

SENATE FINANCE COMMITTEE
August 2, 2008
9:28 a.m.

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at [9:28:56 AM](#).

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Charlie Huggins, Vice-Chair
Senator Kim Elton
Senator Donny Olson
Senator Joe Thomas
Senator Fred Dyson

MEMBERS ABSENT

None

ALSO PRESENT

David Teal, Director, Legislative Finance Division; Darwin Peterson, Staff, Co-Chair Stedman; Sarah Fisher-Goad, Deputy Director of Operations, Alaska Industrial Development and Export Authority and Alaska Energy Authority, Department of Commerce, Community and Economic Development; Randall Ruaro, Special Assistant, Office of the Governor; Miles Baker, Staff, Co-Chair Stedman; Amanda Ryder, Director of Administrative Services, Department of Commerce, Community and Economic Development; Senator Gary Stevens; Senator Bettye Davis; Senator Lesil McGuire; Senator Lyda Green; Senator Johnny Ellis; Senator Bill Wielechowski;

PRESENT VIA TELECONFERENCE

None

SUMMARY

SB 4002 "An Act establishing the Alaska resource rebate program and relating to the program; and providing for an effective date."

CSSB 4002 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with three new Senate Finance Committee fiscal notes.

[9:29:01 AM](#)

SENATE BILL NO. 4002

"An Act establishing the Alaska resource rebate program and relating to the program; and providing for an effective date."

Co-Chair Stedman reported that the details of SB 4002 and its companion appropriation bill remain to be worked out. He said that Power Cost Equalization (PCE) would be addressed within the bill.

[9:31:31 AM](#)

Co-Chair Hoffman MOVED to ADOPT CSSB 4002, labeled 25-GS4057\T, Finley/Cook, 8/1/08. There being NO OBJECTION, it was so ordered.

[9:32:06 AM](#)

DAVID TEAL, DIRECTOR, LEGISLATIVE FINANCE DIVISION, referred to a handout entitled "Power Cost Equalization Program - FY 09 Costs under Various Assumptions" (copy on file.) He explained that it compares the House and Senate versions of the bill. The current floor rate for PCE is 12.83 cents, computed by using the average rates of Anchorage, Fairbanks, and Juneau. SB 4002, which provides for a two-year program, sets the floor rate for PCE at 10 cents. There is also a subsidy for costs that exceed the floor, up to the ceiling rate of \$1.15. The maximum subsidy available is \$1.05. In addition, there are utilities which would not qualify for money under the PCE program, but which would qualify for an alternative distribution - at a minimum of 5 cents. It assumes rates in rural areas in FY 09 would increase by 50 percent. In urban areas the assumed rate increase is 5 percent.

[9:35:50 AM](#)

Mr. Teal explained program costs. The \$64 million amount is for those utilities currently on the PCE program.

Senator Elton asked about the per kilowatt hour payment to new utilities. He wondered about the definition of new utilities.

Mr. Teal referred to page 6 which lists the new utilities that are currently ineligible because they are too large. There is a cutoff for eligibility of 7,500 megawatts in production. There is also a clause which prohibits a four dam pool utility. The bill repeals both of those eligibility restrictions and makes all utilities in the state eligible for PCE. Senator Elton summarized that it affects new utilities that are being added to the program. Mr. Teal said that is correct.

[9:37:37 AM](#)

Mr. Teal related that virtually all utilities would pay 10 cents. Others would pay 16 cents, even for the first 500 kilowatts. The urban rate - for newly qualified utilities - would be 10 cents or lower. The current program in the rural area would be for about \$270. This program drops it to \$177. In each case there is a reduction. In the rural areas it could be more substantial.

[9:39:36 AM](#)

Mr. Teal referred to page 6 to explain the 5 cent reduction. Under PCE the rate would fall to 10 cents for utilities not currently eligible for PCE. The "bottom line" information is on page one. The \$21 million for community facilities complies with current law and is a reduction in the community's electric bill.

Co-Chair Stedman asked what could be included as part of "community facilities". Mr. Teal said the city hall or any community-owned facility could qualify. It does not include schools or commercial businesses.

Co-Chair Stedman requested an explanation of the dispersal of the \$21 million. Mr. Teal explained that the community would receive an electric bill and then get it reduced by the utility.

[9:42:22 AM](#)

DARWIN PETERSON, STAFF, CO-CHAIR STEDMAN, explained the changes in the new CS to SB 4002. He related that the energy package is a three-legged stool: PCE, resource rebate, and emergency energy relief - a heating oil subsidy.

