

# Alaska Legislature

## House Special Committee on Energy



**Rep. Charisse Millett**

State Capitol, Room 412  
Juneau, AK 99801  
Phone (907) 465-3879  
Fax (907) 465-2069

[Rep\\_Charisse\\_Millet@legis.state.ak.us](mailto:Rep_Charisse_Millet@legis.state.ak.us)

**Rep. Bryce Edgmon**

State Capitol Building, Room 416  
Juneau, AK 99801  
Phone (907) 465-4451  
Fax (907) 465-3445

[Rep\\_Bryce\\_Edgmon@legis.state.ak.us](mailto:Rep_Bryce_Edgmon@legis.state.ak.us)

Date: 1/25/10

Version: 26-LS1049\P

### Sponsor Statement – HB 306

#### “An act creating a state energy policy”

Creating a state energy policy is one of the first steps to meeting the state’s energy current and future needs. A comprehensive energy policy in statute will serve as a blueprint for future generations of Alaskans.

The House Special Committee on Energy Co-chairs Rep. Bryce Edgmon, D-Dillingham and Rep. Charisse Millett, R-Anchorage used a unique method to draft the bill - they didn’t write it.

Instead, they assembled a diverse group of Alaskans with decades of experience in energy policy to come together and write what they believed would make a good energy policy for Alaska.

Sixteen respected Alaskans participated in The House Energy Stakeholders Group:

Gwen Holdmann, Alaska Center for Energy & Power  
Robert Venables, Southeast Conference  
Scott Goldsmith, ISER  
Jason Brune, Resource Development Council  
John Davies, Alaska Cold Climate Housing Research Center  
Ralph Anderson, Bristol Bay Native Association  
Bill Popp, Anchorage Economic Development Council  
Bob Pawlowski, Denali Commission  
Denali Daniels, Denali Commission  
Caitlin Higgins, Alaska Conservation Alliance  
Stacy Schubert, Municipality of Anchorage  
Kathie Wasserman, Alaska Municipal League  
Marilyn Leland, Alaska Power Authority

Meera Kohler, Alaska Village Electric Cooperative  
Ron Miller, Energy Consultant  
Chris Rose, Renewable Energy Alaska Project

The result of their hard work is House Bill 306. The draft energy policy carries five core fundamental principles to guide the state moving forward:

- Promote energy efficiency and conservation
- Promote development of renewable and non-renewable energy resources
- Promote economic development through cost-effective, long-term sources of energy for communities statewide
- Support energy research, education, and workforce development
- Support coordination of governmental functions, which promotes streamlining of regulatory processes and overall coordination of efforts by all levels of government

If passed, Alaska will join many other states in having a statewide energy policy on the books.

###

**CS FOR HOUSE BILL NO. 306(RES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE RESOURCES COMMITTEE**

**Offered: 3/15/10**

**Referred: First Supplemental Calendar**

**Sponsor(s): HOUSE SPECIAL COMMITTEE ON ENERGY**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act declaring a state energy policy."**

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

3 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
4 to read:

5 LEGISLATIVE INTENT. It is the intent of the legislature that

6 (1) the state achieve a 15 percent increase in energy efficiency on a per capita  
7 basis between 2010 and 2020;

8 (2) the state receive 50 percent of its electric generation from renewable  
9 energy sources by 2025;

10 (3) the state work to ensure a reliable in-state gas supply for residents of the  
11 state;

12 (4) the power project fund (AS 42.45.010) serve as the main source of state  
13 assistance for energy projects;

14 (5) the state remain a leader in petroleum and natural gas production and  
15 become a leader in renewable alternative energy development.

