

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: 8  
 Bill Version: SCS CSHB 152(FIN)  
 (S) Publish Date: 4/11/08

Identifier (file name): HB152SCSCS(FIN)-CED-AEA-04-09-08 Dept. Affected: DCCED  
 Title Establish Renewable Energy Fund/Account RDU Alaska Energy Authority (453)  
 Component AEA Statewide Project Dev and AEEE  
 Sponsor Harris et al  
 Requester Senate Finance Component Number 2888

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

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel	20.0		5.0	5.0	5.0	5.0		
Contractual	200.0		150.0	150.0	150.0	150.0		
Supplies	6.0							
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>226.0</b>	<b>0.0</b>	<b>155.0</b>	<b>155.0</b>	<b>155.0</b>	<b>155.0</b>	<b>155.0</b>	<b>0.0</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	226.0		155.0	155.0	155.0	155.0		
1005 GF/Program Receipts								
1037 GF/Mental Health								
10XX Renewable Energy Fund								
<b>TOTAL</b>	<b>226.0</b>	<b>0.0</b>	<b>155.0</b>	<b>155.0</b>	<b>155.0</b>	<b>155.0</b>	<b>155.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

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

This legislation creates a renewable energy grant recommendation program 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 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 5) provide for power production incentives to reduce principal balances of loans. AEA will provide recommendations to the legislature for annual appropriations for eligible projects.

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 Division Alaska Energy Authority  
 Approved by: Emil R. Notti, Commissioner  
 Agency Department of Commerce, Community, and Economic Development

Phone 907-771-3012  
 Date/Time 4/9/08 9:16 AM  
 Date 4/9/2008

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**ANALYSIS CONTINUATION**

FY 2010 through FY 2013, in consultation with the advisory committee, AEA shall make appropriation recommendations to the legislature for projects 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.

This fiscal note represents costs associated with a new project manager who will be responsible for developing the regulations in consultation with the advisory committee. \$100.0 in contractual costs for AIDEA and one-time \$6.0 supply costs associated with the position. For FY 2009 an additional \$100.0 is required to assist in developing the evaluation criteria and evaluate the proposals. Subsequent years we anticipate \$50.0 required for evaluation of the proposals. The fiscal note also provides estimated travel costs for the 7 member committee to meet 4 times in FY 2009 for the initial development phase of regulations and annually to solicit funding recommendations.