

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: 4  
 Bill Version: CSHB 152(FIN)  
 (H) Publish Date: 4/16/2007

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
 Title Renewable Energy Fund RDU Alaska Energy Authority (453)  
 Component AEA Rural Energy Operations  
 Sponsor Harris and Thomas  
 Requester \_\_\_\_\_ Component No. 2600

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel	*	*	*	*	*	*
Contractual	*	*	*	*	*	*
Supplies	*	*	*	*	*	*
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	*	*	*	*	*	*

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
New Renewable Energy Fund	*	*	*	*	*	*
<b>TOTAL</b>	*	*	*	*	*	*

Estimate of any current year (FY2007) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation creates a renewable energy fund to be administered by the Alaska Energy Authority (AEA) and establishes a seven member advisory committee. This legislation requires AEA, in consultation with the advisory committee, to establish regulations to 1) develop a methodology for determining the order of projects that receive assistance; 2) determine grant and loan eligibility; 3) identify criteria to evaluate the benefit and feasibility of potential projects; 4) develop a methodology for distributing funds to finance various studies and construction projects; and 5) provide for power production incentives to reduce principal balances of loans.

Prepared by: House Finance Committee  
 Division: \_\_\_\_\_  
 Approved by: Representative Kevin Meyer  
 Agency: Representative Mike Chenault

Phone 465-6875  
 Date/Time 04/16/07 11:07 A.M.  
 Date 4/16/2007

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**BILL NO. CSHB 152(FIN)**

**ANALYSIS CONTINUATION**

In consultation with the advisory committee, AEA shall make grants and loans to eligible applicants to finance feasibility studies, reconnaissance studies, energy resource monitoring, and construction of renewable energy projects, natural gas projects, or transmission or distribution infrastructure located in Alaska. AEA shall annually solicit funding recommendations from the advisory committee for all grants and loans.

This legislation establishes project eligibility criteria for a renewable energy project, a natural gas project, and a transmission or distribution infrastructure project.

The costs associated with the program start up will be as follows:

New project manager responsible for developing the regulations in consultation with the advisory committee: \$100.0; one-time supply costs of \$6.0, and estimated travel costs for the seven member committee to meet four times for the initial development phase of regulations and annually to solicit funding recommendations of \$20.0.

The funding source is assumed to be the fund created under HB 152 (FIN), assuming the legislation becomes law and an appropriation is made to capitalize the fund. Until this time, the fiscal note is indeterminate.