

HOUSE FINANCE COMMITTEE
January 30, 2007
1:36 P.M.

CALL TO ORDER

Co-Chair Chenault called the House Finance Committee meeting to order at [1:36:43 PM](#).

MEMBERS PRESENT

Co-Chair Mike Chenault
Co-Chair Kevin Meyer
Vice Chair Bill Stoltze
Representative Harry Crawford
Representative Richard Foster
Representative Les Gara
Representative Reggie Joule
Representative Mike Kelly
Representative Mary Nelson
Representative Bill Thomas Jr.

MEMBERS ABSENT

Representative Mike Hawker

ALSO PRESENT

Representative Anna Fairclough; Representative Andrea Doll; Representative Kyle Johansen; John MacKinnon, Deputy Director, Department of Transportation and Public Facilities; Nancy Slagle, Director, Division of Administrative Services, Department of Transportation and Public Facilities; John Torgerson, Deputy Commissioner, Aviation, Department of Transportation & Public Facilities; Malcolm Menzies, Southeast Regional Director, Department of Transportation and Public Facilities

PRESENT VIA TELECONFERENCE

Ron Miller, Executive Director, Alaska Industrial Development and Export Authority (AIDEA)

GENERAL SUBJECT(S):

OVERVIEWS:

**Department of Transportation & Public Facilities
Alaska Industrial Development and Export Authority, (AIDEA)**

The following overview was taken in log note format. Handouts will be on file with the House Finance Committee

through the 25th Legislative Session, contact 465-6814. After the 25th Legislative Session they will be available through the Legislative Library at 465-3808.

| TIME | SPEAKER | DISCUSSION |
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| 1:37:58 PM | Co-Chair Chenault | Convened the House Finance Committee meeting in order to hear overview presentations from the Department of Transportation & Public Facilities & Alaska Industrial Development and Export Authority, (AIDEA). |
| 1:38:06 PM | | DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES |
| 1:38:09 PM | JOHN MACKINNON, DEPUTY DIRECTOR, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES | Provided a handout and briefed the Committee on the Department's overview, operations and capital programs. (Copy on File). He pointed out that the Department provides for the movement of people & goods and delivery of State services. He introduced Nancy Slagle, Director, Division of Administrative Services, Department of Transportation and Public Facilities & John Torgerson, Deputy Commissioner, Aviation, Department of Transportation & Public Facilities. |
| 1:40:24 PM | Mr. MacKinnon | Referenced Slide 5 - the Department of Transportation & Public Facilities boundaries. The main locations are headquarters in Juneau, Central Region is Anchorage Northern Region is in Fairbanks, and Southeast Region is located in Juneau. |
| 1:41:46 PM | Mr. MacKinnon | Referenced Slides 6 & 7, the National Highway System (NHS). Co-Chair Chenault inquired about federal funding received for projects such as the Dalton Highway. Mr. MacKinnon explained that the Department does not receive extra money for any specific road project. |
| 1:43:06 PM | Mr. MacKinnon | Referenced Slide 8 - which indicates the 84 statewide maintenance stations. Most of those stations are not manned on a 24/7. |
| 1:43:59 PM | Mr. MacKinnon | Referenced Slide 9 - the Department is responsible for ports and harbors in the State. Of those, 29 are State-owned and 12 are operated in agreement with local governments. The Legislature has approved bond funding to take care of deferred maintenance. |

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| 1:44:37 PM | Representative Thomas | Mentioned legislation passed last week regarding the regulations needed to accompany harbor concerns. Mr. MacKinnon explained that the regulations had gone out for review to the State harbor masters for input. The Legislature needs to appropriate funding for that grant program. |
| 1:45:54 PM | Representative Thomas | Understood that the Denali Commission might help municipalities get matching dollars. Mr. MacKinnon advised that the grant awards favor those with matching funds. |
| 1:46:58 PM | Mr. MacKinnon | Referenced Slide 10, providing further information on ports and harbors. |
| 1:47:47 PM | Mr. MacKinnon | Referenced Slide 11, measurement standards and commercial vehicle enforcement, responsible for all federal and State commercial vehicle laws to ensure safe highways. It certifies the accuracy of all weighing and measuring devices used in commerce; issues permits for overweight vehicles and has implemented a new one-stop web-based permit system. |
| 1:49:57 PM | JOHN TORGERSON, DEPUTY COMMISSIONER, AVIATION, DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES | Referenced Slide 12 - noting that Alaska Marine Highway System has 11 vessels, 32 port-of-calls and 3,500 nautical miles. He highlighted the distribution of financial needs: <ul style="list-style-type: none"> • 25% fuel • 61% labor, and • 14% other |
| 1:51:37 PM | Mr. Torgerson | Highlighted Slide 14, indicating the location of the 258 airports with an annual AIP capital budget of \$200 million dollars. The Department is the largest airport operator in the U.S. |
| 1:52:36 PM | Mr. Torgerson | Referenced Slide 16, the Alaska International Airport System (AIAS), which: <ul style="list-style-type: none"> • Includes Anchorage and Fairbanks International airports • Enterprise fund covers operating costs and capital costs not paid for by federal funds • Total annual operating budget is approximately \$74.7 million • FAA capital funds and passenger facility charges total over \$45.4 million dollars annually |

