

# Fiscal Note

State of Alaska  
2023 Legislative Session

Bill Version: HB 121  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB121-DCCED-AEA-04-25-23  
Title: UTILITIES: RENEWABLE PORTFOLIO  
STANDARD  
Sponsor: SUMNER  
Requester: (H) Special Committee on Energy

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Alaska Energy Authority  
Allocation: Statewide Project Development, Alternative  
Energy and Efficiency  
OMB Component Number: 2888

**Expenditures/Revenues**

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

	FY2024	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2024 Request	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>OPERATING EXPENDITURES</b>	<b>FY 2024</b>	<b>FY 2024</b>					
Personal Services							
Travel	25.0		25.0	25.0	25.0	25.0	25.0
Services	637.1		637.1	637.1	637.1	637.1	637.1
Commodities	20.0						
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>682.1</b>	<b>0.0</b>	<b>662.1</b>	<b>662.1</b>	<b>662.1</b>	<b>662.1</b>	<b>662.1</b>

**Fund Source (Operating Only)**

1004 Gen Fund (UGF)	682.1		662.1	662.1	662.1	662.1	662.1
<b>Total</b>	<b>682.1</b>	<b>0.0</b>	<b>662.1</b>	<b>662.1</b>	<b>662.1</b>	<b>662.1</b>	<b>662.1</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 (FY2023) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2024) 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If yes, by what date are the regulations to be adopted, amended or repealed? N/A

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

Not applicable, initial version.

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Division: <u>Alaska Energy Authority</u>	Date: 04/24/2023 12:00 PM
Approved By: <u>Hannah Lager, Administrative Services Director</u>	Date: 04/25/23
Agency: <u>Department of Commerce, Community, and Economic Development</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2023 LEGISLATIVE SESSION

BILL NO. HB 121

Analysis

House Bill 121 requests that the Alaska Energy Authority (AEA), submit a report to the senate secretary and chief clerk of the House of Representatives and notify the legislature that the report is available the first day of the first regular session of each legislature. The report must identify the authority's progress in developing renewable energy resources in rural regions of the state, evaluate renewable energy resource development in rural regions, identify infrastructure necessary for rural renewable energy projects, and evaluate the feasibility of cost of rural renewable energy projects.

The bill sets forth an effective date of July 1, 2023.

**Cost Assumptions:**

In order to generate this report, track and evaluate renewable energy resource development in rural regions, identify infrastructure necessary for rural renewable energy projects, and evaluate the feasibility of cost of rural renewable energy projects, AEA will require 2 new positions, a Program Manager and a Data Analyst. AEA will contract for specialized services for technical support, economic analyst, and legal services. Travel will be required to the various rural areas for evaluations, infrastructure assessments, and data collection.

Alaska Industrial Development and Export Authority (AIDEA) provides all staff support for AEA programs and is reimbursed via a reimbursable services agreement from AEA. The creation of the two positions and associated personal services costs are reflected in AIDEA's HB 121 fiscal note.

Contractual costs for AEA include authorization to pay for the positions that will be housed in AIDEA.

**Travel:** Staff travel will be required to the various rural areas for evaluations, infrastructure assessments, and data collection. **\$25.0 annually**

**Contractual Services:**

Personal services reimbursement for Program Manager (range 25)	\$170.1 annually
Personal services reimbursement for Analyst Programmer (range 22)	\$147.0 annually
State-wide core service (\$25.0 per position per year)	\$ 50.0 annually
Contractual Services - annual report	\$250.0 annually
Legal Services	\$ 10.0 annually
Subscriptions to third-party research portals and databases	<u>\$ 10.0</u> annually
<b>Subtotal Other Contractual</b>	<b>\$637.1 annually starting in FY24</b>

**Commodities:**

One-time \$10.0 per PCN start-up costs (\$10.0 per position): **\$20.0 FY24 only**