

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

January 24, 2002
8:10 a.m.

COMMITTEE CALENDAR

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY (AIDEA)
INCLUDING THE ALASKA ENERGY AUTHORITY (AEA).

TAPES

02-1, SIDES A & B
02-2, SIDES A

CALL TO ORDER

Representative Kevin Meyer, Co-chair, called the House Community and Regional Affairs Standing Committee to order at 8:10 a.m.

PRESENT

Committee members present were Representatives Meyer, Halcro, Murkowski, Guess, and Kerttula.

SUMMARY OF INFORMATION

ROBERT POE, Executive Director, AIDEA and AEA, stated the Board of Directors had recently announced a \$19 million dividend bringing the total dividends paid since 1996 to \$128 million. The assets of AIDEA total about \$1.2 billion. Mr. Poe gave a brief description of ongoing AIDEA programs, projects, successes, and failures. He explained the progress on the Four Dam Pool sale and stated the sale should be closed on January 31, 2002. He provided detailed information on AIDEA involvement in the Alaska Seafood Center, the Delong Mountain Transportation System associated with the Red Dog Mine, the Healy Clean Coal Plant, the Ketchikan Shipyard, and the Snettisham Hydroelectric Plant.

REPRESENTATIVE MURKOWSKI asked if AIDEA planned to support Ketchikan Shipyard developing a second berthing system.

MR. POE replied AIDEA thinks this expansion is important, but doesn't know where the money is coming from.

REPRESENTATIVE HALCRO asked how many people were employed at the Alaska Seafood Center.

MR. POE said that currently about 120 people are employed with the Alaska Seafood Center, although there have been production spurts.

REPRESENTATIVE HALCRO asked if the fish supply was from Alaska.

MR. POE, in further response to Representative Halcro, said that the fish supply is all Alaska fish right now. He commented that supply is not a problem.

REPRESENTATIVE KERTULLA asked if the daycare at Alaska Seafood is operational.

MR. POE replied the daycare is not operating because there aren't enough employees.

REPRESENTATIVE MEYER asked Mr. Poe for his assessment of the overall Alaska economy.

MR. POE characterized the current average Alaska economy as a slow, stable growth economy as opposed to the spikes and dips of 1986. He cited some examples.

There was further discussion on the condition of the Alaska economy among committee members and Mr. Poe.

REPRESENTATIVE GUESS asked about the Alaska Science and Technology Foundation.

MR. POE said he couldn't comment on ASTF, but he did comment on one project [AIDEA] is doing with ASTF. He then explained the Unisea project in Dutch Harbor where fish oil is being mixed with diesel oil and used for electrical generation. If this project is successful, it will be worth millions of dollars to Alaska in terms of reducing the cost of energy. He also commented on a business plan competition done in concert with Alaska Pacific University.

MIKE HARPER, Deputy Director, Alaska Energy Authority (AEA), gave an overview of AEA's five programs, and explained the Authority's mission.

MR. POE cited some specific examples of rural energy projects.

REPRESENTATIVE MEYER asked about the progress from last year in terms of bulk fuel and rural electrical deficiencies, and the ranking of needs.

MR. POE replied that rankings are out and available, and that they are working down the list.

REPRESENTATIVE MEYER asked what areas are the most critical.

MR. POE said the Wade Hampton district has the highest level of deficiency. He further stated there are 46 bulk fuel projects in the pipeline and 12 rural power system projects in the pipeline.

MR. POE commented on a screening survey to try to find promising ways to reduce the cost of power in rural Alaska.

REPRESENTATIVE MURKOWSKI asked about operation and maintenance.

MR. POE explained that they are responding on several fronts and cited examples. He also explained the business plan required by the Denali Commission.

There was other similar dialogue between committee members, Mr. Poe, and Mr. Harper.

MR. POE went over the status of Power Cost Equalization (PCE) and provided a handout to the committee.

MR. POE and the committee exchanged questions and answers on PCE.

ANNOUNCEMENTS

There were no announcements.

COMMITTEE ACTION

The committee took no action.

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee was adjourned at 9:55 a.m.

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Second Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.