

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

February 13, 2024

11:00 a.m.

MEMBERS PRESENT

Representative George Rauscher, Chair
Representative Tom McKay
Representative Thomas Baker
Representative Stanley Wright
Representative Mike Prax
Representative Calvin Schrage
Representative Jennie Armstrong

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

OVERVIEW: RENEWABLE ENERGY FUND~ ROUND 16

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

KAREN BELL, Manager of Planning
Alaska Energy Authority
Department of Commerce, Community & Economic Development
Anchorage, Alaska

POSITION STATEMENT: Gave the Renewable Energy Fund, Round 16 Overview.

ACTION NARRATIVE

[11:00:36 AM](#)

CHAIR RAUSCHER called the House Special Committee on Energy meeting to order at 11:00 a.m. Representatives Schrage, McKay, Baker, Prax, and Rauscher were present at the call to order. Representatives Wright and Armstrong arrived as the meeting was in progress.

OVERVIEW: RENEWABLE ENERGY FUND, ROUND 16

[11:01:43 AM](#)

CHAIR RAUSCHER announced that the only order of business would be the Renewable Energy Fund, Round 16 Overview.

[11:02:23 AM](#)

KAREN BELL, Manager of Planning, Alaska Energy Authority (AEA), Department of Commerce, Community & Economic Development (DCCED), gave the Renewable Energy Fund, Round 16 Overview. She began a PowerPoint [hard copy included in the committee packet], on slide 2, where she gave a general overview of the renewable energy fund (REF), including its history as a program and the laws that relate to it. Moving to slide 3, she explained the role REF has played in saving fuel, carbon emissions, and money. She then showed slide 4, which highlights the statutory guidance that an REF project must follow. Advancing to slide 5, she explained in detail REF funding limits, exceptions for those limits, and how they are governed by the cost of the area in which they're constructed. Slide 6 offered a timeline of the grant application and approval process.

[11:10:35 AM](#)

MS. BELL continued to slides 7 and 8, which described the first and second stages of the REF evaluation process and the technical and economic feasibility of a project. She turned to slide 9 and spoke on the third stage of the REF evaluation process related to project ranking, with many different categories contributing to it. In response to Chair Rauscher, she said the number of projects that fail on average varies by round. Highlighting slide 10, she touched on the final stage of the REF evaluation process, the final ranking and regional spreading.

[11:16:00 AM](#)

MS. BELL continued to slide 11, which broke down the board and it's makeup and how each position is appointed. Slide 12 explained REF's proposed capitalization. She continued to slide 13, which broke down the recommended applications. In response to a question from Representative Schrage, she explained that there must be a match in order to secure federal funding. In response to a question from Representative Prax, she explained

that the amount of operating costs and federal grants fluctuates from project to project.

[11:23:13 AM](#)

MS. BELL moved to slide 14, which elaborated on the summary of recommended applications. In response to Chair Rauscher, she confirmed that for the purposes of the REF program, biomass, hydro, and storage are already defined as renewable energy. She continued to slide 15, which showed a map of recommended applications for the REF fund. Slide 16 listed each recommended application forwarded to the legislature for funding. In response to Chair Rauscher, she indicated that the Kenai Peninsula Solar Farm is working with Clean Capital. In response to Representative Schrage, she indicated that it was accurate to predict that the Homer project would reduce gas consumption. In response to Representative Prax, she explained the cost-to-benefit column on the slide, stating that the projects are sorted by rank determined by things other than just cost-benefit ratio. In response to Representative Schrage, she explained that a project with a zero cost-benefit ratio was in its reconnaissance phase. In response to questions from Representative McKay, she confirmed that AEA does verify and guarantee that the pieces of equipment work; it issues quarterly reports. She said bonding is dependent on the type of project.

[11:41:23 AM](#)

MS. BELL continued her presentation on slide 17, which was another list of recommended projects for the legislature. Slide 18 provided recommended REF applications to the legislature. That concluded the overview.

[11:46:02 AM](#)

MS. BELL, in response to Representative Schrage, explained that all funding must be appropriated by the legislature. She explained to Representative Prax that a "need" referred to financial need. In response to further questions, she explained that there are several projects that have been stalled for various issues and other projects that have not even commenced because they lack the necessary funding. She confirmed that the purpose of the rankings was to relieve legislators of time spent in evaluating each individual REF application. She indicated that options such as downstream funding are all under consideration.

11:56:09 AM

CHAIR RAUSCHER thanked Ms. Bell for the overview.

11:57:27 AM

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Energy meeting was adjourned at 11:57 a.m.