

**ALASKA STATE LEGISLATURE  
HOUSE SPECIAL COMMITTEE ON ENERGY**

April 6, 2017  
10:17 a.m.

**MEMBERS PRESENT**

Representative Adam Wool, Chair  
Representative Ivy Spohnholz, Vice Chair  
Representative Matt Claman  
Representative Dean Westlake  
Representative DeLena Johnson  
Representative Jennifer Johnston  
Representative George Rauscher

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE JOINT RESOLUTION NO. 18

Urging the Alaska delegation in Congress to implement a renewable energy testing program in the state; supporting the development and testing of renewable energy resources in the state; and encouraging entrepreneurs to develop renewable energy projects in the state.

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HJR 18

SHORT TITLE: SUPPORT FOR RENEWABLE ENERGY TESTING

SPONSOR(S): REPRESENTATIVE(S) TUCK

04/05/17	(H)	READ THE FIRST TIME - REFERRALS
04/05/17	(H)	ENE
04/06/17	(H)	ENE AT 10:15 AM CAPITOL 17

**WITNESS REGISTER**

JACOB TATUM, Staff  
Representative Chris Tuck  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HJR 18 on behalf of the sponsor, Representative Tuck.

REPRESENTATIVE CHRIS TUCK  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions on HJR 18 as sponsor of the resolution.

SEAN SKALING, Assistant Executive Director  
Energy Policy Director  
Alaska Energy Authority  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during discussion of HJR 18.

CADY LISTER, Chief Economist  
Alaska Energy Authority (AEA)  
Department of Commerce, Community & Economic Development  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during discussion of HJR 18.

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

**POSITION STATEMENT:** Answered questions during discussion of HJR 18.

#### **ACTION NARRATIVE**

[10:17:22 AM](#)

**CHAIR ADAM WOOL** called the House Special Committee on Energy meeting to order at 10:17 a.m. Representatives Wool, Claman, Johnston, Johnson, Westlake, Rauscher, and Spohnholz were present at the call to order.

#### **HJR 18-SUPPORT FOR RENEWABLE ENERGY TESTING**

[10:17:39 AM](#)

CHAIR WOOL announced that the only order of business would be HOUSE JOINT RESOLUTION NO. 18, Urging the Alaska delegation in Congress to implement a renewable energy testing program in the state; supporting the development and testing of renewable

energy resources in the state; and encouraging entrepreneurs to develop renewable energy projects in the state.

[10:18:31 AM](#)

JACOB TATUM, Staff, Representative Chris Tuck, Alaska State Legislature, said that the proposed resolution would be "great for Alaska." He stated that HJR 18 signified a unified voice from the Alaska State Legislature to the Alaska Congressional delegation. He paraphrased from the sponsor statement [Included in members' packets] which read:

HJR 18 sends a very important message to the Alaskan Congressional delegation that our great state wishes to take its rightful place as a leader in the development of emerging renewable energy and encourages our representatives to advocate for our wishes in Washington. Over the past decade, the renewable energy sector has seen tremendous growth while the cost of production has also dropped. This has been made possible due to strides in research and timely direction of resources and funds. Alaska is uniquely qualified to contribute to the proliferation of affordable and clean energy because our demanding environment is an ideal testing ground for cutting edge technology and our fiscal climate is ripe for outside investment. The Alaska state motto is "North to the Future"; which represents our tradition of looking forward and as a land of promise. By sending this message to our congressional delegation, we will be living up to our reputation and favorably positioning our state to enjoy the fruits of renewable energy which include not only affordability but also a much-needed boost to the Alaskan economy of today and tomorrow. HJR 18 urges Congress to take action and direct funds to our state in order to position Alaska as a leader within the burgeoning renewable energy industry while also helping Alaskan pocketbooks by driving down energy costs and bringing new jobs to our economy. HJR 18 serves as a continuing reminder to Congress that encouraging renewable energy testing is in Alaska's best interest and in the best interest of the Nation. I humbly ask for your support.