Co-Chair Hoffman pointed out that the key factor is that the programs are for two years so that Alaskans can count on energy relief and so that the legislature can work on long-term solutions.

[9:45:17 AM](#)

Mr. Peterson added that the resource rebate is a one-time payout.

Mr. Peterson referred to page 4, a change in Section 7, which deals with the resource rebate. It allows for veterans who don't apply for the Permanent Fund Dividend (PFD) to be eligible for the program.

Mr. Peterson turned to page 5, Section 8, the energy relief portion of the bill. Lines 19-22 incorporate Senator

Elton's ideas about the reimbursement of the sales tax paid on heating oil.

Mr. Peterson reported that page 6, lines 3-8, is new language that requires landlords to pass on the savings from the resource rebate to renters on a pro rata basis. Failure to do so is a violation of AS 45.50.471, which is the Unlawful Trade Acts and Practices statute.

[9:47:01 AM](#)

Mr. Peterson moved on to page 6, line 25, where the requirement that a business that sells fuel oil has to be a qualified distributor was deleted. He gave an example of an area in rural Alaska where this would apply.

Mr. Peterson turned to page 6, line 27, through page 7, line 3, to describe "anti-gouging" language to prevent distributors from artificially inflating prices in response to the new program.

Mr. Peterson detailed on page 9, lines 2-4, a technical change in the criminal section. It makes it a Class A misdemeanor for someone to use fuel that has been reimbursed for this program for purposes other than a primary residence or for a building that is owned by a government entity.

[9:48:47 AM](#)

Senator Dyson assumed it was inappropriate to use fuel for boats or vehicles. Mr. Peterson said that the language is clear that fuel must be used for primary residences.

Co-Chair Stedman asked about a live-aboard's ability to access 600 gallons of fuel for their boat. He offered to check on that issue.

[9:50:01 AM](#)

Co-Chair Hoffman thought that if the number was substantially higher than 600 gallons, it could be considered abuse.

Senator Huggins wondered where the language referring to senior housing was. Mr. Peterson said there was no language specific to that issue. If the housing is owned by Alaska Housing Finance Corporation it would not qualify.

Senator Huggins noted that seniors in his district need some benefit also.

[9:52:07 AM](#)

Senator Olson asked about the resource rebate as it applies to North Slope Borough residents. Mr. Peterson agreed that those residents would not qualify.

Senator Olson voiced concern about his constituents not benefitting by this legislation.

Senator Olson asked if there are any changes in the CS regarding Power Cost Equalization as it relates to the North Slope Borough. Mr. Peterson deferred to Ms. Fisher-Goad.

[9:54:33 AM](#)

SARAH FISHER-GOAD, DEPUTY DIRECTOR OF OPERATIONS, ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AND ALASKA ENERGY AUTHORITY, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, said the North Slope Borough has a subsidized rate of 15 cents per kilowatt hour, so they would qualify for the 10 cents per kilowatt hour rate.

Ms. Fisher-Goad commented on a previous question regarding eligible community facilities. Eligibility would be determined by AEA. Those facilities would not be eligible if they are owned by federal or state entities. City-owned facilities would qualify and would share in a collective amount of kilowatt hours.

[9:57:26 AM](#)

Senator Huggins questioned categories of senior housing program eligibility. Ms. Fisher-Goad said that non-profit senior housing would qualify. She referred to page 6, line 3, to explain that if they are not governmentally owned, they would qualify.

Senator Huggins needed a definitive answer. He gave an example of ten seniors and questioned if the residents would be eligible. Ms. Fisher-Goad thought that each unit in a multi-family building would be eligible for up to 300 gallons of fuel. The owner could pass on the savings to the tenants.

Senator Huggins asked for location of the 300 gallon reference. Ms. Fisher-Goad said page 5, line 25.

[10:01:00 AM](#)

Senator Dyson appreciated the line of questioning. He assumed that non-profits would also qualify. He wanted assurance that those were intrinsic in the bill.

Mr. Peterson explained that the legislation now states that "a person" would be eligible. That definition is a corporation, company, partnership, firm, association,

organization, business, trust, or society, as well as a natural person. A non-profit would qualify; a purely government-owned building would not.

[10:03:32 AM](#)

Senator Huggins asked for the administration's view.

RANDALL RUARO, SPECIAL ASSISTANT, OFFICE OF THE GOVERNOR, could not state the administration's position on the bill.

