

SCOMM

#44: 8

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

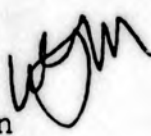
March 12, 1980

MEMORANDUM

TO: Milt Barker, Fiscal Analyst
Legislative Finance Division

FROM: Wallace Miller, Consultant
to Legislative Finance Division

SUBJECT: Energy Related Budget Items



Pursuant to our discussions, I have reviewed the supplemental and regular budgets and have prepared a summary of budget areas which either are fully or partially related to the energy area.

If you, Mark and Dave would mark up the general budget areas contained in Attachment I identifying where you would like more detailed information, I will be able to focus my efforts on these areas.

Secondly, Attachment II is a somewhat different description of existing energy related programs which was prepared by the Governor's office. You may wish to mark up Attachment II as well for areas where you want more detailed information.

WM:pw

Attachment

**SUMMARY OF ENERGY RELATED CAPITAL AND OPERATING BUDGET ITEMS
CONTAINED IN THE FY 80 SUPPLEMENTAL AND FY 81 CAPITAL AND
OPERATING BUDGET REQUESTS**

	<u>Amount Requested</u>
<u>FY 80 Supplemental Capital Budget Request</u>	
1. LC&ED Susitna Feasibility Analysis	\$ 7,500.0
2. DOTPF Energy Conservation Measures	25,000.0 <i>needs work</i>
Total	\$32,500.0
<u>FY 80 Supplemental Operating Budget Request</u>	
1. DOTPF Marine Transp. Fuel Cost Increases, FY 79	73.0
2. DOTPF Marine Transp. Fuel Cost Increases, FY 80	3,022.1
3. DOTPF Building Maint. Fuel Cost Increases	457.7
Total	\$ 3,552.8
<u>FY 81 Capital Budget Request</u>	
DNR - Geologic/Geophysical Interpretation (seismic interpretation of proposed lease sale areas)	2,000.0 <i>follow up</i>
Dept. of Public Safety	
Emergency Generator (state's Tudor Road facility)	563.3
Emergency Generator (7 skid mounted generators)	100.0
✓ Dept. of Commerce & Economic Development	
Single wire Ground Return Demonstration AEC	50.0
Energy Supply and Demand Assess	100.0
Facilities Grant Program (Energy Conservation) <i>rationing & fuel match should be DOTPF</i>	2,655.0
✓ Alternative Energy Demonstration Projects	
Phase I - Feasibility plan	75.0
Alternative Demonstration Projects AEC	475.0
Sub-total	550.0
✓ Alaska Power Authority	
Susitna Feasibility Analysis	3,335.0
Swan Lake Hydroelectric Project	18,000.0
AVEC Fuel Conservation Project	125.0
Dillingham Hydroelectric Project	100.0
Kisaralik Hydroelectric Project	100.0
Haines/Skagway Hydroelectric Project	100.0
Mennonite Creek Hydroelectric Project (Kodiak)	200.0
Larsen Bay Hydroelectric Project (Kodiak)	200.0
Old Harbor Hydroelectric Project (Kodiak)	200.0
AVEC Villages Hydro Study	325.0
Discretionary Study Funds	75.0
Lake Tyee Hydroelectric Project	10,000.0

✓ further work

Amount
Requested

DOTPF - Public Facilities

Governor's Mansion Maintenance	\$ 29.0
Generator Replacement - Interior	103.2
Furnace Replacement - Southeast	18.8
Capitol Building - Cleaning/Repairs <i>(conservation)</i>	102.0
Capitol Building - Emergency Generator	98.0
Building Energy Conservation Program	165.0
Solar Alaskan School Research	140.0
Fuel Cell Testing <i>AEC</i>	60.0
Satellite Packet Broadcast Data System?	100.0
Remote Facility Monitoring System?	300.0
Meteor Burst Demonstration Project	40.0
New Building Products Testing & Development	100.0
Facilities Planning	
Facility Energy Standards	275.0
Energy Conservation Regulations (state facilities)	?
Energy Audits	? <i>★</i>
Energy Conservation Measures	10,000.0 <i>needed work</i>

Department of Administration - Uninterruptable Power
Supply, Juneau Computer Center

485.4

TOTAL Energy Related Items-FY 81 Capital Budget

\$50,794.7

FY 81 Operating Budget Request

University of Alaska-Organized Research (research and
testing of energy systems--solar, wind, small hydro,
compost systems)

?

Department of Natural Resources

Geological Investigations	199.7
Mineral and Energy Development	
Coal Development	? 173.7 -
Geothermal Development	340.0 -
Oil and Gas Conservation Comm.	1,843.5
Gas Pipeline Surveillance	2,669.0

Department of Law

Consumer Protection (false energy saving devices)	575.7
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Commerce and Economic Development

The Alaska Public Utilities Commission <i>load management - PURPA</i>	1,523.1
The Alaska Pipeline Commission	516.3

Department of Military Affairs

Disaster Planning and Control	615.9
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Amount
Requested

Commerce and Economic Development	
Economic Enterprise (coal development)	\$ 1,354.4
Energy and Power Development	3,890.0 <i>not a #</i>
Alaska Power Authority	332.1
Alaska Renewable Resources Corp. ?	1,476.1
Community and Regional Affairs	
Local Government Assistance (Coastal Energy Impact Program)	585.2
Office of the Governor	
Policy Development & Planning	1,492.7
Growth Policy Council	168.7
Public Forum	190.6
Department of Administration	
Council on Science & Technology <i>Northern Tech to AEC</i>	303.0
Department of Revenue	
Petroleum Revenue	1,447.2
Dept. of Transportation & Public Facilities	
Facilities Planning and Research	7,156.4

?

Life-cycle costing?

① problems - DOT conservation program
is poorly structured.

② R+D projects to Alaska Energy Center

③ information collection

EXISTING PROGRAMS

1. FINANCIAL ASSISTANCE

DIVISION OF EMERGENCY SERVICES FUND:

Emergency relief, natural disasters (power station fires, etc.).

FEDERAL LOW INCOME ENERGY ASSISTANCE:

State administration of Federal energy relief funds to low-income families, \$5 million available for winter of 79-80.

ALASKA POWER AUTHORITY:

- A. Revolving loan fund to design, build, equip, etc., facilities for power production in Alaska.
- B. Revenue bonding to finance construction of power production facilities.

PUBLIC FACILITIES MODIFICATION:

Federal-State program to improve energy efficiency in schools, hospitals, public care facilities.

ALTERNATIVE TECHNOLOGY REVOLVING LOAN FUND:

State loans up to \$10,000 to finance up to 50% of costs to purchase, build, install alternative power sources (9 1/2% and 20 year term maximums).

NORTHERN TECHNOLOGY GRANTS PROGRAM:

Grants up to \$5,000 to demonstrate alternative energy technologies.

State Agency

MILITARY
AFFAIRS

HEALTH &
SOCIAL
SERVICES

ALASKA
POWER
AUTHORITY

COMMERCE

COMMERCE

SCIENCE &
TECHNOLOGY
COUNCIL

ALTERNATIVE TECHNOLOGY GRANTS PROGRAM:

COMMERCE

Approximately \$250,000 will be available to Alaska this year; State administers Federal funds.

SMALL BUSINESS LOANS:

COMMERCE

State loans which can be used to finance energy conservation expenditures and alternative energy systems for commercial enterprises.

ALASKA RENEWABLE RESOURCES CORPORATION:

ALASKA
RENEWABLE
RESOURCE
CORP.

Loans, grants, equity participation for potential renewable energy resource enterprises.

ALASKA HOME WEATHERIZATION PROGRAM:

COMMERCE

Provides weatherization assurance to low income persons; priority on unemployed, elderly, and handicapped.

2. TECHNICAL ASSISTANCE

needs to be coordinated w/ DOTPF

STATEWIDE ENERGY CONSERVATION PROGRAM:

COMMERCE

Energy audits, public involvement, community outreach, information, education on conservation.

RURAL ENERGY EDUCATION:

COMMERCE

Education-information materials and energy workshops geared to the particular problems and solutions for rural Alaska.

ENERGY CONSERVATION EXTENSION SERVICE:

COMMERCE

Technical assistance based on university cooperative extension service concept.

COMMUNITY FUEL ASSISTANCE:

COMMERCE

Help communities locate, move and use abandoned bulk fuel tanks.

FEDERAL-STATE FACILITIES COORDINATION:

COMMERCE

Program assuring local community impacts and needs are accounted for in planning government facilities.

STATE ALTERNATIVE ENERGY DEMONSTRATION PROGRAM:

COMMERCE

Funding special alternative energy system demonstration projects.
Examples: electrical transmission systems in Lower Kuskokwim; Pilgrim Hot Springs Geothermal; Nelson Lagoon Wind System; Newhalen Wind Generator; Bethel Waste Heat project.

to
AEC

STATE RESEARCH & DEVELOPMENT PROGRAM:

COMMERCE

Energy systems research and development, Examples: low BTU gasification; gasohol from coal or barley; geothermal for salmon aquaculture; waste heat use.

and
TRANSPORTATION

to
AEC

ALASKA SOLAR CLEARINGHOUSE:

COMMERCE

Information center for solar, wind, small-scale hydro, geothermal, other alternative technologies.

ALASKA WIND ANEMOMETER LOANS:

COMMERCE

Loan of anemometers for determining potentials for wind energy systems.

3. INCOME TAX CREDITS

RESIDENTIAL FUEL CREDIT:

REVENUE

5% State income tax credit on residential fuel bills.

RESIDENTIAL FUEL CONSERVATION TAX CREDIT:

REVENUE

State income tax credit, 10% of cost of energy saving capital improvements, and/or alternative energy systems, (maximum credit \$200).

4. IN-STATE USE OF ENERGY RESOURCES

20% MINIMUM ROYALTY:

NATURAL
RESOURCES

A minimum of 20 percent royalty will be required as a condition of all future oil and gas leases issued by the State.

IN-STATE USE OF ROYALTY OIL AND GAS:

NATURAL
RESOURCES

Statutory requirements (AS 38.05.183(d)) encourages use in-state of royalty oil or gas taken in kind.

ALPETCO:

NATURAL
RESOURCES

State contract with the Alaska Petrochemical Company (ALPETCO) includes a requirement that at least 30,000 barrels a day of fuel products will be available for in-state use.

NORTH POLE:

NATURAL
RESOURCES

The State now sells royalty oil to the North Pole refinery at Fairbanks, which has contributed significantly to the holding down of fuel prices in the area.

GAS PIPELINE:

The Northwest Alaskan Pipeline Company is currently attempting to arrange financing. When operational the gas pipeline will provide opportunities for in-state use of natural gas for home heating and industrial purposes.

NATURAL RESOURCES

DIRECTORY OF STATE AGENCIES

OFFICE OF THE GOVERNOR

Juneau Office	465-3500	Pouch A Juneau, Alaska 99811
Anchorage Office	278-2502	338 Denali Street Anchorage, Alaska 99501
Fairbanks Office	452-1545	675 7th Avenue Fairbanks, Alaska 99701
Nome Office	443-2770	P.O. Box 25 Nome, Alaska 99762
Kotzebue Office	442-3611	P.O. Box 335 Kotzebue, Alaska 99752

DEPARTMENT OF COMMERCE

Charles Webber Commissioner	465-2500	Pouch D Juneau, Alaska 99811
Alaska Power Authority	277-7641	333 W. 4th Street Anchorage, Alaska 99501
Division of Business Loans	465-2510	Pouch D Juneau, Alaska 99811
Division of Energy and Power Development	276-0508	338 Denali Street Anchorage, Alaska 99501

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Helen Beirne Commissioner	465-3030	Pouch H-01 Juneau, Alaska 99811
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DEPARTMENT OF MILITARY AFFAIRS

Division of Emergency Services	272-0594	1306 East 4th Anchorage, Alaska 99501
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DEPARTMENT OF NATURAL RESOURCES

Robert LeResche Commissioner	465-2400	Pouch M Juneau, Alaska 99811
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DEPARTMENT OF REVENUE

Thomas Williams Commissioner	465-2300	Pouch S Juneau, Alaska 99811
Alaska Renewable Resources Corporation	465-4616	P.O. Box 1647 Juneau, Alaska 99811

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Robert Ward Commissioner	465-3900	Pouch Z Juneau, Alaska 99811
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STATE ENERGY ADMINISTRATION

An Analysis of State Roles and
Responsibilities in Energy Matters

Prepared By:

Division of Policy Development and Planning
Office of the Governor

TO:

Attorney General Av Gross
Commissioner Phillip Hubbard
Commissioner Robert LaResche
Commissioner Lee McAnerney
Ron Lind

DATE

July 6, 1977

FROM:

Russ Colwell for
Fran Ulmer, Director
Policy Development and Planning
Office of the Governor

SUBJECT:

The Governor has, for some time, been concerned with the proliferation of programs and responsibilities in the energy area of this Administration. The attached draft report was prepared at his request by the Division of Policy Development and Planning to assist him in evaluating the situation.

In order to help determine the most effective allocation of responsibilities and assignments in the energy area, I am submitting this report for your review and comment. I would suggest meeting at the end of this month to discuss the report and come up with some recommendations or options for the Governor. The Governor is expecting our recommendations within the next two months.

I am also sending a copy of the draft report to the staff of the legislatively-mandated State Energy Policy Committee. It is hoped that this document will stimulate the deliberations of that group.

Attachment

BL/tt

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EXECUTIVE SUMMARY

State energy planning and policy development involves a complex array of interrelating responsibilities crisscrossing a variety of departmental and functional areas. Resource production and management, resource disposition and utilization, in-State energy consumption, energy conservation, resource development impact assessment and assistance to communities in energy matters represent just some of a broad range of activities that the State must address in a coherent manner in order to evolve and promote an effective energy planning and policy development program.

The development of such a program, necessitating the inputs and perspectives of several disciplines within State Government, has the potential of generating overlapping or confusing areas of responsibility, conflicting or redundant activities, misallocation of limited manpower resources and, consequently, a disjointed approach to a significant State and national issue. The Governor, recognizing the potential for inefficiency in dealing with energy and energy-related matters, has directed the Division of Policy Development and Planning (DPDP) to assess the current State activities in the energy field and to recommend a course of action before existing efforts become too inextricably tied to an entrenched bureaucracy that may not be in the best interests of the State. This report, therefore, attempts to:

1. Identify the existing State statutory and programmatic responsibilities in "energy" planning and decision making;
2. Highlight areas of existing or potential overlaps, gaps and conflicts; and
3. Suggest appropriate State approaches to deal with energy and energy-related issues.

This Executive Summary can only briefly summarize some of the analyses, findings and recommendations to be found in the full report. It reflects, however, the full range of issues developed in greater detail in that report.

OBJECTIVES

In order to facilitate evaluation and to highlight specific areas of responsibilities, it becomes necessary to (1) differentiate between the components that constitute the "energy arena" and, (2) to identify those objectives that should be realized to avoid inefficient and imbalanced energy planning and resource utilization decisions. While recognizing that distinct interrelationships do exist between the various components, for the purposes of this report State energy activities involve:

1. Energy resource development and management - the administration of State programs for the production and management of Alaska's energy resources - oil, gas, coal, geothermal, fissionable material, hydroelectric;

2. Energy resource disposition - the decision making process linking the State's resource supply with decisions on resource production, sale for export and satisfaction of in-State needs;
3. In-State resource utilization - the programs to promote and use the State's energy resources for in-State industrial, commercial and residential purposes, including power consumption;
4. Energy conservation - programs to promote the efficient use of the State's finite energy resources, including research, development, and application of alternative energy sources and the development and implementation of fuels allocation, emergency preparedness and contingency programs;
5. Resource development impact assessment - the evaluation of environmental, economic and community impacts associated with energy development programs, and
6. Energy assistance - provisions of technical, financial and planning assistance to local communities in energy and electrical power matters.

These six components make up the full range of State energy and energy-related areas of involvement - from the resource "in the ground" to the ultimate use by the consumer. In order for the State to effectively address each of these areas, three conditions appear necessary:

1. Clearly defined separations of primary responsibilities - the designation of primary or "lead agency" responsibilities tends to: focus efforts specified by legislative and administrative intent; utilize available State expertise optimally; provide mechanisms for program and project continuity; facilitate implementation efforts; strengthen channels of communications, coordination and cooperation;
2. Programs and projects that are compatible with the primary responsibilities - the undertaking of programs and projects directly related to satisfying specific functional responsibilities has the advantage of minimizing the potentials for misallocation of manpower resources; overlapping activities; conflicting efforts; and
3. Inter-departmental mechanism for coordinated state-wide planning and decision-making - the establishment of a "forum" or "lead agency" whereby the interdisciplinary nature of State energy activities can be developed offers opportunities for linking the areas of primary responsibility; providing "clearinghouse" decisions on specific issues, proposals, grants and studies; conflict resolution; strengthening interagency coordination; addressing emerging national issues; formulating overall policy guidelines.

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LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

PRIMARY RESPONSIBILITY

A review of present statutory authorities shows that energy and energy-related responsibilities rest primarily with four State agencies - Department of Natural Resources (DNR), Department of Commerce and Economic Development (CED), Department of Community and Regional Affairs (DCRA), and the Governor's Division of Policy Development and Planning (DPDP). In each of the six energy components discussed above, existing statutory provisions either: (1) clearly delegates primary responsibility to one particular agency; (2) directs, through legislative or administrative intent, a particular agency to have specific lead agency responsibilities, or, (3) provides a mechanism whereby potentially conflicting statutory or programmatic responsibilities can be mediated.

Energy Resource Development and Management

The Department of Natural Resources has broad and primary administrative, planning, regulatory and, to a certain degree, policy responsibilities related to the production and management of State-owned energy resources (including the "necessary and proper" powers of implementation). DNR is charged with the determination of what type of resource development (including hydroelectric resources) shall take place, where it shall take place and the timing of such development. DPDP is charged with providing technical assistance and policy guidance to DNR in order for that agency to satisfy its designated mandates.

Energy Resources Disposition

Responsibilities pertaining to the disposition of the State's energy resources - decisions affecting the production and storage of a resource, the sale or exchange of a resource, the availability for in-state use or export - rest primarily with DNR. Through the Alaska Royalty Oil and Gas Development Advisory Board and, to a lesser extent, through the Mineral Resources Fund Board, (both within DNR), the State has established mechanisms to facilitate the wise disposition of the State's resources. DPDP's responsibilities rest with providing technical assistance to DNR and with providing overall State policy guidelines for the disposition decisions.

In-State Utilization

Several agencies have distinct and separate responsibilities in the area of in-state resource utilization - for commercial, industrial and residential consumption. The Department of Commerce and Economic Development has overall responsibility relating to the economic development of the State. The Division of Energy and Power Development (DEPD) within CED has particular statutory responsibilities with respect to the study and promotion of in-state electric power consumption. Created within CED are a number of public authorities, boards and regulatory agencies with responsibilities relating to in-state energy resource utilization.

Both DNR and DCRA have particular areas of statutory authority affecting CED's mandate. DNR is the administrator of all State-owned energy resources and, therefore, strategies to satisfy or encourage local or regional energy requirements would require DNR commitment of a resource, the use of State land, or the right of passage over it. DCRA is authorized to develop programs to broaden and diversify the economic base of rural areas. DPDP, though with no line or functional authority, has been given primary responsibility to coordinate State activities and provide policy guidance related to optimal utilization of the State's energy resources.

Energy Conservation

Existing statutory authority is weak with respect to the conservation of energy. There is, throughout the statutes, general references to conserving and protecting the State's energy resources, but these are only peripheral to the larger mandates explicitly stated - that of developing the resources and promoting their utilization. While lacking statutory weight, energy conservation was recognized as an important area of concern by the Governor in the creation, by Administrative Order, of the Division of Energy and Power Development. DEPD's duties and primary responsibilities, developed in response to regulations promulgated by the Federal Energy Office, include programs for fuels allocation; assisting emergency and hardship allocation requirements; informational efforts regarding energy conservation measures; and, research in the areas of energy usage, conservation and development.

Resource Development Impact Assessment

Since an assessment of the impacts associated with energy development activities (large-scale hydroelectric projects, OCS leasing and development, HP2-4, Prudhoe Bay natural gas) involve the inputs and perspectives of many State agencies, DPDP has been given the primary responsibility to ensure that the State addresses the issues comprehensively. DCRA has particular responsibility (with DPDP coordination) in the assessment of the socioeconomic impacts of large-scale energy development.

Energy Assistance

The broadest responsibilities rest with DCRA which has, as its primary duty, the rendering of maximum service to government at the community and regional level by providing financial, advisory, State coordinative and management assistance. Both CED and DPDP are given statutory authority to assist local communities, but these narrow responsibilities are to be carried out within the framework of DCRA's overriding responsibilities.

Primary Responsibilities - Summary

A review of Alaska's statutory provisions does show that clearly delegated areas of primary responsibility in energy and energy-related matters can be identified:

Agency	Resource Development	Resource Disposition	Resource Utilization	Energy Conservation	Impact Assessment	Energy Assistance
DNR	ⓧ	ⓧ	X	-	-	-
CEPD	-	-	X	*	-	X
DCRA	-	-	X	-	X	ⓧ
DPDP	X	X	ⓧ	-	ⓧ	X

Where:

- X - area(s) of specific statutory responsibility
- ⓧ - primary/lead agency responsibility
- - no particular statutory mandate
- * - CEPD (DPDP) has been given, through administrative direction, energy conservation responsibilities

PROGRAM COMPATIBILITY

Statutory authority and administrative intent can highlight areas of primary responsibility and provide the framework for effective energy planning. It rests, however, with the actual agency programs and activities undertaken to determine how effectively and efficiently the State is addressing the issues.

Department of Natural Resources

Present energy and energy-related activities being engaged in by DNR conform to that department's statutory responsibilities and do not appear to conflict or overlap with other agency responsibilities. Efforts are concentrated in the energy "supply" area, with manpower and funds allocated to resource development and management (inventory systems, land selection and classification, administration of fuels and minerals, resources forecasting) and resource disposition (primarily through the efforts of the Royalty Oil and Gas Board).

Department of Community and Regional Affairs

DCRA activities in energy and energy-related matters are concentrated in two areas - community assistance (through the department's public information and technical, financial and planning assistance programs) and impact assessment (through DCRA's community planning and policy research and analysis programs). Close cooperation between DCRA and DPDP in the energy conservation/assistance areas have resulted in complementary activities with little substantive overlap in similar Federal programs (ERDA and CSA) engaged in by the two agencies. DCRA has been involved in advance planning for socioeconomic impact assessment of Federal OCS petroleum development actions. DPDP's responsibilities are to ensure that DCRA's socioeconomic assessment programs are consistent with and coordinated with the evaluation efforts of other State agencies.

Department of Commerce and Economic Development

In the areas of in-state power utilization (e.g. the generation of an electrical power development plan), energy conservation and in-state fuels allocations efforts, DEPD is undertaking several programs that are geared toward satisfying their statutory and administrative mandate. However, significant overlapping of responsibilities and indiscriminate duplicate and conflicting efforts exist with a number of programs and projects being conducted by DEPD relating to "energy planning and analysis" - programs and projects covering the gamut from the investigation of resource development scenarios; to developing a plan for defining the resource export market; to studying environmental, social and economic impacts of energy development; to specifying State policy options for encouraging or discouraging energy intensive industrial development; to developing options associated with the routing of the Prudhoe Bay natural gas pipeline; to assisting the FEA in their recommendations to the President on a gas pipeline route (Alaska Regional Energy Resources Planning Project, Alaska Royalty Natural Gas Market Study, Energy Intensive Industrial Development Study).

These ERDA and FEA programs fall outside the direct responsibility of DEPD. In fact, these programs (the information generated and the end-products produced) are only elements of a larger state-wide energy policy development and decision-making process and, therefore, should serve those interests rather than compete with them. Each project requires the coordinated inputs and expertise of several agencies; many of the tasks rest within different department jurisdictions; and several of the end-products are critical to other overriding State policy and decision-making responsibilities. What is required, therefore, is a mechanism whereby the State can, within the context of overall energy planning and policy development efforts, deal comprehensively with such programs or, from another perspective, see how or if such programs are in the best interests of the State.

INTERDEPARTMENTAL COORDINATION

In order to consolidate the various State components involved in energy activities into a consistent and unified effort to address energy issues and to develop a coherent overall State energy policy (as well as to minimize the potentials for overlapping or conflicting activities), DEPD must begin to exercise its statutory responsibilities. These responsibilities include:

1. Identification of State energy planning priorities;
2. Determination of which issues should be addressed comprehensively and what interdepartmental working relationships, if any, should be mobilized to address the issues (including, where applicable, the assignment of "lead agency" responsibilities);

3. Coordination and monitoring of interagency study efforts to ensure timely and satisfactory completion and consistency with overall State goals and objectives;
4. Identification and dissemination of State policies, goals and objectives (and evaluation criteria) pertinent to State energy development and utilization; and
5. Provision of policy guidelines to State energy and energy-related plans and programs being generated.

There appears to be a tendency within the Federal bureaucracy to perpetuate energy planning policies and programs that tend to define what it thinks Alaska needs and, consequently, dictating what energy research and energy development programs and projects are "best" for the State. Efforts undertaken by the State solely in response to these programs, without first determining the State's need or the priority for a study or how it fits into an overall State approach to energy planning, can become nothing more than "outside" analysis imposed on the State. Alaska's role is, then, that of a mere "consultant" to the Federal Government rather than the "lead agency" with respect to its own needs. Moreover, by undertaking "before-the-fact" studies, there is a possibility of realizing "opportunity" costs that could outweigh the direct "benefits" derived from the study. DPDP, as part of its statutory responsibilities, should act to ensure that Federal programs are responsive to State needs and that the optimal allocation of Federal and State monies takes place. DPDP should, therefore:

1. Serve as a "clearinghouse" for all potential energy and energy-related grants, proposals and funds (State and Federal);
2. Review and approve plans and proposed programs and research projects by and for State agencies, including RFP's and consultant contracts;
3. Coordinate efforts to fit, on a selective basis, Federal resources and programs to State-determined needs - on our terms, as we define them; and
4. Integrate available Federal planning assistance programs and projects into the comprehensive, interagency planning model developed above.

Many of the decisions and activities involved with DPDP's responsibilities can not and should not be made unilaterally. They require the benefit of different perspectives and a certain degree of interagency dialogue. It is recommended, therefore, that consideration be given to the formation of an informal ad hoc, but on-going, State Energy Committee chaired by DPDP (with representation from DNR, CED, DCRA, and Revenue) to, in part:

1. Provide guidance to DPDP in the exercise of its various responsibilities as enumerated above;

2. Provide policy guidance and criteria and facilitate agency inputs to the various Boards and Funds, established in the energy area, to aid in their deliberations and decision-making;
3. Determine the validity of establishing a single State Energy "Marketing" Board;
4. Evolve an "optimal energy use" scenario whereby the optimal energy resource(s) can be utilized to satisfy a particular in-state need or market or a particular geographical region;
5. Provide a forum for interagency "conflict resolution";
6. Develop both short- and long-term State energy objectives and implementation strategies to meet those objectives;
7. Provide a forum to address emerging interstate, national and international issues and Federal policies affecting the State's energy efforts;
8. Coordinate and review proposed energy and energy-related legislation;
9. Develop review procedures and provide policy guidance, standards and criteria for the Alaska Power Authority;
10. Consider the merits and limitations associated with the generation of a State Energy Plan (including the optimal regional supply/demand scenario); and
11. Translate energy planning results into a consistent set of regulatory and licensing practices.

RECOMMENDATIONS

In order to begin to develop a coordinated state-wide approach to energy and energy-related planning and policy-making, the following are suggested as specific initial actions:

1. An explicit articulation (through the Governor) of (1) areas of primary State responsibility in the energy field; (2) DDEP's role as "lead agency" in consolidating the various State efforts into a consistent and unified approach to address energy issues and to develop an overall State energy policy. This, moreover, should be in a form appropriate to guide present and future departmental activities (as well as to serve as notification for the relevant Federal agencies);
2. Strengthening of the statutory provisions with respect to energy conservation; fuels allocation/contingency planning; and research and application of alternative energy sources by modeling DDEP's statutory responsibilities to be consistent with the Administrative Order creating the Division;

3. Organize and coordinate (through DFDP) an inter-departmental effort to develop policy guidelines, standards and criteria for in-state energy intensive industrial development and energy facility siting. (Initial application will be to provide criteria for determining the feasibility of in-state use by industry of the State's Prudhoe Bay royalty oil.);
4. Develop policy guidelines, criteria and State review procedures for the Electric Power Development Plan; the Water Use Plan (water allocations for energy development), Alaska Power Authority; Pipeline Transportation Plan (DNR);
5. DFDP should assume responsibility for coordinating State efforts on the interdisciplinary ERDA Regional Energy Resources Planning Project and Energy Intensive Industrial Development Study and the FEA Alaska Royalty Natural Gas Market Study. This should include, where applicable, the setting up of an advisory board and the utilization, through Executive Order, of RSA's and/or transfer of appropriations to mobilize the optimal State/consultant efforts to complete the projects;
6. Initiate steps to organize the ad hoc State Energy Committee;
7. Initiate an investigation to determine the merits and limitations associated with having two philosophically opposing functional responsibilities - energy conservation and the promotion of electric power consumption - within the same division and within a department whose objective is to encourage energy-intensive industrial development; and
8. Expand DFDP's existing A-95 clearinghouse review responsibilities to include all energy and energy-related programs (State and Federal).

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ORIGINAL.

A. INTRODUCTION

State energy planning and policy development involves a complex array of interrelating responsibilities criss-crossing a variety departmental and functional areas. Resource development and management, resource disposition and utilization, in-State energy consumption, energy conservation, resource development impact assessment, local community energy assistance are just some of a broad range of activities that the State has to address in a coherent manner in order to evolve and promote an effective energy policy and planning program. Yet the development of such a program, necessitating the inputs and perspectives of several disciplines within the State government, has the potential of generating overlapping or confusing areas of responsibility; conflicting or redundant activities; misallocation of limited manpower resources; and, consequently, a disjointed approach to a significant State and national issue.

The Governor, recognizing this potential for inefficiency in dealing with energy and energy-related matters, directed a working group to assess the current activities in Alaska in the energy field and to recommend "what should be done and by whom." Initial recommendations have been presented and almost a year has passed in which to assess the results of decisions made earlier. An opportunity exists, moreover, to re-evaluate the State's approach to energy planning before it becomes too inextricably tied to an entrenched bureaucracy that may not be in the best interests of the State.* This report builds on those previous efforts--Governor's Energy Working Group, Rural Energy Task Force, a myriad of letters, memorandums and suggestions from the different departments--and attempts to:

1. Identify the existing State statutory and programmatic responsibilities in "energy" planning and decision-making;
2. Highlight areas of existing or potential overlap, gaps and conflicts;
3. Suggest appropriate State approaches to deal with energy and energy-related issues.

* Commissioner Harris, Chairman of the Governor's Energy Working Group had indicated that, "...there could... be (a) future need... to take an overview of agency efforts and cooperation on energy matters."

