

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

April 6, 2010

3:33 p.m.

MEMBERS PRESENT

Senator Lesil McGuire, Co-Chair
Senator Bill Wielechowski, Co-Chair
Senator Charlie Huggins, Vice Chair
Senator Hollis French
Senator Bert Stedman
Senator Gary Stevens
Senator Thomas Wagoner

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 271

"An Act relating to interest on certain underpayments or overpayments for the oil and gas production tax, to certificates for certain oil and gas production tax credits for qualified capital expenditures, and to alternative tax credits for expenditures for certain oil and gas development and exploration activities for the oil and gas production tax; relating to the use of the oil and gas tax credit fund to purchase certain tax credit certificates; and providing for an effective date."

- HEARD AND HELD

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 306(RES)

"An Act declaring a state energy policy."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 271

SHORT TITLE: OIL AND GAS PROD. TAX: CREDITS/INTEREST

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/10/10	(S)	READ THE FIRST TIME - REFERRALS
02/10/10	(S)	RES, FIN

04/05/10 (S) RES AT 3:30 PM BUTROVICH 205
04/05/10 (S) Scheduled But Not Heard
04/06/10 (S) RES AT 3:30 PM BUTROVICH 205

BILL: HB 306

SHORT TITLE: STATE ENERGY POLICY

SPONSOR(S): ENERGY

01/19/10 (H) READ THE FIRST TIME - REFERRALS
01/19/10 (H) ENE, RES
01/26/10 (H) ENE AT 3:00 PM BARNES 124
01/26/10 (H) Heard & Held
01/26/10 (H) MINUTE(ENE)
01/28/10 (H) ENE AT 3:00 PM BARNES 124
01/28/10 (H) Heard & Held
01/28/10 (H) MINUTE(ENE)
02/02/10 (H) ENE AT 3:00 PM BARNES 124
02/02/10 (H) Moved CSHB 306(ENE) Out of Committee
02/02/10 (H) MINUTE(ENE)
02/05/10 (H) ENE RPT CS(ENE) 7DP
02/05/10 (H) DP: RAMRAS, DAHLSTROM, PETERSEN, TUCK,
JOHANSEN, EDGMON, MILLETT
03/08/10 (H) RES AT 1:00 PM BARNES 124
03/08/10 (H) Heard & Held
03/08/10 (H) MINUTE(RES)
03/12/10 (H) RES AT 1:00 PM BARNES 124
03/12/10 (H) Moved CSHB 306(RES) Out of Committee
03/12/10 (H) MINUTE(RES)
03/15/10 (H) RES RPT CS(RES) 8DP 1NR
03/15/10 (H) DP: GUTTENBERG, EDGMON, TUCK, KAWASAKI,
SEATON, P.WILSON, JOHNSON, NEUMAN
03/15/10 (H) NR: OLSON
03/17/10 (H) TRANSMITTED TO (S)
03/17/10 (H) VERSION: CSHB 306(RES)
03/18/10 (S) READ THE FIRST TIME - REFERRALS
03/18/10 (S) RES, FIN
04/06/10 (S) RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

PAT GALVIN, Commissioner
Department of Revenue (DOR)
Juneau, AK

POSITION STATEMENT: Provided an overview of SB 271.

REPRESENTATIVE BRYCE EDGMON
Alaska State Legislature

Juneau, AK

POSITION STATEMENT: Sponsor of HB 306.

CHRIS ROSE, Executive Director
Renewable Energy Alaska Project (REAP)

POSITION STATEMENT: Commented on HB 306.

BILL POPP

Anchorage Economic Development Corporation (AEDC)

POSITION STATEMENT: Commented on HB 306.

MICHAEL NAVE

Department of Law (DOL)

Juneau, AK

POSITION STATEMENT: Answered questions on HB 306.

SARAH FISHER-GOAD, Deputy Director

Operations

Alaska Energy Authority (AEA)

POSITION STATEMENT: Answered questions on HB 306.

STEVE HAGENSON, Executive Director

Alaska Energy Authority (AEA)

Anchorage, AK

POSITION STATEMENT: Supported HB 306.

BRIAN KANE, Legislative Legal

Legislative Affairs Agency

Alaska State Legislature,

POSITION STATEMENT: Was available for questions on HB 306.

ELIZABETH OUTTEN, Statewide Energy Coordinator

Alaska Conservation Alliance

POSITION STATEMENT: Supported HB 306.