Senator Huggins thought it was important to work together with the administration on the bill. Mr. Ruaro noted that the Department of Law has been working on the bill.

Co-Chair Stedman requested that information in a timely manner.

[10:05:23 AM](#)

Co-Chair Hoffman referred to page 4 - the resource rebate - and thought there should be further dialogue on that issue. He questioned what the preferences of the Committee and the legislature are, and what the expectations of Alaskans are regarding the resource rebate.

Senator Huggins asked for the total cost of the bill. Co-Chair Stedman said the staff is working on the fiscal note.

AT-EASE: [10:06:24 AM](#)

RECONVENE: [10:11:02 AM](#)

Co-Chair Stedman addressed Senator Huggins' question referring to the fiscal note. The new fiscal note is dated 8/2/08, 9:30 AM.

Co-Chair Hoffman noted that the \$140 million is directly related to the PCE program.

Co-Chair Stedman added that the home heating cost is \$173 million. The addition of the rebate to the PFD costs about \$155 million, plus \$500,000 for administering the hold harmless component. The total is roughly \$468 million.

Co-Chair Hoffman termed it "a good start".

Co-Chair Stedman summarized that total cost was slightly under \$500 million.

[10:12:58 AM](#)

MILES BAKER, STAFF, CO-CHAIR STEDMAN, directed the Committee's attention to three fiscal notes. The most

recent one is for PCE changes and is dated 8/2/08. On all the fiscal notes, the appropriation required column is blank because they are funded through an appropriation bill. Based on proposed changes, an additional \$140,775,000 would have to be appropriated into the PCE fund. There is already \$28 million in that fund. He reported that the total program cost is \$168,800,000 as reflected in the 2010 column. In 2011 the amount drops back to the current funding level of \$32,603,000. He explained the fund source column, which contain AEA's projections. The expectation is that \$25.8 million can be pulled from the fund yearly.

[10:15:53 AM](#)

Mr. Baker explained the Department of Revenue fiscal note, dated 7/31/08, written to Version L, for \$155.1 million. It is the cost of the \$250 additional payment added to the PFD. It is based on 622,000 Alaskans receiving the rebate, plus administrative costs.

Mr. Baker explained the Department of Commerce, Community and Economic Development fiscal note for \$172,889,000 for home fuel assistance for two years, dated 7/31/08. It is an estimated cost for providing the fuel rebate.

Mr. Baker reported that the total of the three fiscal notes is just shy of \$500 million.

[10:18:13 AM](#)

Senator Elton noted that there was a financial obligation of about \$450 million for FY 2010. Mr. Baker responded that it was about \$400 million. Senator Elton thought the total cost of the bill would be about the same as the Governor's bill. Co-Chair Hoffman reminded the Committee that the new programs are for two years.

Co-Chair Stedman pointed out that more work was needed on the rebate.

AT-EASE: [10:21:06 AM](#)

RECONVENE: [3:28:10 PM](#)

Co-Chair Stedman reported that there were several amendments.

Senator Olson MOVED to ADOPT Amendment 6:

Page 4, line 15, following "persons":
Insert "and municipalities"

Page 5, line 15, following "person":
Insert "or municipality"

Page 5, line 16, following "person":
Insert "or municipality"

Page 5, line 30, following "person":
Insert "or municipality"

Page 7, line 11, following "person":
Insert "or municipality"

Page 7, line 11, following "person's":
Insert "or municipality's"

Page 7, line 15, following "person":
Insert "or municipality"

Page 7, line 17, following "person" in both places:
Insert "or municipality" in both places

Page 7, line 18, following "person":
Insert "or municipality"

Page 8, line 25, following "person":
Insert "or municipality"

Co-Chair Stedman OBJECTED.

Senator Olson explained that Amendment 6 inserts the words "and municipalities" in a number of places throughout the bill. He explained the North Slope Borough's fuel assistance program. The amendment takes that into account and makes for a more equitable situation. He quoted statistics about price versus oil usage over the past year in the borough. He reported that there were 670 households in his borough and it would take \$1 million to include those people in the rebate.

[3:31:58 PM](#)

Senator Elton listed three ways to deal with this issue: accept the current version of the bill, adopt the amendment, or for the Borough to end its subsidization program.

Senator Olson said those were theoretical ways. He spoke against dismantling the subsidy program. He suggested that the most considerate way to deal with this situation would be to adopt the amendment.

A roll call vote was taken on the motion.

IN FAVOR: Dyson, Olson, Thomas
OPPOSED: Elton, Huggins, Stedman

Co-Chair Hoffman was absent for the vote.