B. OBJECTIVES

Before an analysis of State statutory and programmatic responsibilities in energy planning and policy making can be undertaken, it becomes necessary to: (1) differentiate the components that constitute the "energy arena," and; (2) to identify those objectives that should be met to avoid inefficient and imbalanced energy planning and resource utilization decisions. While it must be emphasized that distinct inter-relationships do exist between the various components, separation is necessary in order to facilitate evaluation and to highlight specific areas of primary responsibility. For the purposes of this report, therefore, State energy activities involve:

1. Energy resource development and management--the administration of State programs for the production and management of Alaska's energy resources: oil, gas, coal, geothermal resources, fissionable material; hydroelectric resources;
2. Energy resource disposition--the policy formulation and decision-making process linking the State's resource supply with decisions on resource production, sale for export and satisfaction of in-State needs;
3. In-State resource utilization--the programs to promote and use the State's energy resources for industrial, commercial and residential purposes including in-State power consumption;
4. Energy conservation--the efficient use of the State's finite energy resources, including research, development and application of alternative energy sources (geothermal, waste heat, solar, wind, tidal power) and the development and implementation of fuels allocation, emergency preparedness and contingency programs;
5. Resource development impact assessment--the evaluation and mitigation of the environmental, economic and community impacts associated with energy development activities;
6. Energy assistance--provision of technical, financial and planning assistance to local communities in energy and electrical power matters.

These six components make up the full range of State energy and energy-related areas of involvement--from the resource "in the ground" to the ultimate use by the consumer. In order for the State to effectively address each of these areas, three conditions appear necessary:

1. Clearly defined separations of "primary" responsibility for operational activities in each area. The designation of primary or "lead agency" responsibilities tend to: focus efforts specified by legislative and administrative intent; utilize available State expertise optimally; provide mechanisms for program and project continuity; facilitate regulatory and implementation efforts; strengthen channels of communication, coordination and cooperation;

2. Programs and projects that are compatible with the primary responsibilities. The undertaking of programs and projects, directly related to satisfying specific functional responsibilities, has the advantage of minimizing the potentials for: misallocation of manpower resources; overlapping activities; conflicting efforts;
3. Inter-departmental mechanism for coordinated State-wide planning and decision-making. The establishment of a "forum" or "lead agency" whereby the inter-disciplinary nature of State energy planning and policy making can be exercised offers opportunities for: linking the areas of primary responsibility; providing "clearinghouse" and "task force" decisions on specific issues, proposals, grants and studies; conflict resolution; strengthening inter-departmental coordination; addressing emerging national and international developments; formulating over-all policy guidelines and program evaluation criteria.

An analysis has been conducted to determine how, or if, these three objectives are presently being met through existing statutory and administrative provisions, programmatic activities of the various departments and inter-departmental coordination mechanisms.

C. PRIMARY RESPONSIBILITY

A review of present statutory authority shows that energy and energy-related responsibilities rest primarily with four State agencies-- Department of Natural Resources (DNR), Department of Commerce and Economic Development (CED), Department of Community and Regional Affairs (DCRA) and the Governor's Division of Policy Development and Planning (DPDP).^{*} In each of the six energy areas discussed above, existing statutory provisions either: (1) clearly delegates primary responsibility to one particular agency; (2) directs, through legislative or administrative intent, a particular agency to have specific lead agency responsibilities; (3) provides a mechanism whereby potentially conflicting statutory or programmatic responsibilities can be mediated.

Energy Resources Development and Management

As Table 1 shows, the Department of Natural Resources has broad administrative, planning, regulatory and to a certain degree, policy responsibilities in the areas of energy resource development and management, including the "necessary and proper" powers to implement policies. The Alaska Land Act (AS 38.05) give DNR the authority to carry out the constitutionally established (Article VIII S.1) State policy of encouraging the development of energy resources (including coal, oil shale, oil, gas, geothermal resources) by making them available for "maximum use consistent with the public interest." Section .135 of the Act establishes a permit system and procedures governing leases for mineral exploration, development and extraction on all State lands, including tide, submerged and shorelands. DNR's responsibilities include the facilitation of commercial development of mineral resources by appropriating funds for the construction of access roads (AS 19.30.020), and the compilation of data to determine the character, location and amount of all natural products of economic importance (AS 41.08.020), DNR's Division of Waters, under the State's Water Use Act (AS 46.15) has the responsibility to inform and advise the Governor on the development of the State's water resources (Water Resources Board).

As part of its implementation responsibilities under the Alaska Land Act, DNR is authorized to develop a land classification system together with a land use plan for the management and use of all surface lands in areas considered necessary and proper for future development. Before any land may be disposed, it must be classified and approved by DNR. DNR determines, therefore, what type of resource development (including hydroelectric resources) shall take place, where it shall take place and the timing of such development. The statutes and legislative intent are

^{*}The Governor's Office, through a coordinator of atomic development activities (AS 18.45), has the responsibility to institute a program to encourage the development (and utilization) of atomic energy. The responsibility is, it appears, subordinate to DNR's lead agency in energy resource development and management.

AS 41.12

TABLE I
ENERGY RESOURCES DEVELOPMENT AND MANAGEMENT
STATUTORY RESPONSIBILITIES

DNR		CED		DCRA		DPDP	
Citation	Responsibility	Citation	Responsibility	Citation	Responsibility	Citation	Responsibility
44.37.020	administer the State program for the development of natural resources.	44.33.040	cooperate with State agencies responsible for the development of natural resources.	-	-	44.19.880	provide technical assistance to the Governor in identifying long-range goals and objectives; provide assistance to State agencies in the preparation of agency plans and programs.
19.30.020	approve applications for the construction of access roads to develop mineral resources.						
27.05.010	charged with all matters affecting exploration, development and mining of the State's mineral resources.						
27.22.010	bonus fund for the discovery and extraction of new domestic mineral bearing deposits.						
31.05.030	prohibit waste of oil and gas; regulate all oil and gas operations.						
31.05.100	effectuate unitization agreements.						
38.05.135	open State lands for exploration, development and extraction of mineral deposits.						
38.05.140	encourage the greatest ultimate recovery of coal, oil, gas, oil shale, geothermal resources.						
38.05.027	enter into cooperative resource management and development agreements.						
38.05.185	determine lands from which mineral resources may be mined.						
38.05.300	classify State lands prior to development.						
41.05.090	encourage the exploration and extraction of minerals (Mineral Resources Fund Board).						
41.08.020	conduct surveys to determine potentials for metals, minerals, fuels.						
46.15.210	inform and advise the Governor on the development of the State's water resources (Water Resources Board).						

clear: DNR has broad and primary administrative, planning, regulatory, and policy responsibility related to the production and management of State-owned energy resources.* The Division of Policy Development and Planning, through its responsibilities under AS 44.19.880, is charged with providing technical assistance and policy guidance to DNR in order for that department to satisfy its designated mandates.

Energy Resources Disposition

Responsibilities pertaining to the disposition of the State's energy resources - decisions affecting the production and storage of a resource, the sale or exchange of a resource, the availability for in-State use or export - rest primarily with the Commissioner of Natural Resources (Table 2). Under the Alaska Land Act (AS 38.05), any royalty provided for may be taken in-kind rather than in value if the Commissioner determines that the taking in kind is in the best interests of the State. The Commissioner may authorize the subsurface storage of oil and gas. Oil and gas taken in-kind may not be sold or otherwise disposed of for State export until the commissioner, with the approval of the Alaska Royalty Oil and Gas Development Advisory Board (Royalty Board), determines that the royalty is surplus to both present and projected intra-State domestic and industrial needs.

The Royalty Board, part of DNR, is mandated (AS 38.06) to facilitate the wise development of Alaska's oil and gas royalty interests by providing means and procedures for sales, exchanges or other disposition of those interests in ways calculated to promote private economic growth. No sale, exchange or other disposition may be made without the Board's approval. The Board may also require conditions relating to the sale, delivery, transportation or refining and processing within the State. Table 3 describes the range of issues that the Royalty Board must consider. The Commissioner of DNR shall submit a report showing the immediate and long-range needs of the State, and an analysis of how those needs are to be met (AS 38.05.183).

Other mandated responsibilities include the Mineral Resources Fund Board (AS 41.05) which was created within DNR to administer the Mineral Resources Fund established to encourage the exploration and extraction of valuable minerals (excluding oil and gas) by providing a market for them. The Board may buy and sell minerals (including ores), locate markets for their sale and stockpile minerals. The Water Resources Board (AS 46.15), also within DNR, has the responsibility on all matters relating to the appropriation of water and on lands needed for hydroelectric projects.

*The Governor's Office, through a coordinator of atomic development activities (AS 18.45), has the responsibility to institute a program to encourage the development (and utilization) of atomic energy. The responsibility is, it appears, subordinate to DNR's lead agency role in energy resource development and management.

TABLE 2
ENERGY RESOURCES DISPOSITION
STATUTORY RESPONSIBILITIES

DNR		CED		DCRA		DPDP	
Citation	Responsibility	Citation	Responsibility	Citation	Responsibility	Citation	Responsibility
38.05.180	authorize the subsurface storage of oil and gas.	-	-	-	-	44.19.880	provide technical assistance to the Governor in identifying long-range goals and objectives; prepare and maintain a State comprehensive development plan; provide assistance to State agencies in the preparation of agency plans and programs.
38.05.182	take royalty in kind rather than in value.						
36.05.183	sale, exchange or other disposal of minerals obtained as royalty; determination of in-State oil and gas needs and surplus.						
38.05.185	determine lands from which mineral resources may be mined.						
38.05.300	classify State lands prior to development.						
38.05.035	disposal of State lands.						
38.06.010	sale, exchange or other disposition of royalty oil and gas (Royalty Oil and Gas Board).						
38.06.050	conditions relating to sale, delivery, transportation or refinishing and processing within the State.						
38.05.020	leases for pipeline purposes for transport of oil and gas.						
41.05.060	buy and sell minerals and locate markets for their sale (Mineral Resources Fund Board).						
41.05.080	stockpile minerals.						
46.15.020	coordinate plans relating to the appropriation and use of water.						
46.15.210	inform and advise the Governor on all matters relating to the use and appropriation of water and on lands needed for dams (Water Resources Board).						

Inherent in the regulatory and leasing responsibilities of DNR under the Alaska Land Act (AS 38.05), Regulation of Mining Operations (AS 38.35), Water Use Act (AS 46.15), is the ability to affect and direct both the short- and long-term disposition of natural resources as shown earlier. In the case of the potential land use implications of resource extraction (management of the subsurface estate), DNR has the authority to determine what type of resource development (including hydroelectric) shall take place, where it shall take place and the timing of such development (AS 38.05.185 and .300). It can be shown, therefore, that, as with resource development and management, DNR (with DPDP charged with providing technical assistance and policy guidance) has overriding responsibility for the disposition decisions affecting the State's energy resources.

TABLE 3
ROYALTY OIL AND GAS BOARD MANDATES

In the exercise of its powers under Section 38.06 of the Alaska statutes, the Royalty Oil and Gas Board shall consider:

- A.
 - 1. the revenue needs and project fiscal condition of the State;
 - 2. the existence and extent of present and projected local and regional needs for oil and gas products and by-products, the effect of State or Federal commodity allocation requirements which might be applicable to those products and by-products, and the priorities among competing needs;
 - 3. the desirability of localized capital investment, increased payroll, secondary development and other possible effects of the sale, exchange or other disposition of oil and gas or both;
 - 4. the projected social impacts of the transaction;
 - 5. the projected additional costs and responsibilities which could be imposed upon the State and affected political subdivisions by development related to the transaction;
 - 6. the existence of specific local or regional labor or consumption markets or both which should be met by the transaction;
 - 7. the projected positive and negative environmental effects related to the transaction; and
 - 8. the projected effect of the proposed transaction upon existing private commercial enterprise and patterns of investments.
- B. When it is economically feasible, the board may require, as a condition of the sale of oil and gas obtained by the State as royalty, that the oil or gas be refined or processed in the State and may, when it is feasible and in the best interests of the State to do so, provide for processing or refining of the oil or gas under a contract entered into by competitive bidding before the sale of the oil and gas.

In-State Utilization

To this point, discussion has primarily focused on the statutory provisions related to the "supply" side of the energy equation. In-state utilization of the State's energy resources - for commercial, industrial, residential consumption; to encourage economic development - constitutes the "demand" side. As Table 4 indicates, several agencies have key responsibilities in this area.

The Department of Commerce and Economic Development (CED) has overall responsibility relating to the economic development of the State. Under Section 44.45.020, CED shall "...encourage and promote the sound use of the natural and human resources of the State so as to assist in establishing a balanced and dynamic economy and an orderly pattern of resource development consistent with the public interest..." This shall include the formulation of continuing programs to encourage economic development and advise and recommend economic development policies to the Governor.

The Division of Energy and Power Development (DEPD) within CED, includes particular statutory responsibilities in the area of electric power promotion and utilization... "... to make an abundant supply of electric power available... and to promote and extend the use of electric power... for industrial, agricultural, commercial, residential and other purposes." (AS 44.33.030). While the statutes make reference to "electric power and energy resources" the intent (and weight) of the legislation is clear - DEPD's statutory authority rests in part with in-State electric power development, including (under AS 44.33.040): studying the State's power resources; compiling and maintaining an inventory of electric generation, transmission and distribution facilities; studying and encouraging markets for electric power; preparing a plan for electric power development; promoting rural electrification; assisting in the development of power grids and power pools; and holding public hearings in the field of power.

Created within CED are a number of public authorities, boards and regulatory agencies with responsibilities relating to in-State energy resource utilization. The Alaska Power Authority (AS 44.56) will provide means for financing, constructing and operating hydroelectric and fossil fuel power generating projects. The Alaska Public Utilities Commission (AS 41.05) regulates public utilities, including the granting of certificates of public convenience and necessity. The Alaska Pipeline Commission (AS 42.06) regulates pipeline facilities and carriers with the intent of promoting and overseeing the development of an intra-State oil and gas pipeline system adapted to the present and future needs of the State. Finally, through the Water Resources Revolving Loan Fund (AS 45.86), CED administers the program to provide loans on capital improvement projects for hydroelectric generation.

While CED has overall responsibility relating to economic development, both DNR and DCRA have particular areas of statutory authority affecting CED's mandate. The Right-of-Way Leasing Act (AS 38.35.020) gives DNR responsibilities for leasing pipelines to supply local energy needs.

TABLE 4
IN-STATE ENERGY UTILIZATION
STATUTORY RESPONSIBILITIES

DNR		CED		DCRA		NPPF	
Citation	Responsibility	Citation	Responsibility	Citation	Responsibility	Citation	Responsibility
44.37.020	administer the State program for the development of State-owned energy resources.	44.45.020	encourage and promote sound use of the State's natural resources for economic development.	44.47.130	program to broaden and diversify the economic base of rural areas.	44.19.880	provide technical assistance to the Governor in identifying long-range goals and objectives; prepare and maintain a State comprehensive development plan; provide assistance to State agencies in the preparation of agency plans and programs assist in coordinating the activities of the State agencies which have an impact on the solution of local and regional problems.
38.05.181	permits and leases for utilization of geothermal resources.	44.33.030	make an abundant supply of electric power available.				
38.35.020	leases for pipeline purposes for transport of oil and gas.	44.33.040	in-State electric power consumption planning and promotion.				
46.15.210	inform and advise the Governor on all matters relating to the use and appropriation of water and on lands needed for dams (Water Resources Board).	44.56.070	means for constructing, acquiring, financing and operating hydro-electric and fossil fuel power generating projects (Alaska Power Authority).				
		44.56.170	loans for design and construction of hydro-electric and fossil fuel power projects (Power Project Revolving Fund).				
		42.05.141	regulate public utilities; certification of public convenience and necessity (Public Utilities Commission).				
		42.06.010	promote the development of an intra-State oil and gas pipeline system (Pipeline Commission).				
		45.86.020	loans for capital improvements projects for hydro-electric generation (Water Resources Revolving Fund).				

The Division of Lands of DNR is the administrator of all State-owned energy resources (AS 44.37 and AS 38.05) and, therefore, strategies to satisfy or encourage local or regional energy requirements would require DNR commitment of a resource, the use of State land, or the right of passage over it. As part of its responsibilities under AS 46.15.210, DNR (through the Water Resources Board) advises the Governor on all matters relating to the use and appropriation of water, including land needed for hydroelectric projects. The Department of Community and Regional Affairs is authorized to develop programs to broaden and diversify the economic base of rural areas (AS 44.47.130).*

A review of the "letter" of the statutes may indicate a certain degree of potential overlap. The "intent" of the statutes, however, seem clear - there are distinct and separate statutory authority resting with the various agencies in different aspects of in-State resource utilization: DNR has responsibility over the resource supply available; CED's involvement rests with the promotion of economic development and electric power development; DCRA must be concerned with the rural economic base. The key element is the linkage of all three perspectives (the "supply" with the "demand") into a coherent utilization and, an associated state-wide development strategy. The statutes make provisions for this. The Division of Policy Development and Planning has the responsibility to provide technical assistance in identifying long-range goals and objectives to develop and maintain a state-wide comprehensive development plan, and to assist in coordinating the activities of State agencies which have an impact on the solution of local and regional problems (AS 44.19.880). Moreover, DPDP is charged with advising the Governor on all matters of comprehensive State planning (AS 44.19.877). DPDP, though with no line or functional authority, has been given primary responsibility to ensure coordinated State activities and provide policy guidance related to optimal utilization of the State's energy resources. A suggested mechanism for facilitating this is presented in a later section.

Energy Conservation

The efficient use of Alaska's finite energy resources, including the development and application of alternative energy sources (geothermal, waste heat, wind, solar, tidal power) is a major component of in-State resource utilization and represents a valid responsibility of the administration. Yet, existing statutory authority is weak with respect to the area of conservation of energy. There is, throughout the statutes, general references to conserving and protecting the State's energy resources (i.e., Section 31.05, Oil and Gas Conservation), but these are only peripheral to the larger mandates explicitly stated - that of developing the resources and promoting their utilization.**

*Rural Alaska is generally considered to comprise all areas of the State except for the cities of Anchorage, Fairbanks, Juneau and Ketchikan, (Report of the Urban Housing Conference, May 1975).

**DPDP, through its mandate under Sec. 44.19.880(2) (prepare and maintain a State comprehensive development plan), can be charged with providing guidance in energy conservation as an element of State development planning.

While lacking in statutory weight, energy conservation was recognized by the Governor as an important area of concern. In 1974, the Alaska Energy Allocation Assistance Office, established by Administrative Order No. 21, was created to develop the State's field emergency preparedness and contingency planning program in response to regulations promulgated by the Federal Energy Office. In September of 1976, the Governor, under Administrative Order No. 38, transferred the Office to DEC and renamed it the Division of Energy and Power Development. The responsibilities of the Office, however, remained the same. The new Division's duties and primary responsibilities are spelled out in Order No. 38:

"The Division of Energy and Power Development shall continue to employ necessary personnel to work in concert with a federally assigned Deputy Regional Director for fuels allocation ...as part of its duties, (DEPD) shall continue to be responsible for the allocation of any State 'set aside' of allocable petroleum distillate fuels in conformance with federal regulations. Its duties also include, but are not limited to, assisting emergency and hardship allocation requirements to local wholesale purchasers and end users of allocable energy fuels... (DEPD) shall...maintain an informational effort to inform the public regarding energy conservation measures. In addition, this Division shall continue research in the areas of energy usage, conservation and development." (emphasis added)

Resource Development Impact Assessment

The development and utilization of the State's energy resources have significant environmental, economic and community implications. The development of large-scale hydroelectric projects, OCS leasing and development, NPR-4, the Prudhoe Bay natural gas pipeline are just a few of the major energy activities that will be impacting the State in the near future. Since an assessment of the impacts associated with energy development activities involve the inputs and perspectives of many State agencies, DPDP has been given the primary responsibility to ensure that the State addresses the issues comprehensively (Table 5). As part of its statutory mandate, DPDP is to advise the Governor on matters of comprehensive State planning (AS 44.19.877) and, pursuant to AS 44.19.880, assist in governmental coordination and unity and, through the Governor, establish coordinating groups to deal with issues requiring inter-departmental efforts.

The Department of Community and Regional Affairs has been given particular responsibility in the assessment of the socioeconomic impacts of large-scale energy development. Under Section 44.47.050 of the Alaska statutes, DCRA is charged with coordinating activities of the State which have an impact on community and regional affairs, and to promote cooperative solutions to community and regional problems. In addition, DCRA is mandated to investigate social and economic conditions of rural areas (AS 44.47.130), and to conduct studies and carry out experimental and pilot projects "for the purpose of developing solutions to community and regional problems (AS 44.47.050). DPDP has responsibility (AS 44.19.880) to assist DCRA in coordinating the activities of State agencies which have an impact on the solution of local and regional development problems.

TABLE 5
RESOURCE DEVELOPMENT IMPACT ASSESSMENT
STATUTORY RESPONSIBILITIES

DNR		CED		DCRA		DPDP	
Citation	Responsibility	Citation	Responsibility	Citation	Responsibility	Citation	Responsibility
-	-	-	-	44.47.050	coordinate activities of State which have an impact on community and regional affairs, promote cooperative solutions to community and regional problems.	44.19.880	Governor may establish coordinating or advisory planning groups.
				44.47.130	investigate social and economic conditions.	44.19.877	advise the Governor on matters of comprehensive State planning.
				44.47.050	conducts studies to solve community and regional problems.	44.19.880	assist the Governor and DCRA in coordinating the activities of State agencies which have an impact on the solution of local and regional development problems; provide assistance to State agencies to coordinate agency programs.

Energy Assistance

The final factor in the energy equation is the provision of technical and planning assistance to local communities in energy and electrical power matters. The broadest responsibilities rest with DCRA (Table 6). The primary duty of the Department is to render maximum service to government at the community level by providing financial, advisory and management assistance. Such assistance may arise from local government requests, or it may be initiated by DCRA with the consent of the communities involved.

DCRA has the authority (AS 44.47.050) to: conduct studies and carry out experimental and pilot projects to develop solutions to community and regional problems and promote cooperative solutions to problems affecting more than one community or region; coordinate activities of the State which have an impact on community and regional affairs; supervise planning, management and other activities required for local eligibility for financial aide; and administer State and Federal programs for revenue sharing, grants and other forms of assistance. The department also provides specific planning assistance, including technical services, to facilitate urban planning in political subdivisions of the State (AS 44.47.080). DCRA has further responsibility to formulate and conduct a program of construction of basic facilities to improve health, welfare and economic security in rural areas, and to enter into agreements with other State agencies to provide surplus electrical power (AS 44.47.130).

Both the Department of Commerce and Economic Development and the Division of Policy Development and Planning are given statutory authority to assist local communities. CED, through the Power Project Revolving Fund (AS 44.56.170), provides loans for constructing, equipping and initial filling of fuel storage facilities and other energy requirements. DEPD may provide information to assist communities to improve electric service (AS 44.33.040). DPDP can, as part of its responsibilities, assist local governments in planning and coordinating their activities and assist the Governor and DCRA in coordinating the activities of State agencies which have an impact on the solution of local and regional problems (AS 44.19.880). However, DCRA's statutory authority appears to be much broader and, therefore, CED's and DPDP's narrower responsibilities with respect to assistance to local communities are to be out within the framework of DCRA's overriding responsibilities.

Primary Responsibilities-Summary/Recommendations

A review of Alaska's statutory provisions and legislative and administrative intent does show that clearly delegated primary responsibilities in energy and energy-related matters can be identified:

- DNR - broad administrative, planning, regulatory and, to a certain degree, policy authority with respect to the State's energy supply - resource production, development, management, disposition;

TABLE 6
ENERGY ASSISTANCE
STATUTORY RESPONSIBILITIES

DNR		CED		DCRA		DPDP	
Citation	Responsibility	Citation	Responsibility	Citation	Responsibility	Citation	Responsibility
-	-	44.56.170	loans for constructing, equipping and initial filling of fuel storage facilities and other energy requirements (Power Project Revolving Fund).	44.47.130	enter into agreements with other State agencies to provide surplus electrical power.	44.19.880	assist local government in planning and coordinating their activities.
		44.33.040	provide information to assist communities to improve electric service.	44.47.080	provide planning assistance to political subdivisions of the State.	44.19.880	assist the Governor and DCRA in coordinating the activities of State agencies which have an impact on the solution of local and regional problems.
				44.47.050	supervise planning, management and other activities for local eligibility for aid.		
				44.47.130	program to construct basic facilities.		
				44.47.050	administer State and/or Federal programs assistance.		
				44.47.050	conduct studies and carry out experimental and pilot projects; promote cooperative solutions.		
				44.47.050	coordinate activities of State which have an impact on community and regional affairs.		

CED - responsibilities in the areas of State economic development, in-State electric power development, energy conservation (including research and development efforts), fuels allocation/contingency planning;

DCRA - lead agency responsibilities for the provision of assistance to local communities; particular responsibilities for assessing the socio-economic impacts associated with energy development;

DPDP - technical assistance to State agencies, lead agency with respect to long-range goals, objectives and policy development and guidance, comprehensive state-wide planning, coordination of inter-agency activities.

The following recommendations are offered to better clarify areas of authority:

1. An explicit articulation of primary State responsibilities in the various energy areas in a form appropriate to guide present and future departmental activities (including analysis by the Division of Budget and Management).
2. Strengthening of the statutory provisions with respect to energy conservation, research, development and application of alternative energy sources (wind, solar, waste heat, geothermal, tidal power) and fuels allocation/contingency planning by modeling DEPD's statutory responsibilities to be consistent with the Administrative Order creating the Division.
3. Providing a mechanism to link and coordinate the individual areas of primary responsibility. (This will be developed in a later section.)

One final point must be noted. Inherent in DEPD's statutory charge is built-in institutionalized duplication. AS 44.33.060 states, in part, that the Governor or the Commissioner of CED is not prevented from "...authorizing duplicating engineering, research or similar activities conducted by other departments of the State." This appears to be contrary to the intent of most of their statutory provisions, which are specifically designated to eliminate duplication,* and with the Administrative Order creating DEPD:

"In the performance of its duties, the Division of Energy and Power Development shall not duplicate functions of other State agencies."
(Order No. 38)

It is suggested, therefore, that the statutes remain consistent and that duplication "...shall be avoided."

*Relevant examples include CED's charge (AS 44.45.020(6) and DPDP's mandate (AS 44.19.880) to "...avoid duplication."

D. PROGRAM COMPATIBILITY

Statutory authority and legislative and administrative intent can highlight areas of primary responsibility and provide the framework for effective energy planning in the State. It rests, however, with the actual agency programs and activities undertaken to determine how effectively and efficiently the State is addressing the issues. In order to minimize the potentials for overlapping activities, conflicting efforts or the misallocation of manpower, energy and energy-related State programs must be directly linked to the specific primary or lead agency responsibilities described above.

Existing departmental programmatic objectives and actual project activities were reviewed to determine compatibility with areas of responsibility and to identify present or potential interdepartmental conflicting or overlapping efforts.* Table 7 presents an overview of programs and projects being undertaken and their relationship to agency responsibilities.

Department of Natural Resources

Present energy and energy-related activities being engaged in by DNR conform to that department's statutory responsibilities. Efforts are concentrated in the energy "supply" area, with manpower and funds allocated to specific elements of resource development and management (inventory systems, land selections and classification, administration of fuels and minerals, resources forecasting) and resource disposition (primarily through the work of the Royalty Oil and Gas Board and its technical support activities). DNR does not appear to be involved in any specific energy or energy-related programs that conflict or overlap with other agency responsibilities.**

Department of Community and Regional Affairs

DCRA activities in energy and energy-related matters are concentrated in two areas: community assistance and impact assessment. Through the department's public information and technical, financial and planning assistance programs, DCRA is providing a wide variety of services to local communities including information, grants and technical assistance to construct electrification facilities and to promote energy conservation actions on the part of citizens. The programs of DEPD and DCRA may appear to be overlapping. Because of two similar Federal programs

*No attempt has been made in this study to identify or comment on intra-departmental responsibilities. It is felt that a certain degree of flexibility in allocation of manpower and task assignments within a department is valid. It might be advisable, however, to evaluate the inefficiencies inherent in too much flexibility. The Division of Budget and Management has indicated that this might be warranted.

**There has been some concern over overlapping responsibilities with respect to the allocation and use of the State's water. Cooperative working relations between DNR and the Departments of Fish and Game and Environmental Conservation, have minimized potential conflicting activities.

TABLE 7
PROGRAM AND PROJECT ACTIVITIES

ENERGY AREA	PRIMARY RESPONSIBILITY	ACTIVITIES		
		AGENCY	PROGRAM	PROJECT
Resource Development and Management	DNR	DNR	. resource inventory system	. development of a prioritized, computerized resources inventory.
			. land selections	. selection criteria, resources value portfolio, values of selection areas.
			. resources forecasting	. projection of quantity and value of fossil fuels and minerals.
			. resources management	. technical management for the administration of fuels and minerals.
		CED	. Regional Energy Resources Planning	. identification of recoverable energy resources. . preparation of optimal scenarios for resource development.
Resource Disposition	DNR	DNR	. water use planning	. state-wide water use/allocation plan.
			. Royalty Oil and Gas Board	. forecasting quantity and value of royalty oil and gas. . deliberations on specific disposition decisions.
			. State lands	. evaluation of State leases with respect to resources extraction.
			. pipelines management	. design, review and surveillance of existing and proposed pipelines
	CED	CED	. economic development	. review of companies proposing to purchase royalty oil and gas.
			. Regional Energy Resources Planning	. energy resources export development planning.
			. Royalty Gas Market Study	. identification of development opportunities associated with routing of natural gas pipeline and availability of royalty gas.
		Multi-Agency	. economic development	. promote petrochemical industry, materials processing high energy-use industry.
			. economic diversification	. analyze new resource product development.
In-State Utilization			. electric power consumption	. electric power development plan.

Regional Energy Resources Planning	identify future energy needs and opportunities. utilization implementation technology.
Royalty Gas Market Study	industrial development potentials.
Energy Intensive Industrial Development	ranking and analysis of most-likely industries attracted to Alaska. policy options to encourage/discourage development.

Energy Conservation

CED

CED

Wind Energy Systems	demonstration projects.
Arctic Energy Systems	energy conservation construction technology.
State Energy Conservation	plan for implementing energy conservation provisions
geothermal applications.	salmon aquaculture.
Energy Conservation Advocates	information on energy conservation and winterization

CRA

Emergency Energy Conservation	winterization
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Impact Assessment

DPDP

DCRA

community planning	local and regional planning for federal OCS petroleum development.
policy research and analysis	energy facility siting alternatives. policy analysis of major actions affecting community and regional development.
Regional Energy Resources Planning	plan for assessment of environmental and socio-economic effects of alternative development scenarios
Energy Intensive Industrial Development	environmental, social and economic impacts of industrial development.

CED

Energy Assistance

DCRA

DCRA

Public Information Program	distribution of information on State and Federal activities affecting low-income people.
Technical Assistance Program	assistance to Community Action Program, including energy-related problems.
Financial Assistance Program	financial support for electrification projects. grants-in-aid.
Planning Assistance	provide planning services for local plan implementation and capital improvements decisions. provide technical guides/handbooks related to planning and management. conduct workshop and seminars.
Emergency Energy Conservation	crisis intervention.
economic diversification	assist communities in preparation of economic development priorities.
Energy Conservation Advocates	assist citizens in energy measures.

CED

(through ERDA and CSA), both State agencies are engaged in similar activities (DCRA - Emergency Energy Conservation Program, Rural Alaska CAP, weatherization, crisis intervention, consumer advocacy; DEPD - State Energy Conservation Plan, Conservation Advocates). However, DEPD and DCRA are cooperating closely and therefore plans and programs will be complementary, with little substantive overlap. For example, DEPD's Advocates project will be recruiting and training Vista-type volunteers for DCRA's weatherization efforts. Also, DEPD's winterization funds will be funneled to assist DCRA in their community-specific efforts.

