

COMMITTEE REPORT
SENATE

FURTHER:

5/5/83

Date: 5/11/83

Mr. President:

The Committee on FINANCE has had SB 281

Relating to energy development and conservation functions of the Department of Commerce and Economic Development and the Department of Community and Regional Affairs; *etc. data.*

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SB 281 (as amended) same title
- new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation *SB 281*
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]
CHAIRMAN

Offered: 5/5/83
Referred: Finance

Original sponsor: Finance Committee

1 IN THE SENATE
BY THE LABOR AND
COMMERCE COMMITTEE

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) ~~order~~ 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)(B) 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)(i)(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.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 281 (L & C)
 Title Energy development and conservation - Dept. of Commerce/C&RA
 Requested by Senate Finance Committee Date May 16, 1983

II. FISCAL DETAIL

Agency Affected Dept. of Community & Regional Affairs
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Local Government Assistance
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	0	0				
200 TRAVEL	0	0				
300 CONTRACTUAL	0	0				
400 COMMODITIES	0	0				
500 EQUIPMENT	0	0				
600 LAND & STRUCTURES	0	0				
700 GRANTS, CLAIMS, ETC.	0	0				
TOTAL	0	0				

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0				
FEDERAL FUNDS	0	0				
OTHER (Specify Fund Source)	0	0				

POSITIONS

FULL TIME	0	0				
PART TIME	0	0				
TEMPORARY	0	0				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE May 16, 1983 PREPARED BY John Sackett
 AGENCY Senate Finance Committee
 PHONE 465-3753
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Offered: 5/5/83
Referred: Finance

Original sponsor: Finance Committee

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2 CS FOR SENATE BILL NO. 281 (L&C)
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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

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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)(B) is amended to read:

13 (B) the [DIVISION OF ENERGY AND POWER DEVELOPMENT,]
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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.

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27 of the high cost of implementation of the standards, as deter-
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25 is supervised by the section of power development in the Department of
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28 Regional Affairs. The Department of Community and Regional Affairs may
29 delegate supervision of a program or project transferred under this section

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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.

Introduced: 4/28/83
Referred: Labor and Commerce
and Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 281

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to energy development and conserva-
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8 * Sec. 13. This Act takes effect July 1, 1983.

STATE

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

May 3, 1983

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

225 CORDOVA STREET - BLDG B
ANCHORAGE, ALASKA 99501
PHONE: (907) 264-2294

POSITION PAPER

RE: SB 281

SPONSOR: Senate Finance Committee

PROGRAM EFFECTS:


This bill would transfer general powers for energy development and conservation functions from the Department of Commerce to the Department of Community and Regional Affairs. The energy audit/grant program would be repealed. Energy planning functions and conservation loans would remain in Commerce. The legislation would allow for the delegation of energy functions to other state agencies including the Alaska Power Authority and the University of Alaska.

COMMENTS:

The Department has reservations over the transfer of energy functions to DCRA. Should the transfer take place, the Department has several concerns:

- 1) That adequate funding and personnel be provided to comply with legislative statute and intent;
- 2) That programs, to the maximum extent possible, be administered through regional offices and/or through communities in keeping with the mission and philosophy of the Department;
- 3) That the legislation, intent and funds provide for the most orderly transition possible, so as to not endanger the effectiveness of state or federal programs.

The Department is now in the process of analyzing the effect of the legislative amendments, intent and legislation and contrasting it with the current operations in the Department of Commerce to obtain a clearer view of what will be accomplished during FY 84.


Mark Lewis, Commissioner

STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST
Bill/Resolution No.: SB 281
Title: Energy Development & Conserv.
Sponsor: The Finance Committee
Requestor: _____

II. FISCAL DETAIL Department of
Agency Affected: Community & Reg Affairs
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected:
Local Government Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		637.2	675.4	715.9	758.9	804.4
200 TRAVEL		22.7	24.1	25.5	27.0	28.6
300 CONTRACTUAL		2,819.9	2,989.1	3,168.4	3,358.5	3,560.0
400 COMMODITIES		12.7	13.5	14.3	15.2	16.1
500 EQUIPMENT		2.3	2.4	2.5	2.6	2.7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		3,494.8	3,704.5	3,926.6	4,162.2	4,411.8
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		2,689.3	2,850.7	3,021.7	3,203.0	3,395.2
FEDERAL FUNDS		236.0	250.1	265.0	280.9	297.7
OTHER (Specify Source) CIP		569.5	603.7	639.9	678.3	718.9

POSITIONS:

FULL-TIME		17.0	17.0	17.0	17.0	17.0
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Funding for this program was originally identified in the Department of Commerce and Economic Development, Division of Energy and Power Development.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Nancy J Slagle Phone: 465-4708
 Division: ADMIN SVCS Date: 5/3/83
 Approved by Commissioner: Karen Pedersen for Mark Lewis Date: 5/3/83
 Department: Dept of Community and Regional Affairs

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

IV. Analysis

A. This fiscal note is prepared based on the assumption that the Department of Community and Regional Affairs will assume responsibility for the weatherization grant programs, energy information dissemination and continuation of capital projects currently being administered by the Division of Energy and Power Development. It is the Department's understanding that any portion of these functions may be contracted to other state departments and agencies, such as the Alaska Power Authority of the University of Alaska. Due to the fact that there may be federal funds available that the Department is not cognizant of, it may be necessary to request authority to receive additional funds and to create positions with relation to those funds during FY84.

