



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Administration

BECKY HULTBERG, COMMISSIONER

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February 6, 2013

The Honorable Alan Austerman, Co-Chair
House Finance Standing Committee
Alaska State Capitol, Room 505
Juneau, AK 99801

The Honorable Bill Stoltze, Co-Chair
House Finance Standing Committee
Alaska State Capitol, Room 515
Juneau, AK 99801

Dear Representatives Austerman and Stoltze:

Thank you for the opportunity to meet on January 29, 2013 to present an overview of the Department of Administration's budget. The following is a question raised during the meeting and the response to that question:

Q1: As we see oil prices continue to rise, especially in the Fairbanks area, have you considered going to something like pellets in some of the buildings where we know the savings could be up to 30%? (Rep. Wilson)

A1: The Department of Administration (DOA) has commissioned a study of wood heat conversion for certain buildings it manages in Southeast Alaska. DOA is still reviewing the analysis, but can share that it included mention of the Fairbanks area. The Analysis indicated that Fairbanks is a designated nonattainment area for ultrafine particulates, and pellets result in the release of five to ten times more ultrafine particulates than fuel oil, therefore pellets are not an option.

The only building managed by DOA in Fairbanks is the Fairbanks Regional Office Building which is heated by the City of Fairbanks steam system and there is no maintenance associated with heat production equipment or fuel supply for that facility.

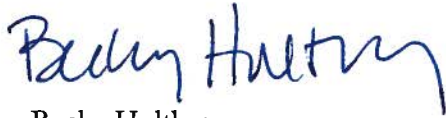
The Honorable Alan Austerman and Bill Stoltze

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I hope that all questions have been answered to your satisfaction. Please feel free to contact me if there are any additional items needing clarification.

Sincerely,

A handwritten signature in blue ink that reads "Becky Hultberg". The signature is fluid and cursive, with the first name "Becky" and last name "Hultberg" clearly distinguishable.

Becky Hultberg

Commissioner

cc: House Finance Standing Committee members