Under DCRA's community planning and policy research and analysis programs, the department is involved in several studies relating to policy analysis and the socioeconomic impacts associated with large-scale energy development. The Division of Community Planning has been extensively involved with coordinating State policies, plans and program activities on local OCS development with local governments. The Division has also been involved in advance planning for socioeconomic impact assessment of Federal OCS petroleum development actions. As the State continues to address the implications surrounding major development activities, DPDP must begin to exercise its responsibility of ensuring that DCRA's socioeconomic assessment programs are consistent with and coordinated with the evaluation efforts of other State agencies.

Department of Commerce and Economic Development

In the areas of in-State power utilization (e.g. the generation of an electrical power development plan), energy conservation, and fuels allocation efforts, CED (Division of Energy and Power Development) is undertaking several programs that are geared toward satisfying their statutory and administrative mandate. Moreover, DEPD is working cooperatively with several departments (notably DNR and DCRA) to minimize potential conflicts in the areas of conservation and community assistance. But, as Table 7 reveals, significant overlapping of responsibilities and duplicative and conflicting efforts exist with a number of programs and projects being conducted by DEPD relating to "energy planning and analysis." DEPD's responsibilities are specifically defined - in-State electric power development, energy conservation, fuels allocation/contingency planning. Yet, several of their programs reflect expansion into every aspect of energy activities - from the investigation of resource development scenarios, to developing a plan for defining the resource export market, to studying environmental, social and economic impacts of energy development, to specifying State policy options to encourage or discourage energy-intensive industrial development.

A review of DEPD's specific programs highlights the confusing and indiscriminate nature of the efforts being attempted. DEPD's Budget Request (BRU Code No. 08-73-6-01-04-00) gives an indication of the Division's stated intent in addressing what it feels are its programs responsibilities. In part, it states that the following questions need to be answered:

- "What are the quality and quantity of resources that are recoverable in Alaska?
- How complete of a development of natural resources is needed from Alaska for energy independence for the United States, including use in Alaska?

- .Will environmental degradation be permitted, and if so, to what degree?
- .What are the appropriate jurisdictions for environmental monitoring and enforcement?
- .What mechanisms exist or can be developed to allow an equitable sharing of the environmental costs with areas benefitting from the source?
- .Should we proceed with present technology or wait for more advanced and efficient methods?
- .Should there be strategies, enforced by appropriate regulatory agencies and/or tax and investment policies, to direct the order in which resources will be developed and how much of each will be used up?
- .What mix of energy development should be undertaken to satisfy energy needs of the State and of the United States?
- .What are the financial requirements of this development and how will they be satisfied?
- .How can information be derived and correlated which will discriminate around possible development options and give the responsible authorities a better understanding and realization of the consequences of their choices?
- .What are the cost benefits and risks associated with each option identified?
- .How much and what type of immigration should be permitted to provide the labor force for development?
- .What types of control on immigration (if any) are legal and yet capable of meeting the manpower goals necessary for development?
- .What will be the impact of the new arrivals?
- .Who is responsible for preparing for the immigration and for financing the new infrastructure?
- .How should cultural clashes be avoided or mitigated between arriving workers and those already there?
- .How can the Native population respond to change and preserve their identity?
- .What political jurisdictions will be needed to provide effective control over the new developments? How might these be set up if they do not already exist?
- .What burdens will be realized by State and local governments? What will they cost? How should they be paid for?
- .What amount of development is desirable in the State? When? Where? How?
- .What transportation corridors to support this activity should be developed? How should they be developed?"

Most significantly, DEPD states that, as part of its budget year objectives, it should:

"Provide the necessary studies, estimates, test results, demonstration projects to answer the questions enumerated (above)."

Obviously, the answers to these questions involve extensive and complex efforts by all parts of the administration. To provide a "laundry list of everything" as a rationale for a program and budget request tends to obscure the specific direction to be taken and limits the ability of the administration to, as charged by the Governor, determine "what should be done and by whom."*

To a large extent, those program objectives are reflected in the projects being undertaken, and several specific DEPD efforts have this "expansive" orientation. The Division, through a \$150,000 (\$25,800 State matching) grant from the Energy Research and Development Administration (ERDA), has initiated (Phase I) an Alaska Regional Energy Resources Planning Project. This project is intended, among other things, to:

1. identify recoverable energy resources;
2. develop alternative development options;
3. develop a plan for resource export development;
4. identify future energy needs and opportunities; and
5. develop a plan for the assessment of environmental and socio-economic effects of energy development.

DEPD has a \$50,000 grant from the Federal Energy Administration (FEA) to undertake an Alaska Royalty Natural Gas Market Study to in part identify development opportunities associated with the routing of the natural gas pipeline and the availability of royalty gas.

Through another ERDA grant (\$125,000), DEPD is involved with an Energy Intensive Industrial Development study. End-products of this effort will be to define what policy options are available to the State to encourage or discourage energy intensive industrial development and to examine the environmental, social and economic impacts associated with such industrial development.

It is clear both from the statutory provisions and administrative intent that these projects fall outside the direct responsibility of DEPD. The ERDA and FEA grants are prime examples of the interdisciplinary nature of State energy activities. Moreover, the information generated and the end-products produced are only elements of a larger state-wide energy policy development and decision-making process and, therefore, must serve those interests rather than compete with them. In fact, each project requires the coordinated inputs and expertise of several agencies; many of the tasks rest within different agency jurisdictions (see Table 7); and several of the end-products are critical to other overriding policy and decision-making responsibilities.**

*The Division of Budget and Management has expressed similar concerns.

**DEPD acknowledges this, stating in its 1976 Budget Request that a regional energy development program involves "...many differing fields of expertise, financial, engineering, environmental, and community planning to name a few."

Specific examples of how the ERDA and FEA programs, resting solely within one agency, can conflict or compete with other activities include: (1) failure to take maximum advantage of State expertise and existing data base in the energy resource and assessment areas; (2) out of synch activities with major critical efforts being undertaken by the State, most notably the deliberations of the Governor's natural gas pipeline task force and the decision-making process of the Royalty Oil and Gas Board; (3) duplicating efforts in the assessment area of similar projects and activities under both State and Federal auspices, that have been, or are being conducted (the multi-million dollar BLM/OCS effort; the BLM-Human Resources Associates study of the socioeconomic impact of the development of the Kenai oil fields; several pertinent studies commissioned by the Federal-State Land Use Planning Commission; and several major studies by the FEA, BLM, and the State regarding NPR-4; (4) conflicting efforts with the Governor's Office and other departments in determining policy options with respect to in-State industrial development.

What is required therefore, is a mechanism whereby the State can, within the context of overall energy planning and policy development efforts deal comprehensively with such programs or, from another perspective see how, or if, such programs are in the best interests of the State.

E. INTERDEPARTMENTAL COORDINATION

This report has investigated and presented specific areas of primary authority in State energy matters. It has also looked at the various programs and projects being conducted and the potential or existing conflicts inherent in those activities. The intent was not to make separation of responsibilities or program efforts too rigid - a degree of flexibility in the ability to function is valid. Difficulty and inefficiency arises, as has been shown, when there is or the potential exists for duplication of efforts, misallocation of resources (A doing what B is best equipped to do), absence of interagency coordination and cooperation. What is required is the consolidation of the various State components involved in energy activities into a consistent and unified effort for the State to address energy issues and to develop a coherent overall State energy policy - an effort that, to date, as been, at best, piecemeal.

As previously discussed, the statutes do offer a means for addressing these energy and energy-related matters. The Division of Policy Development and Planning has been given the statutory responsibility to ensure that the State's efforts (including policy development) are treated comprehensively; to augment, on a selective basis, the study areas not being addressed; to see that areas of primary responsibility are utilized efficiently to satisfy the best interests of the State; to ensure that there is consistency with overall State goals, objectives and policies; to upgrade inter-departmental coordination and cooperation in the energy field; and, most importantly, to ensure that a coherent overall State energy policy, considering all aspects ("supply" and "demand"), evolves.

DPDP must begin to exercise its responsibility to bring a degree of comprehensiveness to energy planning and policy development. This should include:

1. identification of State energy planning priorities;
2. determination of which issues should be addressed comprehensively and what interdepartmental working relationships, if any, should be mobilized to address the issues (including, where applicable, the assignment of "lead agency" responsibilities);
3. coordination and monitoring of interagency study efforts to ensure timely and satisfactory completion and consistency with overall State goals and objectives;
4. review of consultant RFP's and contracts to ensure compatibility with in-State efforts;
5. identification and dissemination of State policies, goals and objectives (and evaluation criteria) pertinent to State energy and energy-related development and utilization; and
6. provision of policy guidelines to State plans and programs being generated (i.e. Electric Development Plan, Water Use Plan - water allocations for energy development, Pipeline Transportation Plan).

There appears to be a tendency within the Federal bureaucracy to perpetuate energy planning policies and programs that tends to define what it thinks Alaska needs. This usually creates the situation of the Federal Government dictating what energy research and energy development and development-related programs and projects are "best" for the State and defining the alternatives available with respect to energy development. Efforts undertaken by the State solely in response to these programs can become nothing more than "outside" analysis imposed on the State, with Alaska's role that of a mere "consultant" to the Federal Government rather than the "lead agency" with respect to its own needs.*

By entering into these types of agreements without first determining the State's need or priority for a study or how it fits into an overall State approach to energy planning and policy development, it is possible to realize "hidden" or "opportunity" costs that may outweigh the "benefits" derived from the study. These may include resource misallocation (State matching monies or manpower misuse); the "need" to continue certain efforts even when the Federal dollars run out; premature, academic or only marginally valuable end-products; redundant or conflicting efforts with other State activities.

DPDP, as part of its statutory responsibilities, should act to ensure that Federal programs are responsive to State needs and that the optimal allocation of Federal and State monies take place.** DPDP should, therefore:

1. serve as a "clearinghouse" for all potential energy and energy-related grants, proposals and funds (State and Federal);***
2. review and approve plans and proposed programs and research projects by and for State agencies;
3. review and approve RFP's and consultant contracts;
4. coordinate efforts to fit on a selective basis, Federal resources and programs to State-determined needs - on our terms, as we define them; and
5. integrate available Federal planning assistance programs and projects into the comprehensive, interagency planning model shown above.

*The ERDA Regional Energy Planning Project states, that a "...major objective of the (proposed study) is to support ERDA's objectives of formulating and implementing a national plan for energy R&D." The Royalty Gas Market Study agreement states that the study's purpose is to, in part/ "...provide information which can be utilized (by the FEA) in making the necessary recommendations (to the President and Congress on the three competing gas pipelines.)"

**AS 44.19.880 states that DPDP is charged with, "...serving as a clearinghouse ...necessary to Federal, State or local governmental agencies in discharging their respective responsibilities or in obtaining Federal or State financial or technical assistance;...review planning within State government as may be necessary for receipt of Federal, State or other funds;...encourage...research programs that further State planning and development, and provide administrative and technical services for them."

***At present, ERDA and FEA programs are not included in the Federal A-95 review process.

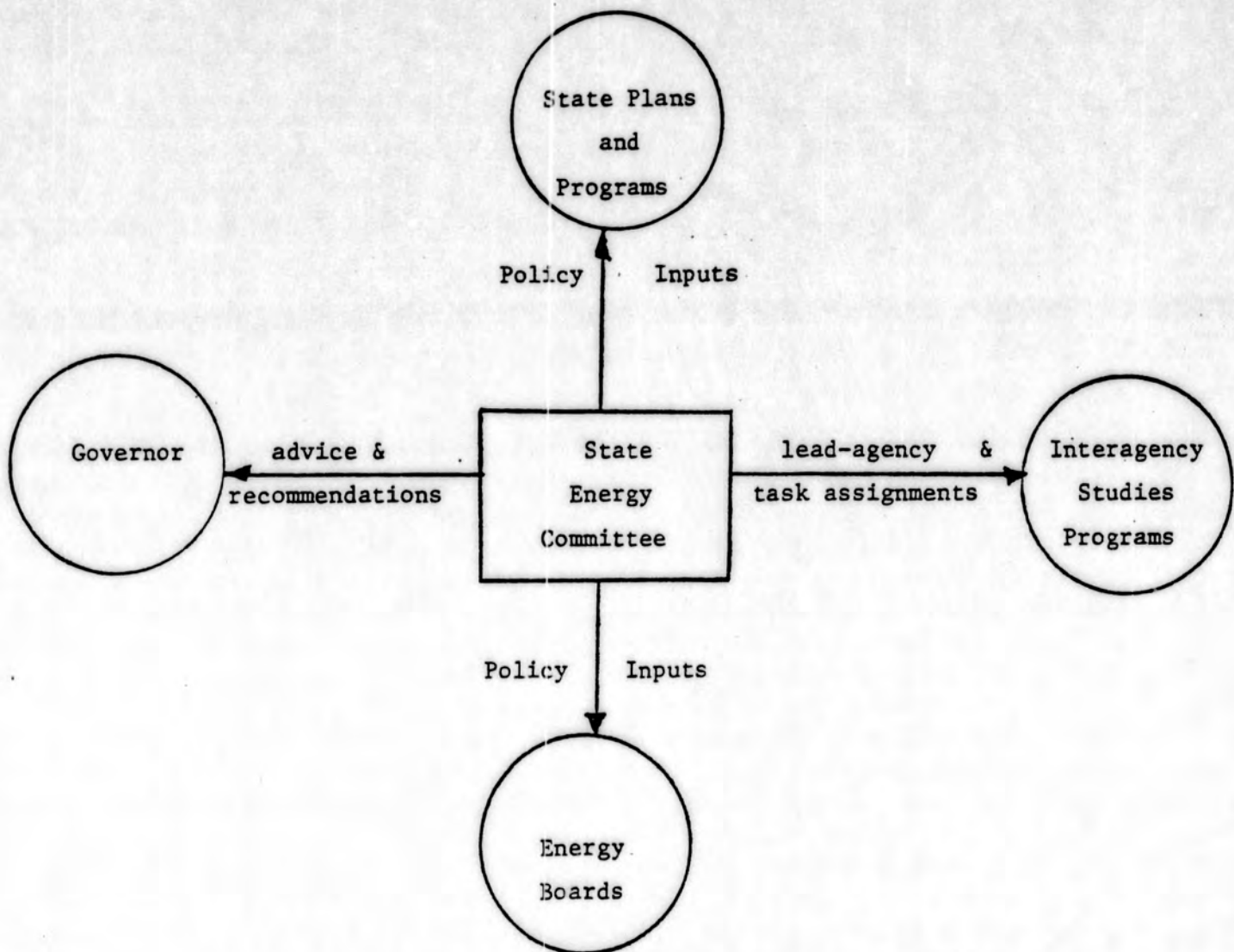
Many of the decisions and activities involved with DPDP's responsibilities cannot and should not be made unilaterally. They require the benefit of different perspectives and a certain degree of interagency dialogue. To complement DPDP's statutory authority, it is suggested that the Governor form a State Energy Committee (SEC), chaired by DPDP (with representation from DNR, CED, DCRA and Revenue) as an informal, ad hoc but on-going "forum" to provide input and guidance in the energy area. The SEC could:

1. provide guidance to DPDP in the exercise of its various responsibilities enumerated above;
2. provide policy guidance and criteria and facilitate agency inputs to the various boards and funds established in the energy area - Royalty Oil and Gas Board, Mineral Resources Fund Board, Water Resources Revolving Loan Fund - to aid in their decision-making. Evaluate their functions in order to suggest modifications, consolidation or elimination. (Consideration might be given to having one State Energy Resources Board to encourage the optimal allocation and utilization of all of the State's energy resources);
3. determine the validity of establishing a State Energy "Marketing" Board which, in effect, would "buy" all the energy resources produced and then "sell" the resources (at different prices) to satisfy state-wide objectives (Canadian model);
4. evolve an "optimal energy use" scenario whereby the proponents of different "growth" scenarios within the administration can have a functional arena in which to advocate a particular future for Alaska - a future that is closely tied to the resource development, disposition and utilization decisions that the State makes or tries to influence;
5. evolve an "optimal energy use" scenario whereby the optimal energy resource(s) can be utilized to satisfy a particular in-State need or market a particular geographical region;
6. offer a vehicle to "balance" the various energy equations - supply vs. demand; energy development and use vs. energy conservation;
7. develop both short and long-term State energy objectives and implementation strategies to realize those objectives;
8. provide a forum to address emerging interState, national and international issues and Federal policies affecting the State's energy efforts;
9. coordinate representation on inter-State committees, groups, organizations;
10. coordinate and review proposed energy and energy-related legislation;
11. develop review procedures and provide policy guidance, standards and criteria for the deliberations and decision-making of the Alaska Power Authority;
12. determine the merits and limitations associated with the development of a State Energy Plan and, if warranted, develop strategies to generate the plan (including optimal regional supply/demand scenarios);
13. translate energy planning results into a consistent set of regulatory and licensing practices; and
14. begin consideration of the merits and limitations associated with developing a formal operational State Energy Department (similar to the Minnesota Energy Agency) - a line agency with broad responsibilities to prepare and implement a State energy plan, administer energy regulations, study energy use and consumption, issue "certificates of need," fund energy research.

TABLE 8
SAMPLE STATE ENERGY OBJECTIVES

1. Assure reliability of energy supply at equitable cost for commercial, industrial and residential use within Alaska; not subject to sudden interruption or undue risk:
 - a. manipulate demand as well as supply to meet or determine future needs;
 - b. flexibility in supply and delivery system (interfuel substitution; transferability of power);
 - c. centralized energy data bank;
 - d. emergency preparedness (stockpiling, reserve producing or generating capacity);
 - e. energy conservation-voluntary and/or mandatory, and;
 - f. greater dependence on multiple, small-scale industrial power consumption and development.
2. Make maximum and optimal use of alternative energy sources:
 - a. incentives/disincentives
 - b. guarantees
 - c. regional supply-regional demand
3. Achieve the lowest cost to Alaskans for energy/in-State price protection:
 - a. State subsidies/"preferential" treatment (availability, price)
 - b. tax policies, rebates
 - c. regulation, permits, licensing, siting
 - d. State investment/ownership
 - e. public education/information
 - f. technological efficiency
 - g. net energy accounting
4. Avoid economic and regional inequities in the supply and cost of energy:
 - a. pricing differentials (users, use)
 - b. rate structures
 - c. energy stamps, credits, rebates
5. Minimize the adverse environmental and socioeconomic impacts associated with energy development and consumption:
 - a. energy facility siting legislation
 - b. regulation/permit procedures
 - c. impact funding/reimbursement arrangements
6. Maximize Alaska's use of its energy resources vis-a-vis national needs:
 - a. access to royalty oil and gas
 - b. first-person privileges to Federal mineral resources
7. Advocate energy resource development tied to State and Federal supply and demand estimates, "need" schedules, investment and capital capabilities, optimal market values; technological capabilities.

A stylized model of a State Energy Committee could take the form of:



Interdepartmental Coordination-Recommendations

In order to begin to develop a coordinated state-wide approach to energy and energy-related planning and policy making, the following are suggested as specific initial actions:

1. As with primary responsibilities, there has to be an explicit articulation (by the Governor) of DPDP's role as "lead agency" in consolidating the various State efforts involved in energy activities into a consistent and unified approach to address energy issues and to develop a coherent overall State energy policy. This should be in a form appropriate to guide present and future departmental activities;

2. Organize and coordinate (through DPDP) an interdepartmental effort to develop policy guidelines, standards and criteria for in-State energy-intensive industrial development and energy facility siting.* Initial applications will be to provide criteria and policy guidance for determining feasibility of in-State use by industry of the State's Prudhoe Bay royalty oil;
3. Develop policy guidelines, criteria and review procedures for: the Electric Power Development Plan; the Water Use Plan (water allocations for Energy development); Pipeline Transportation Plan (DNR); Alaska Power Authority;
4. To deal comprehensively and effectively with inter-departmental studies, DPDP should be responsible for coordinating State efforts on the ERDA Regional Energy Resources Planning Project and Energy Intensive Industrial Development Study and the FEA Alaska Royalty Natural Gas Market Study. This should include, where applicable, the setting up of an advisory board**and the utilization, through an Executive Order of Reimbursable Service Agreements (RSA) and/or transfer of appropriations (RP) to mobilize the optimal State/consultant efforts to complete the projects;***.
5. Notify the relevant Federal agencies that ERDA and FEA programs must be included in the Federal A-95 process;
6. Initiate steps to organize the ad hoc State Energy Committee;
7. Initiate an investigation to determine the advantages and disadvantages associated with having two philosophically opposing functional responsibilities - energy conservation and the promotion of electric power - within the same division and within a department whose objectives is to encourage energy-intensive industrial development; and
8. Expand DPDP's existing A-95 Clearinghouse review responsibilities to include all energy and energy-related programs (State and Federal).

*Energy facilities can be defined as: major power consumers; power generation facilities; utilizer's of the State's energy resources as raw materials; large pipelines and other large-scale transmission facilities. Areas of concern might include: site suitability; power needs; raw material needs; transmission/distribution/transportation systems; employment; environmental and socio-economic implications; State and local incentives/disincentives; State/local taxation; State/local lines of authority; required legislation and regulatory/permitting procedures; impact funding; public inputs/hearings.

**The original ERDA Regional Study proposal did call for an Advisory Board composed of: CED, DCRA, DPDP, DNR, Revenue plus other technical specialists.

***The Division of Budget and Management and DPDP are discussing the specifics of these arrangements. It should be noted, however, that certain changes may be constrained by Legislative Budget and Audit procedures.

STATE
of ALASKA

MEMORANDUM

TO: [Ron Lehr, Director
Division of Budget & Management
Office of the Governor

DATE March 12, 1980

FILE NO:

TELEPHONE NO:

FROM: George Matz, Budget Analyst
Division of Budget & Management
Office of the Governor

SUBJECT: Departmental Responsibilities
in Energy

The purpose of this memo is to provide information requested by Bob Speed of Representative Terry Gardiner's office regarding the responsibilities of state agencies which are involved in energy issues.

As Bob mentions in his memo, virtually every agency is at least indirectly involved in some aspect of energy. Given this situation and the limited time for reply (two days) a comprehensive analysis is not possible. Also, a comprehensive analysis would be a voluminous effort and probably result in information entropy. Consequently, it is important that some structure be applied in responding to this request.

Information is being provided for only those agencies which are directly involved in some aspect of energy development, regulation, or assistance. This excludes situations where an agency may contribute to some energy project but for reasons which primarily relate to other goals and objectives (i.e. Department of Environmental Conservation participation in the Beluga Coal Project in order to assure that environmental considerations are built into the planning process). In some cases, such as the operating budget 4A's, the information includes efforts that are not directly related to energy. However, information to allocate the percentage of effort which is or is not related to energy is not presently available. Also, information on specific energy projects is provided in some cases but not for each and every state project that is underway, particularly inter-agency projects. A specific reply regarding energy projects requires a specific request. Another condition to this reply is that it only concerns State agencies, excluding the University of Alaska, federal and local agencies, and the private sector; all of which play an important and intertwining role in Alaska's energy issues.

The information provided includes:

1. Form 4A's from the FY 81 budget for components directly involved in energy.
2. BRU narratives for components directly involved in energy.
3. FY 81 capital projects which are energy related.
4. RP's for FY 80 which fund energy projects.
5. State Energy Administration, a document, though somewhat dated (July 1977), which provides some of the information requested.
6. Meeting the Challenge, which describes the Governor's energy package for FY 81.

March 12, 1980

Bob Speed's memo makes reference to a Weatherization Program in the Department of Health and Social Services (H&SS). The Weatherization Program is currently with the Department of Commerce and Economic Development, Division of Energy and Power Development. The closest thing that H&SS has to weatherization is the Energy Crisis Assistance Program (see RP #80-135 and #80-150).

In order to help organize the information provided I have listed several categories of energy related activities and listed which state agencies have a direct involvement in this activity. These are as follows, listed by component. Some components are listed in more than one category.

1. Resource Development and Planning

- . Policy Development and Planning (Governor's Office)
- . Economic Enterprise General Operations (Commerce)
- . Alaska Power Authority (Commerce)
- . Energy Administration (Commerce)
- . Coastal Energy Impact Program (C&RA)
- . Community Planning Assistance (C&RA)
- . Leasing Management (DNR)
- . Petroleum Management (DNR)
- . Oil and Gas Conservation (DNR)
- . Lease Sales (DNR)
- . Lease Sale Administration (DNR)
- . Reservoir Management (DNR)
- . Coal Development (DNR)
- . Geothermal Development (DNR)

2. Research, Development and Demonstration

- . Alaska Power Authority (Commerce)
- . Energy Administration (Commerce)
- . Office of Science & Technology (Commerce)
- . Coal Development (DNR)
- . Geothermal Development (DNR)

3. Project Financing

- . Alaska Renewable Resources Corp (Revenue)
- . Loan Fund Administration (Commerce)
- . Alaska Power Authority (Commerce)

4. Regulatory Review and Oversight

- . Alaska Public Utilities Commission (Commerce)
- . Alaska Pipeline Commission (Commerce)
- . FERC Continuation (Law)
- . Gas Pipeline Surveillance (DEC)
- . Gas Pipeline Monitoring (Fish and Game)
- . Gas Pipeline Review (DNR)
- . Royalty Oil and Gas Board (DNR)
- . Leasing Management (DNR)
- . Lease Sale Administration (DNR)

- . Royalty Income Accounting (DNR)
- . Aviation Fuel Tax (Revenue)
- . Electric & Telephone Coop Tax (Revenue)

5. Conservation

- . Energy Conservation (Commerce)
- . Energy Extension Service (Commerce)
- . Weatherization (Commerce)
- . Office of Science & Technology (Administration)
- . Facilities Planning & Research (DOT/PF)

6. Public Assistance

- . Weatherization (Commerce)
- . Division of Public Assistance RP's (H&SS)

MEMORANDUM

3242

TO: ☐ Jay S. Hammond, Governor
State of Alaska

DATE: December 10, 1979

FILE NO: RP # 80-150

TELEPHONE NO:

FROM: Ronald D. Lehr, Director
Division of Budget and Management
Office of the GovernorSUBJECT: Department of Health and Social
Services Request for Authority to
Receive and Expend \$3,080,064 in
Federal Funds in the Division
of Public Assistance for Energy
Assistance for Low Income Alaskans

The Department of Health and Social Services has requested permission to receive and expend \$3,080,064 of Federal Department of Health Education and Welfare (HEW) funds that have not previously been authorized to provide a program of assistance payments for energy-related crises to low income persons during the period extending from December 27, 1979, through September 30, 1980.

The purpose of this HEW grant is to support development, implementation, and administration of a State plan for the delivery of Energy Assistance benefits to low income residents of Alaska. Benefits provided would be assistance in paying fuel bills by direct payment to fuel and other heating energy vendors of up to \$250 per eligible family per year. In order to be eligible for benefits under this program, a household's gross income could not exceed 125% of the Federal Poverty Guidelines for Alaska. The following schedule shows the maximum household income levels that would be considered eligible for benefits:

<u>Household Size</u>	<u>Monthly Gross Income</u>	<u>Yearly Gross Income</u>
1	\$445	\$5,338
2	588	7,050
3	730	8,763
4	873	10,475
5	1,016	12,188
6	1,158	13,900

The period for determining income for eligibility purposes would be based on the average monthly income for the previous year, or, if income has terminated during the 90 day period immediately preceeding the request for assistance, the current month's income would be used to determine eligibility.

A State plan defining the program's outreach, delivery system, and eligibility appeal processes is required to be submitted to the Federal Department of Health, Education and Welfare by December 27, 1979, in order to obtain release of the benefit assistance funding to the State.

States that operate this program are eligible to use up to 10% of the total grant for administrative costs. Alaska is thus eligible for \$308,064, but the current program plan is to utilize only \$211,086 for administration purposes and to use the other \$96,978 for additional benefit payments to eligible persons. This would make \$2,868,978 available for benefit payments.

Energy Assistance Program benefits would be allocated within the five regions on the following basis.

Southeastern	13%	\$ 373,042
Southcentral	67%	1,922,602
Southwest	2%	57,392
Northern	16%	459,128
Northwest	2%	57,392

Applications within a region would be processed on the bases of first come, first served.

It is estimated that a minimum of 10,800 needy, low income households would participate in the Energy Assistance Program. The estimate is based on a maximum payment of \$250 per household, per year. Maximum payments would vary from \$200 to \$250 per household depending upon the region in which a given household resides and the primary heating energy source cost in that region.

RP # 80-135 (in the amount of \$556,000) was submitted to and approved by the Legislative Budget and Audit Committee on November 9, 1979, for an Energy Crises Assistance Program. That RP requested emergency interim funding from the federal Community Services Administration for energy assistance. Although RP # 80-135 and this current request are for the same type of program, the two will have to be managed separately because the Federal Department of Health, Education and Welfare rules require separate accountability, eligibility criteria, and administrative procedures.

Federal regulations state that this is a single year appropriation remaining in effect until September 30, 1980. The Department has requested authority to expend these funds during the course of FY 80 and FY 81. The receipt and expenditure of the requested fund would not obligate the State to spend additional general funds in the future. It is anticipated by HEW that the Energy Assistance Program will be funded by Congress thru September 30, 1982 by future appropriations.

These funds will be restricted pending receipt of a signed federal contract.

Your approval is recommended.

Ronald D. Lehr
Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this ____ day of ____, 1979.

Jay S. Hammond, Governor
State of Alaska

Legislative Budget and Audit Committee
Date: _____

Steve

Jay S. Hammond, Governor
State of Alaska

December 10, 1979

RP 80-149

Ronald D. Lehr, Director
Division of Budget & Management
Office of the Governor

Department of Commerce and
Economic Development Request
to Receive and Expend \$171,609
in Federal Funds

The Department of Commerce and Economic Development, Division of Energy and Power Development, requests authority to receive and expend \$171,609 of federal funds from the Western Interstate Energy Board within the Department of Energy. These funds were previously authorized by RP 79-34 (attached) but lapsed. Although the funds should have been continuing, this was not requested. The authorization of RP 79-34 was for \$186,244 of which \$14,635 was expended in FY 79. In addition to this, the Division has expended \$11,814 in FY 80 for personal services because they thought RP 79-34's authorization extended into FY 80.

As indicated in RP 79-34, the requested federal funds will be used to plan, develop, and promote the use of solar, wind, and small hydroelectric energy in Alaska. Recently the Department of Energy awarded the State \$72,000 to support these activities. The balance, \$99,609, will be restricted pending receipt of additional federal awards. Also, it requested that any unexpended FY 80 balance be carried forward into FY 81.

Your approval is recommended.

RL/GM/spe

R D L

Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 12 day of Dec., 1979

Jay S. Hammond

Jay S. Hammond, Governor
State of Alaska

Frank R. ...

Legislative Budget & Audit Committee
Date: 11/15/79

Sease

Jay S. Hammond, Governor
State of Alaska

November 19, 1979

RP # 80-138

Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Department of Commerce and
Economic Development Request
to Receive \$35,000 and Expend
\$31,760 from the U.S. Department
of Energy

The Department of Commerce and Economic Development, Division of Energy and Power Development, requests authorization to receive \$35,000 and expend \$31,760 in funds from the U.S. Department of Energy (DOE) Appropriate Technology Small Grants Program. Included in the \$35,000 is \$3,240 to be used for indirect costs which will be deposited in the General Fund.

