

Introduced: 2/7/80
Referred: Resources and
Finance

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1 IN THE SENATE

2 SENATE BILL NO. 402

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska Energy Center; and
7 providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. FINDINGS. The legislature finds that the State of Alaska is
10 currently receiving substantial revenues from the sale of nonrenewable energy
11 resources to consumers in other states of the nation. The legislature recog-
12 nizes that bringing more efficient and advanced energy technologies to the
13 stage of commercial development will result in lower energy costs to con-
14 sumers throughout the state and the nation. The legislature believes Alaska
15 has a responsibility to use part of its nonrenewable energy resource revenues
16 to help accomplish this goal. The legislature finds that an independent
17 energy resource development center under the direction of the state, can best
18 accomplish the aid to individuals and businesses necessary to develop and
19 implement advanced energy technologies. The legislature further finds that
20 the work of the center will provide significant employment benefits to the
21 citizens of the state and will stimulate the development of the state's
22 energy resources.

23 * Sec. 2. AS 45 is amended by adding a new chapter to read:

24 CHAPTER 89. ALASKA ENERGY CENTER.

25 Sec. 45.89.010. ALASKA ENERGY CENTER CREATED. There is created
26 the Alaska Energy Center. The center is a public corporation of the
27 state. It is an instrumentality of the state in the Department of
28 Administration, but has a legal existence independent of and separate
29 from the state. Exercise by the center of the powers conferred by this

1 chapter is an essential governmental function of the state.

2 Sec. 45.89.020. PURPOSE. The primary purpose of the center is to
3 create employment opportunities in the state through the development of
4 more efficient and advanced technologies. In addition, the center is to

5 (1) promote the most efficient and appropriate technologies
6 for use of the state's energy resources;

7 (2) provide economic benefits to state citizens;

8 (3) promote the effective use of the state's resources;

9 (4) promote diversification of employment opportunities;

10 (5) reduce state energy imports;

11 (6) increase state energy and technology exports; and

12 (7) bring existing and new technologies to a stage of com-
13 mercial feasibility.

14 Sec. 45.89.030. BOARD OF DIRECTORS. A board of directors of the
15 center is established as its governing body.

16 Sec. 45.89.040. COMPOSITION OF BOARD OF DIRECTORS. (a) The board
17 of directors consists of nine members as follows:

18 (1) one state senator appointed by the president of the
19 senate and one state representative appointed by the speaker of the
20 house of representatives;

21 (2) seven members appointed by the governor and confirmed by
22 a majority of the members of the legislature in joint session.

23 (b) The board shall elect a chairman and other necessary officers
24 from among its members.

25 Sec. 45.89.050. TERM OF OFFICE. (a) The members of the board
26 appointed from the legislature serve ex officio.

27 (b) The members of the board appointed by the governor serve
28 seven-year terms and may be reappointed. Terms shall be staggered. The
29 initial terms are one member serving for one year, one member serving

1 for two years, one member serving for three years, one member serving
2 for four years, one member serving for five years, one member serving
3 for six years, and one member serving for seven years.

4 Sec. 45.89.060. REMOVAL AND VACANCIES. (a) The governor may
5 remove from office a board member appointed by him with the consent of a
6 majority of the members of the legislature in joint session. A removal
7 by the governor shall be in writing and state the reason for removal.
8 If the legislature is not in session, the governor may suspend a member
9 of the board. After suspension, a board member may not participate in
10 board business and may not be counted for the purpose of establishing a
11 quorum. The joint session shall be held within 10 days from the date of
12 removal if the removal occurs while the legislature is in session or
13 within 30 days of convening of the next regular session of the legisla-
14 ture if the legislature is not in session. If the legislature refuses
15 to consent to his removal, the board member shall be reinstated to his
16 position by the governor.

17 (b) A vacancy on the board among the members appointed under
18 AS 45.89.040(a)(2) shall be filled by appointment by the governor and
19 confirmation by a majority of members of the legislature in joint ses-
20 sion. An appointee to fill a vacancy shall hold office for the balance
21 of the term for which his predecessor on the board was appointed. If a
22 vacancy arises on the board while the legislature is not in session, the
23 governor may appoint an interim member, until the legislature has the
24 opportunity to confirm the appointment.

25 (c) A vacancy on the board among the members appointed under
26 AS 45.89.040(a)(1) shall be filled by appointment by the presiding
27 officer of the house of the legislature to which the vacating board
28 member belonged.

29 (d) A vacancy on the board does not impair the authority of a

1 quorum of the board to exercise all the powers and perform all the
2 duties of the board.

3 Sec. 45.89.070. QUALIFICATIONS OF BOARD MEMBERS. (a) At least
4 four of the board members appointed under AS 45.89.040(a)(2) must be
5 residents of the state.

6 (b) At least two of the board members appointed under AS 45.89.-
7 040(a)(2) must have experience in the field of energy technology or de-
8 velopment.

9 Sec. 45.89.080. QUORUM. Five members of the board constitute a
10 quorum for the transaction of business and the exercise of the powers
11 and duties of the board.

12 Sec. 45.89.090. COMPENSATION OF BOARD MEMBERS. (a) Board members
13 appointed under AS 45.89.040(a)(2) receive \$200 per day while in attend-
14 ance at meetings of the board.

15 (b) All board members may receive a per diem allowance and trans-
16 portation expenses in carrying out the duties under this chapter.

17 Sec. 45.89.100. CONFLICTS OF INTEREST. Members of the board are
18 subject to the provisions of AS 39.50.

19 Sec. 45.89.110. EMPLOYMENT OF PERSONNEL. The board shall employ
20 and determine the salary of an executive director. The executive direc-
21 tor may, with the approval of the board, select and employ additional
22 staff as necessary. The executive director and all employees of the
23 board are in the exempt service under AS 39.25.