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| | | <ul style="list-style-type: none"> • Renovation of A & B concourses in Anchorage & replacement of the Fairbanks terminal are underway |
| 1:53:39 PM | Mr. Torgerson | Mentioned Slide 17, the Ted Stevens Anchorage International Airport, which is the #1 cargo airport in North America. It serves about 5 million passengers per year. There are currently 58 airlines currently operating at that airport. |
| 1:54:34 PM | Mr. Torgerson | Highlighted Slide 18, the Fairbanks International Airport, which is listed as the #43 rd cargo airport in the United States. There are 17 airlines currently operating at that airport. |
| 1:55:22 PM | Mr. Torgerson | Referenced Slide 19, the two international airport construction budgets. <ul style="list-style-type: none"> • \$70 million FY06 - Anchorage • \$36 million FY06 - Fairbanks |
| 1:56:20 PM | Mr. MacKinnon | Pointed out that Slide 20 indicates the FY08 regional maintenance funding: <ul style="list-style-type: none"> • \$105.5 million total operations budget • \$11.6 - Southeast • \$54.2 - Northern Region • \$39.7 - Central Region |
| 1:56:48 PM | Mr. MacKinnon | Slide 21 indicates the maintenance and operations General Fund authorizations, currently, undergoing a federal highway safety plan. Since 1983, funding has been flat. |
| | Mr. MacKinnon | Continued that the Department is currently undergoing a federal required highway safety plan. The Department works to decrease the number of fatalities. |
| 1:58:50 PM | Representative Gara | Asked about consideration of reducing highway fatalities which result from one-lane each-way highways. He thought that more graphic signage might help, worrying about night-time driving & how well the pull-outs are marked. |
| 2:00:08 PM | Mr. MacKinnon | Offered to investigate those concerns. |
| 2:00:38 PM | Vice Chair Stoltze | Questioned where the seat belt funding dollars went. Mr. MacKinnon responded that the Department received \$2.6 million dollars for passage of a primary seat belt law. He offered to provide additional information to the Committee. |

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| 2:01:07 PM | Representative Crawford | Noted that certain areas along the highways have multiple accidents; he recommended placement of 'jersey barriers'. Mr. MacKinnon thought that would create a negative impact during snow conditions. |
| 2:03:16 PM | Representative Joule | Inquired about the Girdwood fire that took out one of the maintenance stations. Mr. MacKinnon explained that the fire happened a week ago and the Department did lose the warm storage building and three pile trucks. The Department has mobilized assets from other areas so that station still receives adequate maintenance. |
| 2:04:27 PM | Representative Thomas | Interjected that the marine highway transportation does not result in the same number of deaths as on the road system. Mr. MacKinnon appreciated that. |
| 2:05:27 PM | Vice Chair Stoltze | Commented on the lost assets to the Department. |
| 2:05:55 PM | Representative Gara | Asked if roads and bridges were named after legislators. |
| 2:06:13 PM | Mr. MacKinnon | Highlighted Slide 22 - FFY07 Federal maintenance programs: <ul style="list-style-type: none"> • Highways preventative maintenance in the amount of \$11 million dollars; • Pavement refurbishment in the amount of \$39 million dollars • * Aviation preventive maintenance in the amount of \$4 million dollars. |
| 2:07:28 PM | Mr. MacKinnon | Referenced Slide 23, disasters from both storms and fires, Keystone Canyon & Copper River Highway. When disasters occur, the Department is the first response and then it is turned over to contractors. |
| 2:09:22 PM | Vice Chair Stoltze | Asked if the large rock was owned by the State. Mr. MacKinnon agreed that it is. |
| 2:09:43 PM | Mr. MacKinnon | Referenced Slide 24 - the facilities maintenance consisting of over 700 buildings; of which, 213 are over 30 years old. |
| 2:10:59 PM | Mr. MacKinnon | Continued Slide 25, the construction oversight. Construction consists of: <ul style="list-style-type: none"> • Contract Administration • Field inspection • Quality assurance |
| 2:11:34 PM | Representative | Inquired how insurance is affected by |