With this grant, the Division will be able to take an active role in the promotion, review and selection of alternative technology proposals, thus assuring a greater response from Alaskans and a greater percentage of the awards.

The Appropriate Technology Small Grants Program offers grants (not to exceed \$50,000 per project) to individuals, local non-profit organizations, state and local agencies, Native organization and small businesses. The purpose of the grants is to develop energy related appropriate technologies which are small in scale, energy efficient, simple to install and maintain, and consistent with local needs. Specific categories for funding include: 1) concept development studies; 2) development projects; and 3) demonstration projects.

In the first year of the program, initiated last fall, Alaska submitted 278 proposals and had the highest per capita response for all of the 50 states that participated. This resulted in 14 grants to individuals totaling \$151,000 which was the largest grant funding among the states in Region X. These funds went directly to the private sector and should result in lower energy costs. Since Alaskan interest in this program remains strong and many acceptable proposals were not funded, the second year should also result in a large number of proposals from all regions of the State. It is anticipated that Alaskans will receive at least \$250,000 in grant funds.

The Division actively participated in the first year (RP #79-103) by widely publicizing the program and coordinating the state review which evaluated and prioritized Alaskan grant proposals. Because of this participation, DOE requests that the Division accept funding for a more active role in the second year of grants. Activities to be carried out by the Division include program publicity, assistance in completing proposals, and administrative tasks pertinent to the review and processing of proposals. DOE funds will be used for personal services, contractual services (proposal reviewers), and commodities.

November 19, 1979

The program is scheduled to begin December 1, 1979 and continue into FY 81. Consequently, it is requested that these funds be continuing. These funds will be restricted pending receipt of written notification of the award.

Your approval is recommended.

RDL/GH/nls



Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 19 day of Nov., 1979.



Jay S. Hammond, Governor
State of Alaska



Legislative Budget and Audit Committee
Date: 11/19/79

Surge

Jay S. Hammond, Governor
State of Alaska

September 25, 1979

RP 80-87

Ron Lehr, Director
Division of Budget & Management
Office of the Governor

Department of Commerce
and Economic Development
Request to Receive and
Expend \$138,431 in Federal
Funds for the Weatherization
Program.

The Department of Commerce and Economic Development, Division of Energy and Power Development, requests approval to receive and expend \$138,431 in federal funds for continuation of Alaska's Weatherization Program. The purpose of the Weatherization Program is to help low income people cope with rising energy costs by providing insulation, storm windows, and taking other energy conservation measures which reduce heat loss in homes.

The F.C.C. FY 80 authorization for this program is \$1,227,700, federal funds (see attachment for details). This request adds \$138,431 to that authorization from two sources of federal funds, the Department of Energy (DOE) and the Community Services Administration (CSA). The U.S. Department of Energy (DOE) grant adds \$29,432 to the current Weatherization Program. These funds will be used to provide additional training and technical assistance to the staff and project supervisors of subgrantees to the Weatherization Program. The \$108,995 CSA funds represents the lapsed amount of an FY 79 appropriation to the Department of Community and Regional Affairs, Division of Community and Rural Development. These CSA funds are still available and may be used for administrative support of the State's FY 80 Weatherization Program.

The Department of Commerce and Economic Development requests authorization to receive and expend these funds instead of the Department of Community and Regional Affairs, because effective October 1, 1979, the Weatherization Program will be transferred, by Administrative Order, from Community and Regional Affairs to Commerce.

In addition to the administrative funds available under the CSA Weatherization funding, the DOE Weatherization funds can be used for administration (limited to five percent State and five percent subgrantee), training and technical assistance to staff and subgrantees, program support (wages for construction site supervisor, transportation of materials, tools, etc.) and the purchase of weatherization materials such as insulation, storm windows, caulking, weatherstripping, etc.

To illustrate the planned activities for FY 80 a copy of the recently approved plan required for DOE funding is enclosed. The plan includes a summary of past Weatherization funds and the number of homes weatherized since the inception of the Weatherization Program. Additionally, the plan indicates that 660

September 25, 1979

homes are expected to be weatherized during State fiscal year 1980. The Department will contract with municipalities and non-profit organizations to operate the program. The plan further explains that the services will be provided on a Statewide basis.

There is no obligation to expend General Funds as a result of receipt of these Federal Weatherization dollars. There is no match requirement for the Weatherization Program and the Program is not statutorily mandated. It is expected, considering the national importance currently being placed on energy conservation, that the Federal funding for this program is long term and will in all probability increase to about two million dollars during FY 81. The Department has included this program in its FY 81 budget. Enclosed is documentation from both DOE and CSA approving funding award of the requested funds.

The Department expects an extension of the DOE grant to September 30, 1980; hence authority is requested to carry forward the unexpended balance into FY 81.

Also, note that use of the CSA funds is conditional to the findings of an audit (verification of unexpended balance) to be completed by December 30, 1979. The \$108,999 CSA funds will be restricted pending the result of that audit.

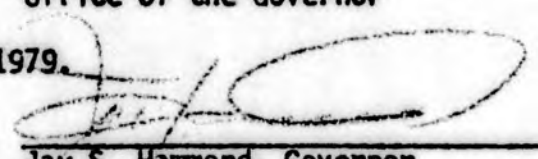
Your approval is recommended.

RL/GM/spe

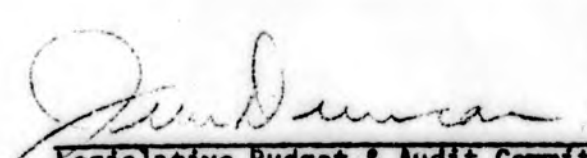


Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 27 day of Sept., 1979.



Jay S. Hammond, Governor
State of Alaska



Legislative Budget & Audit Committee
Date: 10/1/79

Lehr
Jay S. Hammond, Governor
State of Alaska

September 24, 1979

RP #80-73

Ron Lehr, Director
Division of Budget and Management
Office of the Governor

Department of Commerce and Economic
Development Request to Receive
\$11,078 and Expend \$9,600 from
the U.S. Department of Energy

The Department of Commerce and Economic Development, Division of Energy and Power Development, requests approval to receive \$11,078 and expend \$9,600 in federal funds for an Alaska Wind Anemometer Loan Program. This grant is being made available to the State through the U.S. Department of Energy. The remaining \$1,478 will be received as unrestricted revenue for indirect costs. No match of State or local funds is required.

The primary objectives of this project are to enhance Alaska's interest in wind energy, speed the process of commercialization of wind generators as an alternative energy source and collect site specific wind data. The anemometers will be loaned to various individuals who have a demonstrable commitment to install the device, maintain proper records and care for the equipment for a period of one year. The reading from the wind measuring devices will be recorded on a data sheet which will be sent monthly to the Arctic Environmental Information Center. At the end of the year, an analysis will be made that provides the average watts/square meter at the site.

The funds will be used to purchase ten wind measuring devices. The devices will include digital readouts with battery packs, mast, mounting plate, tower and guy wire assemblies. Grant monies provide the contractual services and commodities necessary to the completion of the project. Contract management will be provided by currently employed State personnel.

This Division has received verbal approval of the program on August 29, 1979 by the Department of Energy's Office of Consumer Affairs. Funds will be restricted pending receipt of a signed contract.

This proposed project is scheduled to begin October 1, 1979, and continue through FY 81. Since this performance period will extend beyond FY 80, approval is required to designate these receipts as continuing funds.

Jay S. Hammond, Governor
State of Alaska

September 24, 1979

RP #80-72

Ron Lehr, Director
Division of Budget and Management
Office of the Governor

Alaska Power Authority Request to
Receive and Expend \$12,600 from
the Kodiak Electric Association

The Alaska Power Authority requests authority to receive and expend \$12,600 from the Kodiak Electric Association for the continuation of a stream gauging program on the Kizhuyah River. The purpose of this program is to provide water quality data requested by the Federal Energy Regulatory Commission for the Terror Lake hydroelectric project license application.

The gaging program will perform discharge measurements, water quality and sediment sampling at selected locations. A laboratory analysis of the water and sediment samples will determine major chemical and physical characteristics such as dissolved gases, irons, nutrients, temperature, velocities and turbidities.

The Authority has a cooperative agreement, signed June 21, 1979, with the U.S. Geological Survey to perform this gauging program. The program was initiated on July 1, 1979 and will continue to June 30, 1980.

The Kodiak Electric Association has issued a check to the Authority for \$12,600 for this project.

Your approval is recommended.

RL/GM/nls

Ron Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 24 day of Sept., 1979.

Jay S. Hammond, Governor
State of Alaska

Legislative Budget and Audit Committee
Date: 10/9/79

September 24, 1979

Your approval is recommended.

RL/GH/nls

R. Lehr
Ron Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 27 day of Sept, 1979.

J. S. Hammond
Jay S. Hammond, Governor
State of Alaska

Legislative Budget and Audit Committee
Date: 10/9/79

MEMORANDUM

TO: ☐ Jay S. Hammond, Governor
State of Alaska

FROM: Ronald D. Lehr, Director
Division of Budget & Management
Office of the Governor

DATE: November 7, 1979

FILE NO: RP 80-135

TELEPHONE NO:

SUBJECT: Energy Assistance

The Department of Health and Social Services has requested permission to receive and expend \$556,064 of funds not previously authorized from the Federal Energy Crisis Assistance Program through the Community Service Administration (CSA). The funds would be used for program planning implementation, administration, and benefits for poor and near poor Alaskans who need assistance to help meet increased fuel costs this winter.

The Department of Health and Social Services has been designated by the Governor as the agency to administer the Energy Crisis Assistance Program (ECAP). This program is proposed to be divided into two components, rural and urban.

Eligibility under the initial urban benefits program would be based on a households gross income (determined by reviewing the prior period over not more than 12 months or less than 90 days). Households with incomes of

\$ 5,339 per year for 1 person
7,050 per year for 2 persons
8,763 per year for 3 persons
10,475 per year for 4 persons

at or below 125% of the CSA Poverty Guidelines and households whose heads receive SSI benefits would be eligible for assistance. Elderly persons meeting the income criteria would be given priority consideration. They would be given particular encouragement to apply for assistance. The urban program would provide payment, up to a maximum limit, directly to fuel vendors for fuel bills of eligible low income persons. The maximum cumulative benefit paid to any eligible household would not exceed the following amounts during the period extending from program startup until September 30, 1980:

Northwest Region	\$ 400.00
Southeast Region	350.00
Southcentral Region	300.00
Northern Region	300.00
Southwest Region	375.00

Urban residents could apply for assistance at any one of the 20 local public assistance offices or mail applications directly to Juneau for eligibility determination. Applicants would receive a notice of eligibility certification within thirty days. As it is anticipated that there will be more applicants

November 7, 1979

than can be served, the number of applicants and fund availability will impact certification. The Public Assistance Central Office would notify fuel vendors of the amount of credit being extended to each person and the limitations on the credit's use (not for hookups or back bills). The vendor would deliver fuel, reduce direct bills to the individual until the certification amount was used up and send the invoice to the Department of Health and Social Services. Fuel vendors would not be required to participate in this program but there may be an incentive for them to do so as it would insure payment. Numerous vendors have already expressed interest in participation.

As proposed, the rural component of the program would operate under fundamentally different rules. The rural program would benefit persons of all income categories because it would provide an offset of the cost of the air transportation of fuel for an entire community. The Governor has requested a waiver that would enable continuation of the existing Rural Cap "rural" fuel transportation loan/grant program providing financial help to communities of less than 2,000 in population. The program does not provide assistance for small communities which use electric heat thus incurring no transportation costs. However, in the event that it is found that there are communities under 2,000 in population who are not being served by the rural component, those communities would be served by the criteria set forth in the urban component.

If this rural fuel transportation waiver is not approved by CSA both the rural and urban programs would be operated within the structure of the urban program utilizing the eligibility offices throughout the State and providing assistance statewide to eligible individuals rather than to communities. The CSA started reviewing the State's plans on November 5, and has yet to notify the State of its decision regarding the acceptability of those plans.

The total grant award from CSA is \$556,064. Planned expenditures by major purpose are as follows:

<u>Amount</u>	<u>Major Purpose</u>
\$ 100,000	State program planning, implementation and administration (maximum of \$15,000 for planning)*
410,458	Benefits to clients**
45,606	Administration (\$30,808 Rural Cap, \$14,798 Urban)**
\$ 556,064	TOTAL

* Federal Fiscal Year 79 funds

** Federal Fiscal Year 80 funds

The State plan for the \$410,458 benefits program is attached (attachment D). It details proposed service delivery, amounts by region, of financial assistance, and the limits of assistance.

The \$100,000 was earmarked by the federal Community Services Administration for initial State program planning and implementation purposes only (see attachment I). Approximately \$8,000 has already been spent out of existing author-

November 7, 1979

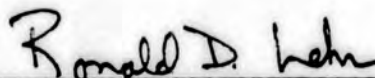
izations for planning activities associated with developing the required State plan proposal. These expenditures would be charged against this grant if its receipt is approved. An additional 10% (\$45,606) of the benefits grants is to be allocated for administrative costs for the rural and urban components. The outreach portion of the program will contact related agencies, vendors, and persons who may be eligible.

No overhead cost recovery beyond the \$100,000 for program planning and implementation and the \$45,606 allowance for Administration which is available under the terms of this federal grant.

At this time it is anticipated that the U.S. Congress will pass legislation establishing a long-term plan for Low Income Energy Assistance for additional nationwide benefits through the Social Security Income (\$1.5 billion) and Aid to Families with Dependent Children (\$3.5 billion) programs for distribution beginning January 1980 and extending to September 30, 1983. Although figures are not yet fixed, it appears that Alaska's portion of the AFDC program through HEW would be \$2,500,000. The administrative mechanism which would be established under authority of this RP would already be in place before January and able to immediately implement any additional benefit program designed to provide additional fuel cost assistance this winter. It has not been determined whether the total \$2,500,000 mentioned above would be available solely for use this year or would be spread out over the additional fiscal years. These funds will be discussed in a separate RP when and if they actually become available.

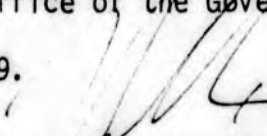
The Department of Health and Social Services is requesting permission to carry forward any unexpended portion of the \$556,064 into FY 81.

Your approval is requested.

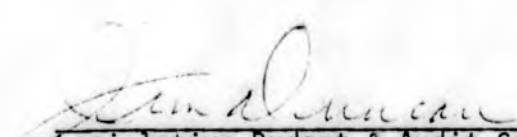


Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this _____ day of _____, 1979.



Jay S. Hammond, Governor
State of Alaska
by: Terry Miller, Lt. Governor



Legislative Budget & Audit Committee
Date: 11/9/79

Steve
Jay S. Hammond, Governor
State of Alaska

October 29, 1979

RP 80-117

Ronald D. Lehr, Director
Division of Budget & Management
Office of the Governor

Office of the Governor
Request to Receive and
Expend \$193,400 Federal
Funds

The Office of the Governor, Division of Policy Development and Planning, Office of Coastal Management (OCM), requests authority to receive and expend \$193,400 federal funds from the Office of Coastal Zone Management (OCZM), National Oceanic and Atmospheric Administration. Funds will be used to initiate involvement of local communities within the unorganized borough in coastal management planning (\$133,400) and to determine the optimum sites for two energy facilities (\$60,000).

These funds represent the difference between OCM's FY 80 budget request for federal funds in the CZM Administration component (\$4540.0) and the amount appropriated by the legislature (\$4346.6). The legislative budget cut was a result of last session's general reduction program. Receipt of these funds was approved by the federal OCZM in the Alaska Coastal Management Program's first year 306 grant application dated July, 1979.

To date, coastal management planning has been concentrated on areas served by municipalities; planning in the unorganized borough has been minimal. Of the requested funds \$123,400 will be utilized as follows:

- (a) To determine the areas in the unorganized borough in which there are development projects pending or projected;
- (b) Once these areas and the respective communities within them are identified, community leaders will be contacted to inform them of the advantages of planning for the projected development and how planning funds may be obtained.

It is anticipated that at least 15 to 20 rural communities will be identified and involved in the above process. These tasks will be completed by budgeted personnel within OCM and consultant contracts, primarily with non-profit native organizations.

If rural communities in the unorganized borough desire to obtain planning funds from OCM as a result of the aforementioned process, two elections must be held:

- (a) The first election would establish a Coastal Resource District comprising several rural communities;
- (b) Once a Coastal Resource District has been formed, an election will be held to elect members of the respective Coastal Resource Board.

October 29, 1979

To assist in this effort, \$10,000 of the requested funds will be transferred to the Department of Community and Regional Affairs through an RSA. DCRA will subsequently transfer these funds to local communities holding the aforementioned elections for the purpose of informing the affected electorate of the substance of the upcoming election. The majority of these funds will be expended by the local community for the printing of informational material and for travel to outlying areas which will participate in the election.

Of the requested funds, an additional \$60,000 will be used to determine the optimum sites for energy facilities in the Beaufort Sea and Norton Sound areas. The purpose of the energy facilities siting plans is to recommend the best location for facilities related to energy development, such as tanker terminals, processing plants, product storage, etc. The optimum site would be one which balances economic considerations with minimal effect on the surrounding ecosystem.

Of this \$60,000, approximately \$20,000 will be used to complete an energy facility siting plan in the Beaufort Sea. The majority of the background information for this study has been compiled and the requested funds will be used to complete a summary report and recommendation by June, 1980.

The remaining \$40,000 will be used to initiate a study in the Norton Sound area, where an oil and gas lease sale is presently scheduled for 1982. These funds would support the first phase of the Norton Sound study which will be completed by June, 1980. Further study of this area may be required in subsequent years.

Your approval is requested.

RL/SS/spe



Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 3 day of Oct., 1979.



Jay S. Hammond, Governor
State of Alaska



Legislative Budget & Audit Committee
Date: 11/9/79

George

Jay S. Hammond, Governor
State of Alaska

September 20, 1979

RP 80-76

Ron Lehr, Director
Division of Budget & Management
Office of the Governor

Department of Commerce and
Economic Development Requests
to Receive \$40,000 and Expend
\$36,300 from the U. S.
Department of Energy

The Division of Energy and Power Development requests approval to receive \$40,000 and expend \$36,300 in U.S. Department of Energy funds to plan and produce an Energy Management and Production Trade Exposition. The remaining \$3,700 will be received as unrestricted revenue for indirect costs. No state funds are required as this program does not require matching funds.

This grant comes from year-end monies made available from the Department of Energy for special and noteworthy projects. The 1979 Energy Management Trade Exposition is a production developed by a group of individuals working in the energy field, organized as a private, nonprofit corporation called the Alaska Canadian Energy Information Network Corporation, in coordination with three cosponsors: the Division of Energy and Power Development, the Anchorage Chamber of Commerce and the Alaska Journal of Commerce. Scheduled for October 14 through 17, the Expo will include exhibits and displays by national and local companies and agencies involved in energy extraction, conversion, transmission and use. There will be twenty-four (24) specialized seminars and technical papers covering the issues involved in production and management of energy in Alaska.

This program will be a major source of technical information and is expected to provide a compendium of state-of-the-art energy technology for the business, industrial and government sectors in Alaska. Numerous professional societies and associations, including Alaska General Contractors, Alaska Chapter of ASHRAE, Alaska Miners Association, and several professional engineers' organizations, have endorsed this exposition.

Verbal approval by the granting agency was received on September 14, 1979, by the Department of Energy. All formal aspects of the granting process will be completed and monies awarded by October 1, 1979. Funds will be restricted pending receipt of a signed contract.

Your approval is recommended.

RL/GM/spe

September 20, 1979

R. D. Lehr
Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 27 day of Sept., 1979.

Jay S. Hammond
Jay S. Hammond, Governor
State of Alaska

James Duncan
Legislative Budget & Audit Committee
Date: 10/1/79

George
Jay S. Hammond, Governor
State of Alaska

September 24, 1979

RP #80-74

Ron Lehr, Director
Division of Budget and Management
Office of the Governor

Department of Commerce and Economic
Development Request to Receive \$25,050
and Expend \$23,500 from the U.S. De-
partment of Energy

The Department of Commerce and Economic Development, Division of Energy and Power Development requests approval to receive \$25,050 in additional federal funds to supplement the federally funded Alaska Interagency Geothermal Grant. The Division will expend \$23,500 and \$1,550 will be credited to the general fund as indirect costs. The original grant appropriation was approved May 23, 1979 for \$100,000 (RP #79-230).

These additional funds will support the original grant with staff funding for existing positions at the Division of Energy and Power Development (DEPD) and field research activities by the State Division of Geological and Geophysical Surveys (DGGS).

The end product of the work associated with this additional funding will be an overall design and work plan for development of a combination electrical and district heating system for the town of Unalaska. The selection of this site is the direct result of effort funded by the original grant. The area has known hot springs and an existing need for expanded energy facilities which generate heat and electricity.

It is also requested that any unexpended funds be carried forward into FY 81. These funds will be restricted pending receipt of a signed contract.

Your approval is recommended.

RL/GH/nls

Ron Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 27 day of Sept, 1979.

Jay S. Hammond
Jay S. Hammond, Governor
State of Alaska

[Signature]
Legislative Budget and Audit Committee
Date: 10/1/79

Jay S. Hammond, Governor
State of Alaska

September 17, 1979

RP #80-58

Ronald B. Lind, Director
Division of Budget and Management
Office of the Governor

Department of Commerce and Economic
Development Request to Receive \$199,864
and Expend \$195,160 from the U.S.
Department of Energy.

Approval is requested to receive \$199,864 and expend \$195,160 from the U.S. Department of Energy (DOE) in order to assess the potential of peat in Alaska as an energy source.

Alaska is one of six states which will be participating in this first phase of DOE's assessment of peat as an energy resource. Specific objectives for this phase are to:

1. Determine the extent and characteristics of the State's peat resource.
2. Identify the appropriate technology and applications for energy recovery and industrial use of the peat.
3. Demonstrate the applicability of commercial systems for utilizing peat.

Following completion of this work, it will be known whether the use of peat as an alternative energy resource is realistic, particularly in rural communities. If it appears so, there will be follow up work which includes environmental, economic and social implications of mining, reclamation, etc. As a final phase, Alaska could be considered for a peat demonstration project.

Of the \$199,864 in federal receipts, \$4,704 will be received by the State General Fund as unrestricted revenue for indirect costs. No match of state or local funds are required.

Since the performance period for this assessment will take approximately 18 months and extend into FY 81, approval is requested to designate these receipts as continuing funds. Funds will be restricted pending a signed contract from DOE.

Your approval is recommended.
REL/CN/nls

Ronald B. Lind, Director
Division of Budget and Management
Office of the Governor

Approved this 1 day of Sept, 1979

Jay S. Hammond, Governor
State of Alaska

Legislative Budget and Audit Committee
Date: 10/19/79

BRU NARRATIVE

CATEGORY Development

BRU Energy & Power Development

AGENCY Commerce & Economic Development

Despite the uncertainty as to the causes, the fact remains that the energy crisis facing the nation is real. Every citizen is affected by the situation primarily in the ever increasing cost of energy we use. It is reflected by the fact that last year fuel prices rose as much as 50% in some locations. It is not unlikely that the fuel shortages, that have been taking place in the rest of the country, will be experienced in Alaska in the near future.

In order to address these problems the Division of Energy and Power Development has been mandated to assure the availability of power and energy for present and future Alaskan needs and to promote its efficient use. The eventual goal will be to assure that Alaska will become energy self-sufficient through the development of alternate, particularly renewable, energy resources by assuring a guaranteed supply of petroleum fuels with an emphasis on increasing in-State refining capacities. Areas of responsibilities of the Division include:

Planning & Analysis - The Division has prepared the first Alaska Power Development Plan, the first statewide energy resource assessment and, in its FY '81 budget, is requesting the funds to prepare the first comprehensive energy-development plan.

Research and Development - The Division is conducting the necessary research and demonstration to develop the State's future energy sources. Demonstration projects include a geothermal demonstration project at Pilgrim Hot Springs, Single Wire Ground Return demonstration, wind demonstration projects such as in the village of New-Whalen and a Wind Anemometer Loan Program.

Energy Management - The Division is responsible for fuel set-aside, coordinating the responses in meeting village energy shortages and now, under Federal mandate, is responsible for preparing State Gasoline Rationing and Energy Emergency Contingency plans.

Energy Conservation and Outreach - The Division is undertaking an active statewide conservation program which includes energy audits, public involvement, education. It has also established an outreach program with the goal of connecting energy users to practical energy saving opportunities and assisting energy-related businesses. The vehicles for this program include the Energy Extension Service and the Alaska Solar Office.

Major changes that are expected in FY '81 include the addition of a rural energy program, the first Alaska Energy Development Plan, and the Division's administration of the 100% Federally funded weatherization program.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

13:10

1/28/80

CATEGORY: DEVELOPMENT

PROGRAM: ENERGY & POWER DEVELOPMENT

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
ENERGY ADMINISTRATION	299.2	132.2	298.2	497.0		513.7					
ENERGY CONSERVATION	330.0		328.3	456.5		463.7					
ENERGY EXTENSION SERVICE	296.7	225.2	320.0	413.9		419.6					
WEATHERIZATION		138.4	2480.0	2480.0		2488.0					
** TOTAL	925.9	495.8	3426.5	3847.4		3890.0					
** CHANGE VERSUS FY80 ATH				315.5%	-100.0%	320.1%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	515.9	132.2	655.1	748.4		791.0					
TRAVEL	38.4	66.8	71.4	103.9		103.9					
CONTRACTUAL	344.5	235.7	426.9	702.2		702.2					
COMMODITIES	6.3	6.6	12.7	21.0		21.0					
EQUIPMENT	2.8	25.1	.9	12.4		12.4					
GRANTS, CLMS		29.4	2259.5	2259.5		2259.5					
MISC.	18.0										
FUNDING SOURCE											
FED. RECEIPT	626.7	495.8	3128.3	3224.6		3250.5					
G. F. MATCH				125.8		125.8					
GENERAL FUND	299.2		298.2	497.0		513.7					
** GENERAL FUND CHANGE VS. FY80 ATH				66.1%	-100.0%	71.6%	-100.0%	-100.0%	-100.0%		
POSITIONS											
FULL-TIME	17.0	2.0	23.0	29.7		29.7					
PART-TIME				2.0		2.0					
MAN-MONTHS	204.0	27.0	252.0	344.0		344.0					

08-08-05-01-00 (08-73-7-10-01-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:11

1/28/80

CATEGORY: DEVELOPMENT

PROGRAM:

ENERGY & POWER DEVELOPMENT

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

SUB-PROGRAM: ENERGY ADMINISTRATION

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	265.5	229.3	59.6	59.6	234.8	300.7		317.4					
02 TRAVEL	11.4	14.4	5.6	5.6	14.4	29.9		29.9					
03 CONTRACTUAL	93.8	52.4	52.9	52.9	44.5	159.7		159.7					
04 COMMODITIES	2.8	3.1	4.4	4.4	3.9	5.6		5.6					
05 EQUIPMENT	.2		9.7	9.7	.6	1.1		1.1					
06 LANDS/BLDGs													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	373.7	299.2	132.2	132.2	298.2	497.0		513.7					
09 I-A TRANSFER					.9	.9		.9					
10 FED. RECEIPT			132.2	132.2									
11 G. F. MATCH													
12 GENERAL FUND	373.7	299.2			298.2	497.0		513.7					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	7.0	7.0	2.0	2.0	7.0	8.0		8.0					
16 PART-TIME						2.0		2.0					
17 TEMPORARY													
18 MAN-MONTHS	84.0	84.0	27.0	27.0	84.0	108.0		108.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 PROGRAM COORDINATOR	ANCHORAGE	FULL	1	39.5	81.3	120.8		120.8		1				
2 CLERK/TYPIST III	ANCHORAGE	PART	1	9.3		9.3		9.3		1				
3 ENERGY SPECIALIST	ANCHORAGE	PART	1	17.1	53.3	70.4		70.4		1				
** NEW POSITION TOTALS			3	65.9	134.6	200.5		200.5		3				

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

REVISED PROGRAMS: 80-73 \$9.6, 80-74 \$23.5, 80-76 \$36.3, 80-77 \$62.8.

08-08-05-02-00 (08-71-7-03-22-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:11

1/28/80

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENTPROGRAM: ENERGY & POWER DEVELOPMENT
SUB-PROGRAM: ENERGY CONSERVATION

EXPENDITURES & FUNDING	F I S C A L Y E A R 1 9 8 1												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	227.4	200.1			203.1	203.1		215.3					
02 TRAVEL	16.6	15.0			15.0	26.0		26.0					
03 CONTRACTUAL	158.3	111.6			106.9	211.3		211.3					
04 COMMODITIES	4.1	2.4			3.3	9.9		9.9					
05 EQUIPMENT	1.8	.9				6.2		6.2					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	408.2	330.0			328.3	456.5		468.7					
09 I-A TRANSFER													
10 FED. RECEIPT		330.0			328.3	330.7		342.9					
11 G. F. MATCH						125.8		125.8					
12 GENERAL FUND	408.2												
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	7.0	7.0			7.0	7.0		7.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	84.0	84.0			84.0	84.0		84.0					

08-08-05-03-00 (08-71-7-03-36-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:11

1/28/80

CATEGORY: DEVELOPMENT

PROGRAM:

ENERGY & POWER DEVELOPMENT

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

SUB-PROGRAM:

ENERGY EXTENSION SERVICE

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.		86.5	1.8	1.8	80.8	108.2		113.9					
02 TRAVEL		9.0	61.2	61.2	12.0	18.0		18.0					
03 CONTRACTUAL		180.5	144.6	144.6	223.2	278.9		278.9					
04 COMMODITI S		.8	2.2	2.2	4.0	4.0		4.0					
05 EQUIPMENT		1.9	15.4	15.4		4.8		4.8					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.		18.0											
** TOTAL EXPEND		296.7	225.2	225.2	320.0	413.9		419.6					
09 I-A TRANSFER		3.0			10.0	10.0		10.0					
10 FED. RECEIPT		296.7	225.2	225.2	320.0	413.9		419.6					
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME		3.0			3.0	3.7		3.7					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS		36.0			36.0	44.0		44.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B	COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 ENERGY ASSISTANT	BETHEL	FULL	1		14.6		14.6	14.6			1				
2 ENERGY ASSISTANT	FAIRBANKS	FULL	1		12.8		12.8	12.8			1				
** NEW POSITION TOTALS			2		27.4		27.4	27.4			2				

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

REVISED PROGRAMS: 80-58 \$195.2, 80-75 \$30.0.

