

**SB**

**40002**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: August 4, 2008

FURTHER REFERRALS:

Date of Committee Action: 8/5/08

The FINANCE Committee considered:

CSSB 4002(FIN) am

**CS FOR SENATE BILL NO. 4002(FIN) am**

**ENERGY ASSISTANCE**

"An Act relating to grants from the renewable energy grant fund; amending the bulk fuel bridge loan fund and the bulk fuel revolving loan fund; amending the power cost equalization program, repealing the exclusion from eligibility for power cost equalization for certain power projects that take their power from hydroelectric facilities, and amending the definition of 'eligible electric utility' as it applies to the power cost equalization program and the grant program for small power projects for utility improvements; relating to establishing a gas pipeline development fund in the Department of Revenue; establishing the Alaska resource rebate program and relating to that program; relating to heating assistance; and providing for an effective date."

Recommends it be replaced with  HCS or  CS for SB 4002 (FIN)  
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_ |  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

- List of Abbrev for Depts.:
- ADM
  - CED
  - COR
  - CRT
  - EED
  - DEC
  - DFG
  - GOV
  - HSS
  - LWF
  - LAW
  - LEG
  - MVA
  - DNR
  - DPS
  - REV
  - DOT
  - UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
(2) REV		✓		
(2) HSS		✓		
(3) CED		✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Mind C. Hummel</i>	Hummel			★	
<i>Mary Nelson</i>	NELSON				✓
<i>James Crawford</i>	CRAWFORD				✓
<i>Thomas Foster</i>	Foster	✓			
<i>Thomas Kelly</i>	KELLY			✓	
<i>Garb</i>	Garb			X	
Chair: <i>Michelle Chuvpikoff</i>	Chuvpikoff	✓			
Chair: <i>K. Meyer</i>	Meyer	X			

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HCSCS3B4002(FIN)  
 () Publish Date: \_\_\_\_\_

Identifier (file name): SCSSB4002(FIN)-DOR-TAX-8-1 Dept. Affected: Revenue 04  
 Title: PCE:ELIGIB.AMTS;ELIGIBLE UTILITY DEFINED RDU: Taxation and Treasury  
 Component: Tax Division  
 Sponsor: RULES  
 Requester: House Finance Component Number: 2476

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
<b>TOTAL OPERATING</b>	*	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>							
<b>CHANGE IN REVENUES ( )</b>		(33,250.0)	(6,650.0)	0.0	0.0	0.0	0.0

**FUND SOURCE** (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	*	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

\*See attached

Prepared by: Johanna Bales  
 Division: Tax  
 Approved by: Jerry Burnett  
Department of Revenue

Phone 269-6628  
 Date/Time 8/5/08 1:13 PM  
 Date 8/5/2008

FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

BILL NO. HCSCSSB4002(FIN)

ANALYSIS CONTINUATION

**Bill Language:** This bill would suspend the Motor Fuel tax for the period September 1, 2008 through August 1, 2009

**Revenues:** The Department of Revenue expects that suspending the Motor Fuel Tax would result in the loss of \$39.8 million in general fund unrestricted revenues, and \$0.15 million in revenue which is customarily shared with municipalities, for a total of \$39.9 million in lost revenues. The suspension period covers 10 months of fiscal year 2009 and two months of fiscal year 2010 .. As such, the Department expects a reduction in revenue in FY 2009 of \$33,250,000 and \$6,650,000 in FY 2010.

The Department of Revenue's current forecast for Motor Fuel Tax revenues for FY2009 is \$39.9 million. The breakdown of revenues by fuel type is as follows:

Highway	\$29.6 million
Marine	\$ 5.6 million
Aviation Gas	\$ 0.7 million
Aviation Jet Fuel	\$ 4.1 million
Subtotal	\$40.0 million
Municipal Share	-\$ 0.1 million
Total	\$39.9 million

**Expenditures:** The Department of Revenue will not realize any reduction of expenditures during this tax suspension.

Although there will be no tax liabilities incurred during the tax suspension, this bill require taxpayers to continue to file reports which will allow the Department to collect data which we are required to provide to the Federal Highway Administration in order to secure Federal funding for the Alaska Department of Transportation. The Department of Revenue will therefore need to continue to collect and process Motor Fuel Tax forms.

The Tax Division shares 60% of the Aviation Gas revenues collected at municipally owned or operated airports with the municipality. This municipal share has held steady at \$0.15 million in the recent past. If it were desired to hold the municipalities harmless during this tax suspension, an appropriation of \$150,000 would be required to match the forecast amount.

