

29TH ALASKA STATE LEGISLATURE
SECOND SESSION
CONFERENCE COMMITTEE ON SB 196 and
April 28, 2016
9:00 a.m.

9:00:56 AM

CALL TO ORDER

Chair Hoffman called the Conference Committee meeting on SB196 to order at 9:00 a.m.

MEMBERS PRESENT:

Senate:

Senator Lyman Hoffman, Chair
Senator Anna MacKinnon
Senator Click Bishop

House:

Representative Bryce Edgmon, Vice-Chair
Representative Dan Saddler
Representative Scott Kawasaki

MEMBERS ABSENT

None

ALSO PRESENT:

Tim Grussendorf, Staff, Senator Lyman Hoffman.

SUMMARY

SB 196 POWER COST EQ FUND: RESERVE ACCT;DIVIDEND

CCS SB 196 was REPORTED out of committee with a previously published fiscal impact note: FN1 (SFIN); and a previously published zero fiscal note: FN2 (CED).

#SB196

CS FOR SENATE BILL NO. 196(FIN)

"An Act relating to the amount appropriated for power cost equalization; relating to the use of certain unexpended earnings from the power cost equalization endowment fund; and providing for an effective date."

and

HOUSE CS FOR CS FOR SENATE BILL NO. 196(FIN)

"An Act relating to the amount appropriated for power cost equalization; relating to the use of certain unexpended earnings from the power cost equalization endowment fund; and providing for an effective date."

9:01:22 AM

Vice-Chair Edgmon MOVED to ADOPT the proposed committee substitute for SB 196, Work Draft 29-LS1383\D (Shutts/Nauman, 4/22/16). There being NO OBJECTION, it was so ordered.

TIM GRUSSENDORF, STAFF, SENATOR LYMAN HOFFMAN, explained the committee substitute. He stated that the change was on page 2, Section 3, line 10, "the Legislature may appropriate 70 percent of the difference." He explained that "difference" was the difference between the earnings and after the Power Cost Equalization (PCE) payment. He announced 70 percent of the excess earnings could be appropriated. He stated that the Senate version split the excess into three, which addressed all the excess funds at one time at a 50 percent, 30 percent, and 20 percent divide.

Chair Hoffman queried the details of the split. Mr. Grussendorf replied that 50 percent was for community assistance, 30 percent to the PCE fund, and 20 percent to the Rural Energy Funds, which contained three separate funds.

9:02:52 AM

AT EASE

9:03:22 AM

RECONVENED

9:03:25 AM

Mr. Grussendorf clarified that Senate version had 50 percent to community assistance; 30 percent to the Rural Energy Funds; and 20 percent would be reinvested into the PCE.

Chair Hoffman noted that the percentage divide referred to excess earnings after full funding of the PCE. Mr. Grussendorf agreed, and stated that the House version wanted to ensure that community assistance was initially fully funded. He stated that after all of the community assistance was filled with excess earnings, the Rural Energy Funds, and the remaining excess would return to the PCE. He explained that the compromise returned to the 70/30 split. He stated that 70 percent would go to the created funds, and 30 percent would return to the PCE. He stressed that the community assistance would be filled at the 70/30 split. He stated that once the community assistance had reached \$30 million, the Rural Energy Funds would be addressed at 70/30. He stated that once the Rural Energy Funds reached \$25 million, any remaining excess would remain in the PCE.

Chair Hoffman felt that the bill was a fair compromise to ensure that the endowment could be sustainable in the long run. He shared that the Legislative Finance Division (LFD) agreed that the bill created a more solid fund to act as an endowment.

Vice-Chair Edgmon remarked that the bill ensured that the endowment was properly replenished, which better ensured that the new community assistance program had a better chance to be funded at the full amount every year.

[9:06:12 AM](#)

Vice-Chair Edgmon MOVED to REPORT CCS SB 196 and the accompanying fiscal notes to the full Senate and House for consideration.

A roll call vote was taken on the motion.

IN FAVOR: Hoffman, MacKinnon, Bishop, Edgmon, Saddler, Kawasaki
OPPOSED: None

The MOTION PASSED (6/0).

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ADJOURNMENT

9:07:18 AM

The meeting was adjourned at 9:07 a.m.