08-08-05-04-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:11

1/23/80

CATEGORY: DEVELOPMENT

PROGRAM: ENERGY & POWER DEVELOPMENT

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

SUB-PROGRAM: WEATHERIZATION

FISCAL YEAR 1981

EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.			70.3	70.8	136.4	136.4		144.4					
02 TRAVEL					30.0	30.0		30.0					
03 CONTRACTUAL			38.2	38.2	52.3	52.3		52.3					
04 COMMODITIES					1.5	1.5		1.5					
05 EQUIPMENT					.3	.3		.3					
06 LANDS/BLDGS													
07 GRANTS, CLMS			29.4	29.4	2259.5	2259.5		2259.5					
08 MISC.													
** TOTAL EXPEND			138.4	138.4	2480.0	2480.0		2488.0					
09 I-A TRANSFER													
10 FED. RECEIPT			138.4	138.4	2480.0	2480.0		2488.0					
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME					6.0	11.0		11.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS					48.0	108.0		108.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 ACCOUNTING TECHNICIAN III	ANCHORAGE	FULL	1	29.2	5.9	35.1	35.1			1				
2 CLERK TYPIST III	ANCHORAGE	FULL	1	17.9	2.0	19.9		19.9		1				
3 PROJECT ASSISTANT	ANCHORAGE	FULL	1	29.2	8.9	38.1	38.1			1				
4 ENERGY ASSISTANT	BETHEL	FULL	1	14.6	7.4	22.0	22.0			1				
5 ENERGY ASSISTANT	FAIRBANKS	FULL	1	12.8	7.4	20.2	20.2			1				
** NEW POSITION TOTALS			5	103.7	31.6	135.3	115.4	19.9		5				

BRU NARRATIVE

CATEGORY GENERAL GOVERNMENT

BRU FACILITIES PLANNING & RESEARCH

AGENCY TRANSPORTATION AND PUBLIC FACILITIES

Transportation and public facility development concerns itself with mass systems with broad ramifications and extended implications. These facilities shape our communities and commit people to individual habit patterns which impact their cultural lifestyles. Experience has proven that as transportation facilities and other public projects develop, so follows the shape of the region or state. Alaska, with its pristine and uncluttered geography and delicate native cultures has the opportunity to examine the implications of development and physical change. This Agency's response has been an integrated modal and public facility planning process carefully designed to view regional areas, the people and their cultural heritage and address the sensitive balance of need versus impact.

The primary purpose of the Planning and Research Unit is to provide the service of professional planning to other executive agencies in the area of public facilities, intermodal transportation planning in all areas of the state, and research support for all program disciplines. The project-specific Annual Work Program evolves incrementally from public input, staff technology and administrative direction, structures and codifies the goals and policy directives of the planning and research program. Statewide projects address those issues which require a broad overview with local emphasis, e.g.: State-Federal transportation planning, and the statewide condition survey. Regional planning projects are specific to each region, e.g.: The Western Arctic Transportation Study. Local planning deals with strictly local matters, e.g.: Emergency projects and the Fairbanks Metropolitan Area Transportation System.

The facilities planning program provides assistance to the executive agencies as they develop and implement capital improvement program requests. It operates the Life Cycle Cost System to insure adequate planning for design and construction and develops and maintains the project scheduling system to assist in the development of the State facilities plan and inventory survey.

The transportation planning projects, largely funded from Federal Highway receipts, are also prioritized and scheduled in the Unit's Annual Work Program. These projects set in motion the transportation goals and objectives of this Department. Primary, in the overall objectives, is the State transportation plan which will be realized through the implementation of the respective regional studies currently underway at this time. Through this process, it will be possible to make all transportation facilities cost effective and prioritized on a regional and statewide basis.

The research projects, scheduled and prioritized in the Annual Work Program, Part II, are designed to support the public facilities and transportation projects of this Department. With special emphasis on energy and new modal alternatives, this program is proving to be invaluable to the overall planning program.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

08:10

1/23/80

CATEGORY: GENERAL GOVERNMENT
 AGENCY: DEPARTMENT OF TRANSPORTATION

PROGRAM: FACILITIES PLANNING & RESEARCH

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
TRANSPORTATION PLANNING	550.6										
OFFICE OF DEPUTY COMMISSIONER	122.1										
PROCUREMENT POLICY	2374.5		83.8								
RESEARCH & DEVELOPMENT	120.8		2.2								
ADMIN & SUPPORT			450.2	459.3		479.7					
CENTRAL REGION			456.5	456.5		481.1					
SOUTHEAST REGION			712.5	712.5		750.9					
INTERIOR REGION			312.5	320.0		334.8					
CIP POSITION CONVERSION				3957.9							
CIP POSITION CONVERSION-ADMIN						1015.7					
CIP POSITION CONVERSION-CENTRA						1018.5					
CIP POSITION CONVERSION-SE						1261.4					
CIP POSITION CONVERSION-INTERI						842.5					
** TOTAL	3168.0		2017.7	5906.2		6184.6					
** CHANGE VERSUS FY80 ATH				86.4%	-100.0%	95.2%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	1599.7		1645.8	5304.4		5584.3					
TRAVEL	107.0		110.4	117.7		117.7					
CONTRACTUAL	1438.4		237.9	432.6		432.5					
COMMODITIES	22.9		23.6	50.4		40.0					
EQUIPMENT				1.1		1.1					
FUNDING SOURCE											
G. F. MATCH			712.5	712.5		750.9					
GENERAL FUND	3109.0		1305.2	5193.7		5433.7					
OTHER FUNDS	59.0										
** GENERAL FUND CHANGE VS. FY80 ATH				67.0%	-100.0%	74.7%	-100.0%	-100.0%	-100.0%		
POSITIONS											
FULL-TIME	40.0		41.0	145.0		145.0					
MAN-MONTHS	480.0		492.0	1740.0		1740.0					

BRU NARRATIVE

CATEGORY DEVELOPMENT

BRU COMMUNITY PLANNING SERVICES

AGENCY COMMUNITY & REGIONAL AFFAIRS

The Community Planning Services BRU seeks to increase the capability of local governments and citizens to develop and implement community policies and programs which best satisfy State, local, and citizen goals for community development.

The Division of Community Planning prepares analyses of relevant State/federal legislation and programs as they pertain to the development options and needs of the State and its communities. These analyses serve as a basis for policy-making and decisions on State, regional, and local development choices. Major issue areas are State and federal petroleum development, gas pipeline construction, bottomfish, coastal management, housing, State and municipal land selection and disposal, community development and management programs, and implementation of the Alaska Native Claims Settlement Act.

The Division's planning staff serve as consultants to city and borough governments. They provide professional planning assistance on routine tasks such as subdivision plat review, facility site determination and the preparation of planning/development grant applications. The planners also interpret State and Federal legislation/regulations to the municipal councils and planning commissions, and assist them in the drafting and implementation of local planning ordinances.

Beginning July 1, 1980, the Division will receive and manage all HUD 701 funds allocated to the State. During FY '81 a staff of five will be added to the Division to implement the Bottomfish Community Development Program.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

13:13

1/28/80

CATEGORY: DEVELOPMENT

AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: COMMUNITY PLANNING SERVICES

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
COMMUNITY PLANNING ASSISTANCE	5852.5		4012.3	4762.8		4799.7					
HUD 701	300.0										
** TOTAL	6152.5		4012.3	4762.8		4799.7					
** CHANGE VERSUS FY80 ATH				-22.5%	-100.0%	-21.9%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	723.3		707.5	985.0		1045.3					
TRAVEL	57.0		97.5	127.0		127.0					
CONTRACTUAL	3775.2		2195.8	2629.9		2606.5					
COMMODITIES	7.7		8.2	10.7		10.7					
EQUIPMENT				6.9		6.9					
LANDS/BLDGS	3.2		3.3	3.3		3.3					
GRANTS, CLMS	1586.1		1000.0	1000.0		1000.0					
FUNDING SOURCE											
FED. RECEIPT	1924.3		1341.7	1621.2		1624.9					
G. F. MATCH	167.5		158.6	254.6		254.6					
GENERAL FUND	304.0		253.7	253.7		271.7					
OTHER FUNDS	3756.7		2258.3	2633.3		2648.5					
** GENERAL FUND CHANGE VS. FY80 ATH				-16.5%	-100.0%	-10.6%	-100.0%	-100.0%	-100.0%		
POSITIONS											
FULL-TIME	21.0		21.0	30.0		30.0					
PART-TIME	1.0		1.0	1.0		1.0					
MAN-MONTHS	258.0		258.0	366.0		366.0					

08-18-03-01-00 (21-72-6-07-01-05)

STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

13:13

1/28/80

CATEGORY: DEVELOPMENT
 AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: COMMUNITY PLANNING SERVICES
 SUB-PROGRAM: COMMUNITY PLANNING ASSISTANCE

FISCAL YEAR 1981

EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	594.9	723.3			707.5	985.0		1045.3					
02 TRAVEL	68.6	57.0			97.5	127.0		127.0					
03 CONTRACTUAL	634.9	3475.2			2195.8	2629.9		2606.5					
04 COMMODITIES	6.2	7.7			8.2	10.7		10.7					
05 EQUIPMENT	1.2					6.9		6.9					
06 LANDS/BLDGS	3.0	3.2			3.3	3.3		3.3					
07 GRANTS, CLMS	788.1	1586.1			1000.0	1000.0		1000.0					
08 MISC.													
** TOTAL EXPEND	2096.9	5852.5			4012.3	4762.8		4799.7					
09 I-A TRANSFER													
10 FED. RECEIPT	853.7	1624.3			1341.7	1621.2		1624.9					
11 G. F. MATCH	146.9	167.5			158.6	254.6		254.6					
12 GENERAL FUND	231.3	304.0			253.7	253.7		271.7					
13 PGM RECEIPTS													
14 OTHER FUNDS	865.0	3756.7			2258.3	2633.3		2648.5					
15 FULL-TIME	21.0	21.0			21.0	30.0		30.0					
16 PART-TIME	1.0	1.0			1.0	1.0		1.0					
17 TEMPORARY													
18 MAN-MONTHS	258.0	258.0			258.0	366.0		366.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 PLANNER V	ANCHORAGE	FULL	1	39.2	9.0	48.2	32.1	16.1		1				
2 ACCOUNTING CLERK III	JUNEAU	FULL	1	19.8	3.5	23.3	15.5	7.8		1				
3 CLERK TYPIST III	JUNEAU	FULL	1	17.6	6.9	24.5	16.3	8.2		1				
4 PLANNER VI	JUNEAU	FULL	1	41.9	8.9	50.8			50.8	1				
5 PUBLIC FACILITIES PLANNER I	JUNEAU	FULL	1	38.3	9.6	47.9			47.9	1				
6 MUNICIPAL FINANCE ANALYST	JUNEAU	FULL	1	38.3	9.9	48.2			48.2	1				
7 RESEARCH ANALYST III	JUNEAU	FULL	1	33.3	9.6	42.9			42.9	1				
8 PLANNER III	JUNEAU	FULL	1	31.0	9.6	40.6			40.6	1				
9 CLERK TYPIST III	JUNEAU	FULL	1	18.1	4.6	22.7			22.7	1				
** NEW POSITION TOTALS			9	277.5	71.6	349.1	63.9	32.1	253.1	9				

BRU NARRATIVE

CATEGORY Development

BRU Local Government Assistance

AGENCY Community & Regional Affairs

This BRU is designed to implement the Governor's policy theme "to develop and support viable local governmental units". The Local Government Assistance Division (LGAD) assists local governments and citizens of the State in increasing their ability to develop and administer local policies and programs which satisfy the service needs of the citizens of the community and in turn meet the goals of the State.

Over 70% of the local governments have difficulty in providing even minimal levels of service to their residents due to the lack of a local tax base, high unemployment, high turnover in city jobs, and lack of knowledge in local government administration. Rising utility and fuel costs compound these problems and make viable local government virtually impossible in most of these cities.

The objective of this BRU is to provide training and assistance to all incorporated communities desiring and needing it. Professional personnel train and give assistance to local government officials to help them better cope with the many problems they face. This assistance is provided on two basic levels. First, training and assistance in the basics of local government administration is provided to most second class cities and a few first class cities. These cities do not have professional city managers or administrators and high turnover in the administrative positions creates a need for this type of help. Second, assistance and training is provided to property tax jurisdictions in the State (boroughs, home rule, and most first class cities) through the State Assessor and his staff. This assistance is provided to help increase the uniformity and equitability of the property tax as a local revenue source.

During FY 79 and FY 80 the LGAD has increased the number of training and reference publications produced to help all local governments do a better job. Reorganization has eliminated one division within the Department of Community and Regional Affairs and many of the programs and personnel that dealt with communities have been absorbed into LGAD and this BRU. This reorganization should allow LGAD to approach local problems in a more comprehensive, coherent, and cost effective manner. Finally, during FY 79 and FY 80 this BRU has strengthened its rural field offices in Bethel and Nome by adding one professional position to each office. This will offer best service to these "bush" areas and make the myriad of assistance programs offered by LGAD more accessible.

In FY 81 this BRU will continue to implement the benefits of reorganization and expanded rural field offices. The number of training sessions planned will be substantially increased and the number of communities receiving assistance on a continuing basis will be more than doubled.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

13:12

1/28/80

CATEGORY: DEVELOPMENT

PROGRAM: LOCAL GOVERNMENT ASSISTANCE

AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV AND GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
TRAINING, DEVELOPMENT & RDA	488.9		707.7	707.7	740.9					
STATE ASSESSOR	235.9		246.3	271.3	283.8					
LOCAL BOUNDARY COMMISSION	86.0		88.1	88.1	91.7					
REVENUE SHARING ADMINISTRATION	72.5		70.2	70.2	73.7					
COAST ENERGY IMPACT PROGRAM	376.9		582.3	582.3	585.2					
ADMINISTRATION	598.5									
** TOTAL	1858.7		1694.6	1719.6	1775.3					
** CHANGE VERSUS FY80 ATH				-7.4%	-100.0%	-4.4%	-100.0%	-100.0%	-100.0%	
OBJECT DESCRIPTION										
PERS. SERV.	1179.8		897.2	897.2	952.9					
TRAVEL	180.9		120.3	120.3	120.3					
CONTRACTUAL	182.3		157.3	157.3	157.3					
COMMODITIES	14.9		12.5	12.5	12.5					
EQUIPMENT	2.1		4.1	29.1	29.1					
LANDS/BLDGS	4.0		3.2	3.2	3.2					
GRANTS, CLMS	294.7		500.0	500.0	500.0					
FUNDING SOURCE										
FED. RECEIPT	660.9		582.3	582.3	585.2					
G. F. MATCH	71.0									
GENERAL FUND	1126.8		1112.3	1137.3	1190.1					
** GENERAL FUND CHANGE VS. FY80 ATH				0.9%	-100.0%	5.6%	-100.0%	-100.0%	-100.0%	
POSITIONS										
FULL-TIME	34.0		25.0	25.0	25.0					
PART-TIME	7.0		9.6	9.6	9.6					
MAN-MONTHS	450.0		357.6	357.6	357.6					

08-18-02-06-00 (21-72-3-07-01-06)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:13

1/28/80

CATEGORY: DEVELOPMENT

PROGRAM: LOCAL GOVERNMENT ASSISTANCE

AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

SUB-PROGRAM: COAST ENERGY IMPACT PROGRAM

FISCAL YEAR 1981

EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	41.1	54.8			47.8	47.8		50.7					
02 TRAVEL	13.9	14.4			15.5	15.5		15.5					
03 CONTRACTUAL	9.0	12.4			18.4	18.4		18.4					
04 COMMODITIES	.2	.6			.6	.6		.6					
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	521.0	294.7			500.0	500.0		500.0					
08 MISC.-													
** TOTAL EXPEND	585.2	376.9			582.3	582.3		585.2					
09 I-A TRANSFER													
10 FED. RECEIPT	585.2	376.9			582.3	582.3		585.2					
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	2.0	2.0			2.0	2.0		2.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	24.0	24.0			24.0	24.0		24.0					

10-01-01-10-00 (01-91-6-01-02-01)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

08:08

1/23/80

CATEGORY: GENERAL GOVERNMENT
AGENCY: OFFICE OF THE GOVERNORPROGRAM: EXECUTIVE OPERATIONS
SUB-PROGRAM: POLICY DEVELOPMENT & PLANNING

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	784.6	644.2	63.5	63.5	693.6	780.8		788.2					
02 TRAVEL	76.1	39.9	1.5	1.5	43.4	51.1		51.1					
03 CONTRACTUAL	460.1	425.8	10.0	10.0	466.1	569.9		569.9					
04 COMMODITIES	6.1	8.4			9.7	11.1		11.1					
05 EQUIPMENT	2.4					2.5		2.5					
06 LANDS/BLDGS					69.9	69.9		69.9					
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	1329.3	1118.3	75.0	75.0	1282.7	1485.3		1492.7					
09 I-A TRANSFER	26.4												
10 FED. RECEIPT	273.3	415.0											
11 G. F. MATCH	110.8	137.5											
12 GENERAL FUND	547.3	390.8			1182.7	1385.3		1392.7					
13 PGM RECEIPTS													
14 OTHER FUNDS	397.9	175.0	75.0	75.0	100.0	100.0		100.0					
15 FULL-TIME	21.0	20.0	3.0	3.0	21.0	24.0		24.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	252.0	240.0	36.0	36.0	252.0	288.0		288.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 POLICY AND PROGRAM MANAGER I	JUNEAU	FULL	1	36.4	4.9	41.3		41.3		1				
2 MANAGEMENT ANALYST III	JUNEAU	FULL	1	31.6	6.2	37.8		37.8		1				
3 SECRETARY I	JUNEAU	FULL	1	19.2	4.3	23.5		23.5		1				
** NEW POSITION TOTALS			3	87.2	15.4	102.6		102.6		3				

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

REVISED PROGRAMS: 80-168 \$75.0.

BRU NARRATIVE

CATEGORY General Government

BRU Alaska Council on Science
and Technology

AGENCY Administration

The Alaska Council on Science and Technology was created by statute to: 1) bring science and technology close to the public and; 2) foster communication between executive and legislative branches and the Alaskan scientific community.

An ancillary responsibility assigned to the Council by the legislature in 1979 was the administration of the Northern Technology Grants Program.

The Council has met with science organizations of stature on the state, national and international level to determine in which areas research funding should be directed. Views from the legislature and the state agencies were also solicited. Reports summarizing these findings will be available early in 1980. On an informal basis the Council also provides advice and proposal review to legislative committees and state agencies.

Through its Northern Technology Grants Program, the Council is, without red tape, bringing science and technology closer to the citizens of Alaska. Innovative ideas are funded, tested, and the results transferred to the public sector as soon as possible. To avoid duplication, the Council has been working with state organizations which have similar responsibilities such as the Alaska Renewable Resources Corporation, the Division of Energy and Power Development and institutes of the University of Alaska.

FY 81

To carry its research needs process one step further in FY 81, the Council is proposing not only to identify research needs for state policy makers, but to analyze selected issues and present recommendations for action to the Governor and legislature.

Because of the overwhelming response to last year's program, FY 81 will bring an expansion to the Northern Technology Grants Program as well. However, no additional funds for administration are requested. The only increase in this area is for additional grant monies to be awarded to individuals with innovative ideas in technology.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

08:09

1/23/80

CATEGORY: GENERAL GOVERNMENT
 AGENCY: DEPARTMENT OF ADMINISTRATION

PROGRAM: SCIENCE & TECHNOLOGY

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
OFFICE OF SCIENCE & TECHNOLOGY	244.0		202.4	394.6		303.0					
** TOTAL	244.0		202.4	394.6		303.0					
** CHANGE VERSUS FY80 ATH				61.7%	-100.0%	24.1%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	65.9		65.2	65.2		65.8					
TRAVEL	27.1		28.9	66.1		28.9					
CONTRACTUAL	47.9		51.4	156.4		51.4					
COMMODITIES	3.1		3.3	3.3		3.3					
EQUIPMENT											
GRANTS, CLMS	50.0		50.0	100.0		150.0					
MISC.	50.0		3.6	3.6		3.6					
FUNDING SOURCE											
FED. RECEIPT	46.4										
GENERAL FUND	197.6		202.4	394.6		303.0					
** GENERAL FUND CHANGE VS. FY80 ATH				99.6%	-100.0%	53.3%	-100.0%	-100.0%	-100.0%		
POSITIONS											
FULL-TIME	2.0		2.0	2.0		2.0					
MAN-MONTHS	24.0		24.0	24.0		24.0					

10-02-20-01-00 (01-91-6-01-02-05)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

08:09

1/23/80

CATEGORY: GENERAL GOVERNMENT
AGENCY: DEPARTMENT OF ADMINISTRATIONPROGRAM: SCIENCE & TECHNOLOGY
SUB-PROGRAM: OFFICE OF SCIENCE & TECHNOLOGY

* * * * GOVERNOR ANALYSIS * * * *

FY80 ATHS REC \$244.0

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY80 ATH
01 PERS. SERV.	-0.1	-0.2%	SALARY ADJUSTMENT <.7>; PERS ADJUSTMENT .6.
02 TRAVEL	1.8	6.6%	INFLATION 1.8.
03 CONTRACTUAL	3.5	7.3%	INFLATION 3.5.
04 COMMODITIES	0.2	6.5%	INFLATION .2.
07 GRANTS, CLMS	100.0	200.0%	INCREASE IN NORTHERN TECHNOLOGY GRANTS PROGRAM 100.0.
08 MISC.	-46.4	-92.8%	REDUCTION IN FEDERAL FUNDS (46.4).
** TOTAL	59.0	24.2%	

GOVERNOR FIGURE \$303.0

FY80 AUTHORIZED AMOUNT INCLUDES FISCAL NOTE TO SLA 79 CH 56 (HB 12) RELATED TO NORTHERN TECHNOLOGY.

* * * * PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION * * * *

1979 LEGISLATION: CH 80, SLA 79 - FISCAL NOTE FOR NORTHERN TECHNOLOGY DEVELOPMENT PROGRAM (HB12): \$95,800.

10-02-20-01-00 (01-91-6-01-02-05)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

08:09

1/23/80

CATEGORY: GENERAL GOVERNMENT
AGENCY: DEPARTMENT OF ADMINISTRATIONPROGRAM: SCIENCE & TECHNOLOGY
SUB-PROGRAM: OFFICE OF SCIENCE & TECHNOLOGY

----- FISCAL YEAR 1981 -----

EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	26.8	65.9			65.2	65.2		65.8					
02 TRAVEL	8.8	27.1			28.9	66.1		28.9					
03 CONTRACTUAL	3.2	47.9			51.4	156.4		51.4					
04 COMMODITIES	.3	3.1			3.3	3.3		3.3					
05 EQUIPMENT	18.6												
06 LANDS/BLDGS													
07 GRANTS, CLMS		50.0			50.0	100.0		150.0					
08 MISC.		50.0			3.6	3.6		3.6					
** TOTAL EXPEND	57.7	244.0			202.4	394.6		303.0					
09 I-A TRANSFER													
10 FED. RECEIPT		46.4											
11 G. F. MATCH													
12 GENERAL FUND	57.7	197.6			202.4	394.6		303.0					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	2.0	2.0			2.0	2.0		2.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	24.0	24.0			24.0	24.0		24.0					

BRU NARRATIVE

CATEGORY Natural Resources Management
and Environmental Conservation

BRU Gas Pipeline Surveillance

AGENCY Department of Natural Resources

- A. Goal: To monitor the criteria, development, design, pre-construction and construction planning, and the initial construction phase of the Alaska Natural Gas Transportation System.
- B. Objective: To insure that gasline development is well planned and technically and environmentally sound; and to reduce negative socioeconomic impacts and increase employment opportunities for Alaskans.
- C. Activities: This office is responsible for developing and monitoring the proposed right-of-way lease agreement and State technical, environmental and socioeconomic stipulations. To accommodate this coordinative and oversight role, this office works with other involved agencies to prepare, administer and review all permits, leases, sales contracts and disposal actions and provides technical and environmental review and approval, and coordination and monitoring of the permitting and pre-construction phase of the gas pipeline.
- D. Major Changes: This office is reactive in nature. The FY 81 Budget Request is based on Northwest's current planning and construction schedule, which indicates that camp rehabilitation/construction will begin in 1981, pipeline construction will begin in the summer of 1982, and completion will be in the winter of 1984/85.
- E. Interrelationship: This office was established to be the "one-window" through which contact between Northwest Alaskan Pipeline Company and the State, and between the State and Federal governments is maintained. Staff teams from the Departments of Environmental Conservation and Fish and Game are assigned to work directly with this office. This method effectively eliminates overlap and duplication of functions.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

12:02

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: STATE PIPELINE SURVEILLANCE

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
GAS PIPELINE REVIEW	754.8		769.2	2664.9		2669.0					
PIPELINE SURVEILLANCE-SPEC. PR											
** TOTAL	754.8		769.2	2664.9		2669.0					
** CHANGE VERSUS FY80 ATH				253.0%	-100.0%	253.6%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	332.6		326.3	922.4		926.5					
TRAVEL	81.0		86.7	178.6		178.6					
CONTRACTUAL	325.2		342.1	1498.3		1498.3					
COMMODITIES	13.2		14.1	36.6		36.6					
EQUIPMENT	2.8			29.0		29.0					
FUNDING SOURCE											
PGM RECEIPTS	754.8		769.2	2664.9		2669.0					
POSITIONS											
FULL-TIME	7.0		7.0	19.0		21.0					
PART-TIME	2.0		2.0	4.0							
TEMPORARY											
MAN-MONTHS	96.0		96.0	262.0		262.0					

05-10-21-01-00 (10-49-1-03-02-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

12:02

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: STATE PIPELINE SURVEILLANCE
 SUB-PROGRAM: GAS PIPELINE REVIEW

----- FISCAL YEAR 1981 -----

EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	201.4	332.6			326.3	922.4		926.5					
02 TRAVEL	60.7	81.0			86.7	178.6		178.6					
03 CONTRACTUAL	241.2	325.2			342.1	1498.3		1498.3					
04 COMMODITIES	7.2	13.2			14.1	36.6		36.6					
05 EQUIPMENT	12.3	2.8				29.0		29.0					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	602.8	754.8			769.2	2664.9		2669.0					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS	602.8	754.8			769.2	2664.9		2669.0					
14 OTHER FUNDS													
15 FULL-TIME	16.5	7.0			7.0	19.0		21.0					
16 PART-TIME	4.0	2.0			2.0	4.0							
17 TEMPORARY	1.0												
18 MAN-MONTHS	212.0	96.0			96.0	262.0		262.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 TECHNICAL LIAISON OFFICER	FAIRBANKS	FULL	1	55.1	10.1	65.2			65.2	1				
2 TECHNICAL STAFF SUPERVISOR	FAIRBANKS	FULL	1	55.1	13.0	68.1			68.1	1				
3 PERMAFROST ENGINEER	FAIRBANKS	FULL	1	51.4	11.5	62.9			62.9	1				
4 ENGINEERING GEOLOGIST IV	FAIRBANKS	FULL	1	48.1	11.4	59.5			59.5	1				
5 REVEGETATION ENGINEER	FAIRBANKS	FULL	1	48.1	11.5	59.6			59.6	1				
6 TECHNICAL CONTRACTS OFFICER	FAIRBANKS	FULL	1	48.1	3.3	51.4			51.4	1				
7 FIELD SURVEILLANCE OFFICER	FAIRBANKS	FULL	1	48.1	10.9	59.0			59.0	1				
8 LAND MANAGEMENT OFFICER IV	FAIRBANKS	FULL	1	41.9	3.6	45.5			45.5	1				
9 LAND MANAGEMENT OFFICER IV	FAIRBANKS	FULL	1	41.9	3.3	45.2			45.2	1				
10 RESEARCH ANALYST II	FAIRBANKS	FULL	1	31.8	2.2	34.0			34.0	1				
11 CLERK IV	FAIRBANKS	FULL	1	20.6	1.0	21.6			21.6	1				
12 CLERK TYPIST III	FAIRBANKS	FULL	1	19.5	1.0	20.5			20.5	1				
13 REVEGETATION ENGINEER	FAIRBANKS	FULL	1							1				
14 TECHNICAL CONTRACTS OFFICER	FAIRBANKS	FULL	1							1				
15 FIELD SURVEILLANCE OFFICER	FAIRBANKS	FULL	1							1				
16 LAND MANAGEMENT OFFICER IV	FAIRBANKS	FULL	1							1				
17 LAND MANAGEMENT OFFICER IV	FAIRBANKS	FULL	1							1				
18 RESEARCH ANALYST II	FAIRBANKS	FULL	1							1				
19 CLERK IV	FAIRBANKS	FULL	1							1				
20 CLERK TYPIST III	FAIRBANKS	FULL	1							1				
*** NEW POSITION TOTALS			20	509.7	82.8	592.5			592.5	20				

05-10-21-03-00 (01-49-1-03-03-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

12:02

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: PIPELINE SURVEILLANCE
 SUB-PROGRAM: PIPELINE SURVEILLANCE-SPEC. PR

----- FISCAL YEAR 1981 -----

EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL	1.1												
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT	.2												
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
MM TOTAL EXPEND	1.3												
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	1.3												
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME	1.0												
17 TEMPORARY													
18 MAN-MONTHS	2.4												

05-16-13-00-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

12:08

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF ENVIRONMENTAL CONSERVATION

PROGRAM: GAS PIPELINE SURVEILLANCE
 SUB-PROGRAM:

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AND	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	61.4	132.7			131.8	580.6		611.3					
02 TRAVEL	4.5	7.5			8.0	140.8		140.8					
03 CONTRACTUAL	3.8	30.8			33.0	284.9		284.9					
04 COMMODITIES	.1	.9			1.0	15.5		15.5					
05 EQUIPMENT	.3	6.9				17.6		17.6					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
MM TOTAL EXPEND	70.1	178.8			173.8	1039.4		1070.1					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS	70.1	178.8			173.8	1039.4		1070.1					
14 OTHER FUNDS													
15 FULL-TIME	5.0	4.0			4.0	15.0		15.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	60.0	48.0			48.0	180.0		180.0					

BRU NARRATIVE

CATEGORY Natural Resource Management and Environmental Conservation

BRU Habitat Protection

AGENCY Fish and Game

Purpose of BRU: The purpose of this BRU is threefold: 1) to protect the state's fish and wildlife habitat from indiscriminate and unnecessary disturbance or destruction, 2) to support opportunities for continued use of state fish and wildlife resources, and 3) to maintain continued public access to important fish and wildlife use areas.

Rationale for Involvement: The Alaska Constitution and Alaska Statutes require management of all fish, wildlife, land, and water resources on a multiple use, sustained yield, and total resource conservation basis for common use. This BRU provides information on fish, wildlife, and habitat requirements to decision makers in all agencies so that they have a basis from which to make balanced, multiple use management decisions. No other state agency is so charged with maintaining an expertise and involvement in matters pertaining to habitat protection.

Principal FY 81 Program:

1) With the Departments of Environmental Conservation and Natural Resources, this BRU will be seeking ways to streamline and coordinate related regulatory programs, and assist in developing and implementing a master application form whereby the public need only apply once for information on permits required for a given project.

2) The BRU will conduct a study of placer mining activities in a high intensity mining region in Interior Alaska. This BRU, together with a public advisory body to be established under the study, will classify local stream systems in the study areas as to their suitability for: 1) intensive mining, because biological resources are not significant, 2) mining under habitat protection guidelines, because biological resources are important, and 3) minimal or no mining, because biological resources are so significant that mining would not be in the public interest from a fish and wildlife perspective. A study of this sort has been advocated by placer industry representatives. It will lend predictability to state policy.

3) This BRU will actively develop positive suggestions for application on logging operations through Southeast Alaska.

4) This BRU will actively participate in the development of multiple use offshore oil and gas development.

Major BRU Activities:

1) The BRU has the authority to approve, deny, or condition: a) any activity which would affect a water body containing anadromous fish (salmon, Dolly Varden, char, etc.); b) activities which would result in the obstruction of fish passage in any water body containing resident populations of fish; or c) activities proposed for legislatively designated critical habitats, refuges or sanctuaries.

