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281

Offered: 5/5/83
Referred: Finance

Original sponsor: Finance Committee

1 IN THE SENATE
2 CS FOR SENATE BILL NO. 281 (L&C)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to energy development and conserva-
7 tion functions of the Department of Commerce and
8 Economic Development and the Department of Community
9 and Regional Affairs; and providing for an effective
10 date."
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
12 * Section 1. AS 43.20.037(d)(2)(K) is amended to read:
13 (K) any other energy conservation [ENERGY-SAVING]
14 device approved by the commissioner of community and regional
15 affairs [COMMERCE AND ECONOMIC DEVELOPMENT UNDER AS 44.33.040-
16 (12)].
17 * Sec. 2. AS 44.47.050 is amended by adding a new paragraph to read:
18 (19) plan, study, implement, and assist programs for energy
19 development and energy conservation, including weatherization, to meet
20 community and regional needs.
21 * Sec. 3. AS 44.83.162(1) is amended to read:
22 (1) In order to qualify for power cost assistance, each electric
23 utility must make every reasonable effort to minimize administrative,
24 operating, and overhead costs, including using the best available
25 technology consistent with sound utility management practices. In
26 reviewing applications for power cost assistance, the commission has
27 the authority to require the elimination of duplicative or otherwise
28 unnecessary operating expenses. Each eligible electric utility shall
29 cooperate with appropriate state agencies [, INCLUDING BUT NOT LIMITED

1 TO THE ALASKA PUBLIC UTILITIES COMMISSION, THE ALASKA POWER AUTHORITY,
2 THE ALASKA ENERGY CENTER, AND THE DIVISION OF ENERGY AND POWER DEVEL-
3 OPMENT IN THE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT,] to
4 implement cost-effective energy conservation measures, and to plan for
5 and implement feasible alternatives to diesel generation.

6 * Sec. 4. AS 44.83.177(d) is amended to read:

7 (d) In completing a reconnaissance study, the authority shall
8 consult with the [DIVISION OF ENERGY AND POWER DEVELOPMENT IN THE]
9 Department of Community and Regional Affairs [COMMERCE AND ECONOMIC
10 DEVELOPMENT] to determine the information that each may require for
11 energy planning and the development of technology.

12 * Sec. 5. AS 44.83.400(2)(3) is amended to read:

13 (B) the [DIVISION OF ENERGY AND POWER DEVELOPMENT,]
14 Department of Community and Regional Affairs [COMMERCE AND ECO-
15 NOMIC DEVELOPMENT]; and

16 * Sec. 6. AS 45.89.010 is amended to read:

17 Sec. 45.89.010. FUND ESTABLISHED. There is established in the
18 Department of Commerce and Economic Development the residential energy
19 conservation fund to carry out the purposes of this chapter. Loans
20 and [REFUNDS,] grants [AND LOANS] made under this chapter may be used
21 to purchase, construct, and install an energy conservation improvement
22 in residential buildings. The fund may not be used for any [NO] other
23 purpose.

24 * Sec. 7. AS 46.11.040(3)(B) is amended to read:

25 (B) is located or is to be located in an area where
26 thermal and lighting energy standards are not justified because
27 of the high cost of implementation of the standards, as deter-
28 mined under regulations adopted by the commissioner of community
29 and regional affairs [COMMERCE AND ECONOMIC DEVELOPMENT], or

1 * Sec. 8. AS 46.11.900(3) is amended to read:

2 (3) "energy audit" means a determination and written sum-
3 mary prepared under [AS 46.11.030 OR] sec. 215(b)(1)(A) of the Na-
4 tional Energy Conservation Policy Act (42 U.S.C. 8216(b)(1)(A)) of

5 (A) the energy consumption characteristics of a build-
6 ing, including the size, type, and rate of energy consumption of
7 major energy consuming systems of the building and the climate
8 characterizing the region where the building is located; and

9 (B) the energy conservation and cost savings likely to
10 result from appropriate energy-conserving maintenance and operat-
11 ing procedures and modifications, including the purchase and
12 installation of energy-related fixtures; for purposes of this
13 subparagraph when a fossil fuel is the energy source, the energy
14 cost savings shall be determined with reference to the projected
15 price of that fossil fuel over a 10-year period;

16 * Sec. 9. AS 46.11.900(9)(B) is amended to read:

17 (B) by the commissioner of community and regional
18 affairs [COMMERCE AND ECONOMIC DEVELOPMENT UNDER AS 44.33.040-
19 (12)] for buildings and structures that [WHICH] are not public
20 facilities.

