

HOUSE FINANCE COMMITTEE
April 26, 2022
1:31 p.m.

1:31:06 PM

CALL TO ORDER

Co-Chair Merrick called the House Finance Committee meeting to order at 1:31 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Kelly Merrick, Co-Chair
Representative Dan Ortiz, Vice-Chair
Representative Ben Carpenter
Representative Bryce Edgmon
Representative DeLena Johnson
Representative Andy Josephson
Representative Bart LeBon
Representative Sara Rasmussen
Representative Steve Thompson
Representative Adam Wool

MEMBERS ABSENT

None

ALSO PRESENT

None

PRESENT VIA TELECONFERENCE

Alan Weitzner, Executive Director, Alaska Industrial Development and Export Authority; Curtis Thayer, Executive Director, Alaska Energy Authority, Department of Commerce, Community and Economic Development; Noah Klein, Attorney, Legislative Legal Services; Morgan Neff, Chief Investment Officer, Alaska Industrial Development and Export Authority.

SUMMARY

HB 170 ENERGY INDEPENDENCE PROGRAM & FUND: AIDEA

HB 170 was HEARD and HELD in committee for further consideration.

HB 172 MENTAL HEALTH FACILITIES & MEDS

HB 172 was SCHEDULED but not HEARD.

Co-Chair Merrick reviewed the agenda for the meeting.

#hb170

HOUSE BILL NO. 170

"An Act establishing the Alaska energy independence program and the Alaska energy independence fund in the Alaska Industrial Development and Export Authority; and providing for an effective date."

[1:31:33 PM](#)

Co-Chair Merrick relayed that the bill had eight amendments to consider. She read a list of available testifiers.

[1:32:05 PM](#)

ALAN WEITZNER, EXECUTIVE DIRECTOR, ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY (via teleconference), indicated he had no opening comments.

Co-Chair Merrick began the amendment process for HB 170.

Representative Wool MOVED to ADOPT Amendment 1, 32-GH1074\W.5 (Ambrose/Klein, 4/20/22) (copy on file):

Page 7, following line 15:

Insert a new paragraph to read:

"(2) prioritize programs for energy efficiency and renewable energy for residential, commercial and public buildings in rural and urban areas;"

Renumber the following paragraph accordingly.

Co-Chair Merrick OBJECTED for discussion.

Representative Wool read the amendment, which spelled out the functions of the new program.

Representative LeBon noted that there was a reference to public buildings in the amendment. He asked for the definition of a public building.

Representative Wool responded that a public building was a building that was available to the public. He did not know the statutory definition. In rural Alaska, a community center or a school might be considered a public building.

[1:34:03 PM](#)

Representative LeBon wanted to make sure buildings owned by the government were not included in the definition. He asked whether government buildings were intended to be defined as public.

Representative Wool did not know if the bill would limit access to government owned buildings. His focus was more on communal buildings in rural communities. He did not want to limit access, but also did not know if there was something in statute already with a limiting definition.

Co-Chair Merrick indicated Representative Edgmon, Representative Rasmussen, and Representative Carpenter had joined the meeting.

Representative LeBon thought they might be splitting hairs. He thought the amendment should be focused on community facilities.

Representative Wool did not have a problem with making a conceptual amendment. He thought Representative LeBon had an amendment that would be discussed later in the meeting that did the same thing. He was not sure how the other amendments would be received and did not want to jump ahead. He thought he and Representative LeBon wanted the same result.

Representative LeBon agreed that he might be getting ahead of himself. He suggested a conceptual amendment that would strike the words "public buildings" and insert "community facilities" in Amendment 1.

Representative LeBon MOVED to ADOPT conceptual Amendment 1 to Amendment 1.

Representative Wool OBJECTED. He did not oppose the amendment change. He suggested rolling his amendment to the bottom of the agenda because Representative LeBon's amendment that had not been offered yet had similar language.

