

**ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS
STANDING COMMITTEE**

February 20, 2001
8:08 a.m.

MEMBERS PRESENT

Representative Kevin Meyer, Co-Chair
Representative Carl Morgan, Co-Chair
Representative Andrew Halcro
Representative Drew Scalzi
Representative Gretchen Guess

MEMBERS ABSENT

Representative Lisa Murkowski
Representative Beth Kerttula

COMMITTEE CALENDAR

HOUSE CONCURRENT RESOLUTION NO. 1
Relating to establishing a Task Force on a Statewide
Comprehensive Energy Plan.

- MOVED CSHCR 1(CRA) OUT OF COMMITTEE

PREVIOUS ACTION

BILL: HCR 1

SHORT TITLE: STATEWIDE COMP ENERGY PLAN TASK FORCE
SPONSOR(S): REPRESENTATIVE(S) BERKOWITZ

Jrn-Date	Jrn-Page		Action
01/12/01	0066	(H)	READ THE FIRST TIME - REFERRALS
01/12/01	0066	(H)	CRA, L&C
01/12/01	0066	(H)	REFERRED TO COMMUNITY & REGIONAL AFFAIR
01/17/01	0117	(H)	COSPONSOR(S): KAPSNER
01/19/01	0134	(H)	COSPONSOR(S): LANCASTER
02/19/01	0375	(H)	COSPONSOR(S): HALCRO
02/20/01		(H)	CRA AT 8:00 AM CAPITOL 124

WITNESS REGISTER

REPRESENTATIVE ETHAN BERKOWITZ

Alaska State Legislature
Capitol Building, Room 404
Juneau, Alaska 99801

POSITION STATEMENT: Testified as the sponsor of HCR 1.

ACTION NARRATIVE

TAPE 01-9, SIDE A
Number 0001

CO-CHAIR KEVIN MEYER called the House Community and Regional Affairs Standing Committee meeting to order at 8:08 a.m. Representatives Morgan, Meyer, Halcro, Scalzi, and Guess were present at the call to order.

HCR 1 - STATEWIDE COMP ENERGY PLAN TASK FORCE

Number 0062

CO-CHAIR MEYER announced that the committee would hear HOUSE CONCURRENT RESOLUTION NO. 1, Relating to establishing a Task Force on a Statewide Comprehensive Energy Plan.

REPRESENTATIVE ETHAN BERKOWITZ, Alaska State Legislature, testified as the sponsor of HCR 1. Representative Berkowitz remarked that HCR 1 deals with a pressing issue that the state has yet to deal with. This proposal speaks to the issue of energy for Alaska. Representative Berkowitz noted the national discussion regarding the need for a national energy plan. Although most states have an energy plan, Alaska does not have a comprehensive energy plan. Representative Berkowitz explained that HCR 1 attempts to accelerate and consolidate existing proposals and perhaps present a unified package to the congressional delegation in order to obtain resources to implement parts of a plan. Representative Berkowitz informed the committee that the Alaska Industrial Development and Export Authority (AIDEA) and the Denali Commission are currently working on a rural plan, which may, over the next few years, include other parts of the state. However, there is still no overall strategy from the state and thus Representative Berkowitz felt that it is incumbent upon the legislature to create such.

Number 0274

REPRESENTATIVE BERKOWITZ expressed the need to determine the needs of the state not only in terms of money but also in terms

of energy. This is critical to the economic development and quality of life that is desired [in Alaska]. He noted that there are many interesting efforts in the area of energy, such as the windmill project in Kotzebue and the fuel cell [project] in Anchorage. Fuel cells are interesting because they can use natural gas and thus increase the demand for natural gas.

REPRESENTATIVE BERKOWITZ remarked that he is not normally a fan of resolutions or task forces. However, the objective of [HCR 1] is to have a cohesive plan for the future and have access to the resources to implement that plan.

Number 0393

CO-CHAIR MEYER noted that HCR 1 does not have a fiscal note.

REPRESENTATIVE BERKOWITZ said there should be no cost for the task force. He pointed out that HCR 1 specifies that there will be no per diem [for the members]. In further response to Co-Chair Meyer, Representative Berkowitz indicated that the meetings would occur in Anchorage and people would pay for their own travel. Representative Berkowitz reiterated his desire to accelerate some of the ongoing processes. He noted that the task force does not include [a representative from] AIDEA or the Denali Commission. However, he indicated that perhaps those groups should be included.