[10:20:47 AM](#)

REPRESENTATIVE CHRIS TUCK, Alaska State Legislature, reiterated that the resolution stated that Alaska was the most suitable region for the testing and development of renewable energy. He added that the high cost of energy combined with all the opportunities in the state made these technologies very feasible and affordable. He stated that, "if it can be done right in Alaska, it can be pretty much done right anywhere else in the world."

[10:21:32 AM](#)

REPRESENTATIVE JOHNSTON stated that it was an interesting resolution and she supported its general intent. She asked if this was to create a new entity, in addition to the already existing programs.

REPRESENTATIVE TUCK explained that the proposed bill was asking for the investment of outside money from sources such as the Department of Energy. He reported that, although the state had done a good job with its own investments, this was asking the U.S. Congress for federal support in Alaska to help meet the federal goals for renewable energy.

REPRESENTATIVE JOHNSTON asked if he was aware of the millions of dollars from the Department of Defense which were already coming into the state. She suggested to make the proposed resolution more site specific, offering as an example a lab in Fairbanks attached to the university research program. She declared that there was a lot of Department of Energy and Department of Defense funds already being spent throughout the state.

REPRESENTATIVE TUCK replied that the resolution had been kept broad, instead of specific, so that the U.S. Congress would understand that Alaska "has what it needs to test a lot of these opportunities." He asked where the resolution was restrictive.

REPRESENTATIVE JOHNSTON offered her belief that, although there were some fantastic opportunities, there were some fantastic resources already in place, and she was looking for more sculpture of the resolution to strengthen it with what was already happening in the state and the university. She offered her help with this.

REPRESENTATIVE TUCK explained that a resolution was a note of agreement to the Alaska delegation. He stated the desire to keep the resolution as broad and open as possible, to be used as

an education tool. He acknowledged that the resolution could include information about Alaska energy.

[10:26:12 AM](#)

REPRESENTATIVE WESTLAKE stated that the Department of Energy did not do much in Alaska, noting that its national budget for tribal energy was only \$60 million for the almost 500 tribes with project needs of more than \$670 million. He asked if the intent of the proposed resolution was to attract outside money. He offered examples of energy projects in his region that needed funding.

REPRESENTATIVE TUCK replied that the intent was to bring in outside money, as the investment resources in Alaska were limited. He reminded that the 2010 energy policy had a goal to be 50 percent renewable by 2025. He expressed his desire that the proposed resolution would draw attention to the uniqueness and special needs of Alaska for other manufacturers and organizations. He reported that Alaska had the highest cost of power in the nation. He declared that Alaska could make these new technologies economically feasible and allow them to be refined to be applied elsewhere. He stated that he was unsure where the Department of Defense had been working on renewable energy in Alaska.

CHAIR WOOL offered his belief that Representative Johnston had been referring to the new technology being tested and developed by the Alaska Center for Energy and Power. He suggested a focus on the successful programs.

[10:30:24 AM](#)

SEAN SKALING, Assistant Executive Director, Energy Policy Director, Alaska Energy Authority, stated that the Alaska Energy Authority had submitted a letter of support [Included in members' packets]. He said that the letter outlined a few facts about renewable energy in Alaska, and he touted the support from the Alaska State Legislature for investments in renewable energy projects totaling more than \$250 million, which were making a real difference around the state. He said that several of the projects did have a federal match. He pointed out that the renewable energy market had increased due to these investments. He said the emerging energy technology fund was another investment made with federal match for new technologies. He added that, although there were several tax incentives for renewable energy, these were more difficult to use in Alaska.

10:33:20 AM

REPRESENTATIVE RAUSCHER asked if a result of the resolution would be to send this as a collective.

REPRESENTATIVE TUCK explained that the entire resolution packet would be sent, and he mentioned those to be included listed on the final page of the resolution.

