

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	SCS CSHB 307(FIN)
Fiscal Note Number:	3
(S) Publish Date:	5/15/2024

Identifier: HB307CS(FIN)-DCCED-AEA-05-10-24
 Title: INTEGRATED TRANSMISSION SYSTEMS
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: H RLS

Department: Department of Commerce, Community and Economic Development
 Appropriation: Alaska Energy Authority
 Allocation: Statewide Project Development, Alternative Energy and Efficiency
 OMB Component Number: 2888

Expenditures/Revenues

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

	FY2025 Appropriation Requested	Included in Governor's FY2025 Request	Out-Year Cost Estimates					
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES								
Personal Services								
Travel	30.0		30.0	30.0	30.0	30.0	30.0	30.0
Services	893.5		893.5	893.5	893.5	893.5	893.5	893.5
Commodities	20.0							
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	943.5	0.0	923.5	923.5	923.5	923.5	923.5	923.5

Fund Source (Operating Only)

1004 Gen Fund (UGF)	943.5		923.5					
1107 AEA Rcpts (Other)				923.5	923.5	923.5	923.5	923.5
Total	943.5	0.0	923.5	923.5	923.5	923.5	923.5	923.5

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

1107 AEA Rcpts (Other)				923.5	923.5	923.5	923.5	923.5
Total	0.0	0.0	0.0	923.5	923.5	923.5	923.5	923.5

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) 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? **Yes**
 If yes, by what date are the regulations to be adopted, amended or repealed? **07/01/26**

Why this fiscal note differs from previous version/comments:

Updated to reflect changes in the committee substitute, including establishment of the Railbelt Transmission Organization within the Alaska Energy Authority; and separation of the Alaska Energy Authority and Alaska Industrial Development and Export Authority boards. Added change in revenue.

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Division:	Alaska Energy Authority	Date:	05/06/2024 02:00 PM
Approved By:	Hannah Lager, Administrative Services Director	Date:	05/06/24
Agency:	Commerce, Community, and Economic Development		

REPORTED OUT OF
SEC 05/15/2024

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

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Analysis

This legislation creates the Railbelt Transmission Organization (RTO) in the Alaska Energy Authority (AEA). The AEA and the Regulatory Commission of Alaska (RCA) will adopt regulations to implement the changes made by the bill related to the RTO. These additional duties will increase AEA's operational costs in the short term until a revenue mechanism for the RTO is developed, approved by the RCA, and implemented for AEA costs.

At this time the agency is projecting additional contractual costs for implementation and identification of renewable opportunities and technology and resulting integration with existing infrastructure; as well as contractual expenses to maintain and revise baseline studies and regulatory compliance, estimated to be \$500.0 annually. This cost includes two full-time permanent positions and their associated costs, housed in AEA.

The Alaska Industrial Development and Export Authority (AIDEA) provides all staff support for AEA programs and is reimbursed via a reimbursable services agreement from AEA. This fiscal note reflects the personal services costs associated with this fiscal note for these two new positions and initial legal, regulatory consultants, and engineering firm in the services line.

Contractual costs for AEA include authorization to pay for the positions that will be housed in AIDEA:

Services:	\$197.9	Program Manager, range 26, Anchorage
	\$145.6	Senior Accountant, range 20, Anchorage
	\$50.0	Statewide and department core services - \$25.0 per position per year
	\$500.0	Contractual services for continued implementation of backbone transmission lines regulatory compliance and renewable opportunities along the Railbelt
Commodities:	\$20.0	One-time start up costs - \$10.0 per position in FY2025 only

The proposed bill also separates the board of directors of the Alaska Energy Authority (AEA) from the board of directors of the Alaska Industrial Development and Export Authority (AIDEA). It provides that the directors of AEA are the Commissioner of Commerce, Community, and Economic Development, Commissioner of Revenue, and six public members appointed by the governor with expertise relevant to the mission of the Alaska Energy Authority.

Board Travel:	\$30.0	The assumption that four of the eight board members would require reimbursement for travel cost to and from board meetings held in Anchorage annually. Estimated Travel Cost: \$30.0 – 4 board members x \$750 (air travel, hotel, per diem) x 10 meetings
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