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| | Joule | the lack of fire suppression systems in older buildings. Mr. MacKinnon responded that the State is essentially self-insured. |
| 2:12:22 PM | Mr. MacKinnon | Noted that Slide 26 highlights the construction program, which consists of 190 active highway & ferries, 89 airports and 6 harbors. |
| 2:13:32 PM | Co-Chair Meyer | <p>Asked if there was a trend in the increases to construction costs. Mr. MacKinnon acknowledged that inflation is taking a toll on projects. The General Fund projects are easier than the federal funded projects because of the time element of getting it out to bid.</p> <p>Vice Chair Meyer mentioned the upgrade to the trade roads in Anchorage. He pointed out that the Mayor of Anchorage was requesting more funding for that project in order to cover costs. He worried about funding of harbors. He asked if the Legislature should assume that will become the trend.</p> <p>Co-Chair Meyer asked about active harbor projects. Mr. MacKinnon responded that Slide 10 addresses that concern. The Department has been actively transferring deferred maintenance needs to the local governments.</p> |
| 2:16:48 PM | Co-Chair Meyer | <p>Questioned dollars funded to projects that never happened. Mr. MacKinnon explained that the Governor has cancelled some projects and the Legislature will decide about future funding of such projects.</p> <p>Vice Chair Meyer asked about the 'roads to resources' projects. Mr. MacKinnon agreed.</p> |
| 2:18:44 PM | Representative Thomas | Commented on the amount of the funding available for the Alaska Marine Highway System (AMHS). Mr. MacKinnon stated that there is a ferry being built for the Mat-Su Borough. It is a Department of Defense project, which is slated to be built under contract in the Ketchikan ship yard. He did not know of any other ferries scheduled on the books. |
| | JOHN TORGERSON, | Noted that he was not aware of any other boats under contract at this time |

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| | DEPUTY COMMISSIONER, AVIATION, DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES | and was not familiar where the \$1.2 billion dollars came from. He needed to review the list. |
| 2:21:00 PM | Representative Thomas | Mentioned the Juneau Access Road and how the Department let two contracts in the amount of \$20 million dollars go forward after the Governor had 'pulled' those contracts. He asked who in the Department had given that authority. Mr. MacKinnon noted that he had anticipated that question. |
| 2:22:05 PM | MALCOLM MENZIES, SOUTHEAST REGIONAL DIRECTOR, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES | Replied that the Department let two contracts go last year. The first was for the Juneau Access Road - two segments totaling approximately 20 miles of road. Governor Palin, when elected, cancelled that contract. At that time, the contract for materials was placed. He explained that bridges and culvert materials went through and were not cancelled for that project. It was awarded November 27 th . Governor Palin supports the road and wrote a letter to the Corps of Engineers in support of the permit action on that contract. |
| 2:23:38 PM | Representative Thomas | Noted, he was confused and asked why the Department of Transportation & Public Facilities bought \$20 million dollars worth of materials without the necessary permitting. Mr. Menzies responded that the Department needs three permits for the project. One permit is in hand - the State permit for construction activity. The Department does not have the bridge crossing permit from the Coast Guard nor the final permit from the Corps of Engineers. Materials were purchased in fear of inflation. The economic analysis showed that the materials should be bought using General Funds. As the materials are used on the project, the federal government will reimburse. |
| 2:25:15 PM | Representative Thomas | Questioned the "favoritism" given to that project. Mr. Menzies stressed that it was not favoritism but rather an "economy of scale". The projects in |