[1:38:03 PM](#)

Representative Josephson indicated there was a clear definition of a community facility. He relayed that the definition was narrow and accomplished what Representative LeBon intended. The list of valid community facilities was as follows: water and sewer facilities, public outdoor lighting, and charitable educational facilities or community buildings that operated using monies that were not from the state, federal government, or private commercial interests.

Representative LeBon wondered about how outside lighting was considered a community facility. He did not want to mix state, federal, or other buildings in the language of the bill.

Representative Wool appreciated the language defining a community facility. He wondered if the bill would exclude schools, particularly rural schools that might need an energy upgrade. He did not want to eliminate public buildings like schools from the bill.

Mr. Weitzner explained that he wrote the bill to be interpreted as broadly as possible. It was conceivable that schools would be part of the program laid out in the bill. He would not preclude public facilities from the bill.

Representative Wool wondered if community buildings would be covered as well if public buildings were left in the bill. He thought the inclusion of the term "public" would be less likely to exclude schools.

Co-Chair Merrick asked Mr. Weitzner whether he had a copy of the amendments.

Representative Wool requested that Amendment 1 be rolled to the bottom of the agenda.

Representative Wool WITHREW the OBJECTION.

Representative LeBon WITHDREW conceptual Amendment 1 to Amendment 1.

Representative Wool WITHDREW his MOTION to ADOPT Amendment 1.

[1:42:57 PM](#)

Representative Wool MOVED to ADOPT Amendment 2, 32-GH1074\W.11 (Klein, 4/20/22) (copy on file):

Page 9, following line 7:

Insert a new subsection to read:

"(b) The authority may not use the Alaska clean energy fund established in AS 44.88.452 for construction or renovation of fossil fuel power generation projects."

Reletter the following subsections accordingly.

Co-Chair Merrick OBJECTED for discussion.

Representative Wool read the amendment, which limited the type of loans that would qualify for the fund. He did not oppose renovation of fossil fuel but thought that there were already enough funding opportunities in the field. He thought the bill should be used for renewable or green energy projects.

[1:44:25 PM](#)

Representative Carpenter asked whether the funding could be used if an entity had a coal plant or a diesel plant and wanted to renovate it into a natural gas plant.

Representative Wool thought there was other funding available for such projects.

[1:45:36 PM](#)

AT EASE

[1:46:00 PM](#)

RECONVENED

Representative Rasmussen would be opposing the amendment. She thought it was important to recognize the role of fossil fuel in the effort to achieve cleaner and more

renewable energy. She thought the amendment could restrict growth of renewable energy efforts.

Representative Wool commented that most all of the new power generation projects in the continental United States were renewable. There were some conversions to natural gas, which he supported, but he thought that was enough funding already.

[1:47:28 PM](#)

Representative Carpenter noted that Europe had a lot of green energy plants and had scrubbed its coal producing plants. He thought Europe was currently in a bind because it could not sustain its energy. He did not think the amendment would be wise.

Representative Rasmussen asked if the Alaska Energy Authority (AEA) could be consulted on how the amendment would impact power houses.

[1:48:05 PM](#)

CURTIS THAYER, EXECUTIVE DIRECTOR, ALASKA ENERGY AUTHORITY, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT (via teleconference), responded that the state had over 193 communities that were dependent on diesel power generation for their power houses. He relayed that AEA had worked to upgrade and improve the efficiencies of the power houses, but even when there was wind and solar involved, many communities still relied on power houses to run diesel. He thought the amendment would prevent any rural diesel facilities from receiving funds for necessary upgrades or replacements.

Representative Wool argued that the amendment did not enable the communities to receive funds; the communities already received such funds. The amendment simply proposed that the green bank fund was to be used for renewable energy programs only. Power houses were already being maintained with other funds.

[1:49:48 PM](#)

Representative Rasmussen asked if the amendment would ban a community from applying to add solar or wind energy to an existing diesel power house. She did not think they could

shift from one type of power to another without there being overlap.

Representative Wool relayed that his intent was not to inhibit green power generation projects. If a community with a diesel power house wanted to augment its power generation with renewable energy, it would not be inhibited by the amendment.