CO-CHAIR MEYER asked if Representative Berkowitz had spoken with Robert Poe, Executive Director, AIDEA, Department of Community & Economic Development.

REPRESENTATIVE BERKOWITZ answered that he has spoken with Mr. Poe and others on the list and all are very supportive of this. However, he explained that what he and those on the list didn't want is to develop a competing project. Rather, he wants to help any ongoing [projects]. The presence of the legislature and [this] process can help. Representative Berkowitz noted that the Alaska Municipal League (AML) is supportive of the plan as "it appears that the task force could be of benefit in steering the process and ensuring that there's broad public participation."

CO-CHAIR MEYER expressed concern with the [lack of a fiscal note] because he believes that any committee of this magnitude and diversity will have some expenses. Therefore, he indicated that there may be the need to add something to the fiscal note, even if it is merely for administrative support.

CO-CHAIR MEYER then turned to the committee packet, which includes Iowa's energy plan. He asked if Representative Berkowitz intended on using that plan [as a model] for Alaska.

REPRESENTATIVE BERKOWITZ answered that he didn't have anything in particular in mind. He informed the committee that he has energy plans from many other states. Although the plans have similarities, there are differences in regard to each state's individual needs. He expected that Alaska would have unique needs.

Number 0650

REPRESENTATIVE SCALZI related his understanding that the task force would implement its own plan based on the evidence.

REPRESENTATIVE BERKOWITZ replied yes and added that [the task force would act] on the research that is already available. He reiterated his desire to bring together those [working on] a project or plan in order to review [this matter] comprehensively.

REPRESENTATIVE SCALZI, again, related his understanding that the task force would have the latitude to come up with a plan.

REPRESENTATIVE BERKOWITZ replied yes.

Numbe 0762

REPRESENTATIVE HALCRO referred to page 2, lines 21-22, which specifies that the task force will not be responsible for any travel expenses or per diem. Representative Halcro expressed the need for the task force to also be responsible for finding funding mechanisms to pay for [the plan]. In regard to the membership of the task force, Representative Halcro inquired as to the reasoning behind the Alaska Trucking Association member.

REPRESENTATIVE BERKOWITZ specified that the Alaska Trucking Association member is viewed as a [representative] of a consumer group of energy. He remarked that he is not "married" to anyone on the membership list of the task force. In regard to Representative Halcro's suggestion that the task force also be responsible for finding funding mechanisms to pay for the plan, Representative Berkowitz said he viewed the suggestion as friendly.

Number 0904

REPRESENTATIVE GUESS inquired as to who would chair the task force.

REPRESENTATIVE BERKOWITZ explained that normally such a task force would be chaired by the legislators and their staff would [provide support for the task force]. However, Representative Berkowitz expressed the need to remain flexible so that the task force can make such determinations.

REPRESENTATIVE GUESS indicated agreement that AIDEA and the Denali Commission should be included in the task force membership. She also expressed the need to include the general business community as a member of the task force.

REPRESENTATIVE BERKOWITZ remarked that the task force, [if more and more members were added] could become unwieldy.

Number 0992

CO-CHAIR MORGAN related his view that the focus of this task force will be geared toward rural Alaska, where energy costs are high. He asked if that assessment would be correct.

REPRESENTATIVE BERKOWITZ answered that there will be a large focus on rural Alaska. He pointed out that the committee packet includes the draft assessment for rural Alaska developed by AIDEA and the Denali Commission. However, Representative Berkowitz expressed the need to move from the point at which things are broken down between rural and urban. For instance, whatever route is taken, the gas pipeline will help with the energy needs of both rural and urban Alaska. Therefore, determining optimal mechanisms for that should be done before construction begins. Furthermore, the state needs to be actively involved in the process. Representative Berkowitz said, "You need to know what you want before you can get it and this is going to help us assess what we want as a state." Although Representative Berkowitz appreciated the concern for rural Alaska, he indicated the need to use the task force as a way to bring the state together to establish links between urban and rural Alaska.

Number 1120

REPRESENTATIVE SCALZI turned to the bibliograph of statewide energy studies supplied by Legislative Research Services and

highlighted the following titles: "Alaska Energy Strategy" and "Alaska Rural Energy Initiative." He asked if Representative Berkowitz had reviewed any of the documents listed because he wondered if any of the listed documents speak to what is desired [with the inception of the task force].

