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Sent: Friday, March 19, 2021 3:46 PM
To: Betty Tangeman <Betty.Tangeman@akleg.gov>
Subject: SRES SB62 Follow-up

Hi Betty,

Can you please disperse this to the committee? Below are follow-up questions on how far cosmo wells reach and additional information on the Renewable Energy Grant Fund. We've also provided a map for a visual of the cosmo well and its potential reach. Let me know if you need additional information.

Distance Cosmopolitan wells reach from onshore

Many of the wells are about four miles from the onshore drill pad (see the attached map). BlueCrest can effectively reach their entire unit area from their onshore pad. Similar development drilling in Seaview would certainly be capable of reaching the offshore area proposed for leasing from the onshore Seaview acreage, or other leased lands in the area.

Development drilling versus pipelines and platforms

Several times during the presentation, pipelines or platforms were mentioned. We wish to clarify pipelines or platforms would not be allowed under current law or this proposed legislation. We are only talking about drilling wells from onshore through the subsurface strata to reach potential hydrocarbon accumulations below the surface, which would have no surface impact on the subject area. Pipelines and platforms have a surface impact while drilling wells do not have a surface impact beyond the wellhead or pad.

Renewable Energy Grant Fund and Recommendation Program

How we envision the renewable energy grant funds to be collected and distributed

The legislature is the sole authority for appropriating funds.

Currently, the statute requires revenue from new leases to be deposited in the Permanent Fund (50%) and the public education fund (0.5%), and the remainder is deposited into the general fund. Some portion of that remaining 45.5% would be available for appropriation to the Renewable Energy Grant Fund. We envisioned the appropriation to be something like public education funding (0.5%).

We also wish to clarify that the renewable energy grant fund is not a dedicated fund ([AS 42.45.045\(c\)](#)).

What the renewable energy grant fund is used for

The Alaska Energy Authority, a public corporation organized under, but separate from, the Department of Commerce, Community, and Economic Development (DCCED) ([AS 44.83.020](#)), administers the fund. They published a fact sheet last month that lists 11 projects it proposes to fund this year, pending approval by the legislature. These include wind, hydro, and solar power

generation projects, as well as heat recovery, and woodchip heating projects. It also includes a list of Renewable Energy Fund Advisory Committee members, part of which is four legislators, including Senator von Imhof of your committee.

When deciding which projects to fund, the authority gives weight to projects that serve areas where the average cost of energy is above the state average ([AS 42.45.045\(d\)\(1\)](#)).

Eligible applicants are electric utilities, independent power producers, local governments, or other governmental utilities, including tribal councils and housing authorities ([AS 42.45.045\(l\)\(1\)](#)).

Thank you-

Laura O. Boomershine

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