ACTION NARRATIVE

[3:33:05 PM](#)

CO-CHAIR McGUIRE called the Senate Resources Standing Committee meeting to order at 3:33p.m. Present at the call to order were Senators Huggins, Stevens, French, Wielechowski, Wagoner, and McGuire.

SB 271-OIL AND GAS PROD. TAX: CREDITS/INTEREST

[3:33:43 PM](#)

CO-CHAIR MCGUIRE announced consideration of SB 271.

PAT GALVIN, Commissioner, Department of Revenue (DOR), gave an overview of SB 271, the governor's oil and gas tax credits bill. He said the bill deals with three primary themes, the first is to increase tax incentives available for activities that will result in more oil and gas jobs, the second is to provide all taxpayers with the full value for incentives currently offered, and the third is to provide fairness in administration of the production tax. This goes to the provision dealing with the application of interest for underpayment of taxes due to a retroactive application of a regulation.

SENATOR STEDMAN joined the meeting.

[3:36:04 PM](#)

COMMISSIONER GALVIN said SB 271 consists of four main components: one is that it establishes a 30 percent credit for well-related expenditures (infield drilling) that would fill an existing space in the oil and gas credit area where they already provide a blanket 20 percent credit for capital expenditures across the board. If it takes place outside of existing areas of activity they provide either a 30 or a 40 percent credit. This credit is intended to target well related expenditures within existing fields. Second, it eliminates the current requirement that the capital credits must be spread over two years and allows them to be used in the year in which they are earned. The third one is to eliminate the current reinvestment requirement (taxpayer must demonstrate that they are reinvesting in the two subsequent years) for those taxpayers who want the state to buy their credit when they don't have current production tax obligations to put their credit up against. They have found it could provide a barrier to companies who are looking to partner on individual exploration projects where they may come in as an investor for a particular well program and then see what happens after that. Their impression of their ability to get full value of the credit will be based upon whether they expect to make additional investments in the future. Finally, it provides a waiver of interest when retroactive regulations are put in place that result in an underpayment in a past tax return.

[3:39:45 PM](#)

COMMISSIONER GALVIN provided more detail to the first component, the 30 percent credit for infield drilling. They saw the overall level of investment and well activity raising after ACES passed, but not the number of wells being drilled. This provision raises the 20 percent credit currently available for all well-related

work to 30 percent for well-work within existing units. It also provides a 30 percent credit for certain well-related operating costs that currently don't qualify for any credit.

[3:41:59 PM](#)

SENATOR WAGONER asked what would insure the state will get additional production for that additional 10 percent credit.

COMMISSIONER GALVIN answered there is no guaranty that the activities qualifying for the credit will be additional, because they can't easily identify what they would have done otherwise. However, the department recognizes that they have seen the level of activities among explorers increase, so they anticipate that these credits for this particular type of activity will encourage more of it.

[3:43:35 PM](#)

SENATOR STEDMAN said he sees it as more of a 50 percent credit. Several years ago when they did PPT [revising the state oil tax] legislative consultants cautioned that if the state moved the credit from the 25 percent base tax it would be offering credit that wasn't needed, and he didn't recall ever discussing a credit as high as 30 percent. So he thought as they go down this road they should have some cash-flow modeling.

[3:46:29 PM](#)

COMMISSIONER GALVIN said he would agree if they were looking at increasing the capital credit across-the-board from 20 to 30 percent. But here they are trying to incentivize specific activities similar to the existing exploration incentive credit program which is at 30 percent and sometimes a 40 percent for particular activities. They have modeled the fiscal impact of this based upon the expected spending they are seeing in the next couple of years. While they expect it to go up, they have estimated \$250-300 million per year in additional credits being generated by this activity that would qualify for these credits.

SENATOR STEDMAN said he understands these credits are targeting Prudhoe Bay, Kuparuk, and Alpine, the older side of the field with a lot of heavy oil and comparatively lower operating costs (where most of the oil and the money are). Consultant David Wood had done some work in that area and testified in Finance about concerns with some of the timing and placement of the incentives.

[3:49:07 PM](#)

SENATOR FRENCH said his question goes back to the ACES debate and the model that was done by Rich Ruggerio [Gaffney Cline] and Bob George that showed high profitability for Prudhoe and Kuparuk wells of 50 percent and under almost any taxation structure. He wondered where that level of profitability plays into the governor's calculation of the size of the stimulus that is necessary, given that drilling wells there is "like shooting fish in a barrel."