21 * Sec. 10. The following laws are repealed: AS 44.33.030 - 44.33.060;
22 AS 45.88.500(2)(C); AS 45.89.020, 45.89.500(3)(A); AS 46.11.030, 46.11.-
23 900(1)(B)(iii); and AS 46.12.120(4).

24 * Sec. 11. On the effective date of this Act a program or project that
25 is supervised by the section of power development in the Department of
26 Commerce and Economic Development, including an unexpended appropriation
27 for a program or project, is transferred to the Department of Community and
28 Regional Affairs. The Department of Community and Regional Affairs may
29 delegate supervision of a program or project transferred under this section

1 to a state department or agency, including the Alaska Power Authority and
2 the University of Alaska. |

3 * Sec. 12. Notwithstanding the repeal of AS 45.89.020 made by sec. 10
4 of this Act, a refund or grant shall be paid under AS 45.89.020 if an
5 energy audit is performed before July 1, 1983 for the residential building
6 that is the subject of the refund or grant application and if the refund or
7 grant application is filed before January 1, 1984.

8 * Sec. 13. This Act takes effect July 1, 1983.

CS for SB 281 (L&C)

AN ACT RELATING TO ENERGY DEVELOPMENT AND CONSERVATION
FUNCTIONS

Sectional Analysis

This bill would repeal the statutes concerning the division of energy and power development and substitute general powers for the Department of Community and Regional Affairs to implement energy development and conservation programs. The energy audit/grant program would be repealed, and other energy responsibilities reassigned from the Department of Commerce to Community and Regional Affairs. Energy programs remaining in Commerce would be some energy planning (in Finance and Economics) and energy conservation loans (in Business Loans). The transition sections allow for program transfer and phase-out.

Sec. 1. Approval of an energy conservation device for the purpose of a business energy conservation credit is transferred from Commerce to C&RA.

Sec. 2. C&RA is given a general power to implement energy programs.

Sec. 3. The list of state agencies with which utilities shall cooperate in implementing energy conservation, for the purpose of the power cost assistance program, is deleted.

Sec. 4. The Alaska Power Authority, in completing reconnaissance studies, is required to consult with C&RA rather than Commerce.

Sec. 5. The APA, under the Energy Program for Alaska, shall ensure that communities cooperate on energy conservation with C&RA rather than Commerce.

Sec. 6. The residential energy conservation fund is changed from a refund, grant, and loan fund to primarily a loan fund, although the ability to use it to fund grants in the future is retained.

Sec. 7. Thermal and lighting energy standards are adopted by C&RA rather than Commerce.

Sec. 8. The definition of energy audit is amended to delete the state program.

Sec. 9. Thermal and lighting energy standards are defined as those adopted by C&RA rather than Commerce.

Sec. 10. Repealers.

44.33.030-060 are the division of energy statutes.

45.88.500(2)(C) is the part of the definition of an alternative energy system as one approved by Commerce under the division of energy statutes.

45.89.020 is the refunds and grants provision under the energy audit program.

45.89.500(3)(A) is the definition of an energy audit as established by the division of energy for the audit program.

46.11.030 is the energy audit program.

46.11.900(1)(B)(iii) is the portion of the definition of an alternative energy system as one approved by Commerce under the division of energy statutes.

46.12.120(4) is the requirement that the Energy Center consult with the division of energy and other state agencies.

Sec. 11. Transition. Energy programs or projects of the division of energy are transferred to C&RA, and C&RA may delegate supervision to another agency.

Sec. 12. Transition. Those who have received energy audits before July 1, 1983 will have until Jan. 1, 1984 to apply for grants or refunds.

Sec. 13. July 1 effective date.