24 Sec. 45.89.120. ENERGY TECHNOLOGY ADVISORY COUNCIL. (a) An
25 Energy Technology Advisory Council is established to advise the board on
26 desirable energy technologies.

27 (b) The members of the Energy Technology Advisory Council are:
28 (1) the executive directors of the Alaska Power Authority
29 (AS 44.56) and the Alaska Council on Science and Technology (AS 44.-

1 19.181 - 44.19.188);

2 (2) the director of the division of energy and power develop-
3 ment of the Department of Commerce and Economic Development;

4 (3) a person appointed by and serving at the pleasure of the
5 president of the University of Alaska;

6 (4) a member of the Board of Trustees of the Alaska Renewable
7 Resources Corporation (AS 37.12) appointed by that board;

8 (5) six persons appointed by the board and representing
9 business, energy, research, public interest, environmental, and govern-
10 ment groups.

11 Sec. 45.89.130. PRINCIPAL OFFICE. The principal office of the
12 center shall be located in Fairbanks. The board may authorize the
13 establishment of other offices of the center in other areas of the
14 state.

15 Sec. 45.89.140. POWERS. In carrying out the powers of the center,
16 the board may

17 (1) adopt, alter, and use a corporate seal;

18 (2) prescribe, adopt, amend, and repeal bylaws;

19 (3) sue and be sued in the name of the center;

20 (4) enter into any agreements necessary to the exercise of
21 its powers and functions;

22 (5) accept grants from and contract with the federal govern-
23 ment and the state or its political subdivisions and to that end comply
24 with the provisions of federal, state, or local programs when necessary,
25 except that it may not enter into any agreements whereby a permanent
26 state or local government position is funded or partially funded in
27 connection with a project;

28 (6) accept grants and loans from sources other than those in
29 (5) of this section to be held and used for the purposes of the center;

1 (7) appear in behalf of the center before boards, commis-
2 sions, departments, or other agencies of municipal, state, or federal
3 government;

4 (8) acquire, hold, use, lease, sell, or otherwise dispose of
5 property of any kind, real, personal, or mixed, or an interest in it;

6 (9) conduct research and prepare, publish, and distribute
7 technical studies, reports, bulletins and other materials it considers
8 appropriate;

9 (10) hold patents, copyrights, trademarks, royalties or other
10 evidences of protection or exclusivity issued under the laws of the
11 United States or any state or nation obtained by persons receiving
12 assistance from the center;

13 (11) adopt regulations governing the exercise of its powers;

14 (12) do everything necessary or desirable to carry out the
15 purposes of the center.

16 Sec. 45.89.150. DUTIES. The board shall

17 (1) promote the commercial development of efficient and
18 advanced energy technologies;

19 (2) subject to the availability of funds,

20 (A) sponsor energy research projects intended to accom-
21 plish the purposes of the center;

22 (B) conduct research, development, and demonstration
23 projects of energy technologies;

24 (C) provide financial and other support to inventors and
25 businesses engaged in the development, demonstration, and commer-
26 cialization of energy technologies;

27 (3) manage projects for which funding has been appropriated
28 by the legislature;

29 (4) consult with the Alaska Council on Science and Technology

1 (AS 44.19.181 - 44.19.188), Alaska Power Authority (AS 44.56), Alaska
2 Renewable Resources Corporation (AS 37.12), and the division of energy
3 and power development of the Department of Commerce and Economic De-
4 velopment in developing its programs;

5 (5) consult with other energy research and development or-
6 ganizations.

7 Sec. 45.89.160. BUDGET AND APPROPRIATIONS. (a) The center is
8 subject to the Executive Budget Act (AS 37.07) except as provided in (b)
9 and (c) of this section.

10 (b) The budget of the center shall include a description and
11 amount of proposed funding for projects to be conducted or supported by
12 the center. Requests for project funding shall include a statement of
13 the objectives and goals of the project, including, but not limited to,
14 the number of jobs to be created and the number of businesses to be
15 assisted by the project. The amount of the center's operating budget
16 shall be specified separately from proposed project funding and adminis-
17 tration.

18 (c) An appropriation for a project under AS 45.89.150(2) is valid
19 for the life of the project and the unexpended balance shall be carried
20 forward to subsequent fiscal years.

21 Sec. 45.89.170. COOPERATION WITH OTHER STATE AGENCIES AND THE
22 UNIVERSITY OF ALASKA. (a) All departments, agencies, and public cor-
23 porations of the state, including the University of Alaska, shall pro-
24 vide information, services, and facilities to the center on its request.
25 The center shall reimburse the department, agency, or corporation for
26 expenses reasonably incurred on the center's behalf.

27 (b) When possible the center shall contract with the University of
28 Alaska or private organizations for research activities.

29 Sec. 45.89.200. DEFINITIONS. In this chapter

1 (1) "board" means the Board of Directors of the Alaska Energy
2 Center;

3 (2) "energy technology" means technological developments and
4 innovations for

5 (A) efficient recovery and use of fossil fuels;

6 (B) production of energy through the use of renewable
7 and alternative energy sources;

8 (C) energy conservation;

9 (D) development of facilities for the use of waste heat
10 and the cogeneration of electricity and heat;

11 (E) the reduction of dependence on fossil fuels and
12 which are appropriate for use in the state and other northern
13 environments;

14 (3) "center" means the Alaska Energy Center.

15 * Sec. 3. AS 39.25.110 is amended by adding a new paragraph to read:

16 (22) employees of the Alaska Energy Center.

17 * Sec. 4. AS 39.50.200(9) is amended by adding a new subparagraph to
18 read:

19 (SS) Alaska Energy Center (AS 45.89).

20 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
21 070(c).

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