COMMISSIONER GALVIN said the economic modeling they did during the ACES session was based on numbers the companies (particularly BP) provided, and he thinks those were an accurate reflection. He did not believe those particular wells needed this kind of credit, but he further expects a second wave of well work that will be less economic - because either the costs are higher or the production profile would be less attractive - and those wells are not being drilled. This credit seeks to provide a broader economic uplift, looking to bring on some activities (infield drilling) that are currently being passed over.

[3:52:17 PM](#)

CO-CHAIR WIELECHOWSKI asked how the \$350 million fiscal note is apportioned between new wells and what they expect to be drilled because of this credit remembering the increase from the 20-30 percent in the old wells that would have been drilled anyway.

COMMISSIONER GALVIN answered they don't have any projections, and technically the fiscal note is indeterminate for this bill. It is the balance between the additional credits that the state would incur because of the additional activity with the offsetting additional production; so he couldn't give him an accurate revenue impact.

[3:53:45 PM](#)

CO-CHAIR WIELECHOWSKI echoed Senator Stedman in that it is important to do some kind of modeling to figure out what the state is really getting for the \$350 million. He would have a hard time supporting giving it away for wells that would be drilled anyway, but if they are going to get new wells out of it, he would be more supportive. He asked how much more oil would be going into the pipeline and how much more revenue would be generated because of these credits.

COMMISSIONER GALVIN said he appreciated the sentiment and felt that they would model this if they could, but without additional detail from the companies they can't do it. However, they do

know that the increased credits in the exploration areas are working, and that kind of credit doesn't exist for infield drilling, and they think it is worth trying.

[3:56:32 PM](#)

CO-CHAIR WIELECHOWSKI commented that it is hard for him to make a big policy call without this information, and now he is hearing that the commissioner cannot give him any confidence that one single well will be drilled as a result of this credit.

COMMISSIONER GALVIN responded that he can't say specifically how much activity is going to be created, but he can say this credit will result in more favorable economics for the wells being evaluated for a decision. That will increase the likelihood that more wells will be drilled and that more production will occur.

[3:57:47 PM](#)

SENATOR WAGONER asked if this credit doesn't result in any wells being drilled, then the state isn't out any money, right?

COMMISSIONER GALVIN responded yes.

SENATOR WAGONER asked what history he has about the wells that have been drilled over the past five years, so they can use it for comparison.

COMMISSIONER GALVIN said he will have to look at how detailed their information is on specific incremental production that results from drilling activities.

[3:59:03 PM](#)

SENATOR FRENCH wondered if they had looked at the Kuparuk experience where prior to the PPT tax revisions in 2006 the severance tax was nearly zero.

COMMISSIONER GALVIN replied that they don't see this as falling in the rubric of lower taxes means higher production. Rather they see this as investment results in a credit off your current tax bill. It changes the dynamic significantly in terms of investment decision making.

SENATOR FRENCH asked where the \$250 to \$300 million comes from - from projecting the current level of infield drilling activity or does it envision some modest increase?

[4:00:29 PM](#)

COMMISSIONER GALVIN answered that it actually breaks the current level of total expenditures down into activities that are considered to potentially be subject to this credit.

4:01:38 PM

CO-CHAIR WIELECHOWSKI asked where he gets the information to make these projections and based on these projections do they expect an increase, a decrease or the same amount of drilling compared to now.

COMMISSIONER GALVIN answered that their information comes from a variety of sources. The projected overall expenditure comes from the companies, themselves, that under the current tax system have to project spending levels for a number of years in the future. They get a bit more detail on past spending from other past reports and have tried to differentiate well-related costs from non-well related costs.

4:03:09 PM

CO-CHAIR WIELECHOWSKI asked again if he expects an increase, a decrease or the same amount of drilling in future years.

COMMISSIONER GALVIN replied that the level of overall expenditure is expected to increase, which would lead them to expect additional wells will be drilled. It is a combination of new exploration and development wells and what would be considered infield drilling type programs, but they don't have information that there is going to be an increase in any of those individual segments.

CO-CHAIR WIELECHOWSKI asked what level of increase they expect. How many years out does this information go? Is it public? Can he get a copy of it?

COMMISSIONER GALVIN replied that it is part of the department's revenue forecast.

CO-CHAIR WIELECHOWSKI asked what the projected increase is over the next five years without this credit.

COMMISSIONER GALVIN replied the overall (capital) expenditure is expected to go up about 10 percent a year, but that would include things that don't qualify for these credits.