2) The BRU comments on state solid waste, water appropriation, dam construction, and tidelands use permit applications, and to federal waterways alteration actions, dredge and fill, discharge and navigation permit application for their implications to fish and wildlife habitat.

3) The BRU reviews and comments on state and federal land disposal, easements and right-of-way actions for public access needs.

4) The BRU provides fish and wildlife information to those resource managers charged with oil and gas leasing, and the disposal of public lands.

05-11-15-08-00 (11-49-9-05-02-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

12:06

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
AGENCY: DEPARTMENT OF FISH & GAMEPROGRAM: HABITAT PROTECTION
SUB-PROGRAM: GAS PIPELINE MONITORING

FISCAL YEAR 1981

EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	215.1	411.7			410.6	773.7		823.9					
02 TRAVEL	17.9	23.9			25.6	125.7		125.7					
03 CONTRACTUAL	14.3	321.1			343.6	1191.2		1191.2					
04 COMMODITIES	5.0	40.5			43.3	63.3		63.3					
05 EQUIPMENT	8.3	21.8				91.3		91.3					
06 LANDS/BLDGs													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	260.6	819.0			823.1	2245.2		2295.4					
09 I-A TRANSFER	1.7	29.7			39.1	87.3		87.3					
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS	260.6	819.0			823.1	2245.2		2295.4					
14 OTHER FUNDS													
15 FULL-TIME	9.0	13.0			13.0	21.0		21.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	115.5	163.1			163.1	280.1		280.1					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 HABITAT BIOLOGIST III	FAIRBANKS	FULL	1	38.7	58.0	96.7			96.7					
2 HABITAT BIOLOGIST III	FAIRBANKS	FULL	1	38.7	58.0	96.7			96.7					
3 HABITAT BIOLOGIST III	FAIRBANKS	FULL	1	38.7	58.0	96.7			96.7					
4 HABITAT BIOLOGIST III	ANCHORAGE	FULL	1	33.6	14.7	48.3			48.3					
5 HABITAT BIOLOGIST	FAIRBANKS	FULL	1	38.7	56.5	95.2			95.2					
6 HABITAT BIOLOGIST III	FAIRBANKS	FULL	1	38.7	56.5	95.2			95.2					
7 HABITAT BIOLOGIST	ANCHORAGE	FULL	1	33.6	14.7	48.3			48.3					
8 HABITAT BIOLOGIST I	ANCHORAGE	FULL	1	25.4	4.4	29.8			29.8					
** NEW POSITION TOTALS			8	286.1	320.8	606.9			606.9					

BRU NARRATIVE

CATEGORY General Government

BRU Legal Services

AGENCY Department of Law

The Legal Services BRU provides a variety of services needed by executive agencies in the conduct of their programs. Creatures of statute, state agencies must operate in accordance with statutory objectives and limitations as a matter of law. In order to meet the service needs of other state programs, the BRU provides three basic services. They are litigation services, aid-to-agency assistance and legislation drafting and review. Each of these functions seeks to either correct an existing legal problem or to prevent a legal problem from occurring. Such problems vary from environmental cases, such as the North Slope Trespass case (United States v. ARCO) or the TAPS tariff case, to collection of wage claim judgments or child support enforcement actions. Thus, the activities of the Legal Services Program impact both broad segments of the population, as well as the personal well-being of individual citizens.

During FY79, the division opened 4,033 new work assignments and closed 3,531 new or existing assignments. The backlog of 502 assignments can be accounted for in four client program areas where the current and predicted demand for assistance is exceeding our available resources. The four areas which have experienced significant increases in demand for legal services are: (1) limited entry; (2) land requisition, management and disposal, as well as oil and gas; (3) children's proceedings; and (4) workmen's compensation second injury fund. The BRU's strategy for meeting its service demands is addressed in the detail budget. In addition, the BRU proposes assumption of the state's antitrust effort using state general funds and a substantial increase in its efforts in the TAPS tariff case. The BRU's goal of providing the legal assistance required by other agencies is met when these agencies effectively and efficiently accomplish their objectives in a manner that is within the discretion granted to them. The BRU's FY81 operating plan provides the framework within which this goal can be attained.

10-03-01-02-00 (J-97-1-09-03-00)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

08:10

1/23/80

CATEGORY: GENERAL GOVERNMENT
AGENCY: DEPARTMENT OF LAW

PROGRAM: LEGAL SERVICES
SUB-PROGRAM: FERC CONTINUATION

***** GOVERNOR ANALYSIS *****

FY80 ATHS REC \$1,500.0

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY80 ATH
08 MISC.	500.0	33.3%	INCREASED COSTS IN TAPS RATE CASE 500.0
** TOTAL	500.0	33.3%	

GOVERNOR FIGURE \$2,000.0

***** PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION *****

FY 80 INTENT: SHOULD THE TARIFF PROCEEDINGS BE COMPLETED, THE BALANCE OF THE \$1,500,000 FOR THE FEDERAL ENERGY REGULATORY COMMISSION CONTINUED COMPONENT SHALL LAPSE INTO THE GENERAL FUND.

AUDITS: A REVIEW OF THE DEPARTMENT OF LAW, JULY 1, 1977 - JUNE 30, 1978 - LEGISLATIVE AUDIT.

COMMENTS: THESE PROCEEDINGS ARE ANTICIPATED TO PROCEED INTO FY 81.

10-03-01-02-00 (03-97-1-09-03-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

08:10

1/23/80

CATEGORY: GENERAL GOVERNMENT
AGENCY: DEPARTMENT OF LAWPROGRAM: LEGAL SERVICES
SUB-PROGRAM: FERC CONTINUATION

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.	1991.6	1500.0			1500.0	2000.0		2000.0					
** TOTAL EXPEND	1991.6	1500.0			1500.0	2000.0		2000.0					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	1991.6	1500.0			1500.0	2000.0		2000.0					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

BRU GOAL: Promote, develop and advance the general prosperity and economic welfare of Alaska by providing a means of constructing, acquiring, financing and operating power production facilities limited to fossil fuel, wind power, tidal, geothermal, hydroelectric, or solar energy production and waste energy conservation facilities.

LONG TERM OBJECTIVE: Identify, finance, and develop alternative energy generation projects throughout Alaska to lower or stabilize where possible the cost of electric energy for Alaskan consumers by determining the feasibility of the Susitna hydroelectric project and developing 240 mw's of small alternative energy generation capacity. The BRU Goal and Objective support Governor Hammond's Policy Themes 4, 5, and 6.

PUBLIC NEED: Alternative energy projects are capital intensive and the development process involves numerous steps to include reconnaissance level studies, feasibility assessments, preparation of Federal Energy Regulatory license applications, detailed design, financing and construction. The process requires 2 to 6 years until initiation of construction dependent upon the size and nature of the project. Certain activities can be accomplished concurrently in order to expedite development if the project appears both strongly desirable and feasible. The Power Authority's activities focus on performance and provision of financial assistance to accomplish the stages of project development for numerous projects throughout the state. Due to the high cost of project construction in Alaska and the isolation of many communities due to absence of transmission interties, some projects will be very difficult to finance. This problem would be reflected in extremely high interest rates and resultant high cost of power. State loans to reduce bondable costs, establishment of a reserve fund, or guarantees of Power Authority bonds are suggested measures of state assistance in financing projects.

MAJOR FY '79--80 ACCOMPLISHMENTS: Completed a Railbelt Intertie Study, detailed reconnaissance studies of 4 projects in the Tligit-Haida Regional Electric Authority, and an FERC license application for the Lake Tyee projects; initiated the Susitna Feasibility Study, the AVEC Fuel Conversion Study, and 6 regional reconnaissance studies; loaned \$5.8 million from the Power Project Revolving Loan Fund for 4 projects.

MAJOR CHANGES IN FY '81: Rural small hydroelectric development and detailed feasibility studies leading toward FERC license applications for projects already identified will be a principal direction for staff efforts. State assistance in financing construction of capital intensive projects is requested.

INTERAGENCY RELATIONSHIPS: The Power Authority coordinates with the Division of Energy and Power Development and federal agencies involved in power development at quarterly meetings. Projects recommended for development by the Power Authority are expected to be in conformance with the statewide long term electric power development plan which is prepared by the Division of Energy and Power Development with the assistance of the Power Authority.

CATEGORY: Development

BRU: Alaska Power Authority

PAGE 42-A

AGENCY: Commerce & Economic Development

08-08-06-00-00 (08-71-7-13-00-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:11

1/28/80

CATEGORY: DEVELOPMENT

PROGRAM:

ALASKA POWER AUTHORITY

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

SUB-PROGRAM:

FISCAL YEAR 1981

EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	122.3	160.4			182.4	261.2		184.2					
02 TRAVEL	27.4	30.0			32.1	47.1		32.1					
03 CONTRACTUAL	309.7	151.2	12.6	12.6	106.9	111.9		106.9					
04 COMMODITIES	1.6	3.6			3.9	4.9		3.9					
05 EQUIPMENT	1.9	2.5			5.0	5.6		5.0					
06 LANDS/BLDGS													
07 GRANTS, CLMS	25.0												
08 MISC.													
** TOTAL EXPEND	487.9	347.7	12.6	12.6	330.3	430.7		332.1					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	487.9	347.7			330.3	430.7		332.1					
13 PGM RECEIPTS			12.6	12.6									
14 OTHER FUNDS													
15 FULL-TIME	5.0	5.0			5.0	7.0		5.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	60.0	60.0			60.0	84.0		60.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 PROJECT ENGINEER	ANCHORAGE	FULL	1	39.4	10.5	49.9		49.9						
2 PROJECT ENGINEER	ANCHORAGE	FULL	1	39.4	10.5	49.9		49.9						
** NEW POSITION TOTALS			2	78.8	21.0	99.8		99.8						

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

REVISED PROGRAMS: 80--72 \$12.6.

BRU NARRATIVE

CATEGORY NRMEC
AGENCY Natural Resources

BRU Mineral & Energy Development

COMPONENT: MINERALS ADMINISTRATION/SALE

PROJECT: Mineral Claim Adjudication: Under this project, the Department will process mining claims and ascertain the validity of claims. About 22,000 claims will be processed. COST: 78.0

PROJECT: Plans of Operation/Mining and Exploration: Under this project, the Department will review mining and exploration plans to increase resource data available and decrease environmental and land use conflicts. COST: 14.8

PROJECT: Mining Offices: Under this project, the Department will continue to maintain four mining offices and assist the expected 5000 visitors requesting information or researching the files during FY 1981. COST: 180.1

PROJECT: Public Assays: Under this project, the Department will process about 1000 public assays during the year and provide other advice and information. COST: 66.7

COMPONENT: COAL DEVELOPMENT

PROJECT: Surface Mining Control: Under this project, the Department will submit its bid to assume jurisdiction from the Federal government with respect to the Surface Mining Control and Reclamation Act in a manner which is fair to operators of coal mines in Alaska and reduces hardships caused by passage of the Federal legislation; supervise the distribution of the Alaskan Abandoned Mines Fund and the Small Operators Assistance Program. COST: 42.1

PROJECT: Revision of Coal Regulations: Under this project, the Department would (1) develop permitting/leasing procedures that encourage diligent exploration for and timely production of coal, (2) insure a fair return to the State, including a consideration of taking royalty in kind for Alaska power plants, and (3) reduce the potential for conflicts between surface and subsurface users. COST: 5.8

PROJECT: Field Investigation of Coal Fields: Under this project, the Department would initiate a series of field projects to map coal fields where information is needed to assess the State's coal resources and to compile coal atlases; field study would be conducted at the Herendeen Bay/Chignik Bay district on the Alaska peninsula or a similar site. COST: 118.1

COMPONENT: GEOTHERMAL LEASING/DEVELOPMENT

PROJECT: Geothermal Resource Inventory/Analysis: Under this project, the Department will complete by FY 1982 a geothermal atlas, and design development plans based on detailed geologic investigations of at least three specific quaternary volcanic sites including relative volcanic hazard potential and advisability of site selections. COST: 291.6

PROJECT: Revision of Geothermal Regulations: Under this project, the Department will (1) develop and adopt revised State regulations dealing with geothermal resources management and utilization, (2) establish intra and interdepartmental procedures to implement the regulations, and (3) develop a program to promote utilization of geothermal resources where in the public interest. COST: 15.4

PROJECT: Geothermal Lease Sales: Under this project, the Department will conduct one or more geothermal lease sales during FY 1981. COST: 20.0

STATE OF ALASKA -- BUDGET UNIT SUMMARY

12:03

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: MINERALS & ENERGY DEVELOP.

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
MINERAL DEVELOPMENT			339.6	359.7		359.8					
COAL DEVELOPMENT			160.2	166.0		173.7					
GEOTHERMAL DEVELOPMENT				327.0		340.0					
INSPECTION OF MINES				28.5							
ROYALTY OIL & GAS BOARD			147.8	147.8		149.7					
** TOTAL			647.6	1029.0		1023.2					
** CHANGE VERSUS FY80 ATH				100.0%		100.0%					
OBJECT DESCRIPTION											
PERS. SERV.			537.3	787.3		793.2					
TRAVEL			29.1	52.5		45.9					
CONTRACTUAL			64.1	165.3		161.9					
COMMODITIES			16.1	22.9		21.2					
EQUIPMENT			1.0	1.0		1.0					
FUNDING SOURCE											
FED. RECEIPT				59.0		61.4					
G. F. MATCH				268.0		278.6					
GENERAL FUND			647.6	702.0		683.2					
** GENERAL FUND CHANGE VS. FY80 ATH				100.0%		100.0%					
POSITIONS											
FULL-TIME			16.0	23.9		22.9					
PART-TIME			2.0	2.0		2.0					
MAN-MONTHS			200.0	294.0		282.0					

05-10-34-03-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

12:03

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: MINERALS & ENERGY DEVELOPMENT
 SUB-PROGRAM: COAL DEVELOPMENT

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.					135.0	138.1		145.8					
02 TRAVEL					11.9	11.9		11.9					
03 CONTRACTUAL					10.6	13.3		13.3					
04 COMMODITIES					2.7	2.7		2.7					
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND					160.2	166.0		173.7					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND					160.2	166.0		173.7					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME					2.9	3.1		3.1					
16 PART-TIME					2.0	2.0		2.0					
17 TEMPORARY													
18 MAN-MONTHS					43.0	45.0		45.0					

05-10-34-05-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

12:03

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
AGENCY: DEPARTMENT OF NATURAL RESOURCESPROGRAM: MINERALS & ENERGY DEVELOPMENT
SUB-PROGRAM: GEOTHERMAL DEVELOPMENT

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.						210.0		223.0					
02 TRAVEL						16.8		16.8					
03 CONTRACTUAL						95.1		95.1					
04 COMMODITIES						5.1		5.1					
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND						327.0		340.0					
09 I-A TRANSFER													
10 FED. RECEIPT						59.0		61.4					
11 G. F. MATCH						268.0		278.6					
12 GENERAL FUND													
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME						6.7		6.7					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS						80.0		80.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 GEOLOGIST II	ANCHORAGE	FULL	1	30.4	38.4	68.8		68.8		1				
2 GEOLOGIST II	FAIRBANKS	FULL	1	35.0	38.5	73.5		73.5		1				
3 LAND MANAGEMENT OFFICER III	ANCHORAGE	FULL	1	32.6	.4	33.0		33.0		1				
** NEW POSITION TOTALS			3	98.0	77.3	175.3		175.3		3				

05-10-34-09-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

12:03

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: MINERALS & ENERGY DEVELOPMENT
 SUB-PROGRAM: ROYALTY OIL & GAS BOARD

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.					80.1	80.1		82.0					
02 TRAVEL					14.4	14.4		14.4					
03 CONTRACTUAL					51.5	51.5		51.5					
04 COMMODITIES					1.8	1.8		1.8					
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND					147.8	147.8		149.7					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND					147.8	147.8		149.7					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME					2.0	2.0		2.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS					24.0	24.0		24.0					

STATE OF ALASKA -- BUDGET UNIT SUMMARY

11:58

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: MINERAL AND ENERGY MANAGEMENT

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV	AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
LEASING MGMT	301.3											
PETROLEUM MGMT	789.9											
MINERALS MGMT	52.5											
ADMINISTRATION	393.7											
** TOTAL	1537.4											
** CHANGE VERSUS FY80 ATH				-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION												
PERS. SERV.	903.2											
TRAVEL	40.0											
CONTRACTUAL	536.8											
COMMODITIES	8.1											
EQUIPMENT	6.5											
MISC.	42.8											
FUNDING SOURCE												
GENERAL FUND	1537.4											
** GENERAL FUND CHANGE VS. FY80 ATH				-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%		
POSITIONS												
FULL-TIME	29.0	1.0										
MAN-MONTHS	336.0	9.0										

05-10-03-01-00 (10-43-4-04-01-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

11:58

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: MINERAL AND ENERGY MANAGEMENT
 SUB-PROGRAM: LEASING MGMT

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	198.0	235.8											
02 TRAVEL	2.8	4.7											
03 CONTRACTUAL	6.8	10.8											
04 COMMODITIES	.6	1.2											
05 EQUIPMENT	.1	6.0											
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.		42.8											
** TOTAL EXPEND	208.3	301.3											
09 I-A TRANSFER	1.1												
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	208.3	301.3											
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	8.0	9.0											
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	96.0	96.0											

05-10-03-03-00 (10-43-4-04-02-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

11:58

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: MINERAL AND ENERGY MANAGEMENT
 SUB-PROGRAM: PETROLEUM MGMT

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	432.9	393.5											
02 TRAVEL	19.9	19.1											
03 CONTRACTUAL	221.0	371.9											
04 COMMODITIES	4.6	4.9											
05 EQUIPMENT	2.3	.5											
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
MM TOTAL EXPEND	680.7	789.9											
09 I-A TRANSFER	16.8	4.0											
10 FED. RECEIPT	26.4												
11 G. F. MATCH													
12 GENERAL FUND	654.3	789.9											
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	10.0	10.0											
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	120.0	120.0											

CATEGORY	NRMEC	BRU NARRATIVE	BRU	Oil and Gas Management
AGENCY	Natural Resources			
COMPONENT:	OIL AND GAS INVESTIGATIONS/LEASE SALES			
PROJECT:	USGS/NPRA/ANWR Evaluation: Under this project, the Department would continue exchanging information with USGS regarding interpretation of oil and gas potential in the NPRA area. COST: 33.6			
PROJECTS:	LEASE SALES: Under these projects, the Department will perform presale evaluations, socioeconomic and environmental studies, work with the Agency Advisory Committee on Leasing, and otherwise prepare for the conduct of these lease sales. Upper Cook Inlet Lease Sale (1981), COST: 146.0; Lower Cook Inlet Lease Sale (1981), COST: 300.0; Prudhoe Bay Upland Lease Sale (1981), COST: 347.4; Norton Basin Onshore/Offshore Lease Sale (1981), COST: 189.2; Second Beaufort Sea Lease Sale/Submerged Lands (1982), COST: 68.4; Mid Tanana Basin/Copper River Basin Lease Sale (1982), COST: 33.6; Southwest Bristol Bay Uplands Lease Sale (1982), COST: 24.0; Upper Cook Inlet Onshore/Offshore Lease Sale (includes Susitna Valley) (1983), COST: 21.6; Chukchi Sea Onshore/Offshore Lease Sale (1983), COST: 16.6.			
PROJECT:	Seismic Data Collection/Analysis: Under this project, the Department will purchase and otherwise obtain data, interpret the data and enter it into a model designed to evaluate the statistical potential for oil and gas in each of the areas mentioned above. Results will include cross section maps and associated data. This is for FY 1981 lease sales and startup activities for lease sales in future years. COST: 0			
PROJECT:	Leasing Schedule: Under this project, the Department will develop and present to the legislature a five year oil and gas leasing schedule including any necessary modifications of the fourth year plan as allowed under law. 22.7			
COMPONENT:	OIL AND GAS INCOME ACCOUNTING			
PROJECT:	Audit of Monthly Royalty Reports: Under this project, the Department will audit all royalty reports filed and make necessary corrections to insure that the State receives the correct amount either in value or in kind. 33.9			
PROJECT:	Management of Royalty Contracts: Under this project, the Department will administer the royalty contracts to insure compliance so that the State receives proper value and return for its royalty oil and gas. COST: 43.1			
PROJECT:	Calculation of ANCSA Payments: Under this project, the Department would calculate and pay to the ANCSA fund the correct amount through twelve monthly payments during the year. COST: 3.7			
PROJECT:	Monitor Mineral Income: Under this project, the Department will audit DNR input into the aforementioned funds and deposit or credit the correct amounts into the correct funds. COST: 8.2			
PROJECT:	State Adherence/Federal Oil and Gas Pricing Regulations: Under this project, the Department will insure that the State receives the maximum prices allowable under Federal regulations and participates in Federal audits. 42.4			
PROJECT:	Work Commitments/Incentive Credits: Under this project, the Department will develop and implement a system for auditing these additional leasing and exploration terms. COST: 61.6			
COMPONENT:	OIL AND GAS CONSERVATION/RESERVOIR MANAGEMENT			
PROJECT:	Operation of Oil and Gas Conservation Commission: Under this project, the Department will conserve oil and gas reservoirs and prevent wastage. COST: 146.7			
COMPONENT:	OIL AND GAS LEASE SALES/POST SALE ADMINISTRATION			
PROJECT:	Enforcement of Lease Terms: Under this project, the Department will monitor development activities on oil and gas leases and enforce lease terms. COST: 107.2			
PROJECT:	Plans of Operation: Under this project, the Department would review and approve plans of operations which protect the public interest while allowing development of the leased land and assure that operations are conducted consistent with the plan. COST: 140.8			
PROJECT:	Unit Agreements: Under this project, the Department will allow development of units while assuring that obligations of the lessees are met. COST: 132.6			

STATE OF ALASKA -- BUDGET UNIT SUMMARY

12:03

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: OIL & GAS MANAGEMENT

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV AMD GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
LEASE SALES			1202.0	1319.3	1206.8					
LEASE SALE ADMIN			380.6	380.6	398.7					
RESERVOIR MANAGEMENT				9.1						
ROYALTY INCOME ACCOUNTING			192.9	192.9	200.3					
** TOTAL			1775.5	1901.9	1805.8					
** CHANGE VERSUS FY80 ATH				100.0%	100.0%					
OBJECT DESCRIPTION										
PERS. SERV.			1270.9	1343.7	1301.2					
TRAVEL			69.2	72.0	69.2					
CONTRACTUAL			375.2	425.1	375.2					
COMMODITIES			48.4	49.0	48.4					
EQUIPMENT			11.8	12.1	11.8					
FUNDING SOURCE										
GENERAL FUND			1775.5	1901.9	1805.8					
** GENERAL FUND CHANGE VS. FY80 ATH				100.0%	100.0%					
POSITIONS										
FULL-TIME			35.6	37.2	35.6					
MAN-MONTHS			428.0	447.0	428.0					

05-10-30-01-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

12:03

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: OIL & GAS MANAGEMENT
 SUB-PROGRAM: LEASE SALES

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.					823.5	889.7		828.3					
02 TRAVEL					40.5	42.6		40.5					
03 CONTRACTUAL					282.7	331.2		282.7					
04 COMMODITIES					47.4	47.6		47.4					
05 EQUIPMENT					7.9	8.2		7.9					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND					1202.0	1319.3		1206.8					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND					1202.0	1319.3		1206.8					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME					19.6	21.0		19.6					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS					236.0	253.0		236.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 LAND MANAGEMENT TECH I	ANCHORAGE	FULL	1	21.8	1.5	23.3		23.3		1				
2 PETROLEUM GEOPHYSICIST	ANCHORAGE	FULL	1	49.9	24.9	74.8		74.8		1				
3 PETROLEUM GEOLOGIST	ANCHORAGE	FULL	1	49.9	24.9	74.8		74.8						
4 SYSTEMS ANALYST II	ANCHORAGE	FULL	1	37.5	30.4	67.9		67.9		1				
5 CARTOGRAPHER II	ANCHORAGE	FULL	1	23.1	2.0	25.1		25.1		1				
6 GEOLOGY ASST. I	ANCHORAGE	FULL	2	41.0	5.0	46.0		46.0		1				
7 GEOLOGIST II	ANCHORAGE	FULL	2	60.8	49.8	110.6		110.6		1				
8 CLERK TYPIST III	ANCHORAGE	FULL	1	17.2	2.1	19.3		19.3		1				
** NEW POSITION TOTALS			10	301.2	140.6	441.8		441.8		7				

05-10-30-03-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

12:03

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: OIL & GAS MANAGEMENT
 SUB-PROGRAM: LEASE SALE ADMIN

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.					327.9	327.9		346.0					
02 TRAVEL					17.2	17.2		17.2					
03 CONTRACTUAL					33.4	33.4		33.4					
04 COMMODITIES					.5	.5		.5					
05 EQUIPMENT					1.6	1.6		1.6					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND					380.6	380.6		398.7					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND					380.6	380.6		398.7					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME					12.0	12.0		12.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS					144.0	144.0		144.0					

05-10-30-05-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

12:03

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: OIL & GAS MANAGEMENT
 SUB-PROGRAM: RESERVOIR MANAGEMENT

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.						6.6							
02 TRAVEL						.7							
03 CONTRACTUAL						1.4							
04 COMMODITIES						.4							
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND						9.1							
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND						9.1							
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME						.2							
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS						2.0							

05-10-30-07-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

12:03

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: OIL & GAS MANAGEMENT
 SUB-PROGRAM: ROYALTY INCOME ACCOUNTING

----- FISCAL YEAR 1981 -----

EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.					119.5	119.5		126.9					
02 TRAVEL					11.5	11.5		11.5					
03 CONTRACTUAL					59.1	59.1		59.1					
04 COMMODITIES					.5	.5		.5					
05 EQUIPMENT					2.3	2.3		2.3					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND					192.9	192.9		200.3					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND					192.9	192.9		200.3					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME					4.0	4.0		4.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS					48.0	48.0		48.0					

05-10-05-00-00 (10-43-8-02-00-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

11:59

1/23/80

CATEGORY: NATURAL RESOURCE MANAGEMENT
 AGENCY: DEPARTMENT OF NATURAL RESOURCES

PROGRAM: OIL & GAS CONSERVATION
 SUB-PROGRAM:

FISCAL YEAR 1981													
EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	869.7	910.5			904.2	977.3		994.7					
02 TRAVEL	54.4	65.1			69.7	71.9		71.9					
03 CONTRACTUAL	581.3	712.2			716.9	762.4		762.4					
04 COMMODITIES	7.5	7.6			8.1	11.4		11.4					
05 EQUIPMENT	5.1					3.1		3.1					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	1518.0	1695.4			1698.9	1826.1		1843.5					
09 I-A TRANSFER	46.3	98.5			122.9	122.9		122.9					
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	1518.0	1695.4			1698.9	1826.1		1843.5					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	22.0	22.0			22.0	24.0		24.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	258.0	264.0			264.0	288.0		288.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 CLERK TYPIST II	ANCHORAGE	FULL	1	17.2	.5	17.7		17.7		1				
2 PETROLEUM RESERVOIR ENGINEER	ANCHORAGE	FULL	1	55.9	3.7	59.6		59.6		1				
3 PETROLEUM RESERVOIR ENGINEER	ANCHORAGE	FULL	0											
4 CLERK TYPIST II	ANCHORAGE	FULL	0											
** NEW POSITION TOTALS			2	73.1	4.2	77.3		77.3		2				

BRU NARRATIVE

CATEGORY General Government

BRU Petroleum Revenue

AGENCY Revenue

The program area goal is that the assessment and imposition of taxes on the extraction of the State's non-renewable oil and gas resources shall be optimized within the limits set by the Legislature and equitably administered so as to insure maximum deposit of this revenue into the General and Permanent Funds. The long-term objective is 100 percent compliance of the Statutes. Related policy directives are to perpetuate and to distribute equitably to all Alaskans the benefits from Alaska's publicly-owned resource wealth.

The basic purpose of this BRU's program is (1) to provide for equitable ad valorem taxation of all oil and gas properties statewide to insure no tax advantage is derived by any specific segment of the industry and that maximum tax benefit is realized by the State, (2) to achieve compliance with the income tax requirements of AS 43.21, (3) to insure taxpayer compliance with the production and conservation tax requirements imposed by AS 43.55 and AS 43.57, and (4) timely forecasting of the expected cashflows and/or the impact of present and proposed petroleum tax measures and royalty receipts to aid tax administrators, petroleum property appraisers, and treasury investment officers in the performance of their duties.

The Petroleum Revenue Division came into existence in mid-FY 74 with FY 75 the first full year of operation with the sole responsibility for the administration of the oil and gas property tax. In FY 76, by virtue of the special legislative session, the oil and gas reserves tax responsibility was given to Petroleum Revenue. During FY 77, an economic section was added to provide more accurate forecasting of revenues and the production tax administration was transferred from the Department of Natural Resources. In FY 78 the oil and gas reserves tax terminated and the economic section was enlarged to include computer assistance in the preparation of revenue forecasts. Late in FY 79, the Division was asked to implement the oil and gas corporate income tax and is now in the process of bringing this section to full staffing. As a result of these rapid changes which have seen the Division's staff grow from five personnel in the beginning of FY 75 to the current authorization of 27 and the revenue generated from approximately \$12 million to FY 80's estimate of almost \$1 billion, there have been lapses of budgeted funds. The lapses have primarily occurred due to vacancy of positions during part of each fiscal year of the Division's existence. In FY 81, for the first time, a full complement of staff will require that full funding be available if Petroleum Revenue is to effectively administer the petroleum related taxes.

10-04-01-02-00 (04-93-3-01-07-00)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

08:10

1/23/80

CATEGORY: GENERAL GOVERNMENT
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: REVENUE OPERATIONS
SUB-PROGRAM: PETROLEUM REVENUE

***** GOVERNOR ANALYSIS *****

FY80 ATHS REC \$1,435.0

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY80 ATH
01 PERS. SERV.	-15.4	-1.5%	SALARY ADJUSTMENT <5.5>, TRANSFER REVENUE AUDITOR II TO COMMISSIONERS OFFICE <28.9>, TRANSFER REVENUE AUDITOR II TO AUDIT <41.1> SALARY INCREASE ADJUSTMENT 60.1.
02 TRAVEL	6.5	7.0%	INFLATION 6.5
03 CONTRACTUAL	21.1	6.5%	FY80 WORKPLAN 9.8, INFLATION 23.6, TRANSFER DP COSTS TO ADMIN SERVICES <12.3>
** TOTAL	12.2	0.9%	

GOVERNOR FIGURE \$1,447.2

***** PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION *****

AUDITS: A REVIEW OF PETROLEUM REVENUES, DEPARTMENT OF REVENUE, DEPARTMENT OF NATURAL RESOURCES, ALASKA OIL AND GAS CONSERVATION COMMISSION - LEGISLATIVE AUDIT.

