

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version:	SB 161
Fiscal Note Number:	2
(S) Publish Date:	1/22/2020

Identifier: LL4177-DNR-DOG-1-21-20
 Title: GEOTHERMAL RESOURCES
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: Governor

Department: Department of Natural Resources
 Appropriation: Oil & Gas
 Allocation: Oil & Gas
 OMB Component Number: 439

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2021	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2021 Request	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
OPERATING EXPENDITURES	FY 2021	FY 2021					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2020) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2021) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable. Initial version.

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Division:	DNR Commissioner's Office	Date:	01/21/2020 12:30 PM
Approved By:	Tom Stokes, Director	Date:	01/21/20
Agency:	Division of Oil & Gas		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2020 LEGISLATIVE SESSION**Analysis**

This bill removes obstacles for exploration and development of Alaska's geothermal resources. It increases the time available for exploration to five years to better account for the time needed to complete an exploration program. This bill renames the current permit system to a license system like that for oil and gas exploration. The proposed five-year exploration license term in this bill allows explorers more time to conduct background research, acquire surface use permits, and perform the field work necessary to locate a resource and produce the data necessary to convert a license to a lease.

This bill also nearly doubles the acreage limit for geothermal projects from 51,200 acres to 100,000 acres.

The Division of Oil and Gas (DOG) already oversees exploration licensing and has the staff resources to accommodate the slight incremental increase in work required for geothermal exploration with current funding. Therefore, DOG submits a zero fiscal note.