CO-CHAIR MCGUIRE pointed out that if no investment is made no tax credit is given. It's a question of whether or not the state feels it's worthwhile to "partner in the risk." She said this

committee has been looking at a number of tax credits and that she has heard from industry that ACES is broken. She thanked the governor for bringing stakeholders together to discuss how corporate behavior could be influenced in a way that would net a positive outcome for the state.

[4:07:09 PM](#)

SENATOR HUGGINS said the commissioner listed the items based on a letter from the House asking for some adjustments, but there have to be some things that didn't make the cut. He asked if there is anything else he could share with the committee that might be "objective fixes."

COMMISSIONER GALVIN replied that they looked at lowering the progressivity level from the current .4 percent or changing the kick off point. Some of the others were more technical, such as working with the definition of lease expenditures and the way the facility sharing costs are incurred or accounted for.

[4:08:41 PM](#)

SENATOR HUGGINS said the item that intrigued him is the technique of "bracketing the progressivity." He asked if they looked at that.

COMMISSIONER GALVIN replied that was looked at before the session; the other body had also proposed a similar methodology. Currently, if the production tax value per barrel goes over \$30/barrel, the progressivity rate applies to the entire stream. The concept would be rather than applying the progressive rate to the entire stream to apply it to that portion of the stream above \$30/barrel. If you just shear off the bottom \$30 with prices where they are now, that amounts to dropping progressivity from .4 percent to .2 percent. It means at the higher end of the progressivity you'll be at a lower state take. In looking at the question of progressivity, the department always asked if it would result in more activity (investment, jobs and production). There seemed to be less connection between the benefit being provided by that change and the expectation of increased activity. So, they gravitated more to credits.

[4:11:58 PM](#)

SENATOR HUGGINS asked if he thought the timing of these incentives would positively impact the big gas pipeline, particularly in the context of a successful instate gas pipeline and some petrochemical industry.

COMMISSIONER GALVIN answered that he can see it in two different ways; for example, impacting those who are investing in exploration almost exclusively for gas in the Foothills right now. To the extent that the credits will provide incentives to them, that would be a positive.

One of the limitations to the exploration incentive credit program is that the activity has to be a certain number of miles from an existing well, and given the seasonal nature of Alaska's drilling program, a producer might start drilling one year but have to wait to finish it the next year and would not get the same exploration credit for that pad. This measure would benefit that type of activity. Also, to the extent that a producer is looking to use these credits for additional infield drilling and that enhances their expectation of future gas production, it will decrease their perceived reservoir risk associated with a long-term commitment on a pipeline. To that extent it could have an incremental value.

[4:14:51 PM](#)

SENATOR WAGONER asked how much development has to happen in a new field prior to this credit kicking in and being applicable to each well - for instance at Pt. Thomson.

COMMISSIONER GALVIN replied basically none. Development is not directly defined as to an existing field or a developed field. It applies to "all wells."

[4:15:28 PM](#)

SENATOR FRENCH asked if the oil industry supports this bill.

COMMISSIONER GALVIN said he believes so. A number of new entrants spoke very positively with regard to access to the new credits and the cash back from the state.

[4:16:31 PM](#)

SENATOR FRENCH remarked that he didn't see a lot of people in the audience.

COMMISSIONER GALVIN responded that if he wanted to invite the industry to comment, he thought they would be here.

CO-CHAIR WIELECHOWSKI asked if this bill passes, does it end the oil tax debate once and for all.

COMMISSIONER GALVIN replied this is an attempt to address the concerns that have been raised, and from his perspective it will

send a very positive message that the state is responsive to industry's concerns. But it is up to the legislature to decide.

[4:17:44 PM](#)

SENATOR HUGGINS commented that North Dakota is booming and asked if the commissioner is familiar with what they are doing.

COMMISSIONER GALVIN said he is not aware that they have any particular program in place and he suspects the boom is driven by the resource. Comparing Alaska with any of the Lower 48 states isn't really a fair comparison because they don't own the resource themselves and don't have the same levers available to them as Alaska does. Also their relationship to the industry isn't the same.

SENATOR HUGGINS asked why Alberta is so "upside down."

[4:19:37 PM](#)

COMMISSIONER GALVIN replied what he understands from Alberta is they had a couple things happen to them almost simultaneously to form a sort of overheating of the industry. The oil sands had a huge influx of activity, and in that time they significantly changed their fiscal system by creating tiers. If you come into it now it is different than a couple of years ago. Then when the oil prices came down, everything started to implode and their fiscal system looked out of place. Beyond that he hadn't spent a lot of time comparing their system to ours.