The motion failed 3-3.

[3:33:41 PM](#)

Senator Thomas MOVED to ADOPT Amendment 9:

Page 1, line 1, following "Act":

Insert "**relating to grants from the renewable energy grant fund;**"

Page 1, following line 7:

Insert new bill sections to read:

"* **Section 1.** AS 42.45.045(e), as enacted in sec. 3, ch. 31, SLA 2008, is amended to read:

(e) In consultation with the advisory committee established in (i) of this section, the authority shall make recommendations to the legislature regarding eligible applicants' projects that finance feasibility studies, reconnaissance studies, energy resource monitoring, and construction of renewable energy projects, alternative energy projects, natural gas projects, or transmission or distribution infrastructure located in Alaska that meet the requirements of (f), (g), [OR] (h), or (m) of this section, as applicable, and shall, at least once each year, solicit from the advisory committee funding recommendations for all grants.

* **Sec. 2.** AS 42.45.045(k), as enacted in sec. 3, ch. 31, SLA 2008, is amended to read:

(k) The legislature may appropriate money for grants from the renewable energy grant fund for [RENEWABLE ENERGY] projects described in this section.

* **Sec. 3.** AS 42.45.045, as enacted in sec. 3, ch. 31, SLA 2008, is amended by adding a new subsection to read:

(m) For an alternative energy project to qualify for a grant recommendation under (e) of this section, the project must be a

(1) new project not in operation on the effective date of this bill section or an addition to an existing project made after the effective date of this bill section; and

(2) facility that generates energy or fuel that is less expensive, more efficient, or has a less adverse effect on the environment than the energy or fuel that was previously used by a community."

Page 1, line 8:

Delete "**Section 1**"

Insert "**Sec. 4**"

Renumber the following bill sections accordingly.

Page 2, line 4:
Delete "sec. 1"
Insert "sec. 4"

Page 3, line 20:
Delete "sec. 4"
Insert "sec. 7"

Page 4, following line 9:
Insert new bill sections to read:

"* **Sec. 9.** The uncodified law of the State of Alaska enacted in sec. 1(b), ch. 31, SLA 2008, is amended to read:

(b) It is the intent of the legislature that each year for the next five years \$50,000,000 in capital funds be appropriated to fund renewable energy projects recommended by the Alaska Energy Authority as described in AS 42.45.045(f) and sec. [SECS. 3 AND] 6 of this Act.

* **Sec. 10.** The uncodified law of the State of Alaska enacted in sec. 6, ch. 31, SLA 2008, is amended to read:

RENEWABLE ENERGY GRANTS DURING STATE FISCAL YEAR 2009. (a) For the fiscal year ending June 30, 2009, from an appropriation made under the statement of intent set out in sec. 1(b) of this Act, the Alaska Energy Authority shall distribute grants to applicants determined by the authority and that meet the criteria in AS 42.45.045(f) - (h) and (m) [, ADDED BY SEC. 3 OF THIS ACT,] based on the procedure described in (b) of this section.

(b) For administering grants under AS 42.45.045(f) - (h) and (m) [, ADDED BY SEC. 3 OF THIS ACT,] for the fiscal year ending June 30, 2009, notwithstanding AS 42.45.045(d), (e), and (i) - (l), added by sec. 3 of this Act,

(1) the Alaska Energy Authority shall submit to the Legislative Budget and Audit Committee for review a revised program setting out the proposed grants;

(2) 45 days shall elapse before commencement of expenditures under the revised program unless the Legislative Budget and Audit Committee earlier recommends otherwise;

(3) should the Legislative Budget and Audit Committee recommend within the 45-day period that the Alaska Energy Authority not award the grants as set out in the revised program, the Alaska Energy Authority shall again review the grant applications and, if the Alaska Energy Authority determines to authorize the expenditures, the Alaska Energy Authority shall provide

the Legislative Budget and Audit Committee with a statement of the Alaska Energy Authority's reasons before commencement of expenditures making the approved grants."

Renumber the following bill sections accordingly.

Page 4, line 14:
Delete "sec. 7"
Insert "sec. 12"

Page 4, line 15:
Delete "sec. 8"
Insert "sec. 13"

Page 9, line 13:
Delete "Sections 8(a), (b), (d) - (f), (i) - (o), and (q)"
Insert "Sections 13(a), (b), (d) - (f), (i) - (o), and (q)"

Page 9, line 15:
Delete "Sections 2 and 5"
Insert "Sections 5 and 8"

Page 9, line 16:
Delete "Sections 1, 3, 4, 9, and 10"
Insert "Sections 4, 6, 7, 14, and 15"

Page 9, line 17:
Delete "Sections 6 - 8"
Insert "Sections 1 - 3 and 9 - 13"

Co-Chair Stedman OBJECTED.

