

AMENDMENT # 5

OFFERED IN THE HOUSE

BY REPRESENTATIVE

TO: HCS CSSB 4002(FIN)

RAMRAS
Guttenberg

1 Page 1, line 1, following "fund;": *(title amendment)*

2 Insert "creating the alternative energy grant fund and describing its uses and
3 purposes; establishing an alternative energy grant recommendation program;"

4

5 Page 1, following line 6:

6 Insert a new bill section to read:

7 **** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
8 to read:

9 LEGISLATIVE FINDINGS AND INTENT. (a) For sec. 3 of this Act, the legislature
10 finds that

11 (1) an adequate, reliable, reasonably priced, and safe supply of energy is
12 necessary for Alaska's basic infrastructure and economic and technological development;

13 (2) Alaska possesses vast amounts of alternative energy resources such as
14 coal, coal bed methane, and methane hydrates;

15 (3) the cost of fuels such as natural gas and diesel that Alaskans rely on in
16 large part to generate electric power is steadily rising;

17 (4) residents of rural Alaska pay far more for electricity than residents who
18 live on the Railbelt energy grid;

19 (5) other states and nations are working successfully to develop their
20 alternative energy resources;

21 (6) the continued competitiveness and stability of the state's economy requires
22 that the legislature consider national trends toward alternative energy development;

23 (7) alternative energy development promotes industry and creates jobs;

- 1 (8) clean alternative energy has many environmental and health benefits;
 2 (9) locally produced alternative energy has many security benefits;
 3 (10) modern, affordable, and efficient alternative energy technologies now
 4 exist; and
 5 (11) it is in the interest of the public for Alaska to develop its alternative
 6 energy resources.

7 (b) It is the intent of the legislature that, for each of the next five years, \$10,000,000
 8 in capital funds be appropriated to fund alternative energy projects recommended by the
 9 Alaska Energy Authority as described in sec. 3 of this Act and renewable energy projects
 10 under AS 42.45.045."

11

12 Page 1, line 7:

13 Delete "**Section 1**"

14 Insert "**Sec. 2**"

15

16 Renumber the following bill sections accordingly.

17

18 Page 1, following line 11:

19 Insert a new bill section to read:

20 **** Sec. 3.** AS 42.45 is amended by adding a new section to read:

21 **Sec. 42.45.055. Alternative energy grant fund and recommendation**
 22 **program.** (a) An alternative energy grant fund is established as a separate fund to
 23 finance certain alternative energy projects in the state.

24 (b) The authority shall administer the fund as a fund distinct from other funds
 25 of the authority. The fund consists of

26 (1) money appropriated to the fund by the legislature to provide grants
 27 for certain alternative energy projects determined by the legislature;

28 (2) gifts, bequests, contributions from other sources, and federal
 29 money;

30 (3) interest earned on the fund balance; and

31 (4) investments to be managed by the Department of Revenue, which

1 shall be the fiduciary of the fund under AS 37.10.071.

2 (c) The fund is not a dedicated fund.

3 (d) The authority shall, in consultation with the advisory committee
4 established under AS 42.45.045(i) and the Department of Natural Resources,

5 (1) develop a methodology for determining the order of projects that
6 may receive assistance, including separate requirements for grant eligibility, and adopt
7 regulations identifying criteria to evaluate the benefit and feasibility of projects for
8 which an applicant applies for support from the legislature, with the most weight being
9 given to projects that serve any area in which the average cost of energy to each
10 resident of the area exceeds the average cost to each resident of other areas of the
11 state, and with significant weight being given to a statewide balance of grant funds and
12 to the amount of matching funds an applicant is able to make available;

13 (2) make recommendations to the legislature for alternative energy
14 grants; and

15 (3) not later than 10 days after the first day of each regular legislative
16 session, submit to the legislature a report summarizing and reviewing each grant
17 application submitted under this section and a recommended priority for awarding
18 grants.

19 (e) In consultation with the advisory committee established in
20 AS 42.45.045(i), the authority shall

21 (1) make recommendations to the legislature regarding eligible
22 applicants' projects that finance feasibility studies, reconnaissance studies, energy
23 resource monitoring, and construction of alternative energy projects located in Alaska
24 that meet the requirements of (f) of this section; and

25 (2) at least once each year, solicit from the advisory committee funding
26 recommendations for all grants.

27 (f) For an alternative energy project to qualify for a grant recommendation
28 under (e) of this section, the project must

29 (1) be a new project not in operation on the effective date of this
30 section or an addition to an existing project made after the effective date of this
31 section; and

1 (2) be a

2 (A) direct use of alternative energy resources;

3 (B) facility that generates electricity from fuel cells that use
4 hydrogen from an alternative energy resource or synthetic gas;

5 (C) facility that generates energy from alternative energy
6 resources;

7 (D) facility that produces fuels from coal, municipal solid
8 waste, or natural gas; or

9 (E) project that reduces lifecycle carbon footprint emissions.

10 (g) The legislature may appropriate money for grants from the alternative
11 energy grant fund for alternative energy projects described in this section.

12 (h) In this section,

13 (1) "alternative energy project" means a facility that generates energy
14 for fuel that is less expensive and more efficient than the energy or fuel that was
15 previously used by a community, and does not emit more carbon dioxide than natural
16 gas on a per equivalent BTU basis;

17 (2) "alternative energy resource" means a resource that, singly or in
18 combination, converts

19 (A) coal to liquids; or

20 (B) gas to liquids;

21 (3) "eligible applicant" means an electric utility holding a certificate of
22 public convenience and necessity under AS 42.05, independent power producer, local
23 government, or other governmental utility, including a tribal council and housing
24 authority;

25 (4) "fund" means the alternative energy grant fund."
26

27 Renumber the following bill sections accordingly.

28

29 Page 2, following line 10:

30 Insert new bill sections to read:

31 **** Sec. 5.** AS 42.45.055 is repealed June 30, 2013.

1 * **Sec. 6.** Sections 9 and 11, ch. 31, SLA 2008, are repealed."

2

3 Renumber the following bill sections accordingly.

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5 Page 3, line 28:

6 Delete all material.

7

8 Renumber the following bill sections accordingly.

9

10 Page 3, line 29:

11 Delete "Section 4(a)"

12 Insert "Section 8(a)"

13

14 Page 3, line 30:

15 Delete "Section 4(b) and (c)"

16 Insert "Section 8(b) and (c)"