

CS FOR HOUSE BILL NO. 445(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 3/8/06

Referred: Finance

Sponsor(s): REPRESENTATIVES THOMAS, Elkins, LeDoux, Kerttula, Croft

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the alternative energy grant fund and to alternative energy grants."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * **Section 1.** AS 42.45 is amended by adding a new section to read:

4 **Sec. 42.45.045. Alternative energy grant fund.** (a) The alternative energy
5 grant fund is established as a separate fund in the authority. At the end of each
6 calendar year, if the balance in the fund is less than \$250,000,000, the Department of
7 Revenue shall calculate an amount equal to 10 cents for each barrel of crude oil
8 produced in the state during that year while the average West Coast prevailing value
9 for crude oil was \$35 a barrel or higher and notify the governor and the legislature of
10 that amount. The legislature may appropriate the amount calculated by the Department
11 of Revenue to the alternative energy grant fund together with any income earned on
12 money in the fund. Nothing in this subsection creates a dedicated fund.

13 (b) The authority may use money in the alternative energy grant fund to fund
14 new or previously awarded existing grants to electric utilities for new or existing
15 alternative energy projects. A grant may not exceed \$20,000,000; however, more than

1 one grant may be awarded for a particular alternative energy project.

2 (c) The authority may grant money only for an alternative energy project that
3 the authority determines is economically viable and that will result in reduced costs for
4 consumers of the services of the electric utility. To qualify for a grant, the electric
5 utility must provide from other sources a match amount for the alternative energy
6 project that is equal to 25 percent of the grant amount. In awarding grants, the
7 authority shall give priority to alternative energy projects located in areas where fossil
8 fuel costs are higher than in other areas of the state.

9 (d) For purposes of this section,

10 (1) "alternative energy project" means a system that provides a source
11 of thermal, mechanical, or electrical energy that is not dependent on a fossil fuel other
12 than natural gas for the supply of energy;

13 (2) "electric utility" means a corporation, whether public, cooperative,
14 or otherwise, company, individual, or association of individuals, their lessees, trustees,
15 or receivers appointed by a court, that owns, operates, manages, or controls a plant or
16 system for furnishing, by generation, transmission, or distribution, electrical service to
17 the public for compensation.