

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4 ****CORRECTED****
Bill Version: HB 411
(H) Publish Date: 3/8/10

Identifier (file name): HB411-CED-AEA-3-2-10
Title: Power Project Fund Loan Portfolio Sale
Dept. Affected: DCCED
RDU: 453
Component: Statewide Project Development
Sponsor: Rules by Request of the Governor
Requester: House Energy Committee
Component Number: 2888

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()	**						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	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 authorizes the Alaska Energy Authority (AEA) to charge and collect fees relating to the power project fund (PPF.) Currently, AEA only collects funds from applicants relating to the direct cost of analyzing the feasibility of a project. All fees would be deposited into the general fund; however, AEA will request an annual appropriation to have collected fees be deposited into the PPF. A similar annual appropriation is requested for fees collected from bulk fuel loans. ** Estimated fees are indeterminate until regulations are adopted; however, as a reference, AEA charges a \$25 application fee and a .5% origination fee for loans from the Bulk Fuel Revolving Loan Fund.

In addition to authorizing the collection of fees, this bill allows AEA to sell and the Alaska Industrial Development (continued on page 2)

Prepared by: Sara Fisher-Goad, Deputy Director-Operations
Division: Alaska Energy Authority
Approved by: Emil Notti, Commissioner
Department of Commerce, Community and Economic Development
Phone 907-771-3012
Date/Time 2/17/10 12:00 AM
Date 3/2/2010

**STATE OF ALASKA
2010 LEGISLATIVE SESSION**

BILL NO. HB 411

ANALYSIS CONTINUATION

and Export Authority to make a one-time purchase of substantially all loans from the PPF loan portfolio. AEA and AIDEA have developed a memorandum of understanding outlining the terms of the sale. AIDEA will purchase outstanding loans at a discount rate equivalent to 6.02%, its return on investments for the 3-year period ended September 30, 2009. To maximize the price paid, AEA agrees to repurchase from AIDEA loans which later default. Estimated sale proceeds are approximately \$20.6 million. The closing date of the sale is anticipated to be in July 2010.

No additional operating costs are anticipated with this legislation.