

# Fiscal Note

State of Alaska  
2021 Legislative Session

|                     |           |
|---------------------|-----------|
| Bill Version:       | SB 104    |
| Fiscal Note Number: | 1         |
| (S) Publish Date:   | 3/10/2021 |

Identifier: 0618-DNR-DGGS-3-5-2021  
 Title: GEOTHERMAL RESOURCES  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Natural Resources  
 Appropriation: Fire Suppression, Land & Water Resources  
 Allocation: Geological & Geophysical Surveys  
 OMB Component Number: 1031

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

|                               | FY2022<br>Appropriation<br>Requested | Included in<br>Governor's<br>FY2022<br>Request | Out-Year Cost Estimates |                |                |                |                |
|-------------------------------|--------------------------------------|--|-------------------------|----------------|----------------|----------------|----------------|
|                               |                                      |  | FY 2022                 | FY 2023        | FY 2024        | FY 2025        | FY 2026        |
| <b>OPERATING EXPENDITURES</b> | <b>FY 2022</b>                       | <b>FY 2022</b>                                 | <b>FY 2023</b>          | <b>FY 2024</b> | <b>FY 2025</b> | <b>FY 2026</b> | <b>FY 2027</b> |
| Personal Services             | 139.3                                |  | 139.3                   | 139.3          | 139.3          | 139.3          | 139.3          |
| Travel                        | 8.0                                  |  | 8.0                     | 8.0            | 8.0            | 8.0            | 8.0            |
| Services                      | 25.0                                 |  | 25.0                    | 25.0           | 25.0           | 25.0           | 25.0           |
| Commodities                   | 25.0                                 |  | 25.0                    | 25.0           | 25.0           | 25.0           | 25.0           |
| Capital Outlay                |                                      |  |                         |                |                |                |                |
| Grants & Benefits             |                                      |  |                         |                |                |                |                |
| Miscellaneous                 |                                      |  |                         |                |                |                |                |
| <b>Total Operating</b>        | <b>197.3</b>                         | <b>0.0</b>                                     | <b>197.3</b>            | <b>197.3</b>   | <b>197.3</b>   | <b>197.3</b>   | <b>197.3</b>   |

**Fund Source (Operating Only)**

|                     |              |            |              |              |              |              |              |
|---------------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|
| 1004 Gen Fund (UGF) | 197.3        |            | 197.3        | 197.3        | 197.3        | 197.3        | 197.3        |
| <b>Total</b>        | <b>197.3</b> | <b>0.0</b> | <b>197.3</b> | <b>197.3</b> | <b>197.3</b> | <b>197.3</b> | <b>197.3</b> |

**Positions**

|           |     |  |     |     |     |     |     |
|-----------|-----|--|-----|-----|-----|-----|-----|
| Full-time | 1.0 |  | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Part-time |     |  |     |     |     |     |     |
| Temporary |     |  |     |     |     |     |     |

**Change in Revenues**

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <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> |

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2022) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version/comments:**

Not applicable, initial version.

|              |  |                           |
|--------------|--|---------------------------|
| Prepared By: | Steve Masterman, Chief Geologist                   | Phone: (907)451-5007      |
| Division:    | Geological and Geophysical Surveys                 | Date: 03/05/2021 01:30 PM |
| Approved By: | Cheri Lowenstein, Administrative Services Director | Date: 03/05/21            |
| Agency:      | Office of Management and Budget                    |                           |

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2021 LEGISLATIVE SESSION**Analysis**

This legislation would enhance the state's ability to support exploration for and development of state geothermal resources by creating a geothermal exploration leasing program that is better aligned with the state's existing oil and gas exploration license program.

The Division of Geological & Geophysical Survey's (DGGG) Energy Resources Section would resume a program to publish new and existing geologic data to advance the understanding of Alaska's geothermal energy resources. That would require a new full-time Geologist IV that will be responsible for collaborating with other DGGG sections, other Department of Natural Resource divisions, and federal agencies. In addition, they would publish maps, data and reports to attract investment in Alaska's geothermal resources. This position will also support the Division of Oil and Gas' geothermal program and increased geothermal exploration activity.

The Geologist IV position would be based in Fairbanks and will require funding in the amount of \$139.3 in Personal Services, \$8.0 in Travel, \$25.0 in Services, and \$25.0 in Commodities, for a total unrestricted general fund cost of \$197.3.

# Fiscal Note

State of Alaska  
2021 Legislative Session

|                     |           |
|---------------------|-----------|
| Bill Version:       | SB 104    |
| Fiscal Note Number: | 2         |
| (S) Publish Date:   | 3/10/2021 |

Identifier: 0618-DNR-DOG-3-5-2021  
 Title: GEOTHERMAL RESOURCES  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Natural Resources  
 Appropriation: Oil & Gas  
 Allocation: Oil & Gas  
 OMB Component Number: 439

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

|                               | FY2022                  | Included in               | Out-Year Cost Estimates |            |            |            |            |
|-------------------------------|-------------------------|---------------------------|-------------------------|------------|------------|------------|------------|
|                               | Appropriation Requested | Governor's FY2022 Request | FY 2023                 | FY 2024    | FY 2025    | FY 2026    | FY 2027    |
| <b>OPERATING EXPENDITURES</b> | <b>FY 2022</b>          | <b>FY 2022</b>            |                         |            |            |            |            |
| Personal Services             |                         |                           |                         |            |            |            |            |
| Travel                        |                         |                           |                         |            |            |            |            |
| Services                      |                         |                           |                         |            |            |            |            |
| Commodities                   |                         |                           |                         |            |            |            |            |
| Capital Outlay                |                         |                           |                         |            |            |            |            |
| Grants & Benefits             |                         |                           |                         |            |            |            |            |
| 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> |

**Fund Source (Operating Only)**

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <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> |

**Positions**

|           |  |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |  |

**Change in Revenues**

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <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> |

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2022) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 06/01/22

**Why this fiscal note differs from previous version/comments:**

Not applicable, initial version.

Prepared By: Tom Stokes, Director  
 Division: Division of Oil and Gas  
 Approved By: Cheri Lowenstein, Administrative Services Director  
 Agency: Office of Mangement and Budget

Phone: (907)269-7493  
 Date: 03/05/2021 01:30 PM  
 Date: 03/05/21

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2021 LEGISLATIVE SESSION**Analysis**

This bill removes obstacles for exploration and development of Alaska's geothermal resources. It increases the time available for exploration from two to five years to better account for the time needed to complete an exploration program.

This bill renames the current permit system to a license system like that for oil and gas exploration. The proposed five-year exploration license term in this bill allows explorers more time to conduct background research, acquire surface use permits, and perform the field work necessary to locate a resource and produce the data necessary to convert a license to a lease.

This bill nearly doubles the acreage limit for geothermal projects from 51,200 acres to 100,000 acres. The Division of Oil and Gas (DOG) already oversees exploration licensing and has the staff resources to accommodate the slight incremental increase in work required for geothermal exploration with current funding; therefore, the division submits a zero fiscal note.