Senator Thomas explained that the amendment adds alternative fuel and power projects to existing statute. The intention is that it would require those projects to go through the same process as the renewable projects do.

Senator Thomas reported that not all areas of the state have access to the same types of power generation and/or energy resources. He argued for the inclusion of alternative energy projects.

Senator Thomas referred to page 1, lines 10 and 11, which adds alternative energy projects to the list.

Co-Chair Stedman MAINTAINED his OBJECTION.

[3:35:31 PM](#)

Senator Dyson asked what is included in alternative energy projects. He specifically inquired about fish waste, lumber waste, and clean coal.

Senator Thomas explained the definition of alternative energy projects on page 1, lines 20 - 23, and page 2, lines 1 - 4. They include those projects defined by AEA. It does not affect the \$50 million already appropriated for renewable energy projects; it looks forward to future money.

Senator Elton recalled a previous debate where renewable energy was carefully defined. It did include biomass and wood and fish waste. The major effect of the amendment would be the addition of coal. He said he was opposed to voting on it now because of a pending, comprehensive energy plan. He suggested waiting for that plan.

[3:38:50 PM](#)

Senator Olson questioned whether the amendment requires a fiscal note. Senator Thomas explained that it does not appropriate any money.

Senator Huggins echoed Senator Elton's comments.

Co-Chair Stedman shared the same view.

Senator Thomas said the amendment was just an addition to the language to allow the consideration of other energy projects.

[3:40:52 PM](#)

A roll call vote was taken on the motion.

IN FAVOR: Olson, Thomas, Dyson

OPPOSED: Elton, Huggins, Stedman, Hoffman

The motion failed 3-4.

[3:41:45 PM](#)

Co-Chair Hoffman MOVED to ADOPT Amendment 7:

Page 1, line 1, following "Act":
Insert "**amending the bulk fuel bridge loan fund;**"

Page 1, following line 7:
Insert a new bill section to read:
"*** Section 1.** AS 29.60.660(c) is amended to read:
(c) Loans made from the bulk fuel bridge loan fund to one borrower in a fiscal year

(1) may not exceed \$750,000 [\$500,000]; and
(2) shall be repaid within one year after the
date of the award."

Page 1, line 8:
Delete "**Section 1**"
Insert "**Sec. 2**"

Renumber the following bill sections accordingly.

Page 2, line 4:
Delete "sec. 1"
Insert "sec. 2"

Page 3, line 20:
Delete "sec. 4"
Insert "sec. 5"

Page 3, following line 9:
Insert a new bill section to read:
"*** Sec. 7.** AS 42.45.250(e) is amended to read:
(e) Loans made from the bulk fuel revolving loan
fund to one borrower in any fiscal year
(1) may not exceed \$750,000 [\$500,000], or,
if the borrower is a cooperative corporation organized
under AS 10.15 or an electric cooperative organized
under AS 10.25 and uses the loan to purchase bulk fuel
on behalf of more than one community, may not exceed
the lesser of \$750,000 [\$500,000] multiplied by the
number of communities on whose behalf the bulk fuel is
to be purchased, or \$1,800,000;
(2) shall be repaid in one year or less; and
(3) may not exceed 90 percent of the
wholesale price of the fuel purchased."

Renumber the following bill sections accordingly.

Page 4, line 14:
Delete "sec. 7"
Insert "sec. 9"

Page 4, line 15:
Delete "sec. 8"
Insert "sec. 10"

Page 9, line 13:
Delete "Sections 8(a), (b), (d) - (f), (i) - (o), and
(q)"
Insert "Sections 10(a), (b), (d) - (f), (i) - (o), and
(q)"

Page 9, line 15:
Delete "Sections 2 and 5"

Insert "Sections 3 and 6"

Page 9, line 16:

Delete "Sections 1, 3, 4, 9, and 10"

Insert "Sections 2, 4, 5, 11, and 12"

Page 9, line 17:

Delete "Sections 6 - 8"

Insert "Sections 1 and 7 - 10"

Co-Chair Stedman OBJECTED.