1 \* **Sec. 2.** AS 44.99 is amended by adding a new section to read:

2           **Sec. 44.99.115. Declaration of state energy policy.** The State of Alaska  
3 recognizes that the state's economic prosperity is dependent on available, reliable, and  
4 affordable residential, commercial, and industrial energy to supply the state's electric,  
5 heating, and transportation needs. The state also recognizes that worldwide supply and  
6 demand for fossil fuels and concerns about global climate change will affect the price  
7 of fossil fuels consumed by Alaskans and exported from the state to other markets. In  
8 establishing a state energy policy, the state further recognizes the immense diversity of  
9 the state's geography, cultures, and resource availability. Therefore, it is the policy of  
10 the state to

11                   (1) institute a comprehensive and coordinated approach to supporting  
12 energy efficiency and conservation by

13                           (A) encouraging statewide energy efficiency codes for new and  
14 renovated residential, commercial, and public buildings;

15                           (B) decreasing public building energy consumption through  
16 conservation measures and energy-efficient technologies; and

17                           (C) initiating and supporting a program to educate state  
18 residents on the benefits of energy efficiency and conservation, including  
19 dissemination of information on state and federal programs that reward energy  
20 efficiency;

21                   (2) encourage economic development by

22                           (A) promoting the development of renewable energy resources,  
23 including geothermal, wind, solar, hydroelectric, hydrokinetic, tidal, and  
24 biomass energy, for use by Alaskans and for export of power that is surplus to  
25 the needs of Alaska communities;

26                           (B) promoting the development, transport, and efficient use of  
27 nonrenewable and alternative energy resources, including natural gas, coal, oil,  
28 gas hydrates, heavy oil, and nuclear energy, for use by Alaskans and for  
29 export;

30                           (C) working to identify and assist with development of the  
31 most cost-effective, long-term sources of energy for each community

- 1 statewide;
- 2 (D) creating and maintaining a state fiscal regime that  
3 encourages private sector development of the state's energy resources;
- 4 (E) promoting the efficiency of energy used for transportation;
- 5 (3) support energy research, education, and workforce development by  
6 investing in
- 7 (A) training and education programs that will help create jobs  
8 for Alaskans and that address energy conservation, efficiency, and availability,  
9 including programs that address workforce development and workforce  
10 transition; and
- 11 (B) applied energy research and development of emerging  
12 technologies, including university programs, to achieve reductions in state  
13 energy costs and stimulate industry investment in the state;
- 14 (4) coordinate governmental functions
- 15 (A) by reviewing and streamlining regulatory processes and  
16 balancing the economic costs of review with the level of regulation necessary  
17 to protect the public interest;
- 18 (B) using one office or agency, as may be specified by law, to  
19 serve as a clearinghouse in managing the state's energy-related functions to  
20 avoid fragmentation and duplication and to increase effectiveness;
- 21 (C) by actively collaborating with federal agencies to achieve  
22 the state's energy goals and to meet national emissions, renewable energy, and  
23 energy production targets.

# FISCAL NOTE

**STATE OF ALASKA**  
**2010 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSHB 306(ENE)  
 (H) Publish Date: 2/5/2010

HB306  
 Title An act declaring a state energy policy Dept. Affected: \_\_\_\_\_  
 RDU \_\_\_\_\_  
 Sponsor \_\_\_\_\_ (H) Energy \_\_\_\_\_ Component \_\_\_\_\_  
 Requester \_\_\_\_\_ Component Number \_\_\_\_\_

**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
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES ( )</b>								
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2010) cost: \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

**ANALYSIS:** *(Attach a separate page if necessary)*

Prepared by: Adam Berg Phone 465-4451  
 Division House Energy Committee Staff Date/Time \_\_\_\_\_  
 Approved by: \_\_\_\_\_ Date 2/2/2010

# Energy Policy for Alaska

Presented by:

Chris Rose, Renewable Energy Alaska Project  
Bill Popp, Anchorage Economic Development  
Corporation