CO-CHAIR MCGUIRE invited the commissioner to look at what other jurisdictions are doing with regard to taxes and tax credits over the Interim.

[4:22:05 PM](#)

CO-CHAIR MCGUIRE closed public testimony and set the bill aside.

HB 306-STATE ENERGY POLICY

[4:22:27 PM](#)

CO-CHAIR MCGUIRE announced consideration of HB 306 [CSHB 306(RES) was before the committee].

REPRESENTATIVE BRYCE EDGMON, sponsor of HB 306, related that last year a stakeholders' group met every month to consider all the various aspects of putting a state energy policy together. The group had membership from the supply and demand side of the energy equation, the academic side, the Denali Commission, as well as the Resource Development Council and members from the

conservation community. In December they emerged with an energy policy and that energy policy, while it has been amended somewhat, is before them in HB 306. It passed the House with great vigor.

[4:24:47 PM](#)

CO-CHAIR MCGUIRE said the committee enjoyed working with him on this issue and the policy language in the Senate bill mirrors the policy in this bill. She said that Senator Huggins had taken a leadership role on the subject of nuclear energy and the potential Alaska has there, and the Senate bill was amended to reflect that. She asked what he thought about adding "alternative energy" alongside "renewable energy".

REPRESENTATIVE EDGMON replied that it is worth considering.

[4:26:03 PM](#)

CHRIS ROSE, Executive Director, Renewable Energy Alaska Project (REAP), introduced himself. He listed the members of the Stakeholder Advisory Panel that was put together by the co-chairs of the House Special Committee on Energy. He said it started with a relatively small document that grew to seven pages. All realized that what they were really after was a comprehensive energy policy that would set up sidebars for planning decisions and goals down the road.

[4:29:27 PM](#)

BILL POPP, Anchorage Economic Development Corporation (AEDC), said the design was to develop an overarching energy policy that would be the foundation for establishing energy goals and then plans while taking into account regional differences. State government would be aligned in a unified set of strategic goals which would help in developing a comprehensive energy plan to achieve them. The policy leaves a lot of room for new thinking and new direction.

[4:30:57 PM](#)

MR. ROSE said it has four key steps: establishing the energy policy, developing strategic goals, creating the plan to achieve the goals and implementing programs and projects. People always came back to the fact that they were establishing an energy vision for the state and not talking about projects and plans. The bill is entitled "State Energy Policy" and has five goals, number five was added by the House for the State to become a leader in natural gas production, and that is where the renewable alternative energy policy is in the bill.

[4:32:40 PM](#)

MR. POPP turned to the guiding principles that pushed this process and said the future success of the Alaska statewide economy is tied to available, reliable and affordable energy for residential, commercial and industrial users. Energy is key to the future of economic growth in Alaska. They also recognized that worldwide supply and demand for fossil fuels and concerns about global climate change will affect the price of fossil fuels in the future. Oil is already being seen in the mid-\$80s when just a few months ago it was down in the \$30s and a little over 1.5 years ago it was up near \$150 a barrel. Assuring stability in energy prices and energy availability is paramount. They don't have to guarantee the lowest prices, but Alaskans shouldn't have to be paying the highest prices either.

[4:33:48 PM](#)

MR. ROSE related that a few years ago the Tri-Borough Commission (the Mat-Su Borough, the Municipality of Anchorage and the Kenai Peninsula Borough) developed a private-sector oriented Energy Policy Task Force to deal with the issues Mr. Popp just mentioned. After meeting for about four months, they were able to come up with the policy they presented to the stakeholder group, and a large portion of the portfolio included renewables. The policy was developed initially for South Central Alaska, but was broadened into a statewide policy.

[4:35:28 PM](#)

MR. POPP said the policy that has been passed out of the House promotes energy efficiency and conservation as a key premise as something that can be done immediately; it promotes development of renewable and non-renewable energy resources and recognizes the state has a portfolio of available energy sources. It orients towards market forces as to what solutions float to the top on a statewide-one-size-fits-all basis, but recognizing regional differences. It promotes economic development through long term sources of energy that are going to be vital to communities statewide in the coming decades.

It supports energy research education and work force development so that Alaska can take advantage of the full value chain of energy development, not just the end cost of delivered energy. Research could be monetized and the educational aspects would be important to establishing Alaska as a center for energy research, as wells as the work force development pieces to establish these energy infrastructures and develop and deliver them cost effectively. It supports the coordination of governmental functions and promotes a better regulatory process

so that regulations are developed within the umbrella of an energy policy and not in an individual agency's vacuum. This will bring an overall coordination and efficiency that is currently lacking at all levels of state government when it comes to energy policy.

