

# FISCAL NOTE

**STATE OF ALASKA**  
**2010 LEGISLATIVE SESSION**

Fiscal Note Number: 3 \*\*CORRECTED\*\*  
 Bill Version: SB 301  
 (S) Publish Date: 3/8/10

Identifier (file name): SB301-CED-AIDEA-3-2-10 Dept. Affected: DCCED  
 Title: Power Project Fund Loan Portfolio Sale RDU: 125  
 Component: AIDEA Operations  
 Sponsor: Rules by Request of the Governor  
 Requester: Senate Resources Committee Component Number: 1234

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

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>								
<b>CHANGE IN REVENUES ( )</b>								

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2010) cost: \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

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

This bill authorizes the Alaska Energy Authority (AEA) to charge and collect fees relating to the power project fund (PPF.) See AEA's fiscal note for details.

In addition to authorizing the collection of fees, this bill allows AEA to sell and the Alaska Industrial Development and Export Authority to make a one-time purchase of substantially all loans from the PPF loan portfolio.

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 Division: Alaska Industrial Development and Export Authority  
 Approved by: Emil Notti, Commissioner  
Department of Commerce, Community and Economic Development

Phone 907-771-3012  
 Date/Time 2/17/10 12:00 AM  
 Date 3/2/2010

**ANALYSIS CONTINUATION**

AEA and AIDEA have developed a memorandum of understanding outlining the terms of the sale. AIDEA will purchase outstanding loans at a discount rate equivalent to 6.02%, its return on investments for the 3-year period ended September 30, 2009. To maximize the price paid, AEA agrees to repurchase from AIDEA loans which later default. Estimated sale proceeds are approximately \$20.6 million. The closing date of the sale is anticipated to be in July 2010.

No additional operating costs are anticipated with this legislation.