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| | | Representative Bill Thomas' district are not as large as the Juneau Access Road. |
| 2:26:18 PM | Mr. MacKinnon | Referenced Slide 27, historical construction expenditures for AMHS, highways and aviation. |
| 2:26:59 PM | Mr. MacKinnon | Referenced Slide 28, the Statewide Transportation Improvement Program (STIP), which is a required listing of planned project activities for all federally funded highway construction projects. |
| 2:28:35 PM | Mr. MacKinnon | Highlighted the STIP funding categories - the National Highway System and the Alaska Marine Highway System. |
| 2:30:42 PM | Mr. MacKinnon | Mentioned the funding categories consisting of the federally defined routes approved by Congress that meet strict criteria; 15% of the centerline miles carry 43% of the vehicle miles traveled and generate 83% of the major and fatal accidents. He added that the Alaska Highway System is a category for other high level roads with 1,508 miles and 94 proposed miles and interval to address at \$1 mile. |
| 2:30:49 PM | Vice Chair Stoltze | Asked about Slide 29 funding sources. He asked if the State had 'borrowed ahead'. Mr. MacKinnon responded that the State did issue about \$100 million dollars worth of Grant Anticipation Revenue Vehicles (GARVEE) bonds. Payment on GARVEE bonds come from federal funding in the amount of \$13 million per year. Other states use only GARVEE bonds and their entire federal program pays the debt on those bonds. He added that the funding bond package had about \$100 million dollars and \$130 million were harbor transfer projects. Representative Stoltze asked if there was caution about using GARVEE bonds. Mr. MacKinnon noted discussion in the last couple years of using more GARVEE funding, which makes sense if the State is doing one or two large projects. Smaller projects should use federal programs. |
| 2:34:06 PM | Co-Chair Meyer | Asked if Anchorage was doing a good job of owning and maintaining their roads. Mr. MacKinnon agreed that Anchorage does 'step up to the plate' with \$40- |

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| | | <p>\$50 million per year in road bonds. In Anchorage, about ½ the roads are owned by the State and the other ½ by the Municipality.</p> <p>Vice Chair Meyer inquired if \$10 billion dollars was the amount needed by the Department to do all their projects. Mr. MacKinnon responded that the needs list for the entire State would amount to the \$10 billion. The State receives about \$425 million federal dollars. Not all that funding goes toward construction; some is earmarked for planning and safety.</p> |
| 2:36:28 PM | Representative Joule | <p>Asked what a highway-to-highway project was. Mr. MacKinnon apologized for that reference. There is a project in Anchorage that has received a tremendous amount of public review. He offered to provide information on such projects.</p> <p>Representative Nelson voiced concern with the Congressional resolutions anticipated reduction to Alaska of 9-18%.</p> |
| 2:37:36 PM | Mr. MacKinnon | <p>Replied that he would be addressed that in the next two slides. He referenced Slide 30, the STIP funding categories:</p> <ul style="list-style-type: none"> • The community transportation program • The trails and recreational access for Alaskan |
| 2:39:00 PM | Mr. MacKinnon | <p>Reviewed the 2006 - 2009 STIP funding concern voiced by Representative Nelson. He commented that the news is not as bad as the Department anticipated. The appropriation level for FY07 is higher than 85%, which is higher than the estimate of \$40 million. The funding is down by \$13 million, equating to \$4 million for construction.</p> |
| 2:40:53 PM | Representative Nelson | <p>Questioned what projects would be delayed.</p> |
| 2:41:26 PM | Mr. MacKinnon | <p>Responded that he would provide the information at a later date.</p> |
| 2:41:41 PM | Mr. MacKinnon | <p>Reviewed Slide 33 - the Operating Budget request by fund source. The total operating request is \$544.3 million dollars.</p> |
| 2:42:04 PM | Mr. MacKinnon | <p>Pointed out that the largest piece is maintenance and operations in the</p> |