[1:51:31 PM](#)

Representative Edgmon supported the amendment and was familiar with AEA programs in rural Alaska. He asked if the bill was a "pseudo bill" for fossil fuel development or unconventional green energy entities. If this was the case, he thought the composition of the advisory board should be changed as well and the bill should be reconstructed. He did not have a problem narrowing the intent of the bill and did not want to dilute its purpose.

Representative LeBon asked whether Alaska Industrial Development and Export Authority (AIDEA) or AEA had an opinion on the likelihood of regional villages requesting financing through the green bank to subsidize oil for natural gas and convert power generation to natural gas. He wondered if the vision of the program would be to focus on wind, solar, and other clean energies and exclude communities reliant on diesel power houses from eligibility.

Mr. Weitzner relayed that there was extensive discussion about the creation of the program. A variety of individuals contributed to the conversation, including people who had helped develop green banks in other states. Much of the conversation was about the ways in which each state considered its unique requirements. For Alaska, it was important to consider that many rural communities relied on fossil fuels. The objective of the legislation was to create ways to provide capital for clean energy and energy efficiency technology. He explained that AEA was looking at ways to lower the demand level of fossil fuels in rural Alaska by supplementing power houses with clean energy.

[1:57:12 PM](#)

Representative LeBon suggested that his district was benefiting from the interior energy project which involved

natural gas being delivered to commercial buildings and residential homes. It was beneficial to convert properties from diesel fuel to natural gas because it provided cleaner air and cost savings. He was glad that the project was not tied exclusively to a windmill.

Representative Thompson asked Mr. Thayer whether the fund could be used for building bulk fuel containers or tank upgrades that would reduce costs over time.

Mr. Thayer did not think so. Currently, there was an unmet need of \$300 million for powerhouses and \$800 million in deferred maintenance for bulk fuel. He thought these were priorities but did not see how the legislation would help.

Representative Thompson commented that it was unfortunate.

Representative Wool agreed that the projects were definite needs in the state. He wanted people to convert to clean energy as well, but there were existing programs in place already to provide grants to help with conversion. Bulk fuel needs were substantial, but the bill could not solve every energy problem in the state. He was not against other energy sources like power houses, but the bill intended to incentivize moving towards clean energy. He did not want to see the monies go towards building new diesel plants.

Co-Chair Merrick relayed that someone from the Legislative Legal Services online and available for questions.

[2:00:51 PM](#)

Representative Edgmon supported the concept of the bill, however he did not think total energy independence was possible. He commented that the rural communities that he represented were not eligible for loan programs for energy upgrades. He did not know how a commercial bank could craft a viable loan for his communities. He asked Mr. Thayer to provide an example of a community that already had a loan program.

Mr. Thayer responded that there were several communities in rural Alaska that had such loan programs. He offered that AEA recently provided \$2 million of funding to the community of Galena for a power plant upgrade. He agreed that on the whole, Representative Edgmon was correct in that many communities were financially strapped. There were

about 50 communities that were not tied to a larger utility or co-operative, and those were the more challenging communities.

Representative Edgmon commented that he had asked for the definition of "underserved" in a prior meeting and had not received it. He hoped that the bill would be crafted in a way that tied it to clean energy and did not prevent small communities from competing. He supported the amendment.

Representative Rasmussen asked Legislative Legal Services if the language as written would impact the ability of a community with an existing diesel plant to move towards renewable energy sources.

[2:05:23 PM](#)

NOAH KLEIN, ATTORNEY, LEGISLATIVE LEGAL SERVICES (via teleconference), explained that the amendment would prohibit use of the funds for construction and renovation of fossil fuel projects. He did not know if it would preclude movement towards clean energy projects.

Representative Rasmussen asked if a project could be financed through the green bank if a power plant wanted to renovate an additional source of clean energy.

Mr. Klein responded that if the project was a fossil fuel project, then the renovation would not qualify. However, if it was a separate project or clean energy project, it would not be prevented by the amendment.

Representative Rasmussen understood that if an existing power plant was using fossil fuels and the power plant wanted to add a renewable energy source, the language in the amendment would not cause any problems.