The House Energy Committee

January 26, 2010

# The Stakeholder Advisory Panel

- ▶ Rep. Bryce Edgmon & Rep. Charisse Millett, House Energy Committee Co-Chairs
- ▶ Adam Berg, Jeff Turner & Larry Persily, Legislative Staff
- ▶ Gwen Holdmann, Alaska Center for Energy & Power
- ▶ Robert Venables, Southeast Conference
- ▶ Scott Goldsmith, ISER
- ▶ Jason Brune, RDC
- ▶ John Davies, Alaska Cold Climate Housing Research Center
- ▶ Ralph Andersen, Bristol Bay Native Association
- ▶ Bill Popp, AEDC
- ▶ Bob Pawlowski, Denali Commission
- ▶ Denali Daniels, Denali Commission
- ▶ Caitlin Higgins, Alaska Conservation Alliance
- ▶ Stacy Schubert, Municipality of Anchorage
- ▶ Marilyn Leland, Alaska Power Authority
- ▶ Meera Kohler, Alaska Village Electric Cooperative
- ▶ Ron Miller, Energy Consultant
- ▶ Chris Rose, REAP
- ▶ Kathy Wasserman, AML



# The Purpose

- ▶ To develop a statewide energy policy as the basis for a long-term vision to address Alaska's energy challenges and opportunities
- ▶ Through adopted policy, align state government in a unified set of strategic goals for the State of Alaska
- ▶ Lead to the development of a comprehensive energy plan to achieve the strategic goals of the State of Alaska

# The Key Steps

1. **Establish the Energy Policy**
2. **Develop Strategic Goals**
3. **Create the Plan to Achieve the Goals**
4. **Implement Programs and Projects**

# Principles Guiding the Process

- ▶ The future success of Alaska's statewide economy is tied to available, reliable, and affordable energy for:
  - Residential users
  - Commercial users
  - Industrial users
- ▶ Worldwide supply and demand for fossil fuels and concerns about global climate change will affect the price of fossil fuels in the future

# The Starting Point of the Policy

- ▶ Tri-Borough Commission Energy Policy
  - Matanuska-Susitna Borough Mayor Curt Menard
  - Municipality of Anchorage Mayor Mark Begich
  - Kenai Peninsula Borough Mayor John Williams
- ▶ Established a diverse 13 member task force to develop proposed energy policy in October, 2007
- ▶ Adopted Southcentral region energy policy proposal February 7, 2008
- ▶ **The House Energy Policy Stakeholders Advisory Panel agreed that many of the principles in this policy could be applied statewide**

# The Fundamentals of the Policy

- ▶ Promotes energy efficiency and conservation
- ▶ Promotes development of renewable and non-renewable energy resources
- ▶ Promotes economic development through cost-effective, long-term sources of energy for communities statewide
- ▶ Supports energy research, education, and workforce development
- ▶ Supports coordination of governmental functions and promotes streamlining of regulatory processes, avoiding duplication of effort, and overall coordination of effort by all levels of government

# The Key Steps Going Forward

1. **Establish the Energy Policy**
2. **Develop Strategic Goals**
3. **Adopt the Plans to Achieve the Goals**
4. **Implement Programs and Projects**

Thank You!

**Robert L. Beans**  
**PO Box 2645**  
**Palmer, Alaska 99645**  
**Home: (907) 746-2733**  
**Cell: (907) 355-5088**  
**Email: [rlbeans@gmail.com](mailto:rlbeans@gmail.com)**

March 11, 2010

Re: State Energy Policy

Honorable State Senators and Representatives,

I am a lifelong Alaskan, and I am in favor of the creation of a State Energy Policy. It is much needed and long overdue. Because of our unique geography and the fact that most of our utilities are not interconnected, Alaska does not fit comfortably into many federal energy programs. Consequently, it is imperative that our State-level energy structure be as efficient as possible. The creation of an office or agency to be a clearinghouse and to manage the state's diverse energy-related functions will not only be a cost saving measure that addresses any fragmentation and duplication of efforts; but it is a common-sense approach to facilitate the efficiencies needed for economic development and quality of life for Alaskans.