REPRESENTATIVE BERKOWITZ specified that no one has done what is being sought with the task force. Even if someone has looked at what he is hoping the task force will review, it is time to update that information.

CO-CHAIR MEYER noted that the task force is to have its recommendations completed by January 19, 2002. He asked if that [timeframe would allow the task force to] influence the gas pipeline.

REPRESENTATIVE BERKOWITZ said, "I don't know. I hope it is."

CO-CHAIR MEYER wondered if that [timeframe] would be too late.

REPRESENTATIVE BERKOWITZ acknowledged that U.S. Senator Murkowski has been actively discussing a national energy plan. Furthermore, U.S. Congressman Young, Chair of the Transportation Department, and U.S. Senator Stevens, Member of the Appropriations [Committee], [hold positions that could possibly help with this issue]. Therefore, Representative Berkowitz remarked, "Something can happen on account of this." Thus, it is critical for the [state] to have a plan. The second step, implementation of a plan, cannot occur if what "we" want to do is unknown.

Number 1309

REPRESENTATIVE HALCRO moved that the committee adopt the following amendment:

Page 1, line 15:

Insert new paragraph (3) to read as follows:
"(3) to recommend financing options including federal, state or municipal grants, bonds or other means; and"

Re-number the remaining paragraph.

There being no objection, the amendment was adopted.

Number 1410

REPRESENTATIVE HALCRO moved to report HCR 1 as amended out of committee with individual recommendations and the accompanying zero fiscal note.

REPRESENTATIVE GUESS announced that she wanted to offer another amendment.

REPRESENTATIVE HALCRO withdrew his motion.

REPRESENTATIVE GUESS inquired as to the committee's opinion of having a member from AIDEA and the Denali Commission, since those are groups that are doing some of these energy projects.

REPRESENTATIVE HALCRO related the notion of having the two presiding officers appoint one member each, rather than two, and then two members could be added, one representing AIDEA and one representing the Denali Commission.

REPRESENTATIVE GUESS expressed interest in the sponsor's thoughts in regard to including representatives from AIDEA and the Denali Commission. She expressed concern with decreasing the presiding officers' appointments to one each because of the resulting lack of minority representation.

Number 1512

CO-CHAIR MORGAN said he wondered if a subcommittee should be appointed in order to deal with the composition and cost of the task force.

REPRESENTATIVE BERKOWITZ answered that he would like to have the process move along. In regard to having two additional members on the task force, Representative Berkowitz said he believes it would be a "good thing." He acknowledged that the committee may want to strike one or two members, if the committee feels the task force is getting too large.

CO-CHAIR MEYER reiterated Representative Halcro's suggestion, which would not increase the membership of the task force.

REPRESENTATIVE HALCRO reiterated Representative Guess' point that limiting the presiding officers' appointments to one each would result in the elimination of a representative from the Minority Caucus. Representative Halcro expressed his belief that it would be more important to have a representative from

the Denali Commission versus the Alaska Trucking Association. He also indicated the possibility of eliminating the representative from AML because there would, certainly, be regional and community involvement.

CO-CHAIR MEYER stated that once the committee becomes involved in eliminating members, this could get messy and thus he would recommend creating a subcommittee. Perhaps, expanding the task force to 15 members would be the easiest way in which to deal with this. He inquired as to the sponsor's opinion.

REPRESENTATIVE BERKOWITZ noted his agreement with adding a representative from AIDEA and the Denali Commission.

Number 1707

REPRESENTATIVE GUESS moved that the committee adopt the following amendment:

Page 2, line 20, insert a new number:

"(12) one member appointed by the executive director of the Denali Commission;
(13) one member appointed by the executive director of AIDEA"

There being no objection, the amendment was adopted.

Number 1749

REPRESENTATIVE HALCRO moved to report HCR 1 as amended out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, CSHCR 1(CRA) was reported from the House Community and Regional Affairs Standing Committee.

ADJOURNMENT

The House Community and Regional Affairs Standing Committee meeting took an at-ease at 8:35 a.m. in order to prepare for the presentation from the Alaska Native Health Board, which can be found under the minutes of the same date but with the time of 8:36 a.m.