Mr. Klein replied that it would come down to whether the project was a fossil fuel generation project or a clean energy project without the use of fossil fuels.

[2:07:50 PM](#)

Representative LeBon suggested following the money. He was not sure what the motivation would be for villages that wanted to move away from diesel fuel. He suggested the motivation would be to seek out the best financing

available. He did not want to deny the villages access to a variety of financing options. He thought excluding the banking community from financing opportunities would be short-sighted and he thought the banks would be interested in investing. He was hesitant to take away options from the villages.

[2:09:30 PM](#)

Representative Carpenter understood that fossil fuel power generation plants could not be constructed due to the language in the amendment. He thought that the addition of clean energy to power generation plants would be precluded by the amendment.

Mr. Klein responded that if it was renovation of a fossil fuel generation plant, then it would be precluded under the amendment.

Representative Carpenter asked if it would be precluded even if the renovation involved clean energy.

Mr. Klein responded in the affirmative based on the definition of "project" in statute.

Representative Wool could modify the language in the amendment. The intent was to prevent the building of new fossil fuel plants, but he did not want small communities to be negatively impacted.

Representative Wool MOVED to roll Amendment 2 to the bottom of the agenda. There being NO OBJECTION, it was so ordered.

[2:12:18 PM](#)

Representative Wool MOVED to ADOPT Amendment 3, 32-GH1074\W.7 (Ambrose/Klein, 4/20/22) (copy on file):

Page 7, line 22, following "available":

Insert ";

(3) in consultation with the advisory board established in AS 44.88.450, establish financing programs and products the authority determines necessary to encourage and promote sustainable energy development in the state"

Page 7, lines 27 - 29:

Delete all material.

Renumber the following paragraphs accordingly.

Co-Chair Merrick OBJECTED for discussion.

Representative Wool reviewed the amendment. He explained that it was intended to be a guiding principle that moved the language from a "may" section of the bill to a "shall" section. He read the amendment.

Co-Chair Merrick WITHDREW her OBJECTION.

Representative Rasmussen OBJECTED.

A roll call vote was taken on the motion.

IN FAVOR: Wool, Edgmon, Josephson, LeBon, Ortiz, Foster
OPPOSED: Rasmussen, Thompson, Carpenter, Johnson, Merrick

The MOTION PASSED (6/5). There being NO further OBJECTION, Amendment 3 was ADOPTED.

[2:14:01 PM](#)

Representative Josephson WITHDREW Amendment 4.

Representative Josephson MOVED to ADOPT Amendment 5, 32-GH1074\W.8 (Klein, 4/20/22) (copy on file):

Page 1, following line 7:

Insert a new bill section to read:

"*Section 1. The uncodified law of the State of Alaska is amended by adding a new section to read:

SHORT TITLE. This Act may be known as the Alaska Green Bank Act."

Page 1, line 8:

Delete "Section 1"

Insert "Sec. 2"

Renumber the following paragraphs accordingly.

Page 10, line 24:

Delete "sec.3"

Insert "sec.4"

Page 10, line 26:
Delete "sec.3"
Insert "sec.4"

Page 11, line 4:
Delete "sec.3"
Insert "sec.4"

Co-Chair Merrick OBJECTED for discussion.

Representative Josephson reviewed the amendment. He explained that it was designed to insert into the uncodified language clear reference to the bill as a green bank bill. The bill had often been referred to as a green bank bill, but the amendment would make it official.

Co-Chair Merrick WITHDREW the OBJECTION.

Representative Carpenter OBJECTED.

A roll call vote was taken on the motion.

IN FAVOR: Thompson, Wool, Edgmon, Josephson, LeBon, Ortiz, Rasmussen, Foster, Merrick
OPPOSED: Carpenter, Johnson

The MOTION PASSED (9/2). There being NO further OBJECTION, Amendment 5 was ADOPTED.