I do not speak for or on behalf of any organization, but I have seen how a well thought-out, synergetic stakeholder approach to issues reaps maximum benefits. One only needs to look at the current situation in regards to the Rural Sanitation issue and the creation of the Power Cost Equalization Endowment Fund addressed under the Knowles Administration. An identical approach to the energy-related issues will achieve the same affect for Alaskans no matter where they chose to live in our State. I express appreciation to each of you for your Leadership, personal commitment and Statesmanship on this issue.  
Quyana Cakenaq

Sincerely,

  
Robert L. Beans



# HOUSE COMMITTEE REPO

(9)  
Date Referred to Committee: February 5, 2010

FURTHER REFERRALS:

Date of Committee Action: 3/12/10

The RESOURCES Committee considered: HB 306

HOUSE BILL NO. 306

"An Act declaring a state energy policy."

HB 306-STATE ENERGY POLICY

Recommends it be replaced with  HCS or  CS for HB 306 (RES)  
For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev for Depts.:  
ADM  
CED  
COR  
CRT  
EED  
DEC  
DFG  
GOV  
DHS  
LWF  
LAW  
LEG  
MVA  
DNR  
DPS  
REV  
DOT  
UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
H. ENE	1			✓
CMTE				

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	OLSON			X	
	GATTENBERGER	X			
	Edgum	X			
	Tuck	X			
	KAWASAKI	X			
	SEATON	X			
	WILSON	X			
Chair:	Johnson	X			
Chair:	NEWMAN	X			

2-5-10

(7)

Date Referred to Committee: January 19, 2010

FURTHER REFERRALS: Resources

Date of Committee Action: FEB 2 2010

The HOUSE SPECIAL COMMITTEE ON ENERGY considered:

HB 306

HOUSE BILL NO. 306

"An Act declaring a state energy policy."

HB 306 STATE ENERGY POLICY

Recommends it be replaced with  HCS or  CS for HB 306 (ENE)  
 For Senate Bills with new title:  Technical Title  New Title: HCR  Same Title  New Title

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- List of Abbrev for Depts.:
- ADM
  - CED
  - COR
  - CRT
  - EED
  - DEC
  - DFG
  - GOV
  - DHS
  - LWF
  - LAW
  - LEG
  - MVA
  - DNR
  - DPS
  - REV
  - DOT
  - UA

NEW FISCAL NOTES				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
H. ENE CMTE	1			X

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations		Printed Last Name	DP	DNP	NR	AM
		KAHANAS	(7)			
		Petersen	X			
		Millett	X			
		Iuck	X			
		Johansen	X			
CO Chair:		Edgmon	X			
→ CO Chair:		Millett				

# Alaska Legislature

## House Special Committee on Energy



**Rep. Charisse Millett**

Anchorage LIO, Room 630

Anchorage, AK 99501

Phone (907) 269-0222

Fax (907) 269-0223

[Rep\\_Charisse\\_Millett@legis.state.ak.us](mailto:Rep_Charisse_Millett@legis.state.ak.us)

**Rep. Bryce Edgmon**

State Capitol Building, Room 416

Juneau, AK 99801

Phone (907) 465-4451

Fax (907) 465-3445

[Rep\\_Bryce\\_Edgmon@legis.state.ak.us](mailto:Rep_Bryce_Edgmon@legis.state.ak.us)

### **Summary of Changes - CS for House Bill 306 (ENE)**

- 1) Page 1, Line 14 – following “projects” inserted “the state remain a leader in petroleum and natural gas production and become leader in renewable energy development;”
- 2) Page 2, Line 24 - following “export” inserted: “of power that is surplus to the needs of Alaska communities”
- 3) Page 3, Line 5 - following “programs”: inserted “that will help create jobs for Alaskans and”

### **Summary of Changes - CS for House Bill 306 (RES)**

- 1) Page 1, Line 15: after “in” added “and alternative”
- 2) Page 2, Line 13: Removed “establish” and replaced it with “encourage.”
- 3) Page 2, Line 27: after “nonrenewable” inserted “and alternative”
- 4) Page 3, Line 4: Inserted “(E) promoting energy efficiency utilized for transportation.”