[3:42:30 PM](#)

AMANDA RYDER, DIRECTOR OF ADMINISTRATIVE SERVICES, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, explained the impact of Amendment 7, which would increase the cap for the bulk fuel bridge loan fund to \$750,000. The impact will add about \$2.5 million to the need of the program.

AT-EASE: [3:43:31 PM](#)

RECONVENE: [3:43:56 PM](#)

Ms. Ryder continued to explain Amendment 7. The bridge loan fund has zero percent interest loans. There are about 16 outstanding loans. Inquiries for six more loans have been received and more are expected.

Senator Dyson asked for further clarification of the amendment.

Ms. Ryder reported that the amendment would change statute and amend two existing programs, and it adds a new section to version T of the bill.

Senator Dyson asked if the bill would be renumbered. Ms. Ryder clarified that the amendment changes two existing loan funds and is not related to the PCE program.

Co-Chair Stedman added that the reason for the amendment is to put a ceiling on the loan program due to rising costs of fuel. Ms. Ryder stated that more communities are expected to need loans due to the rising price of fuel. Funding for the bridge loan fund can only be received if the communities have been denied the bulk fuel loan fund by AEA.

[3:47:01 PM](#)

Senator Huggins asked how often the bridge loan fund is exercised and what the delinquency record is. Ms. Ryder reported that there has been no delinquency on the 16 loans. Senator Huggins asked if she was in support of the

amendment. Ms. Ryder related that she has had communication with the director of Community and Regional Affairs, who supports the idea of obtaining additional funds.

Senator Olson asked if the 16 outstanding loans were under the bridge loan fund. Ms. Ryder said yes.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

[3:49:30 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment 8 and OBJECTED for discussion purposes:

Page 6, lines 3-8
Delete all material
Insert:

"(c)A landlord or lessor that receives a payment under this section must pass on a benefit to its tenants by lowering the amount of rent by the amount attributable to the tenant's unit. A landlord or lessor may retain up to 10 percent of the payment required to be passed on to tenants, to cover administrative costs. Failure to comply with this requirement is a violation of AS 45.50.471. The authority may audit the books and records of a landlord or lessor for compliance with this subsection."

Mr. Baker explained that the amendment would help to rectify concerns about apartment complexes and multi-dwellings. The amendment does not provide for heating assistance for commercial properties, but would assist renters. He related how the payment would be passed on to the renter. He said that the landlord is able to take 10 percent for administrative costs.

[3:54:15 PM](#)

Senator Dyson appreciated the amendment. He wondered about the fairness of the timing. Mr. Baker stated that previous drafts dealt with this issue and the amendment clarifies the details and provides for an audit.

Senator Huggins said that it appears that the tenant could be commercial. He asked how much 10 percent would be in dollars. Mr. Baker said 10 percent of the rebate could be used for administrative costs and 10 percent would go back to the tenant.

[3:58:54 PM](#)

Senator Elton said the number of units is another factor. Mr. Baker said the 5-unit complex would be eligible for 5

times 300 gallons during the 7 month window. Senator Elton did the math to calculate the administrative fee.

Senator Thomas asked if a landlord could justify a rent increase without factoring in fuel costs. He wondered if this overrides a lease. Mr. Baker said his understanding is that the landlord who receives a rebate must pass on a benefit to the tenant. He said an attempt was made to try to attribute the benefit to the fuel costs.

[4:03:26 PM](#)

Co-Chair Stedman WITHDREW his OBJECTION to Amendment 8. There being NO OBJECTION, it was so ordered.

Co-Chair Hoffman MOVED to ADOPT conceptual Amendment 10 to change the amount of \$250 on page 4, line 21, and throughout the bill, to \$500. There being NO OBJECTION, it was so ordered.

Co-Chair Stedman MOVED to ADOPT conceptual amendment 11:

Page 7, lines 6-7
Delete "on its billing statement"
Insert "in a manner prescribed by AEA"

Co-Chair Stedman OBJECTED for discussion purposes.

[4:06:46 PM](#)

Ms. Fisher-Goad explained the amendment is to provide flexibility to AEA to work with the distributors and residential customers to implement the program. She did not have objections to the amendment.

Senator Elton suggested a friendly amendment to use "authority" instead of AEA.

Ms. Fisher-Goad agreed.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

[4:08:39 PM](#)

Co-Chair Hoffman MOVED to REPORT CSSB 4002 out of committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSSB 4002 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with three new Senate Finance Committee fiscal notes.

ADJOURNMENT

The meeting was adjourned at 4:12 PM.