[2:16:24 PM](#)

Representative Josephson MOVED to ADOPT Amendment 6, 32-GH1074\W.10 (Klein, 4/20/22) (copy on file):

Page 9, line 24:
Delete "means"
Insert "includes"

Page 9, line 27, following "processes":
Insert ", but does not include a hydropower project that produces more than 120 megawatts of power"

Co-Chair Merrick OBJECTED for discussion.

Representative Josephson reviewed the amendment. He explained that it intended to constrain sustainable energy

projects to 120 megawatts of power. The largest existing hydropower projects in Alaska produced no more than 120 megawatts. He was concerned that the state would dedicate significant monies to hydropower projects as was projected in the Susitna-Watana Dam project. The proposed \$6 billion project was highly controversial and would have significantly altered the natural landscape. He thought that the hydropower produced in the state should match the need.

Representative Rasmussen would be opposing the amendment. She argued that the state needed a comprehensive energy plan which could include a hydropower project that produced more than 120 megawatts of power. She thought the amendment was too restrictive. She thought the state would need to spend significant monies if it wanted to offer equitable energy access in rural areas.

Representative Thompson would be opposing the amendment. He commented that the project at Bradley Lake produced 120 megawatts. He did not want upgrades at Bradley Lake to be prevented by the amendment. He asked for Mr. Thayer's opinion.

Mr. Thayer responded that the Bradley Lake plant was in consideration for an upgrade. He emphasized that the costs of those upgrades were in the hundreds of millions of dollars. He understood the desire to cap the production at 120 megawatts but thought that there would be other financing options for upgrades than through the fund proposed by the bill.

[2:20:23 PM](#)

Representative Edgmon wanted to point out scale-ability. He thought that some of the upgrades were entirely different projects unrelated to the fund. The proposed parameters would help the fund develop slowly and appropriately. He suggested the cap could change over time, but that it was a fair place to start and restrictions were necessary based on the amount of monies presently in the fund. He thought the amendment was appropriate.

Representative Wool commented that the green bank fund was for small-scale projects like putting solar panels on a house. It was not intended for projects like the Susitna-Watana Dam, which would require much more funding than was

proposed in the bill if the project was to go forward. He supported the amendment.

Representative Rasmussen responded that everyone had seen how difficult it was to change statutes from the 1970s and she did not want there to be more laws that the legislature did not follow.

Co-Chair Merrick MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Wool, Edgmon, Josephson, Ortiz, Foster
OPPOSED: Carpenter, Johnson, LeBon, Rasmussen, Thompson, Merrick

The MOTION to adopt Amendment 6 FAILED (5/6).

[2:24:04 PM](#)

Representative Josephson MOVED to ADOPT Amendment 7, 32-GH1074\W.9 (Klein, 4/21/22) [The body of the amendment has been omitted due to length. A copy is available on file.]

Co-Chair Merrick OBJECTED for discussion.

Representative Josephson reviewed the amendment. He commented that he had lost his confidence in AIDEA due to its managing of American Rescue Plan Act (ARPA) monies. He thought thousands of Alaskans had lost confidence as well. The amendment moved all of the authorities held by AIDEA to AEA. The mission of AIDEA was to promote, develop, and advance economic growth and diversification in Alaska by promoting various means of financing and investment. The mission of AEA was to reduce the cost of energy in Alaska. While the two entities shared the same board, the difference was that AEA had its own staff and leaders. The committee had heard some compelling testimony that opposed housing the green bank under AIDEA due to lack of trust. He continued to express his concerns about housing the program under AIDEA and thought that AEA was a stronger place to house it.

[2:27:19 PM](#)

Representative Thompson thought there were confidentiality issues that were not addressed in the amendment. He asked

for Mr. Thayer to comment on the effect of transferring the duties from AIDEA to AEA.

Mr. Thayer responded that the amendment was a massive restructuring of the bill and there was fiscal impact to AEA that had not been fully addressed. He explained that AEA statutes did not have the same confidentiality language as AIDEA. A significant difference was that AEA's statutes did not allow it to keep confidential financial information, business plans, or other personal information. He explained that AEA typically loaned monies to public entities and it was therefore public information. The inability of AEA to protect confidentiality was likely why there was a suggestion to redistribute the duties to AIDEA. He understood Representative Josephson's intent but thought that AEA worked well with AIDEA. It was a policy call for the legislature to make.