10-04-01-02-00 (04-93-3-01-07-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

08:10

1/23/80

CATEGORY: GENERAL GOVERNMENT
AGENCY: DEPARTMENT OF REVENUEPROGRAM: REVENUE OPERATIONS
SUB-PROGRAM: PETROLEUM REVENUE

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	780.7	1005.4			929.9	929.9		990.0					
02 TRAVEL	76.3	93.3			99.8	99.8		99.8					
03 CONTRACTUAL	297.6	326.9			348.0	348.0		348.0					
04 COMMODITIES	6.6	9.4			9.4	9.4		9.4					
05 EQUIPMENT	26.1												
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	1187.3	1435.0			1387.1	1387.1		1447.2					
09 I-A TRANSFER	68.2												
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	1187.3	1435.0			1387.1	1387.1		1447.2					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	26.0	27.0			25.0	25.0		25.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	312.0	324.0			300.0	300.0		300.0					

BRU NARRATIVE

CATEGORY Development

BRU Alaska Renewable Resources Corporation

AGENCY Revenue

The program area goal is to assure that the Alaska economy is diversified through sound enhancement, development and rehabilitation of its renewable resources, thus providing a sustainable State's base of wealth. The long-term objective is to increase participation of Alaskans in the development of the State's resources through new capital formation and the retention of the benefits of ownership and employment. The policy directives are to encourage economic development which offers long-term net benefits to all Alaskans and to perpetuate and to distribute . . . benefits from Alaska's publicly-owned resource wealth.

The basic purposes of ARRC are to: (1) facilitate the rehabilitation, enhancement and development of the State's renewable resources so as to strengthen the self-sustaining sectors of the economy; (2) sponsor research and development of technologies and innovations for the rehabilitation and enhancement of the State's renewable resources; (3) identify new products, markets and technologies for renewable resource industries in the State which will constitute an appropriate use of the resources; stimulate the research and development of these products, markets and technologies, assist in the demonstration of their technical and economic feasibility; and assist in their introduction into commercial markets.

Experience indicates that renewable resources are not being realized to their full potential. Many identifiable socio-economic problems, including high unemployment and an unstable economy, can be mitigated by efficient employment of capital and the enhancement, rehabilitation and development of Alaska's renewable resources.

Availability of revenues from oil and gas production has obviated the alarming dependency of State expenditures from diminishing sources. Only through increasing the significance of Alaska's tremendous renewable resource base will the State's economy and its related level of services be coupled with self-sustainable sources of revenues. Notwithstanding the above, several key factors have conspired to retard development of renewable resources, including insufficiency of research and development financing and venture capital financing; a lack of knowledge about conditions affecting Alaska's renewable resource industrial development; a lack of scientific information and knowledge of technologies appropriate to Alaska.

Capital formation resulting from ARRC investment activities may be expected to range between a factor of four to nine. Depending upon the financial mechanisms used, new capital employed in the enhancement, rehabilitation and development of renewable resources may be expected to range \$40 to \$90 million for each \$10 million invested by ARRC. Therefore, based upon experience and expected efficiency of capital in Alaska, it is anticipated that a six-year average of \$15 million invested would result in new businesses capitalization of \$360 to \$810 million.

By providing capital and technical assistance to renewable resource development activities, the State acquires the leverage needed to effect development which considers employment and equity ownership for Alaskans, environmental soundness and resource conflicts, fiscal impacts and net benefits to communities and an opportunity to diversify State Government's dependency on petroleum production.

It is considered industry norm that venture capital firms must see 100 proposals to reach negotiation stages with two or three prospective partners. ARRC is developing a deal-flow generation system which may produce 500 inquiries in FY 80 and result in comprehensive analysis of at least 100 proposals. From those analyses, 50 or less may materialize into investment opportunities. With a portfolio mix of high, low and medium risks and distribution of investments of 10 percent at \$50,000 or less, 80 percent at \$300,000 or less and 10 percent at \$550,000 or less, it is expected that 44 new jobs may be created for each \$1.0 million invested.

08-04-01-00-00 (04-71-1-02-01-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:10

1/28/80

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUEPROGRAM: AK RENEWABLE RESOURCES CORP
SUB-PROGRAM:

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	96.7	294.4			290.8	518.8		524.0					
02 TRAVEL	12.7	29.8			31.8	47.0		47.0					
03 CONTRACTUAL	75.9	309.3			331.3	897.9		897.9					
04 COMMODITIES	1.8	5.1			5.7	6.2		6.2					
05 EQUIPMENT	28.8				1.0	1.0		1.0					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	215.9	638.6			660.6	1470.9		1476.1					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	215.9	638.6			660.6	1470.9		1476.1					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	9.0	6.0			6.0	11.0		11.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	49.5	72.0			72.0	132.0		132.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 CHIEF EXECUTIVE OFFICER	ANCHORAGE	FULL	1	72.4	7.4	79.8		79.8		1				
2 SENIOR FINANCIAL OFFICER	ANCHORAGE	FULL	1	58.6	5.4	64.0		64.0		1				
3 ECONOMIC DEVELOPMENT SPECIALIS	ANCHORAGE	FULL	1	45.0	.4	45.4		45.4		1				
4 COMMERCIAL LOAN ASSISTANT	ANCHORAGE	FULL	1	31.9	1.6	33.5		33.5		1				
5 SECRETARY II	ANCHORAGE	FULL	1	20.1	1.7	21.8		21.8		1				
** NEW POSITION TOTALS			5	228.0	16.5	244.5		244.5		5				

BRU NARRATIVE

CATEGORY Development
AGENCY Revenue

BRU Shared Taxes

Overview of the Department's goal is to meet the revenue sharing requirements as set forth by Alaska Statutes in a prompt and efficient manner. Each tax type is shared by a specific statute and is based on current revenues. Most of the sharing is based upon a percentage of current revenue and the amount shared ranges from 10 percent to, in some cases, 100 percent. The Municipal Assistance Fund Sharing is also based upon per capita calculations. Communities are required to incorporate and meet certain standards to be eligible for these sharings. Once requirements are met, these sharings are intended to help reduce the financial burden on the citizens of incorporated communities.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

13:10

1/28/80

CATEGORY: DEVELOPMENT
 AGENCY: DEPARTMENT OF REVENUE

PROGRAM: SHARED TAXES

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
MUNICIPAL ASSISTANCE	11400.0		11400.0	11400.0		11400.0					
AMUSEMENT AND GAMING TAX	36.0		36.0	36.0		36.0					
AVIATION FUEL TAX	110.0		110.0	134.0		134.0					
ELECTRIC & TELEPHONE COOP TAX	1250.0		1250.0	2000.0		2000.0					
LIQUOR LICENSE TAX	555.0		555.0	600.0		600.0					
FISHERIES TAX	1066.1		1066.1	2500.0		2500.0					
** TOTAL	14417.1		14417.1	16670.0		16670.0					
** CHANGE VERSUS FY80 ATH				15.6%	-100.0%	15.6%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
GRANTS, CLMS	14417.1		14417.1	16670.0		16670.0					
FUNDING SOURCE											
GENERAL FUND	14417.1		14417.1	16670.0		16670.0					
** GENERAL FUND CHANGE VS. FY80 ATH				15.6%	-100.0%	15.6%	-100.0%	-100.0%	-100.0%		

POSITIONS

08-04-02-03-00 (04-72-2-04-03-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:10

1/28/80

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUEPROGRAM: SHARED TAXES
SUB-PROGRAM: AVIATION FUEL TAX

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	133.9	110.0			110.0	134.0		134.0					
08 MISC.													
** TOTAL EXPEND	133.9	110.0			110.0	134.0		134.0					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	133.9	110.0			110.0	134.0		134.0					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

08-04-02-04-00 (04-72-2-04-04-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:10

1/28/80

CATEGORY: DEVELOPMENT
AGENCY: DEPARTMENT OF REVENUEPROGRAM: SHARED TAXES
SUB-PROGRAM: ELECTRIC & TELEPHONE COOP TAX

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.													
02 TRAVEL													
03 CONTRACTUAL													
04 COMMODITIES													
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	1792.3	1250.0			1250.0	2000.0		2000.0					
08 MISC.													
** TOTAL EXPEND	1792.3	1250.0			1250.0	2000.0		2000.0					
09 I-A TRANSFER													
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	1792.3	1250.0			1250.0	2000.0		2000.0					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME													
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS													

BRU NARRATIVE

CATEGORY Development

BRU Business Loans

AGENCY Commerce & Economic Development

The Division of Business Loans administers nine revolving loan funds and two corporations. These programs make long-term, low-interest loans which aid private industry in providing more goods and services and more jobs for Alaskans.

Long-term funds needed to start new businesses or expand existing ones, or to upgrade or buy new commercial fishing vessels, build new tourism facilities, build salmon hatcheries, upgrade child care facilities or develop alternate power resources are difficult to obtain at interest rates which make the projects viable. The loan programs are a major source of funds for encouraging, expanding and developing the economy of the State.

In spite of a six-month shutdown of the programs, due to a lack of funds available for loans from the General Fund Surplus, \$77.1 million in loans was approved in FY '79 in comparison to \$44.6 million in the twelve months of FY '78, and \$13.8 million in FY '77. The six months of FY '79, when new applications were not being accepted, were utilized to clear the backlog of applications and revise forms and documents. The programs were reopened July 1, 1979. It is anticipated that the \$90 million set aside by the Department of Revenue for FY '80 loans will be fully utilized.

08-08-02-00-00 (08-71-8-06-01-01)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:10

1/28/80

CATEGORY: DEVELOPMENT
 AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

PROGRAM: LOAN FUND ADMINISTRATION
 SUB-PROGRAM:

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	652.9	675.7			671.4	671.4		712.8					
02 TRAVEL	42.5	90.8			70.9	70.9		70.9					
03 CONTRACTUAL	90.7	60.4			90.7	90.7		90.7					
04 COMMODITIES	6.9	6.0			7.5	7.5		7.5					
05 EQUIPMENT	10.2												
06 LANDS/BLDGS	33.4	27.5			27.5	34.6		34.6					
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	836.6	860.4			868.0	875.1		916.5					
09 I-A TRANSFER	30.9				43.2	43.2		43.2					
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	836.6	860.4			868.0	875.1		916.5					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	23.0	23.0			23.0	23.0		23.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	276.0	276.0			276.0	276.0		276.0					

BRU NARRATIVE

CATEGORY Development

BRU Economic Enterprise

AGENCY Commerce & Economic Development

This BRU's primary goal is to develop, strengthen, and diversify Alaska's economic base by utilizing the State's natural, human, and financial resources in an effective manner, which offers long-term net benefits to all Alaskans and which provides Alaskans with the maximum opportunity to participate in the State's economy.

It is generally recognized and accepted that Alaska has many of the problems, opportunities and characteristics of an underdeveloped nation. When these problems are translated into their impact upon Alaskans, it can be demonstrated that persons living in Alaska have to contend with serious economic handicaps.

The basic purpose of the BRU program is to design and implement programs that will provide assistance and development to private enterprise. Included are programs that provide for economic research, planning, and promotion of Alaska's natural and human resources in an effective manner.

It has long been recognized that Alaska's economic future lies in the development and marketing of her natural resources. This BRU has designed and is implementing programs that will develop: 1) Alaska's coal resources; 2) Alaska's fisheries including the bottomfish industry; 3) Alaska's agricultural sector; 4) Alaska's mineral industry; and 5) the infrastructure necessary to support resource development. There are a number of strategies that are being utilized to enhance the implemented programs including, locating major manufacturing center in the Cook Inlet area based on using local energy and natural resources; opening new and expanding existing markets for Alaska products in Asia and Europe; attracting foreign capital to invest in Alaska's developing resource industries; utilize market promotion and public relations techniques to attract potential new business and industry to Alaska; and provide support to the existing industries in the State.

Some of this BRU's recent accomplishments include:

- o Assisted in establishing the Delta Barley project as an operating program.
- o Established the Commercial Fishing and Agriculture Bank for development loans.
- o Was the lead agency in developing the bottomfish development 20-year operating plan.
- o Assisted in developing a new routing system for Flying Tiger Airlines to handle transportation of fish products.
- o Compiled and published the Community Matrix, based on the community's overall economic development plans.
- o Assisted in obtaining funding for a prototype cold storage facility to be developed in rural Alaska for the storage of subsistence meats.
- o Led the Asia Grain Trade Mission which established markets for barley and rapeseed.
- o Sponsored the 1st Agriculture Symposium in Alaska.
- o Established the International Trade Commission with the Alaska/ Denmark Advisory Council as a subgroup.
- o Provided technical assistance to nearly 1,000 businesses in Alaska.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

13:10

1/28/80

CATEGORY: DEVELOPMENT

PROGRAM: ECONOMIC ENTERPRISE

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
GENERAL OPERATIONS	1375.3	233.6	1087.3	1314.3		1354.4					
EDA PLANNING	232.8		220.0	345.0		359.2					
ASIAN OFFICE			151.2	243.8		151.9					
** TOTAL	1608.1	233.6	1458.5	1903.1		1865.5					
** CHANGE VERSUS FY80 ATH				18.3%	-100.0%	16.0%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	759.2		798.4	900.2		911.4					
TRAVEL	102.0	1.0	133.3	166.1		145.9					
CONTRACTUAL	596.4	232.6	475.5	778.6		751.7					
COMMODITIES	10.1		11.3	12.6		11.9					
EQUIPMENT	.9		.6	6.2		5.2					
LANDS/BLDGS	39.5		39.4	39.4		39.4					
GRANTS, CLMS	100.0										
MISC.											
FUNDING SOURCE											
FED. RECEIPT	174.6	233.6	165.0	165.0		173.0					
G. F. MATCH	58.2		55.0	80.0		83.3					
GENERAL FUND	1375.3		1238.5	1558.1		1506.3					
OTHER FUNDS				100.0		102.9					
** GENERAL FUND CHANGE VS. FY80 ATH				13.2%	-100.0%	9.5%	-100.0%	-100.0%	-100.0%		
POSITIONS											
FULL-TIME	27.0		23.0	25.0		24.0					
PART-TIME			1.0	1.0		1.0					
MAN-MONTHS	324.0		284.0	308.0		296.0					

08-08-01-01-00 (08-71-6-02-01-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:10

1/28/80

CATEGORY: DEVELOPMENT

PROGRAM: ECONOMIC ENTERPRISE

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

SUB-PROGRAM: GENERAL OPERATIONS

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	553.2	629.9			609.6	609.6		649.7					
02 TRAVEL	111.3	85.5	1.0	1.0	105.7	110.7		110.7					
03 CONTRACTUAL	583.9	512.7	232.6	232.6	324.4	546.4		546.4					
04 COMMODITIES	6.4	7.7			8.2	8.2		8.2					
05 EQUIPMENT	4.0												
06 LANDS/BLDGS	35.0	39.5			39.4	39.4		39.4					
07 GRANTS, CLMS	145.0	100.0											
08 MISC.	100.0												
** TOTAL EXPEND	1538.8	1375.3	233.6	233.6	1087.3	1314.3		1354.4					
09 I-A TRANSFER					8.0	8.0		8.0					
10 FED. RECEIPT			233.6	233.6									
11 G. F. MATCH													
12 GENERAL FUND	1538.8	1375.3			1087.3	1314.3		1354.4					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	17.0	23.0			17.0	17.0		17.0					
16 PART-TIME					1.0	1.0		1.0					
17 TEMPORARY													
18 MAN-MONTHS	204.0	276.0			212.0	212.0		212.0					

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

REVISED PROGRAMS: 80-20 \$217.0, 80-59 \$16.6.

BRU NARRATIVE

CATEGORY Public Protection

BRU Alaska Public Utilities Commission

AGENCY Alaska Public Utilities Commission

The mandated goal of the Alaska Public Utilities Commission is to protect the public by certifying only qualified providers of public utility services; to insure that certificated utilities unless exempted by Statute provide adequate, efficient, and safe services to the public at just and reasonable rates, terms, and conditions; and to provide this protection within the statutory time frame in an efficient and effective manner.

The commission performs its responsibilities by responding to applications for certificates, requests for rate and other tariff changes and by investigating consumer complaints. Rural Alaska presents a demanding challenge to the Commission as its virgin territory has become the subject of competing applications for certificates. Commission decisions to certify a utility are the foundation for future service to its consumers, and although ~~as~~ not as headline producing as a rate increase, are, in the long term, the most important function of this agency. The Commission has certificated 210 utilities providing electric, gas, telecommunications, water, sewer and garbage service throughout the state. Of these, 131 utilities are subject to its full regulation. Virtually all Alaskans are dependent upon at least one utility that the APUC has authorized to provide service.

Aside from regular requests for rate relief and other tariff changes, the Commission has experienced a substantial increase in requests for rate relief from electric utilities as a result of the international oil situation and the continuous inflationary spiral. Of particular concern to the Commission is the crisis facing consumers of small rural utilities (AVEC, T-HREA, etc.) whose bills continue to increase, on even a bi-monthly basis, because of the escalating costs of diesel fuel.

In addition, the Public Utility Regulatory Act (PURPA), a section of the National Energy Act, requires the Commission in fiscal 1981 to consider, in a formal hearing proceeding, prescribed ratemaking standards including so-called lifelines rates for qualifying gas and electric utilities.

Competition from telecommunication interconnect companies, is challenging the traditional function of local exchange telephone companies. The separation of expenses of the long lines carriers and the local telephone companies may result in requests for intrastate and local exchange rate increases. Through its presence on the Joint Board of the FCC, the APUC is attempting to obtain the optimum methodology for settlement to Alaska telecommunications utilities.

At the "continuation" level of funding, the APUC will be unable to satisfactorily fund its existing positions. This will result in increased regulatory lag and unresponsiveness to matters that simply will not be possible to handle. Although the workload of the Commission has more than doubled in the last three years, the Staff has been increased by only one position. Furthermore, if the Commission is unable to continue its computer and word processing support program, paper chaos will occur.

06-08-08-00-00 (08-53-3-03-01-00)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

10:07

1/20/80

CATEGORY: PUBLIC PROTECTION

PROGRAM:

AK PUBLIC UTILITIES COMM.

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

SUB-PROGRAM:

***** GOVERNOR ANALYSIS *****

FY80 ATHS REC \$1,523.1

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY80 ATH
01 PERS. SERV.	201.3	17.0%	PERSONAL SERVICES ADJUSTMENT (7.9), REDUCTION OF UNDERFUNDING 28.9, CONSUMER PROTECTION-INFORMATION OFFICER II AND CLERK TYPIST III 50.7, UTILITIES ENGINEER I 29.2 (SEE NOTE 1), SALARY INCREASES 61.8, ECONOMIST II POSITION AS PART OF GOVERNORS ENERGY PACKAGE 38.6 (SEE NOTE 2).
02 TRAVEL	-16.9	-22.5%	INFLATION (1.1), ONE TIME ITEMS (20.0), FY80 WORKPLAN REVISIONS (9.5), TRAVEL RELATING TO NEW POSITIONS 12.9, FOR ECONOMIST II 0.8 (SEE NOTE 2).
03 CONTRACTUAL	-48.4	-19.1%	INFLATION 10.9, ONE TIME ITEMS (105.0), FY80 WORKPLAN REVISIONS 6.6, CONTRACTUAL REQUIREMENTS FOR COMPUTER SYSTEM 37.1, FOR ECONOMIST II POSITION 2.0 (SEE NOTE 2).
04 COMMODITIES	5.1	53.7%	INFLATION 0.7, FY80 WORKPLAN REVISION 0.6, FOR NEW POSITIONS 3.7, FOR ECONOMIST II POSITION 0.1 (SEE NOTE 2).
05 EQUIPMENT	10.0	100.0%	REPLACEMENT EQUIPMENT 5.4, ONE TIME ITEMS (2.3), FY80 WORKPLAN REVISIONS 2.3, FOR NEW POSITIONS 4.0, FOR ECONOMIST II POSITION .6 (SEE NOTE 2).
** TOTAL	151.1	9.9%	
GOVERNOR FIGURE \$1,674.2			

POSITIONS AUTHORIZED

TITLE	LOCATION	TYPE	APP	S&B COSTS	FED.FUND	GEN.FUND	OTH.FUND
1 CONS PROT-INFO OFF. II	ANCHORAGE	FULL	1	33.5		33.5	
2 CLERK TYPIST III	ANCHORAGE	FULL	1	17.7		17.7	
3 UTIL ENGINEER I	ANCHORAGE	FULL	1	29.1		29.1	
** TOTALS			3	80.3		80.3	

NOTE 2: THE COMMISSION HAS BEEN ASKED TO ESTABLISH AN ECONOMIST II POSITION, IN ADDITION TO THEIR FY81 REQUEST, TO WORK ON ISSUES RELATED TO THE GOVERNORS ENERGY PACKAGE.

NOTE 1: INFORMATION OFFICE II ASSIST IN DEVELOPING AND IMPLEMENTING AN INFORMATION PROGRAM. CLERK TYPIST III FOR CLERICAL SUPPORT STAFF TO CONSUMER PROTECTION-INFORMATION SECTION. UTILITIES ENGINEER I TO PROVIDE SURVEILLANCE AND ENFORCEMENT OF TELEPHONE STANDARDS.

***** PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION *****

AUDITS: PERFORMANCE REVIEW OF THE ALASKA PUBLIC UTILITIES COMMISSION, AUGUST 1, 1979.

06-08-08-00-00 (08-53-3-03-01-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

10:07

1/20/80

CATEGORY: PUBLIC PROTECTION

PROGRAM:

AK PUBLIC UTILITIES COMM.

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

SUB-PROGRAM:

FISCAL YEAR 1981

EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	1125.2	1185.5			1177.6	1286.4		1386.8					
02 TRAVEL	73.1	75.0			44.4	57.3		58.1					
03 CONTRACTUAL	191.3	253.1			165.6	202.7		204.7					
04 COMMODITIES	10.6	9.5			10.8	14.5		14.6					
05 EQUIPMENT	5.2				5.4	9.4		10.0					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	1405.4	1523.1			1403.8	1570.3		1674.2					
09 I-A TRANSFER	29.4	36.0			37.6	37.6		37.6					
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	1405.4	1418.1			1403.8	1570.3		1674.2					
13 PGM RECEIPTS		105.0											
14 OTHER FUNDS													
15 FULL-TIME	37.0	37.0			36.0	39.0		40.0					
16 PART-TIME					2.0	2.0		2.0					
17 TEMPORARY													
18 MAN-MONTHS	363.9	444.0			444.8	480.8		492.8					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B	COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 CONS PROT-INFO OFF. II	ANCHORAGE	FULL	1	33.5	2.1	35.6			35.6		1				
2 CLERK TYPIST III	ANCHORAGE	FULL	1	17.7	.9	18.6			18.6		1				
3 UTIL ENGINEER I	ANCHORAGE	FULL	1	29.1	8.0	37.1			37.1		1				
4		TEMP	1												
** NEW POSITION TOTALS			4	80.3	11.0	91.3			91.3		3				

BRU NARRATIVE

CATEGORY Protection

BRU Alaska Pipeline Commission

AGENCY Alaska Pipeline Commission

Alaska's economy is dependent on the development of its natural resources. Oil and gas reserves are its most valuable resource. The size and location of most of Alaska's oil and gas reserves make pipeline transportation the preferred and most economical means of getting the product to the consumer. Pipeline transportation is, therefore, vital to Alaska. Oil and gas pipelines tend to develop as monopolies. This is particularly true in Alaska where construction costs and remoteness prohibit a number of pipelines from serving the same area. It is in the public interest, therefore, to give a state agency the authority to order a pipeline company to provide service at just and reasonable rates. Federal agencies already have the authority to require pipelines carrying oil and gas in interstate commerce to provide service. Federal agencies, however, do not control pipeline transportation of oil and gas in intrastate commerce (where it originates and is consumed within the same state) and are not responsive to local needs. The Alaska Pipeline Commission (APC) was created by the State Legislature to fill that void. The APC is legally responsible for determining whether it is in the public interest to permit construction of a new pipeline or changes to an existing pipeline and can only make a decision after a public hearing and investigation. Once the pipeline is completed, the APC determines what are just and reasonable tariffs. Tariffs include rates and the rules governing transportation.

APC decisions directly affect the amount of Alaska's revenues from oil and gas production because transportation charges are deducted from the wellhead value, thereby reducing the base upon which royalty and tax payments are computed. More than 40% of the general fund is derived from oil and gas production revenues. APC decisions also directly affect costs to the Alaskan shipper. For example, one result of a June 1978 decision issued by the APC in the TAPS tariff cases is that a Fairbanks refinery saves \$13-16 million per year in transportation costs. This decision also resulted in an increase to state revenues from royalty payments.

During FY79, the most important issue facing the APC continued to be the Trans-Alaska Pipeline System (TAPS) rate case. By the end of FY78, the APC had held more than four months of hearings in Alaska and in Washington, D.C. and had issued an initial decision setting a tariff for movement of oil from Prudhoe Bay to North Pole for four TAPS carriers. These hearings were held concurrently with the Federal Energy Regulatory Commission (FERC). Six more months of hearings on this case were held during FY 79 and more than 30,000 pages of testimony, evidence and briefs accumulated. Concurrent TAPS hearings resumed in December 1978 in Washington, D.C. with 34 witnesses presenting testimony. The APC hearings concluded in July 1979. Over 3,000 pages of arguments and recommendations were filed in June and July, 1979 before the federal agency. Similar volumes were filed with the APC during September and October, 1979.

Oral argument was held in Washington, D.C. before the FERC Administrative Law Judge Kane, on the question of APC primary jurisdiction over intrastate transportation of crude oil over the TAPS. Judge Kane ruled on May 23, 1979 that the State has primary jurisdiction over the transportation of crude oil in intrastate commerce. This significant decision upholds the State's right to regulate transportation of crude oil over pipelines to points located within Alaska. This decision, however, is being challenged before the federal agency. APC jurisdiction has also been attacked collaterally. SOHIO Pipeline Corporation filed a complaint against the APC with the FERC in July 1979, stating that the APC's June 1978 decision in the TAPS tariff case created an undue burden on interstate commerce. The APC had denied this allegation. If SOHIO wins, the State's authority to regulate pipelines will be impaired. With its current legislative mandate, the APC will continue to set pipeline tariffs for existing and new pipelines at levels that will provide the lowest cost to consumers and shippers, yet provide fair returns to pipeline companies.

06-08-07-00-00 (08-53-4-06-00-00)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

10:07

1/20/80

CATEGORY: PUBLIC PROTECTION

PROGRAM:

ALASKA PIPELINE COMMISSION

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

SUB-PROGRAM:

* * * * GOVERNOR ANALYSIS * * * *

FY80 ATHS REC \$516.3

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS FY80 ATH
01 PERS. SERV.	59.4	17.7%	PERSONAL SERVICES ADJUSTMENT (1.3), FY80 WORKPLAN REVISIONS (6.4), FILL VACANT PIPELINE ENGINEER POSITION 55.0, SALARY INCREASES 12.1.
02 TRAVEL	-3.7	-16.1%	INFLATION 1.3, FY80 WORKPLAN REVISION (5.0).
03 CONTRACTUAL	118.1	75.9%	INFLATION 11.7, FY80 WORKPLAN REVISION 11.4, LEGAL ASSISTANCE FOR TAPS CASE 95.0.
04 COMMODITIES	0.2	7.1%	INFLATION 0.2.
** TOTAL	174.0	33.7%	
GOVERNOR FIGURE	\$690.3		

06-08-07-00-00 (08-53-4-06-00-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

10:07

1/20/80

CATEGORY: PUBLIC PROTECTION

PROGRAM:

ALASKA PIPELINE COMMISSION

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

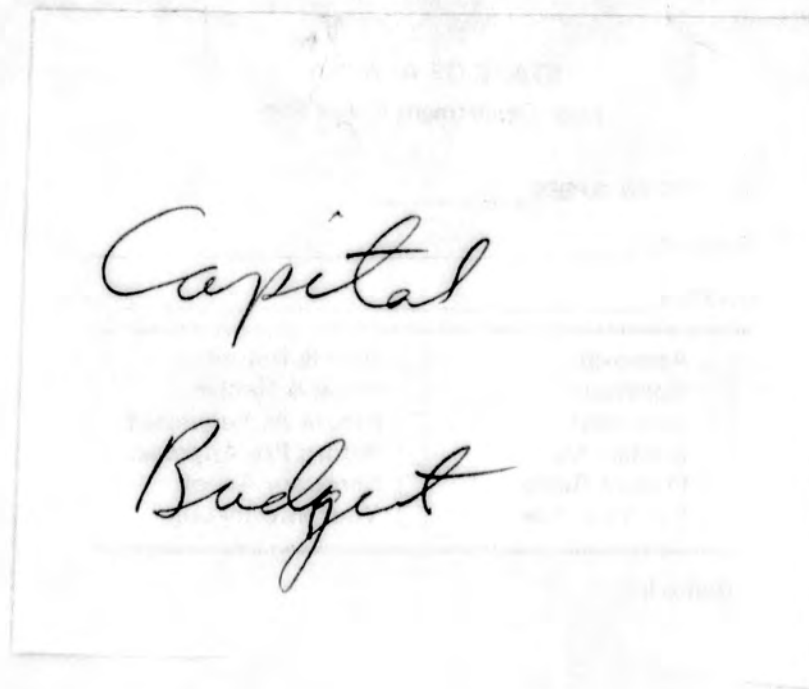
SUB-PROGRAM:

----- F I S C A L Y E A R 1 9 8 1 -----													
EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	285.0	334.9			327.2	382.2		394.3					
02 TRAVEL	18.0	23.0			19.3	19.3		19.3					
03 CONTRACTUAL	184.1	155.6			178.7	273.7		273.7					
04 COMMODITIES	2.0	2.8			3.0	3.0		3.0					
05 EQUIPMENT	1.0												
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	490.1	516.3			528.2	678.2		690.3					
09 I-A TRANSFER	.3	1.8											
10 FED. RECEIPT													
11 G. F. MATCH													
12 GENERAL FUND	490.1	516.3			528.2	678.2		690.3					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	9.0	9.0			9.0	9.0		9.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	108.0	108.0			108.0	108.0		108.0					

NATURAL RESOURCES MANAGEMENT AND ENVIRONMENTAL CONSERVATION

Minerals and Energy Management Program Area

This program area is responsible for management of the petroleum and mineral resources in the State, including the management of the State's oil and gas lease sales. A total of \$2 million is requested to evaluate the oil and gas potential of proposed lease sale areas, the sales of which are presently scheduled through 1984. These evaluations would enable the State to make a better determination of the leasing method, i.e., cash bonus, royalty, net profits interest, most beneficial to the State.



Geologic/Geophysical Interpretation

Provide for seismic interpretation of
proposed lease sale areas.

PRIORITY: 81-1

REQUEST: \$2,000.0

FUNDING: GF

BEGIN: 7/80

COMPLETE: 7/84

DISTRICT: Statewide

OP. COST/YR: 0

PRIORITY:

REQUEST:

FUNDING:

BEGIN:

COMPLETE:

DISTRICT:

OP. COST/YR:

PRIORITY:

REQUEST:

FUNDING:

BEGIN:

COMPLETE:

DISTRICT:

OP. COST/YR:

PRIORITY:

REQUEST:

FUNDING:

BEGIN:

COMPLETE:

DISTRICT:

OP. COST/YR:

MINERALS AND ENERGY MANAGEMENT

Natural Resources Management and Administration Program Area

This program area is responsible for the overall general management of the natural resources of the State. In addition to providing policy direction for the Forest, Land and Water Management, Minerals and Energy Management, and Parks and Recreation programs, this program area is charged with developing regional resource plans across the State, the administration of the fiscal and land records of the Department of Natural Resources and research of the myriad of natural resource issues facing the State. In anticipation of a rapidly changing land ownership pattern over the next several years due to increased federal conveyance of statehood and native lands and state disposal of lands to private ownership, the first phase of the Alaska Land and Resource System (ALARS), a computerized resource inventory and land records system, was initiated in FY 80. The Governor's budget request proposes a \$2.2 million appropriation for completion of the system which will provide the capability of keeping land records current despite voluminous land ownership transfers. Additionally, funds are requested to ready the State's general grant land selection files for anticipated accelerated federal land transfers over the next six years. Funds are also requested to survey the State's ownership of proposed offshore oil and gas lease sales scheduled through 1983 and \$5,500.0 is identified for survey of 100,000 acres of State land scheduled for disposal in FY 82.