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| | | amount of \$105.5 million dollars. Another piece is the \$98.1 million dollar support for AMHS. |
| 2:42:53 PM | Mr. MacKinnon | Highlighted Slide 35 - Department challenges: <ul style="list-style-type: none"> • Recruiting and retaining staff • Lack of FFY07 transportation appropriation bills • Preserving & protecting Alaska's infrastructure • Major proposed transportation projects • AMHS configuration • High inflation |
| 2:44:52 PM | Representative Kelly | In response to a question by Representative Kelly, Mr. MacKinnon spoke to the Gravina Island bridge. He noted that there is a \$20 million dollar highway project underway from earmarks. The likelihood of having the funds appropriated is minimal. |
| 2:46:05 PM | Mr. MacKinnon | In response to a question by Representative Thomas, Mr. MacKinnon explained that \$98.1 million dollars is the General Fund support that represents the revenue that the system receives for ticket sales. Representative Joule asked if the requested amount was down from FY07. Mr. MacKinnon said it was up from that time period. |
| 2:47:18 PM | NANCY SLAGLE, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES | Explained that the budget had been increased to reflect increases to the base budget for fuel. Also, includes the Public Employees Retirement System (PERS) increased amounts. |
| 2:48:02 PM | Representative Thomas | Noted the difficulty in retaining employees and questioned if the retention problem was specific to higher departmental level employees. |
| 2:48:37 PM | Mr. MacKinnon | Replied the difficulty exists "across the board". There are 700 - 800 people in maintenance that can make more working construction for fewer months of the year. |
| 2:49:29 PM | Representative Kelly | Questioned privatization options. |

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| 2:49:54 PM | Mr. MacKinnon | Responded that the Department continually looks for privatization options and privatizes about 40% of their work in some areas. The Department has considered contracting highway maintenance, but cautioned that it is more difficult to return to State operations. Prices tend to drop in the first year of privatization, but increase subsequently. He believed that the Department does a better job in highway maintenance. |
| 2:52:16 PM | Vice Chair Stoltze | Spoke in support of State functions and felt the Department does a good job. |
| 2:53:35 PM | Representative Foster | Added his support of the success accomplished by the Department. |
| | | Testimony by the Department of Transportation & Public Facilities was concluded. |
| | | ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY, (AIDEA) |
| 2:54:33 PM | RON MILLER, TESTIFIED VIA TELECONFERENCE EXECUTIVE DIRECTOR, ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY (AIDEA) | Provided members with a handout - Alaska Industrial Development and Export Authority Overview. (Copy on File). AIDEA's function and mission are to provide Alaskan businesses with long-term commercial and development financing at a reasonable cost. AIDEA's credit rating has been upgraded twice in the last 6 months, and is now up to the A level. AIDEA has a 5-member board, with two members from the public and three, commissioners in State government. Since 1986, AIDEA has paid dividend to the State general fund. AIDEA has a large portfolio with strong performance and low delinquency rate. AIDEA assists large and small Alaskan projects in both urban and rural areas. All major sections, including retail, tourism, natural resource extraction and processing, air cargo and services receive AIDEA's help. AIDEA does not compete with the private sector, does provide grants and finances only large projects. |
| 2:59:56 PM | Mr. Miller | Referenced Slide 10 - Key AIDEA programs: <ul style="list-style-type: none"> • Loan participation • Conduit Revenue Bond |

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| | | <ul style="list-style-type: none"> • Loan guaranty and export assistance • Rural Development Initiative Fund • Small business economic development loans. |
| 3:01:17 PM | Co-Chair Chenault | Noted that AIDEA does not compete with the private sector. Mr. Miller emphasized that AIDEA partners with the private sector. The State supports the private sector, but does not own assets. |
| 3:02:33 PM | Mr. Miller | Spoke to loan diversification. He highlighted that by area: <ul style="list-style-type: none"> • Anchorage • Interior • Northern • Mat-Su • Gulf Coast • Southeast • Southwest From FY02 through FY06, 1,781 construction jobs and 2,999 permanent jobs were created or retained through AIDEA loan participation program. |
| 3:02:54 PM | Mr. Miller | Identified the Conduit Revenue Bond Program. He noted that AIDEA's board adopts eligibility resolution for projects for tax-exempt conduit revenue bonds. That has been an active program. There has been \$1 billion dollars through the life of the program; \$354 was issued between 2003 and 2006. The Fairbanks Memorial Hospital was one of the largest expansion projects among them. |
| 3:05:08 PM | Mr. Miller | Referenced Slide 21 - the Credit Program, loan guaranty and export assistance. The Department of Commerce, Community and Economic Development manages some of their programs. The program provides for: <ul style="list-style-type: none"> • Eligible financial institutions with a guarantee of up to 80% not to exceed \$1 million dollars on the principal of the loan • Assistance to manufacturing enterprise for the export of goods and services • AIDEA is a city-State partner with the U.S. Export-Import Bank |