Representative LeBon asked how the amendment would change the relationship between AEA and AIDEA and whether it would be beneficial to AEA. He wondered if AEA would feel comfortable administrating individual loans. He was more comfortable with AIDEA being responsible for administering loans.

Representative Rasmussen asked Mr. Thayer how long it would take for AEA to implement the bill.

Mr. Thayer responded that the development of regulations would take a minimum of a year. Also, AEA did not have the loan servicing staff that AIDEA had. Recruiting and hiring new employees would be a cumbersome task for AEA. He thought at least six employees would be needed in order for the program to begin and the program would still require a relationship with AIDEA to provide training to the new staff. He did not think the transition would be seamless.

Representative Rasmussen asked whether AEA could transfer a couple of existing loan employees from AIDEA to help with the transition in order to immediately implement the legislation.

Mr. Thayer did not believe it would be as simple as transferring employees due to regulations and other issues. It would require substantial training and additional employees.

Representative Thompson reiterated his opposition to the amendment.

Representative Wool was hesitant to support the amendment if it would burden the program. He asked Mr. Thayer what the structural relationship was between AEA and AIDEA.

Mr. Thayer replied that both entities had their own boards but with the same membership. All employees of both entities were considered AIDEA employees, and the employees of AEA were considered leased. The entities had many shared services such as the financial and accounting teams, human resources, and information technology. He added that AIDEA had stand-alone programs that were its responsibly exclusively.

[2:36:12 PM](#)

Representative Wool asked how long it would take to make the change.

Mr. Thayer responded that regulations would take between eight and 12 months to write.

Representative Josephson asked how many employees worked at AEA when the government began to shrink in 2014 and 2015.

Mr. Thayer was hesitant to answer because the time frame coincided with the proposed Susitna-Watana Dam project. There were about 100 employees at AEA at that time. In 2022, there were 30 employees.

[2:37:32 PM](#)

Vice-Chair Ortiz asked whether the green bank program made more philosophical sense within AEA or within AIDEA.

Mr. Weitzner responded that philosophically, the green bank made more sense to function within AIDEA. The bill would help with job growth and the emergent green sector in the state. He thought AIDEA would be better suited to manage the program.

[2:39:18 PM](#)

Vice-Chair Ortiz asked Mr. Thayer to comment on the same question.

Mr. Thayer responded that AIDEA had loan officers whereas, AEA had project managers, engineers, energy experts. The employees at AEA helped identify and evaluate projects, but not necessarily administrate the green bank.

Representative Edgmon understood there was a synergy between AIDEA and AEA. He was hesitant to support the amendment though he understood the intent of it.

Representative Rasmussen asked if there was someone who could speak to the loan process. She wondered if there was a loan underwriter at AIDEA.

Mr. Weitzner explained that part of the loan process was to evaluate applications for various types of funding. In every case, AIDEA had the obligation to evaluate a financial plan for the loan. It was a similar process as any financial institution would undertake when evaluating a loan. Through the process, AIDEA was able to manage and evaluate financial risks and create a financial plan for the loan. The plan would then be presented to internal investment committees, which would make recommendations for the loan. He invited Mr. Thayer to comment.

Mr. Thayer responded that each entity had its specific role and there was a working relationship between the two. Part of the loan review process was to have AIDEA perform loan evaluations. He believed he would still depend on AIDEA to provide expertise on loans, just as AIDEA depended on AEA for technical and energy related questions.

[2:44:16 PM](#)

Representative Rasmussen thought the only effect of the amendment would be the changing of names, as the players were essentially the same.

Representative Josephson provided wrap-up comments. He argued that many people wanted the program to be housed elsewhere. He understood the two entities had many shared duties but thought the amendment was worthwhile.

