

Div. of Energy

Dept. C&RA

Overview

1-18-94



HOUSE COMMUNITY AND REGIONAL AFFAIRS

SUBJECT OF MEETING:

Overview: Division of Energy

DATE: 1/18/93

PLACE: Rm 124

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Cheryl Davis	Rep Medean	Rm 507		48	4833	Y	(N)
BRUCE GERRIGITY	DCRA	JUN.			4700	(Y)	N
EDGAR BLANCHFORD	DCRA					Y	N
Linda Thomas	DCRA, DOE	Anchorage)		269	269-4500	Y	N
Robert E Harris	D: F	"			"	Y	N
						Y	N
						Y	N
						Y	N
						Y	N
						Y	N
						Y	N

**DIVISION OF ENERGY, DEPARTMENT OF
COMMUNITY AND REGIONAL AFFAIRS**

Presented for House Community & Regional Affairs Standing Committee

January 18, 1994

Anchorage, Alaska

Robert E. Harris, Director

Linda Thomas, Deputy Director

Division of Energy, Community and Regional Affairs

Division of Energy Overview

- New Division of DCRA created by 1993 Alaska State Legislature
- Assumed Rural Alaska programs from Alaska Energy Authority
- The mission of the Division of Energy, DCRA, is to assist in the development of safe, reliable and efficient energy systems throughout Alaska that promote economic development, are financially viable and independent of state subsidies, and are environmentally sound.

Operation, Technical, & Emergency Assistance

● Rural Technical Assistance

- Technical assistance evaluating energy system deficiencies is provided either through grants or a contract. Preliminary engineering designs and cost estimates may be provided for technically feasible proposals.

● Rural Utility Training

- Support Rural operator Training through Alaska Vocational Technical Center (AVTEC)
- Shifting larger role to Circuit Rider Contracts

Operation, Technical, & Emergency Assistance (continued)

● Metering and Data Acquisition

- Instal meters to meet regulations, gather data for system upgrades, and to allow remote monitoring.

● Emergency Prevention

- Respond to impending emergencies with materials, emergency generators or technical assistance. Avoids disaster declaration.

● Operations Support

- Warehouse facility at 3rd and Commercial Drive - used to store equipment and materials. Also preparations for projects in Rural Alaska.

Bulk Fuel

- Bulk Fuel Emergency Repairs
- Bulk Fuel System Upgrades
 - \$3 million in FY94 and same amount proposed for FY95
- *Rural Bulk Fuel Task Force Preliminary Report to the Governor - Policy Recommendations*
11/25/93
 - Recommended actions by Division of Energy
 - MRAD staff that worked on task force
 - Excellent example of multi-agency approach and cooperation

CIRCUIT RIDER PROGRAM

- **Circuit Rider Maintenance and Training**
 - 10 regions with a contract awarded for each region
 - Scope of work includes
 - quarterly inspections for assisting and overseeing preventive maintenance, monitoring generator performance and metering data, and training utility operators.
- **Circuit Rider Emergency Response**
 - Contractors available for travel when power needs restored. This will not include major repairs and will be authorized on a case-by case basis.

Alternate and Applied Energy

● Coal

- Low Rank Coal Water Fuel Test
 - joint research between U.S. Department of Energy
- Small scale coal-fired generation
 - Design of a site-specific coal-fired power plant for rural Alaska.

● Wind

- Wind resource monitoring is done to evaluate the feasibility of wind-powered generation as a diesel alternative.

Alternate and Applied Energy (continued)

● Biomass

- Federal funds matched by State funds sponsor the Alaska Bioenergy program.
- Active projects include:
 - Installing a turbine at the Sitka solid waste incinerator
 - Energy from wood waste in the South Tongass area
 - Solid waste to energy planning in Fairbanks
 - Wood waste to energy at the Seward Sawmill
 - Heat recovery and distribution at the Juneau solid waste incinerator

Rural Power Systems Upgrades

- System Upgrades identified through rural technical assistance program, or circuit rider maintenance, local community or legislator.
 - Efficiency improvements
 - Line assessments
 - Repairs to generation and distribution systems
 - Compliance with National Electric Safety Code standards
- 19 proposed projects in FY94 totaling \$2 million.
- Priority given to:
 - Communities and utilities that contribute at least 25% matching funds.
 - O&M covered in future without additional State aid.

Additional Programs at DOE

- **Life, Health, and Safety Improvements**
 - Electrical system hazards threatening life, health, and safety in rural Alaska are addressed with this program.
- **Electric Service Extension Grant Program**
 - This is a matching grant program that provides 60% of allowable costs for extending electrical service to customers not currently served.
- **Alaska Electric Power Statistics**
 - *Alaska Electric Power Statistics* and an *Electric Utilities At A Glance* published annually in cooperation with Alaska Systems Coordinating Council (ASCC)

Additional Programs at DOE

- **Rural Utility Regionalization, Consolidation, and Business Management**
 - Goal of creating self-supporting utilities in rural Alaska.
Accomplish goals by:
 - Partnerships formed between large and small utilities
 - Consolidation into a regional utility
 - training of utility operators and managers
- **Waste Heat**
 - Division of Energy continues to look at feasibility of projects that install waste heat recovery equipment and then pipe this heat for use in a community building.

Power Cost Equalization (PCE)

- Purpose of PCE is to equalize the cost of power statewide
- PCE amounts of approximately \$18 million are made each year to 66,000 rural Alaskans
- Many programs at Division of Energy help utilities reduce their costs, increase revenues and thus reduce the required PCE payments.

Loan Programs

- **Bulk Fuel Revolving Loan Fund**
 - Loans for bulk fuel purchases are available to rural communities in amounts up to \$50,000.
- **Power Project Fund**
 - Loans to local utilities and eligible government units for:
 - Small-scale power production facilities
 - facilities for conservation
 - bulk fuel storage
 - Transmission or Distribution
 - Potable water supply projects
- **Rural Electrification Revolving Loan Fund**
 - Administration of outstanding loans only.

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**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

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Copies of minutes listed below were originally included in this file. The minutes are available on the legislative computer database. In order to save space copies of minutes have not been left in the files.

Mary Pagenkopf

House C & RA 1-18-94