 0 percent, amortized over a term not to exceed 10 years, recoverable by the Alaska Energy Authority. Further terms and conditions of the debt obligation will be determined by AEA.

The estimated costs of the business formation are as follows:

Program management	173.0
Finalize business structure	608.0
Secure new facility	116.0
Develop Business P&P's	142.0
Complete operations transition planning	46.0
HR recruiting and planning	114.0
Develop IT infrastructure	203.0
Develop Business Systems	404.0
Training	77.0
Transition and cutover execution	58.0
IT software and hardware/office equipment	454.0
Total	<u>2395.0</u>