Weatherization and Energy Conservation

Pers. Serv.	207.4
Travel	12.9
Contractual	2702.9
Commodities	1.5
Equipment	1.5
	<u>2925.3</u>

Explanation:

pers. serv.: salaries and benefits

1 Deputy Director	61.0
1 Energy Specialist II	45.8
1 Acctng Tech I	31.2
1 Grants Admin	44.2
1 Clerk Typist III	25.2

travel: allows for professional level staff to travel to regional hubs

contractual: estimated costs for rent, telephone, copier, etc. 25.0; funds for weatherization contracts 2677.9

commodities: misc. necessary office supplies

equipment: basic office equipment

CIP Direct Charge Positions

Pers. Serv.	258.0
Travel	10.7
Contractual	56.4
Commodities	4.7
Equipment	0.5
	<u>330.3</u>

CIP Overhead Positions

Pers. Serv.	171.8
Contractual	60.6
Commodities	6.5
Equipment	.3
	<u>239.2</u>

Explanation:

The CIP positions and associated costs are for existing, previously-funded capital projects, specifically the institutional building program, the federal weatherization program, and 14 demonstration projects. The federally-funded positions will continue as long as the federal funds last. The state-funded positions will terminate with the projects at the end of FY 84.

COMMITTEE REPORT
SENATE

4/28/83

FURTHER: Finance

Date: 5/3/83

Mr. President:

The Committee on Labor & Commerce has had SB 281

Relating to energy development and conservation functions of the Department of Commerce and Economic Development and the Department of Community and Regional Affairs; and eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

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- AND attaches a "Letter of Intent" New Fiscal Note
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- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

John C. Sargent
Bob Mulcahy

Robert Radley no rec.

Bob Mulcahy
Vice CHAIRMAN



From The
**SENATE
FINANCE COMMITTEE**

May 12, 1983

Max,

The attached Fiscal Note for SB 281 was in the file but not acted upon when the committee passed the Labor & Commerce Committee Substitute this morning. Should the note accompany the Bill?

Kathy

Yes _____

No May

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

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PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Funding for this program was originally identified in the Department of Commerce and Economic Development, Division of Energy and Power Development.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Nancy J. Slagle Phone: 465-4708
 Division: ADMIN STR Date: 5/3/83

Approved by Commissioner: Karen Pedersen for Mark Lewis Date: 5/3/83
 Department: Dept of Community and Regional Affairs

Distribution:

Original to Legislative Finance
 Copy to Office of Management and Budget (for Legislature introduced bills)
 Copy to Department (for Governor introduced bills)
 Copy to Sponsor
 Copy to Requestor (if different from Sponsor)

IV. Analysis

A. This fiscal note is prepared based on the assumption that the Department of Community and Regional Affairs will assume responsibility for the weatherization grant programs, energy information dissemination and continuation of capital projects currently being administered by the Division of Energy and Power Development. It is the Department's understanding that any portion of these functions may be contracted to other state departments and agencies, such as the Alaska Power Authority of the University of Alaska. Due to the fact that there may be federal funds available that the Department is not cognizant of, it may be necessary to request authority to receive additional funds and to create positions with relation to those funds during FY84.

Weatherization and Energy Conservation

Pers. Serv.	207.4
Travel	12.0
Contractual	2702.9
Commodities	1.5
Equipment	1.5
	<u>2925.3</u>

Explanation:

pers. serv.: salaries and benefits

1 Deputy Director	61.0
1 Energy Specialist II	45.8
1 Acctng Tech I	31.2
1 Grants Admin	44.2
1 Clerk Typist III	25.2

travel: allows for professional level staff to travel to regional hubs

contractual: estimated costs for rent, telephone, copier, etc. 25.0; funds for weatherization contracts 2677.9

commodities: misc. necessary office supplies

equipment: basic office equipment

CIP Direct Charge Positions

Pers. Serv.	258.0
Travel	10.7
Contractual	56.4
Commodities	4.7
Equipment	0.5
	<u>330.3</u>

CIP Overhead Positions

Pers. Serv.	171.8
Contractual	60.6
Commodities	6.5
Equipment	.3
	<u>239.2</u>

Explanation:

The CIP positions and associated costs are for existing, previously-funded capital projects, specifically the institutional building program, the federal weatherization program, and 14 demonstration projects. The federally-funded positions will continue as long as the federal funds last. The state-funded positions will terminate with the projects at the end of FY 84.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

May 3, 1983

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POSITION PAPER

RE: SB 281

SPONSOR: Senate Finance Committee

PROGRAM EFFECTS:

This bill would transfer general powers for energy development and conservation functions from the Department of Commerce to the Department of Community and Regional Affairs. The energy audit/grant program would be repealed. Energy planning functions and conservation loans would remain in Commerce. The legislation would allow for the delegation of energy functions to other state agencies including the Alaska Power Authority and the University of Alaska.

COMMENTS:

The Department has reservations over the transfer of energy functions to DCRA. Should the transfer take place, the Department has several concerns:

- 1) That adequate funding and personnel be provided to comply with legislative statute and intent;
- 2) That programs, to the maximum extent possible, be administered through regional offices and/or through communities in keeping with the mission and philosophy of the Department;
- 3) That the legislation, intent and funds provide for the most orderly transition possible, so as to not endanger the effectiveness of state or federal programs.

The Department is now in the process of analyzing the effect of the legislative amendments, intent and legislation and contrasting it with the current operations in the Department of Commerce to obtain a clearer view of what will be accomplished during FY 84.

Mark Lewis for Comm. Lewis
Mark Lewis, Commissioner