

FISCAL NOTE

STATE OF ALASKA
2021 LEGISLATIVE SESSION

Bill Version LL 0074-2
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) LL0074-2-FUNDCAP-AEIF-04-08-21 Dept. Affected Fund Capitalization
Title Alaska Energy Independence Fund Appropriation No Further Appropriation Required
Allocation Alaska Energy Independence Fund
Sponsor Rules by Request of the Governor
Requester Governor OMB Component Number _____

Expenditures/Revenues (Thousands of Dollars)

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

	FY2022 Appropriation Requested	Included in Governor's FY202 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY2022	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous	10,000.0						
TOTAL OPERATING	10,000.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)						
1002 Fed Rcpts (Fed)							
1003 GF/Match (UGF)							
1004 Gen Fund (UGF)	10,000.0						
1005 GF/Prgm (DGF)							
1007 I/A Rcpts (Other)							
1037 GF/MH (UGF)							
	10,000.0	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	FY2022	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
1004 Gen Fund (UGF)							
1252 DGF Temp (DGF)							
TOTAL CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) operating costs 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) costs 0.0 (separate capital appropriation required)

Does the bill create or modify a fund or account? Yes
(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If yes, by what date are the regulations to be adopted, amended, or repealed? 1/1/2022 Discuss details in analysis section.

Why this fiscal note differs from previous version/comments (if initial version, please note as such)

Not applicable, initial version.

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Agency Office of Management and Budget

Phone (907) 771-3050
Date/Time 4/7/21 5:00 PM
Date 4/8/2021

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

BILL NO. LL 0074-2

Analysis

This legislation would create and establish parameters for the Alaska Energy Independence Fund (Fund) and the Alaska Energy Independence Program (Program) within the Alaska Industrial Development and Export Authority (AIDEA). It provides AIDEA with the ability to arrange financing to suit Alaska's unique energy finance needs, particularly with regard to addressing urban and rural energy requirements. It is estimated that establishing the Fund would create new jobs and businesses, lower commercial and household energy costs for redeployment in Alaska's economy, and improve Alaska's energy independence.

Estimated Fund Capitalization: \$10 million

The appropriation represents the minimum level of capitalization required to optimally fulfill the mission and growth of the Fund. The amount required for the fund capitalization is based on the initial capitalization received by the State of New York and the State of Connecticut, as well as Montgomery County, Maryland in the establishment of similar programs. The fund capitalization analysis factored in the percentage of the initial capitalization against each respective state's annual Gross Domestic Product and the state/county population per initial capitalization.

Additional factors that determined the capitalization estimate were sourced from the Coalition of Green Capital (CGC) May 2020 Green Bank Opportunity Report, Municipality of Anchorage, which highlighted addressable market segments for the program. In that report, CGC estimated that an initial capitalization of \$5 million could finance 25 C-PACE projects in Anchorage alone, ultimately resulting in over \$700 thousand in energy savings and the creation of 70 jobs. All municipalities within the State of Alaska will have access to the benefits of the Fund and its programs.

Once combined, the analysis suggested an initial capitalization for the fund to be between \$7 million and \$10 million. The higher capitalization figure is requested due to Alaska's energy consumption per capita representing a 100% to 150% premium to the comparable states and municipalities used in this analysis.