[4:37:50 PM](#)

MR. ROSE concluded that both the task force and the House have put together a document that establishes a long term vision that can be used to develop and achieve energy goals. A lot of the work done on bills such as SB 220 complement this work, but a lot of things have yet to be addressed; and having this policy pass is going to be a key element to making sure the best energy resources are available to Alaskans - something that has been missing.

[4:39:10 PM](#)

CO-CHAIR WIELECHOWSKI said one difference between the House and Senate versions is that the intent is written into the House version and the Senate version includes a letter of intent. He asked how they feel about this.

MR. POPP responded that he feels the intent needs to have the force of law, otherwise it becomes subject to the whims of a given year's policy.

[4:40:36 PM](#)

CO-CHAIR WIELECHOWSKI asked Michael Nave if the administration had any opinion on the question of intent versus having policy in statute.

MICHAEL NAVE, Department of Law (DOL), replied that the department understands that it is a policy statement and therefore, that is how they've been analyzing it.

CO-CHAIR WIELECHOWSKI said bluntly when his staff met with DOL staff, the DOL was adamant that they did not want the intent in law, but would prefer it as intent. He asked if that position has changed.

MR. NAVE answered no, that was the request and it was understood that this was a policy statement.

SENATOR WIELECHOWSKI asked if he has an opinion or preference on whether or not this should be policy in law or policy in intent.

MR. NAVE said his opinion is that this statute as written is a statement of policy.

[4:42:26 PM](#)

SARAH FISHER-GOAD, Deputy Director, Operations, Alaska Energy Authority (AEA), said regarding concerns about having the policy in Title 44.99 rather than in un-codified law as in SB 220, that the preference is to have it as it is in SB 220. Part of the reason is that AS 44.99 hasn't been amended to add new policies for several years which was due to the potential for litigation. She had offered the staff some language that would address some of the concerns the department has with SB 220, and they are catching up with where HB 306 comes in. She believed the confusion came up when Senator McGuire mentioned that the Senate bill "mirrored" the House bill. She added that two other minor changes will help with policy language.

CO-CHAIR WIELECHOWSKI said he thought he just heard that DOL has no problem with HB 306 as policy and asked if she heard something different.

MS. FISHER-GOAD replied that her understanding is that they prefer SB 220, and HB 306 would be OK with the suggested amendments.

[4:45:34 PM](#)

STEVE HAGENSON, Executive Director, Alaska Energy Authority (AEA), commented that he was not a member of the committee, but they invited him to participate. He enjoyed the interaction he had with staff from both bodies and the work group. He thought they produced a quality document.

[4:46:20 PM](#)

CO-CHAIR WIELECHOWSKI asked if he supports HB 306.

MR. HAGENSON answered yes.

[4:46:52 PM](#)

BRIAN KANE, Legislative Legal, Legislative Affairs Agency, Alaska State Legislature, said he was available for questions.

[4:47:13 PM](#)

ELIZABETH OUTTEN, Statewide Energy Coordinator, Alaska Conservation Alliance, said they support both HB 306 and SB 220. They show a commitment to long term energy planning and it continues to put Alaska on an economically viable sustainable stable energy path to the future, and provides the very much-

needed vision to help guide the state's energy decisions. The Alliance strongly supported including provisions encouraging the state and public focus on energy efficiency first, and it has identified it as a priority issue for this session. They support the establishment of statewide energy efficiency codes to decrease energy use in public buildings through efficiencies and educating the public about opportunities and support that is available to them to be more energy efficient.

MS. OUTTEN said they also support the renewable energy development provisions because Alaska has so many opportunities to meet its energy needs with renewable energy. Finally, they also support the provisions that help Alaska become a leader in energy development and deployment of new energy technologies. The Alliance had identified emerging technology development and deployment as a priority issue for this session. They were excited to see these provisions included in SB 220.

[4:49:26 PM](#)

CO-CHAIR WIELECHOWSKI closed public testimony.

[4:49:43 PM](#)

REPRESENTATIVE EDGMON closed by thanking everyone for the time and work they put into this document and emphasized the importance of putting the goals and objectives in the front part of the bill into policy.

SENATOR HUGGINS thanked Representative Edgmon for his effort.

[4:51:50 PM](#)

CO-CHAIR WIELECHOWSKI echoed those comments and finding no further business to come before the committee, he adjourned the meeting at 4:51 p.m.