Co-Chair Merrick MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Josephson
OPPOSED: Carpenter, Edgmon, LeBon, Ortiz, Rasmussen,
Thompson, Wool, Foster, Merrick

Representative Johnson was absent from the vote.

The MOTION to adopt Amendment 7 FAILED (1/9).

[2:46:36 PM](#)

AT EASE

[2:47:50 PM](#)

RECONVENED

Co-Chair Merrick recessed the meeting.

[2:47:58 PM](#)

AT EASE

[RECESSED TO THE CALL OF THE CHAIR]

[4:51:20 PM](#)

RECONVENED

Co-Chair Merrick reconvened the meeting.

Representative LeBon MOVED to ADOPT Amendment 8
Replacement, 32-GH1074\W.13 (Klein, 4/25/22) (copy on
file):

Page 7, line 13, following "AS 44.99.115":

Insert "and prioritize programs that support
energy efficiency and renewable energy projects for
residential buildings, commercial buildings, and
community facilities"

Page 7, line 19, following "loaned":

Insert "the amount loaned in communities that
receive, or have a resident who receives, power cost
equalization under AS 42.45.100 - 42.45.150,"

Page 9, lines 16 -19:

Delete all material.

Co-Chair Merrick OBJECTED for discussion.

Representative LeBon reviewed the amendment and read from it. He explained that community facilities were defined in the same terms as in the power cost equalization (PCE) statutes. He relayed that the definition of community facility in statute was, "water and sewer facility, public outdoor lighting, charitable educational facility, or community building whose operations are not paid for by the state, the federal government, or private commercial interests." The amendment would also add a loan disclosure requirement for AIDEA.

[4:53:26 PM](#)

Representative Wool MOVED to ADOPT conceptual Amendment 1 to Amendment 8 Replacement (copy on file):

Page 1, line 3 of the Amendment
After "commercial buildings,"
Add
"public buildings,"

Page 1, lines 16-17 of the Amendment
Delete all material
Replace with
(e) At least 35 percent of any initial appropriation to the Alaska Clean Energy Fund authorized in the 2022 legislative session [THE FUNDS] used for loans and other forms of financing for sustainable energy development made [OVER A THREE-YEAR PERIOD] under AS 44.88.450 - 44.88.456 must be made in communities that receive, or that have residents who receive, power cost equalization under AS 42.45.100 - 42.45.150.

Co-Chair Merrick OBJECTED for discussion.

Representative Wool explained that the conceptual amendment would add public buildings to the list of eligible buildings. He noted that Amendment 8 Replacement deleted all material on page 9, lines 16 -19 which mandated that 35 percent of loans would be designated for rural Alaska. However, it was a loan program, not a grant program. The program required people to apply for loans, and it was not wise to attempt to determine or force people from particular areas in the state to apply. He thought the state could encourage applicants, but it could not force people to apply. He read from the amendment. He summarized

that the amendment would ensure that 35 percent of initial funding would go to communities in Alaska that received PCE funding. He hoped the language encouraged applications rather than attempting to force them.

[4:56:09 PM](#)

AT EASE

[5:06:30 PM](#)

RECONVENED

Representative Wool WITHDREW conceptual Amendment 1 to Amendment 8 Replacement.

Representative Wool had an additional conceptual amendment that stripped much of the language. He reiterated his intent to add public buildings to the list of buildings eligible for loans. He asked if the intent of the bill was to allow schools and public buildings in rural Alaska to receive funds through loans to improve energy efficiency.

[5:08:18 PM](#)

MORGAN NEFF, CHIEF INVESTMENT OFFICER, ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY (AIDEA) (via teleconference), replied that was not necessarily the intent of the program. He thought public buildings would fall under different types of financing arrangements.

[5:08:41 PM](#)

AT EASE

[RECESSED TO THE CALL OF THE CHAIR]

[5:23:56 PM](#)

RECONVENED

Co-Chair Merrick reviewed the agenda for the next meeting.

#

ADJOURNMENT

[5:24:17 PM](#)

The meeting was adjourned at 5:24 p.m.