

**SPONSOR SUBSTITUTE FOR SENATE BILL NO. 217**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY SENATORS WAGONER AND THERRIAULT, Dyson

Introduced: 2/15/08

Referred: Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the power cost reduction program and to the Alaska Energy**  
2 **Council; and providing for an effective date."**

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

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

6 **POWER COST REDUCTION PROGRAM.** (a) The power cost reduction fund is  
7 established in the Department of Commerce, Community, and Economic Development and  
8 consists of appropriations to the fund. Money in the fund does not lapse. Interest earned on  
9 money held in the fund before expenditure may be appropriated to the fund.

10 (b) The Department of Commerce, Community, and Economic Development may  
11 expend money in the power cost reduction fund for monthly power cost reduction payments  
12 to utilities and individuals under (c) and (d) of this section without further appropriation.  
13 Payments may be made only after the state receives an additional amount of the tax as  
14 determined under AS 43.55.011(g) for 12 consecutive months, and payments shall be made

1 for each of the 12 consecutive months thereafter. However, only one monthly power cost  
2 reduction payment may be made for the benefit of each residence. Each monthly power cost  
3 reduction payment equals \$62.50. If there is insufficient money in the fund to make payments  
4 for a month, based on the amount available in the fund, the amount of each power cost  
5 reduction payment for that month shall be reduced by an equal amount.

6 (c) If a monthly power cost reduction payment is available under (b) of this section  
7 for a month, by the 10th day of the immediately following month, each utility shall submit to  
8 the Department of Commerce, Community, and Economic Development a list of the  
9 residential electric meters to which the utility provided service during that month. The  
10 department shall pay to the electric utility the monthly payment for each of the listed  
11 residential meters, and the utility shall provide a credit in the amount of the monthly payment  
12 to offset charges for each of the listed meters.

13 (d) The head of a household that does not receive electric service from an electric  
14 utility may apply to the Department of Commerce, Community, and Economic Development  
15 on a form provided by the department for a payment for each month for which power cost  
16 reduction payments are available under (b) of this section. Only one monthly payment may be  
17 made for the benefit of each household.

18 (e) A person who rents residential property but does not pay directly for electric  
19 service is entitled to a credit from the landlord in the amount of the power cost reduction  
20 payment for each month for which payments are available under (b) of this section. Only one  
21 credit may be granted to each residence for a month. The credit shall be applied to reduce the  
22 rent charged for that month.

23 (f) The Department of Commerce, Community, and Economic Development shall  
24 adopt regulations under AS 44.62 (Administrative Procedure Act) necessary to carry out the  
25 purposes of this section. The department may require information it considers necessary to  
26 establish eligibility for power cost reduction payments and may establish application  
27 deadlines.

28 (g) In determining the eligibility of an individual under a public assistance program  
29 administered by the Department of Health and Social Services in which eligibility for  
30 assistance is based on financial need, the Department of Health and Social Services may not  
31 consider a payment or credit under this section as income or resources received by the

1 recipient of public assistance or by a member of the recipient's household unless required to  
2 do so by federal law or regulation. The Department of Health and Social Services shall notify  
3 all recipients of public assistance of the effects of receiving a payment or credit under this  
4 section.

5 (h) An individual who is denied medical assistance under 42 U.S.C. 1396 - 1396p  
6 (Social Security Act, Title XIX) solely because of the receipt of a payment or credit under this  
7 section by the individual or by a member of the individual's household is eligible for state-  
8 funded medical assistance under AS 47.25.120 - 47.25.300 (general relief assistance  
9 program). The individual is entitled to receive, for a period not to exceed four months, the  
10 same level of medical assistance as the individual would have received under 42 U.S.C. 1396  
11 - 1396p (Social Security Act, Title XIX) had there been no power cost reduction program.

12 (i) An individual who is denied assistance solely because payments or credits under  
13 this section received by the individual or by a member of the individual's household are  
14 counted as income or resources under federal law or regulation is eligible for cash assistance  
15 under AS 47.25.120 - 47.25.300 (general relief assistance program). Notwithstanding the limit  
16 in AS 47.25.130, the individual is entitled to receive, for a period not to exceed four months,  
17 the same amount as the individual would have received under other public assistance  
18 programs had there been no power cost reduction program.

19 (j) A program administered by the state or any of its instrumentalities or  
20 municipalities, the eligibility for which is based on financial need, may not consider a  
21 payment or credit under this section as income or resources unless required to do so by federal  
22 law or regulation.

23 (k) The Regulatory Commission of Alaska has no jurisdiction over the power cost  
24 reduction program and may not consider the program in carrying out its responsibilities under  
25 AS 42.05.

26 \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
27 read:

28 TRANSITION: REGULATIONS. The Department of Commerce, Community, and  
29 Economic Development may adopt regulations to carry out the purposes of the power cost  
30 reduction program, enacted in sec. 1 of this Act. However, the regulations may not take effect  
31 before the effective date of sec. 1 of this Act.

1     \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to  
2 read:

3           ALASKA ENERGY COUNCIL. (a) There is established in the Department of  
4 Commerce, Community, and Economic Development the Alaska Energy Council. The  
5 council consists of two senators appointed by the president of the senate, two representatives  
6 appointed by the speaker of the house of representatives, the commissioner of commerce,  
7 community, and economic development or the commissioner's designee, an employee of the  
8 Office of the Governor appointed by the governor, and nine public members appointed by the  
9 governor. Four of the public members shall represent businesses involved in energy  
10 production, transportation, or distribution. Five of the public members shall be appointed from  
11 different geographical areas of the state and shall represent energy users, including  
12 environmental organizations.

13           (b) The members of the Alaska Energy Council shall elect a chair from among its  
14 members and may meet as necessary to accomplish its purpose. Public members of the  
15 council are entitled to travel expenses and to per diem under AS 39.20.180.

16           (c) The Alaska Energy Council shall develop an Alaska energy plan to provide an  
17 economical energy delivery system. The plan must include specific recommendations for  
18 addressing energy needs for

19                   (1) residential housing, including weatherization and conservation methods;  
20 and

21                   (2) municipalities and rural communities, including public facility  
22 improvements and conservation methods.

23           (d) The Alaska Energy Council shall submit the Alaska energy plan to the governor  
24 and the legislature by February 1, 2010, and the council is terminated on April 1, 2010.

25     \* **Sec. 4.** This Act is repealed July 1, 2011.

26     \* **Sec. 5.** Sections 2, 3 and 4 of this Act take effect immediately under AS 01.10.070(c).

27     \* **Sec. 6.** Section 1 of this Act takes effect July 1, 2008.