NATURAL RESOURCE MANAGEMENT AND ENVIRONMENTAL CONSERVATION CATEGORY

Alaska Land and Resource System (ALARS)

Fund phase II of ALARS, a computerized resource inventory system.

PRIORITY: 81-1

REQUEST: \$2,233.7

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 6/30/81

DISTRICT: 7-12, 4

OP. COST/YR: \$1,113.0

DEPARTMENT OF NATURAL RESOURCES

Cadastral Land Surveying

Provide for survey of 100,000 acres of State land prior to disposal.

PRIORITY: 81-2

REQUEST: \$5,500.0

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 6/30/81

DISTRICT: Statewide

OP. COST/YR: 0

Offshore/Marine Boundary Survey

Determine State ownership boundaries in offshore lease sale areas: Beaufort Sea, Cook Inlet, Norton Basin, Chukchi Sea.

PRIORITY: 81-3

REQUEST: \$1,126.5

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 6/30/83

DISTRICT: 16-21

OP. COST/YR: \$45.0

General Grant Selections

Update General Grant Selection land files to prepare for increased land conveyance from the federal government.

PRIORITY: 81-4

REQUEST: \$161.3

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 6/30/81

DISTRICT: Statewide

OP. COST/YR: 0

Economic Development Program Area

The goal for economic development is to provide Alaskans with the maximum opportunity to participate in the State's economy by using Alaska's natural, human, and financial resources to strengthen and diversify its economic base. Emphasis is placed on projects which can generate a sustainable revenue base. The six year Economic Development program includes five sections: Economic Enterprise and Energy/Power Development, Alaska Power Authority, Bottom Fish Development, Agriculture Development, and Alaska Renewable Resources Development Corp.

Economic Enterprise and Energy/Power Development:

The availability of community infrastructure (transportation facilities, water and sewer facilities, etc.) is essential for economic development. The federal Economic Development Administration (EDA) program, administered by the Division of Economic Enterprise, provides matching funds for community infrastructure needed to generate industrial development. The FY 81 budget emphasizes projects in economically depressed communities. The agency did not submit a six year plan, however, providing that there are no federally initiated changes to the program, the present program direction will continue.

The Division of Energy and Power Development FY 81 budget will contribute to economic development objectives by determining Alaska's energy supply and demand, providing assistance to rural communities, demonstrating the feasibility of alternative energy technologies and promoting energy conservation. A long-term objective is to have Alaska self reliant in providing it's energy supply.

Alaska Power Authority:

Economic as well as community development depends on adequate supplies of energy at the lowest reasonable price, consistent with accepted engineering standards and environmental and social concerns. The Alaska Power Authority provides financial and technical assistance needed for the development of electrical energy. Emphasis is placed on supplanting oil fueled electric generators with power from renewable sources of energy, particularly hydroelectric power. The Governor's FY 81 budget requests sufficient funds for multiyear feasibility assessments or construction of projects in every region of the State.

DEVELOPMENT CATEGORY

Single Wire Ground Return Demonstration

The intent of this project is to test the concept of a single wire ground return for electrical transmission. This funding supplements \$540.0 appropriation in FY 80.

PRIORITY: 81-1

REQUEST: \$50.0

FUNDING: GF

BEGIN: 10/1/79

COMPLETE: 12/30/80

DISTRICT: 17

OP. COST/YR:

ENERGY AND POWER DEVELOPMENT

Energy Supply and Demand Assessment

This project will assess the supply and demand for petroleum fuels in the State of Alaska.

PRIORITY: 81-2

REQUEST: \$100.0

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 11/30/80

DISTRICT: Statewide

OP. COST/YR:

Facilities Grant Program

This program provides funding for retrofitting schools, hospitals, local government and public care facilities in order to reduce energy consumption.

PRIORITY: 81-3

REQUEST: \$2,655.0

FUNDING: \$1,770.0 FED

\$885.0 GF Match

BEGIN: 7/1/80

COMPLETE: 9/30/81

DISTRICT: Statewide

OP. COST/YR:

Alternative Energy Demonstration Projects

This project will fund the preliminary design and demonstration of alternative energy projects adapted to Alaskan conditions.

PRIORITY: 81-4

REQUEST: \$550.0

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 12/30/82

DISTRICT: Statewide

OP. COST/YR:

Susitna Feasibility Analysis

This project is to provide a portion of the funding needed to assess the engineering, economic, and environmental feasibility of the Susitna River Hydroelectric Project. Total funding for the assessment is expected to be \$29,612.3.

PRIORITY: 81-1

REQUEST: \$3,335.0

FUNDING: GF

BEGIN: 12/1/79

COMPLETE: 12/1/83

DISTRICT: Railbelt

OP. COST/YR:

Swan Lake Hydroelectric Project

This project provides for a subordinated loan for the Swan Lake hydroelectric project near Ketchikan.

PRIORITY: 81-2

REQUEST: \$18,000.0

FUNDING: 1015 RRIF *

BEGIN: 7/1/80

COMPLETE: 8/1/83

DISTRICT: 1

OP. COST/YR: \$150.0

*Renewable Resources Investment Fund

AVEC Fuel Conversion Project

This funding is for Phase III of a project to determine the feasibility of a wood and coal fueled electrical generation system for use in rural villages.

PRIORITY: 81-3

REQUEST: \$125.0

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 6/1/82

DISTRICT: 18

OP. COST/YR:

Dillingham Hydroelectric Project

This project assess the energy supply and demand in Dillingham and determines what renewable source of energy can most cost-effectively provide for the region's electrical energy needs.

PRIORITY: 81-4

REQUEST: \$100.0

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 9/1/83

DISTRICT: 16

OP. COST/YR:

ECONOMIC DEVELOPMENT

DEVELOPMENT

Kisaralik Hydroelectric Project

This project assess the energy supply and demand in the Bethel region and determines which source of renewable energy can most cost-effectively provide for the electrical energy needs.

PRIORITY: 81-5

REQUEST: \$100.0

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 9/1/83

DISTRICT: 17

OP. COST/YR:

ALASKA POWER AUTHORITY

Haines - Skagway Hydroelectric Project

This project assess the energy supply and demand in the Haines-Skagway region and determines which source of renewable energy can most cost-effectively provide for the electrical energy needs.

PRIORITY: 81-6

REQUEST: \$100.0

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 9/1/83

DISTRICT: 3

OP. COST/YR:

Mennonite Creek Hydroelectric Project/Kodiak

Funding is provided via the Power Projects Loan Fund for the development of a small hydroelectric facility for Port Lions.

PRIORITY: 81-7

REQUEST: \$200.0

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 9/1/82

DISTRICT: 15

OP. COST/YR: \$2.0

Larsen Bay Hydroelectric Project/Kodiak

Funding is provided via the Power Projects Loan Fund for the development of a small hydroelectric facility for Larsen Bay.

PRIORITY: 81-8

REQUEST: \$200.0

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 9/1/82

DISTRICT: 15

OP. COST/YR: \$15.0

DEVELOPMENT

Old Harbor Hydroelectric Project/Kodiak

Funding is provided, via the Power Project Loan Fund, for the development of a small hydroelectric facility for Old Harbor.

PRIORITY: 81-9

REQUEST: \$200.0

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 9/1/82

DISTRICT: 15

OP. COST/YR: \$20.0

ALASKA POWER AUTHORITY

AVEC Villages Hydro Study

This project provides loans, via the Power Projects Loan Fund, for the feasibility and design of electrical generating facilities that are one MW or less and use a renewable resource as a source of energy.

PRIORITY: 81-10

REQUEST: \$325.0

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 12/30/81

DISTRICT: Statewide

OP. COST/YR:

Discretionary Study Funds

The purpose of this funding is to perform preliminary feasibility studies of hydroelectric projects and other renewable sources of energy that are one MW or less.

PRIORITY: 81-11

REQUEST: \$75.0

FUNDING: GF

BEGIN: 7/1/80

COMPLETE: 12/1/81

DISTRICT: Statewide

OP. COST/YR:

PRIORITY:

REQUEST:

FUNDING:

BEGIN:

COMPLETE:

DISTRICT:

OP. COST/YR:

ECONOMIC DEVELOPMENT

DEVELOPMENT

Lake Tyee Hydroelectric Project

The purpose of this funding is to provide a subordinated loan needed to finance construction of the Lake Tyee Hydroelectric Project.

PRIORITY: 81-12
REQUEST: \$10,000.0
FUNDING: RRIF*
BEGIN:
COMPLETE:
DISTRICT: 2
OP. COST/YR: \$200.0

* Renewable Resources Investment Fund

ALASKA POWER AUTHORITY

PRIORITY:
REQUEST:
FUNDING:
BEGIN:
COMPLETE:
DISTRICT:
OP. COST/YR:

PRIORITY:
REQUEST:
FUNDING:
BEGIN:
COMPLETE:
DISTRICT:
OP. COST/YR:

PRIORITY:
REQUEST:
FUNDING:
BEGIN:
COMPLETE:
DISTRICT:
OP. COST/YR:

DEVELOPMENT

Renewable Resources Development Fund

The Renewable Resources Development Fund provides venture capital for economic development within the State of Alaska.

PRIORITY: 81-1
REQUEST: \$20,000.0
FUNDING: RRDF*
BEGIN: 7/1/80
COMPLETE: 6/30/81
DISTRICT:
OP. COST/YR:

* Renewable Resources Development Fund

ALASKA RENEWABLE RESOURCES CORPORATION

PRIORITY:
REQUEST:
FUNDING:
BEGIN:
COMPLETE:
DISTRICT:
OP. COST/YR:

PRIORITY:
REQUEST:
FUNDING:
BEGIN:
COMPLETE:
DISTRICT:
OP. COST/YR:

PRIORITY:
REQUEST:
FUNDING:
BEGIN:
COMPLETE:
DISTRICT:
OP. COST/YR:

ECONOMIC DEVELOPMENT

7C Analysis of Governor's Decisions

ITEM	AMOUNT	FUNDING SOURCE	EXPLANATION
Facilities and Transportation	1,500.0	FED	The following projects within the total request were approved and budgeted as allocations in the FY 81 capital budget:
Research Program Request	9,165.0	GF	
	2,500.0	PR	
			Federal Highway Research Program (1,000.0 Fed; 200.0 GF) Engineering Computer Software (305.0 GF) Highways Life Cycle Costing (250.0 GF) Stabilized Soils Study (150.0 GF) Resilient Soil Properties Study (80.0 GF) Snow and Ice Control (150.0 GF) Rut Measuring Device (35.0 GF) Permafrost Culverts Study (50.0 GF) Building Energy Conservation Research (165.0 GF) Solar Alaskan Schools (140.0 GF) New Roofing Materials (50.0 GF) Fuel Cell Testing (60.0 GF) Remote Facility Monitoring (300.0 GF) Meteor Burst Demo Project (40.0 GF) Satellite Data System (100.0 GF) Vehicle Air Quality Project (300.0 GF) New Product Testing (100.0 GF) Anchorage Traffic Computer (130.0 GF) Paint Performance Testing (50.0 GF) Pavement Thermal Study (40.0 GF) Research Cataloging System (50.0 GF) ACV Study (100.0 GF) Hydrofoil Demo Project (100.0 GF)
Recommended	2,945.0	GF	All other projects were not funded due to incomplete or inadequate justification. In future years, <u>each</u> project should be treated as a separate capital request
	1,000.0	FED	

CATEGORY General Government

AGENCY DOTPF

PROGRAM _____

7C ANALYSIS OF
GOVERNOR'S DECISIONS

000099

wheel path ruts. This type of surface feature is usually caused by surface wear or displacement of materials and has been associated with various problems of driver fatigue, hydroplaning and watersplash. The present method used by condition rating crews to measure rut depth is by means of individual readings using a 5-foot straight edge device. This approach, although accurate, is extremely slow and can be rather dangerous depending on traffic conditions. The purpose of this project is to develop a machine which will automatically measure, average and store rut depth information over a given section of highway. Several western European countries have already automated this task but have usually made use of a rather mechanically complicated and cumbersome multi-wheeled device. Our approach to this problem will include the construction of a non-contact instrument which will function at normal highway speeds. We intend to utilize either laser or ultrasonic sounding techniques as the basis for this system. The total cost of this project, including the design and construction of one functional rut measuring device, is estimated at \$35,000.

Priority #8, Culvert Design and Performance in Permafrost Areas

Culvert installations in permafrost areas may present various problems which result in excessive long-term maintenance costs. Progressive warming of soils beneath the culverts can cause localized thawing which eventually results in the culverts settling below the surrounding ground and requiring expensive replacement. In other cases culverts can act as air circulation and cooling ducts, resulting in frost heaves at the culvert sites. The presence of permafrost around culverts also leads to early ice blockage where wintertime water flows must be carried.

Under this study a series of typical culvert installations in permafrost areas will first be instrumented to measure the effects of the culverts on surrounding soil temperatures and freeze and thaw depths. This data will be analyzed by computerized heat flow methods to determine the most favorable culvert design features; such as insulation layers or thermotube heat transfer systems, for preventing culvert-related roadway problems. Following the design analysis, the best design features will be subjected to field trials and evaluations. Costs for this study will total \$50,000 for the three stages of field investigations, design analyses and field trials.

PROJECTS PERTAINING TO GOAL #2

Priority #1, Buildings Energy Conservation

Wide variability in regional energy costs and environmental conditions across the State of Alaska render conventional building design practice virtually useless. Very little of the national literature concerned with energy

CONTINUATION FORM

CATEGORY General Government AGENCY Department of Transportation and Public Facilities PROGRAM Building and Equipment Services
PROJECT TITLE Facilities and Transportation Research Program

conservation in buildings or energy efficient building design is appropriate to the extreme conditions in Alaska. Building components and materials which perform well in temperate climates must be tested under Alaskan conditions to assure environmental compatability. For these reasons the State of Alaska must rely on its own Research and Development resources with respect to the appropriate design and maintenance of new and existing public facilities. A continued program in buildings' components, design and energy performance research is necessary to assure that public facilities will be built with acceptable lifecycle costs and user acceptability standards. This program is now underway with several ongoing projects. To continue this effort at an acceptable level of activity for a two year duration, the cost will be \$165,000.

Priority #2, Passive Solar Alaskan School

An ongoing project is the research and development of a passive solar design which would lower the energy costs for heating rural Alaskan schools. It is the ultimate intention of this project to build a semi-portable demonstration facility which can be transported to various locations throughout the state to evaluate performance and gauge user acceptance. Federal funding has been applied for to supply a portion of the design, construction, transportation and monitoring costs of this project. However, it will be necessary to match Federal dollars with State dollars in this instance. The State portion required to continue this project over the next two years is estimated to be \$140,000.

Priority #3, New Materials for Roofing Applications

Problems associated with the construction of flat roofs in arctic and subarctic environments often contribute to extraordinarily high building maintenance costs. Damage is usually attributable to cracking of the sealing membrane and subsequent water intrusion into or through the insulation layer. Specific ceiling moisture problems are numerous but usually result in water staining or substantial loss of insulation efficiency. Many flat roof structures are severely damaged by a combination of thermal cycling and water pounding after only two or three years of service. Developments within the past few years have made available much stronger membrane fabrics which can be incorporated into the standard roof construction. These materials are borrowed mainly from the technology of engineering fabrics as used in roadway and bridge construction but hold great promise in roofing applications. Within the scope of this project, a number of those products will be evaluated for use in roof construction. Several examples of trial installations by the private sector will be visited and evaluated if possible. Selected materials will be applied to the roofs of public buildings and monitored for serviceability. The cost for this study will be approximately \$50,000.

CONTINUATION FORM

CATEGORY General Government AGENCY Department of Transportation and Public Facilities PROGRAM Building and Equipment Services
PROJECT Facilities and
TITLE Transportation Research Program

PROJECTS PERTAINING TO GOAL #3

Priority #1, Windmill Application

Wind surveys have shown that the potential for Alaska, especially rural Alaska, to obtain a significant portion of its electrical energy from wind is great. Indeed, wind power demonstrations in Alaska have thus far shown that often it is the overabundance of wind, rather than the lack of it, which causes the system failures. (Virtually every demonstration to date has experienced serious failure of wind-driven machines during high wind conditions.) It would appear that the emphasis of future wind investigations concentrate on the reliability of the available machinery rather than the wind field. To this end we propose the establishment of a wind power test facility to be located at an appropriate State facility (highway camp, etc.), where permanent test towers could be erected for evaluating the performance of various machines. With test data from this facility it would be possible for facilities planners to specify a proven machine for a given application. We believe that it has been the lack of such data which has thus far limited the number of wind power applications in Alaska. The estimated construction and operating cost for two years of such a facility would be \$210,000.

Priority #2, Fuel Cells

There are many applications within the responsibility of the Department of Transportation and Public Facilities where reliable on-site electrical power is required. These cases are most frequently encountered in rural Alaska where the cost of maintaining and operating a power system are the highest. Presently the systems used are diesel-electric generators and/or storage batteries, depending on the size of the load requirements. Among the alternatives to these systems, the fuel cell offers many attractive features:

- 1) High efficiency (lower fuel consumption).
- 2) Minimum of moving parts (lower maintenance cost)
- 3) High reliability and potentially long operating life

The fuel cell, however, remains in a developmental stage as far as routine usage is concerned. While fuel cells have been successfully used to power space satellites as well as other specialized applications, the industry has not yet produced reliable units which are both cost competitive and have off-the-shelf availability. In spite of these factors, the benefits which could potentially be realized in rural Alaska by applications of fuel cells are great enough to warrant a modest program of continued research by DOT&PF. State research dollars augmented by matching U.S. Dept. of Energy funding could assure systematic testing in northern environments of new and improved units as they become available. The cost of this program over the next two year period is estimated to be \$60,000.

CONTINUATION FORM

CATEGORY General Government AGENCY Department of Transportation and Public Facilities PROGRAM Building and Equipment Services
PROJECT TITLE Facilities and Transportation Research Program

7C Analysis of Governor's Decisions

ITEM	AMOUNT	FUNDING SOURCE	EXPLANATION
Facilities Planning Request	8822.8	GF	This request consists of three elements: 1) continuation of ongoing activities into FY81 (2,657.3); 2) continuation of ongoing activities in FY82 (3084.1); and 3) one-time special projects (3107.1). Of the items indicated to be ongoing projects, some were included in the FY81 operating budget as continuation (999.2) or as conversion of CIP positions (750.). Therefore, the amount of funding needed in the FY81 capital budget to fund ongoing projects in <u>908.1</u> (2,657.3 - (999.2 + 750.0)). The cost of ongoing activities in FY82 should be requested in the FY82 budget. The balance of the Governor's recommended FY81 capital budget is to be allocated to the following projects: Completion of Inventory and Condition Survey <u>1,6000.0</u> ; Data Base input for inventory and condition survey <u>44.1</u> ; Development of Energy standards <u>275.0</u> ; maintenance and operations planning system <u>165.0</u> ; contingency for survey and inventory project completion, if necessary <u>107.8</u> . These funds may be used for other projects only after completion of survey and inventory project.
Recommended	3100.0	GF	

CATEGORY GENERAL GOVERNMENT AGENCY DOTPF PROGRAM

PROJECT TITLE Facilities Planning		LOCATION(S) Statewide	AREA SERVED Statewide	ELECTION DISTRICT(S) A11																		
OBJ. NO(S) 1,2,3,4,5	OPERATING BUDGET BRU(S)	NAME(S)	BUDGET COMPONENT NUMBERS	START DATE July, 1980 COMPLETION DATE June, 1982																		
PROJECT NARRATIVE FACILITIES ANNUAL WORK PROGRAM: FY 81 The facilities component of the Planning and Research Unit operates within a planning process that is compatible with that of the transportation component. That process is accomplished at three levels (Statewide, Regional and Unit Support) in four phases described as follows. <u>Phase 1</u> Public Input, is the collection of perceptions, attitudes and needs from any party that may make use of benefit from or be impacted by future public facilities. <u>Phase 2</u> Policies and Procedures is the formulation of mechanising which satisfy legislative mandates and accomodate public input obtained in Phase 1. <u>Phase 3</u> Facility performance and evaluation, is a process of testing both existing facility adequacy, and alternative programs for satisfying future facility needs which have been identified in Phases 1 and 2. <u>Phase 4</u> Facility development is a part of the overall process which brings together the specific facility alternatives derived in Phase 3 into a statewide Capital Improvement Program (state public facilities plan), as required by AS 44.42.055 and concludes with the implementation of built facilities. <u>STATEWIDE:</u> Statewide activities pertaining to Phase 1 (Public Input) include the following:		PROJECT TYPE ☐ Building Construction (C) ☐ Other Improvement (I) ☐ Equipment (E) ☐ Land (L) ☒ Professional Services (P) ☒ Other (O)	APPROPRIATION REQUEST <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>1002</td> <td>FED. RCPTS.</td> <td></td> </tr> <tr> <td>1003</td> <td>G/F MATCH</td> <td>8,822.8</td> </tr> <tr> <td>1004</td> <td>GEN. FUND</td> <td></td> </tr> <tr> <td>1005</td> <td>I/A RCPTS.</td> <td></td> </tr> <tr> <td></td> <td>G.O. BONDS</td> <td></td> </tr> <tr> <td colspan="2" style="text-align: right;">TOTAL</td> <td>8,822.8</td> </tr> </table>		1002	FED. RCPTS.		1003	G/F MATCH	8,822.8	1004	GEN. FUND		1005	I/A RCPTS.			G.O. BONDS		TOTAL		8,822.8
		1002	FED. RCPTS.																			
		1003	G/F MATCH	8,822.8																		
		1004	GEN. FUND																			
1005	I/A RCPTS.																					
	G.O. BONDS																					
TOTAL		8,822.8																				
PROJECT CHARACTERISTICS ☐ Totally New Facility ☐ Addition to Existing Facility ☐ Renovation of Existing Facility ☐ Major Maintenance or Repair ☐ Supplement Previously Authorized Funds to Enable Completion ☐ One of Several Phases ☐ Major External Funding Source ☒ Other	GOVERNOR'S RECOMMENDATION APPROVED DEFERRED DISAPPROVED ☒ ☐ ☐ <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>1002</td> <td>FED. RCPTS.</td> <td></td> </tr> <tr> <td>1003</td> <td>G/F MATCH</td> <td></td> </tr> <tr> <td>1004</td> <td>GEN. FUND</td> <td>\$3,100.0</td> </tr> <tr> <td>1005</td> <td>I/A RCPTS.</td> <td></td> </tr> <tr> <td></td> <td>G.O. BONDS</td> <td></td> </tr> <tr> <td colspan="2" style="text-align: right;">TOTAL</td> <td>\$3,100.0</td> </tr> </table>		1002	FED. RCPTS.		1003	G/F MATCH		1004	GEN. FUND	\$3,100.0	1005	I/A RCPTS.			G.O. BONDS		TOTAL		\$3,100.0		
1002	FED. RCPTS.																					
1003	G/F MATCH																					
1004	GEN. FUND	\$3,100.0																				
1005	I/A RCPTS.																					
	G.O. BONDS																					
TOTAL		\$3,100.0																				
NO YES SITE FEATURES ☐ ☐ Site Currently Owned? ☐ ☐ All Utilities Available? ☐ ☐ Access Already Available?	01-1035a (12/79)																					
OPERATIONAL COST & NO. PERSONNEL INCREASE (DECREASE) FUNDING SOURCE TOTAL ANNUAL OPERATIONAL COST POSITION (FTE)	FIRST OPERATING YEAR _____ YEAR _____ YEAR _____ YEAR _____	ULTIMATE ANNUAL YEAR _____ YEAR _____ YEAR _____ YEAR _____	PREVIOUS YR-PRIORITY AGENCY PRIORITY GOVERNOR'S PRIORITY																			

 CATEGORY General Government

 AGENCY DOT/PF

 PROGRAM Facilities Planning

b00129

CAPITAL PROJECT EXPENDITURES (CASH FLOW) Millions	TOTAL	BUDGET YEAR	BUDGET YEAR Plus 1	BUDGET YEAR Plus 2	BUDGET YEAR Plus 3	BUDGET YEAR Plus 4	REMAINING COST
Planning and Engineering 12%	29.7	2.0	4.4	4.7	5.1	5.4	5.8
Land							
Construction	200.4	10.3	30.0	32.0	34.3	36.7	39.3
Equipment							
Administration and Other 7%	17.3	2.4	2.6	2.8	3.0	3.2	3.4
Total Annual Expenditure (Capital Cost)	247.4 M	14.7 M	37.0 M	39.5 M	42.4 M	45.3 M	48.5 M

CONTINUATION OF NARRATIVE

CATEGORY General Government AGENCY DOT/PF PROGRAM Energy

PROJECT
TITLE _____

35b

**PROPOSED PROJECT
ANALYSIS**

REVISED
DATE _____

000130

SECTION III: PROJECT DESCRIPTIONS

TRANSPORTATION AND MISCELLANEOUS APPROPRIATIONS

SUPPLEMENTAL/SPECIAL CAPITAL REQUESTS

DEPARTMENT OF ADMINISTRATION

Employee Housing Renovation and Replacement \$1,931.0 GF

This project will allow the expeditious correction of many substandard conditions now existing in State employee housing. Early approval of this request will also allow the design and construction this year of those replacement housing units most needed.

Nursing Wing, Anchorage Pioneers' Home \$3,000.0 GF

This project will construct a two story 80-100 bed nursing wing as an addition on the Anchorage Pioneers' Home. This Pioneers' Home was originally designed and built without a nursing facility and many residents are in need of these services. The \$7,500.0 originally made available for construction by Ch 122 SLA 78 is insufficient because of the effect inflation has had on construction costs. The request will provide sufficient funds to build the facility at 1980-81 construction cost.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

Susitna Feasibility Analysis \$7,500.0 GF

This project will partially fund a study of the engineering, economic and environmental feasibility for a multi-dam hydroelectric generation system on the upper Susitna River. The study will be performed by a private engineering firm in conjunction with State agencies. It is estimated that the cost for the entire study will be \$29.6 million and take 2½ years to complete. This project will complete the portion of the study necessary for a go-no go decision in the spring of 1981.

DEPARTMENT OF EDUCATION

EDA (Skill Center) Shop Building \$600.0 FED \$800.0 GF

This project will construct a new shop building for the Alaska Skill Center in Seward. The skill center has been invited to apply for federal funds from the Economic Development Administration, and it is expected that the federal funds will be available in March, 1980 for the project. State matching funds are required to receive the federal grant. The new shop building will include classrooms and shop space for an expanded marine mechanics program, expanded welding program, and a small engine and electronics program. These expanded programs are needed in Seward as a result of the new shipbuilding facility being constructed there by the private sector.

Secondary School-Nightmute \$2,465.0 GF

This project will construct a secondary school for approximately 25 students who would otherwise have to attend a boarding school outside their home village. No high school exists at this location.

Little Diomed Secondary School \$1,932.0 GF

This project will provide a wood frame school building for students who currently must leave the island to attend high school.

Secondary School-Kasigluk

\$3,162.4 GF

This project will construct a school for approximately 44 students. No high school exists at this location.

Shaktoolik Secondary School-Overrun

\$450.0 GF

This project provides funds to avoid an anticipated overrun in construction of a combined elementary/secondary school. This new school replaces the existing BIA school and will serve approximately 37 students of which about 9 are high school students.

DEPARTMENT OF FISH AND GAME

Subport Building Upgrade

\$149.5 GF

This project will provide improvements to the subport building which the Department of Fish and Game uses as its headquarters. The building presently is unsafe and in violation of OSHA and fire codes. Improvements to be funded include rewired electrical system, fire alarms, modified ventilation system, improved heating, perimeter fire wall and additional fire exits. Because the present building condition represents a threat to employee health and welfare it is felt that a FY 80 Supplemental is more appropriate than a FY 81 CIP request.

OFFICE OF THE GOVERNOR

Automated Budget System

\$500.0 GF

This project will complete the development of a computerized budget system for use by all State agencies, the Governor's office, and the Legislature. The proposed system will allow State agencies to prepare their budget requests directly on the State's computer in order to save time and eliminate calculation errors. After agencies enter both operating and capital requests, the Governor can easily analyze the requests and make recommendations, and the Legislature can review the data directly on the computer. Automated interfaces with the State's accounting and personnel/payroll systems will be included. There will be a complete tracking of all fiscal actions, including revised programs and reimbursable services agreements. The current cost of over \$2 million to prepare each annual budget requests will be significantly reduced by use of this automated system.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Ketchikan Jail Completion

\$949.3 GF

This project provides for the completion of the 28 bed facility needed to replace the current jail facility leased from the General Services Administration. Bond funds approved in 1978 to construct a new Adult Correction Facility in Ketchikan are not sufficient to build the size of facility contemplated in the proposal. The project budget estimates did not include funds to purchase land for the facility, and it has now been determined that free land is not available. Additionally, the project cost estimates were based on a consultants study which used national average construction costs rather than the considerably higher Alaskan construction costs. The study also used an inflation factor of half current inflation.

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Energy Conservation Measures

\$25,000.0 GF

This request initiates a long-term effort to make state facilities more energy efficient. The energy retrofit program also includes a \$10,000.0 request in the FY 81 capital budget and other projects proposed for future funding in the Governor's six year capital program. The funds appropriated by this FY 80 supplemental will be used to retrofit those facilities which are identified as least energy efficient. It is expected that the savings in fuel costs will pay for the cost of the individual projects within four to ten years, depending on the facility. Given the escalating cost of fuel and the wasteful use of fuel by some facilities, it is essential to start this program as soon as possible.

Introduced: 4/22/80
Referred: Resources and
Finance

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 1020

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to energy: establishing a Department
7 of Energy, describing its organization, powers and
8 duties, and transferring to it the Alaska Council on
9 Science and Technology and the programs relating to
10 energy presently under other executive departments,
11 boards and corporations; establishing an Executive
12 Energy Council; establishing an Alaska Energy Research
13 and Development Center in the Department of Energy;
14 amending the Alaska Land Act to withdraw from the
15 Department of Natural Resources responsibility for
16 management of energy resources; amending provisions for
17 representation of the state under the Western Inter-
18 state Nuclear Board; reconstituting the membership of
19 boards and commissions which deal with energy; and
20 providing for an effective date."

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

22 * Section 1. FINDINGS. The legislature finds that

23 (1) the natural resources of the state include an array of energy-
24 producing minerals and materials, including oil, natural gas, coal, and
25 geothermal sources, and wind, solar and hydroelectric sources, which can make
26 significant contributions to the energy requirements of the nation and pro-
27 vide a basis for the long-term economic development of the state;

28 (2) the presence of energy resources of this variety and magnitude
29 presents both problems and opportunities: the need to plan for the develop-

For remainder of bill see bill file.

JA