

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSSB 4002(FIN)
(S) Publish Date: 8/2/08

Identifier (file name): SB4002-SFIN-AEA-07-31-08 Dept. Affected: DCCED
Title: Alaska Resource Rebate Program RDU: Alaska Energy Authority
Component: _____
Sponsor: Senate Finance Committee
Requester: Senate Finance Committee Component Number: _____

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
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims		172,889.0	172,889.0	0.0	0.0	0.0	0.0	
Miscellaneous								
TOTAL OPERATING		0.0	172,889.0	172,889.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF		172,889.0	172,889.0	0.0	0.0	0.0	0.0	
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL		0.0	172,889.0	172,889.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This legislation establishes the Alaska Resource Rebate Program that provides a rebate payment to offset the high cost of residential heating oil. The program will be administered by the Alaska Energy Authority.

The program is available to Alaskan residents who purchase and take delivery of residential heating oil between 9/1/08 and 3/31/09 and/or between 9/1/09 and 3/31/10. Qualified individuals must apply for reimbursement to the Alaska Energy Authority prior to July 1, 2010 to be considered. Commercial buildings or buildings owned by government entities are not eligible for this program.

Prepared by: Miles Baker Phone (907) 465-3873
Division: Senate Finance Committee Date/Time 7/31/08 2:00pm
Approved by: Senator Bert Stedman, Co-Chair Date 7/31/2008

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BILL NO. CSSB 4002(FIN)

ANALYSIS CONTINUATION

Rebate Computation:

The program will rebate the amount paid above \$3.00 per gallon, of a qualified applicants home heating oil purchases up to a maximum for each 7-month winter qualifying period of:

1. 600 gallons per single family residence or
2. 300 gallons per each residential unit within a multifamily building

Assumptions:

This is a new program and it is unclear how many qualified individuals will take advantage of this rebate. However, for purposes of estimating program costs, the following estimates were used:

Avg heating oil consumption per HH:	1,000 gals (AEA)
% annual consumption used during winter:	60%
Annual consumption eligible for rebate:	600 gals

Statewide avg price per gallon of heating oil:	\$ 5.51* (DCCED as of 6/2008)
Rebate Program Price Floor	\$ 3.00
Avg per gallon rebate:	\$ 2.51

Total Alaskan Households:	230,000 (Dept of Labor, 2006 Census Update)
Est. # Heating with Natural Gas:	115,200 (Enstar Estimate)
Max. # Heating with Heating Oil:	114,800

Annual Program Cost Calculations:

For purposes of conservatively estimating annual program costs, the higher 600 gallon per residence figure is used instead of the 300 gallon figure for multi-unit dwellings.

$$(114,800 \text{ HH}) \times (600 \text{ gal/HH}) \times (2.51 \text{ \$/gal}) = \$172,888,800$$

* Statewide average excludes the North Star Borough which subsidizes residential heating oil to its residents