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| 3:06:18 PM | Mr. Miller | <p>Slide 24 - Explained that under AIDEA's Development Finance Program:</p> <ul style="list-style-type: none"> • Objective is to finance infrastructure necessary to support Alaskan economic development projects • Method is that AIDEA owns the project and is repaid through user fees, leases and other revenue sources. |
| 3:07:07 PM | Mr. Miller | <p>Slide 25 - in order to qualify, the project must be endorsed by the local government; 3AAC 99.530 requires that:</p> <ul style="list-style-type: none"> • The project will be economically advantageous to the State and to the general public welfare and will contribute to the economic growth of the State of Alaska • The project applicant is financially responsible • The project is economically and financially feasible and able to produce revenue adequate to repay the bonds or loans with which it is financed |
| 3:08:06 PM | Mr. Miller | <p>Slide 28 - highlights the Red Dog Mine has provided over 500 jobs, with over 57% of those jobs, held by NANA shareholders. The jobs represent over 30% of the private sector jobs in that area.</p> |
| 3:08:44 PM | Mr. Miller | <p>Slide 30 - Addresses the Snettisham hydroelectric project:</p> <ul style="list-style-type: none"> • A 78,210 kw hydroelectric project locate 28 air miles southeast of Juneau • Provides approximately 80% of the Juneau-Douglas area electrical energy • AEL&P purchases all project power under a long-term power sales agreement |
| 3:09:07 PM | Mr. Miller | <p>Slide 31 - Ketchikan Shipyard, owned by AIDEA with local partners:</p> <ul style="list-style-type: none"> • Ketchikan Gateway Borough • City of Ketchikan • Ketchikan Public Utilities |
| 3:10:08 PM | Mr. Miller | <p>Slide 32 - Skagway Ore Terminal, which has been idle since 1998. AIDEA signed a seven year user agreement with Sherwood Copper of Vancouver, BC to</p> |

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| | | trans-ship copper-gold production from a mine located at Minto, YT. |
| 3:10:34 PM | Co-Chair Chenault | Asked the amount of money placed into the Ketchikan Ship yard. Mr. Miller stated that AIDEA assumed that responsibility from the Department of Transportation & Public Facilities. Co-Chair Chenault asked for the numbers indicating how much State money is involved, how much federal dollars and the amount of income received from that property. |
| 3:11:27 PM | Mr. Miller | Highlighted Slide 33, the Skagway Ore Terminal with an estimated cost of \$7.6 million dollars to rebuild part of that terminal. Costs will be paid through user-fees. |
| 3:13:03 PM | Mr. Miller | Slide 34 identifies the local benefits to that community. |
| 3:13:27 PM | Co-Chair Chenault | Asked how the ore would be transported. Mr. Miller explained that it would be trucked down by Lydon Transport from Minto, which should provide a large savings. |
| 3:14:11 PM | Mr. Miller | Referenced Slide 35, the Healy Clean Coal Project. AIDEA continues litigation and mediation with Golden Valley Electric over access issue to that facility. |
| 3:15:06 PM | Mr. Miller | Referenced Slide 37: <ul style="list-style-type: none"> • Alaska Energy Authority (AEA) builds rural energy projects He noted that AEA builds rural energy projects; owns State energy assets; manages the Power Cost Equalization (PCE) program; provides training and assistance to rural utilities; pursues alternative energy programs; and responds to electrical power emergencies. |
| 3:15:50 PM | Representative Joule | Asked what the active alternative energy programs included. Mr. Miller noted the measurement of the wind resource potential; participating in the Chena geo-thermal project; investigating geo-thermal potential in other areas of the State; active on a couple bio-mass projects, coupled with the power-mass loan program. Mr. Miller added, that they offered the first title power conference in the |

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| | | <p>City of Ketchikan. Also, \$27 million dollars in alternative energy projects around the State at this time, most of which are federal funds.</p> <p>Representative Joule asked if coal bed methane (CBM) was being used at this time. Mr. Miller replied it was not yet.</p> |
| 3:18:29 PM | Co-Chair Chenault | <p>Questioned where the \$12.6 million dollars allocated for the Healy Clean Coal went. Mr. Miller explained there are costs associated with restarting the plant; it has been idle since 1959. Funding is needed to update & modify it.</p> |
| | | <p>Testimony by AIDEA was concluded.</p> |
| 3:19:25 PM | Co-Chair Chenault | <p><u>ADJOURNMENT</u></p> <p>The meeting was adjourned at 3:19 P.M.</p> |