REPRESENTATIVE RAUSCHER asked about friendly language amendments and he offered some wordsmith suggestions, noting that a vote against a hydro project would be seen as a mixed message. He mused about national projects and suggested that defense of the listed projects would enhance the strength of the resolution. He said that he would have them later.

MR. SKALING in response to Chair Wool, said that the emerging energy technology fund was a one third federally matched fund.

10:37:14 AM

CADY LISTER, Chief Economist, Alaska Energy Authority (AEA), Department of Commerce, Community & Economic Development, explained that there were different matching funds in different rounds of the programs, and that the most recent was a Department of Energy grant.

CHAIR WOOL asked how the money in the fund was used.

MS. LISTER replied that there was an emerging energy technology advisory committee which provided recommendations to the Alaska Energy Authority for administering the funds. [indisc]

CHAIR WOOL reflected on the emerging energy technology fund, which had been used for the combined heat and power plant at the university in Fairbanks, a coal fired, co-generation plant which was currently under construction.

MS. LISTER explained that the combined heat and power project was testing at the Big Dipper, and that it would combine electricity and heat. She said that this technology was widely used in Europe, but had not been ever tested in Alaska.

REPRESENTATIVE WESTLAKE asked about projections for the AEA budget.

MS. LISTER said that she would follow up with that information. She relayed that in the recent past it had been easier to attract federal funding for emerging energy investments. She did not know if this would continue under the new administration.

[10:41:37 AM](#)

REPRESENTATIVE WESTLAKE asked if proposed HJR 18 would help with securing funds.

MS. LISTER replied that it would not hurt, as it was clearly an opportunity for implementing good renewable energy projects in Alaska and helping to stabilize and lower energy costs in high cost communities. [indisc] She declared support for the proposed resolution.

CHAIR WOOL asked if the renewable energy fund ever had a matching component from federal funds.

MS. LISTER replied that it had always been 100 percent state funding.

[10:43:37 AM](#)

CHRIS ROSE, Executive Director, Renewable Energy Alaska Project (REAP), explained that REAP was a coalition of more than 80 organizations and that REAP supported the resolution and its intent. He stated that there was nothing like Alaska as a testing area in the United States [indisc]. He said that Alaska could not be a world leader unless the United States continued to try to be a world leader helping build renewable energy on a national basis [indisc]. He stated that renewable energy could be a component of a future [indisc]. He offered his belief that the proposed resolution sent a great message to Congress that Alaska needed help and support.

[10:50:34 AM](#)

CHAIR WOOL reiterated that Alaska was a world leader in micro grids.

[10:51:03 AM](#)

REPRESENTATIVE JOHNSTON asked how much Department of Defense funding came to Alaska.

MR. ROSE replied that this had been about \$350,000.

REPRESENTATIVE JOHNSTON asked about the intent of those funds and whether the focus of the resolution should be directed to individual senatorial expertise.

MR. ROSE said that for these projects to be successful, it was necessary to maintain, upgrade, and optimize them. He said that REAP had been looking for money to hire another position for investigation of workforce development and vocational training in the clean energy area (indisc). He pointed out the importance of micro grids as a replacement energy for diesel fuel in military areas. He stated that Alaska was an excellent testing area for integration of these renewable projects.

[10:56:20 AM](#)

CHAIR WOOL mused about earlier testimony that Lockheed Martin was working on energy projects relevant to Alaska, which included small nuclear projects.

REPRESENTATIVE TUCK referenced the first "Whereas" in the proposed resolution and reported that this clause discussing reduction of nonrenewable energy sources had been inserted due to national security. He pointed out that the United States, as of July 2015, had become the largest exporter of refined fuels in the world. He reiterated that the proposed resolution focused on renewable energy.

REPRESENTATIVE RAUSCHER, in response to Representative Tuck, said that he would bring work-around suggestions to his office.

[10:58:53 AM](#)

CHAIR WOOL announced that HJR 18 would be held over.

[10:59:09 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Energy meeting was adjourned at 10:59 a.m.