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HCSCSSB4002(FIN)  
 ( ) Publish Date: \_\_\_\_\_

Identifier (file name): HCSC99B4002(FIN)-DOR-RRP-8-5-08 Dept. Affected: 04 Revenue  
 Title: PCE:ELIGIB:AMTS:ELIGIBLE UTILITY DEFINED RDU: Taxation and Treasury  
 Component: Resource Rebate  
 Sponsor: \_\_\_\_\_ Rules: \_\_\_\_\_  
 Requester: House Finance Component Number: 2930

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Contractual		100.0	50.0				
Supplies							
Equipment							
Land & Structures							
Grants & Claims		744,480.0					
<b>TOTAL OPERATING</b>		<b>0.0</b>	<b>744,580.0</b>	<b>50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES ( )</b>							
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		744,580.0	50.0				
1005 GF/Program Receipts							
1037 GF/Mental Health							
<b>TOTAL</b>		<b>744,580.0</b>	<b>50.0</b>				

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

This bill adds \$1,200.00 to each 2008 PFD from the general fund. It also adds a one time \$1,200.00 payment for approximately 400 disabled veterans who have not previously applied for a 2008 PFD. In addition to the small impact of processing 400 new applications, we expect additional costs to the PFD Division in terms of additional public contacts and appeals of eligibility determinations. The increased size of the dividend will result in more appeals and more time spent on appeals. The \$100,000 in FY 09 and \$50,000 in FY 10 are based on increased appeal costs from the Office of Administrative Hearings beyond what can be absorbed in the current PFD Division budget for both FY 09 and FY 10. Funding for this program is in a separate appropriations bill. Estimated costs based on 620,000 eligible PFD applicants and 400 disabled veterans, actual number will not be determined until mid-September.

Prepared by: Loretta Withington Phone 465-2312  
 Division: Admin Services Date/Time 8/5/08 12:00 AM  
 Approved by: Jerry Burnett Date 8/5/2008  
Department of Revenue

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HCS CS SB 4002 FIN  
 () Publish Date: \_\_\_\_\_  
 Dept. Affected: Health & Social Services  
 RDU: Public Assistance  
 Component: PFD Hold Harmless

ID(File name) SB4002HCSCS(FIN)-DHSS-PFDHH-08-05-08  
 Title ALASKA RESOURCE REBATE PROGRAM

Sponsor RULES BY REQUEST OF THE GOVERNOR  
 Requester HOUSE FINANCE

Component No. 225

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required		Information				
	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	400.0						
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>400.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES (0)</b>							
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**FUND SOURCE** (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1037 GF/Mental Health							
Other(PFD Hold Harmless)	400.0						
Other(Specify Type-do not abbreviate)							
<b>TOTAL</b>	<b>400.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

HCS CS SB 4002 (FIN) increases the 2008 Permanent Fund Dividend by \$1,200 to provide residents of the state with an Alaska resource rebate. The increase of \$1,200 to the total amount of the dividend will be funded by transfers from the general fund to the dividend fund.

The Food Stamp, Social Security Supplemental Income (SSI), and Adult Public Assistance (APA) programs count the Permanent Fund Dividend (PFD) as income in determining whether a person or household qualifies for benefits. PFD money that is not spent and is kept after the month of receipt is also considered an available asset (cash on hand or money in the bank) for program participants.

Prepared by: Ellie Fitzjarrald, Director  
 Division: Public Assistance  
 Approved by: William H. Hogan, Commissioner  
 Agency: Department of Health and Social Services

Phone 465-5847  
 Date/Time 08/05/2008  
 Date 08/05/2008

FISCAL NOTE

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

BILL NO: HCS CS SB 4002 FIN

**ANALYSIS CONTINUATION**

The Permanent Fund Dividend Hold Harmless program established in AS 43.32.075 requires that public assistance benefits which are lost as the result of counting the PFD as income or as an asset must be replaced by issuing a PFD Hold Harmless (PFD HH) benefit. PFD HH replacement benefits are limited to four months a year.

The department estimates an increment of \$400,000 in PFD HH will be needed in FY 09 to replace Food Stamp benefits that would otherwise be reduced or stopped as a result of households receiving the extra \$1,200 in the PFD.

The department does not expect the \$1,200 increase in the 2008 PFD to affect the amount of PFD HH expenditures needed to replace lost APA and SSI benefits. The amount of the PFD has been so high in recent years that benefits to these program recipients have been replaced with PFD Hold Harmless benefits, even without the additional \$1,200. These appropriations are accounted for in the FY 09 budget. The department also expects that the extra \$1,200 received by program participants will be spent on additional expenses such as increased energy costs.

**Assumptions:**

In FY09, the department expects that the \$1,200 added to the 2008 PFD will affect 1,000 households. The average PFD HH payment for food stamps is \$400/month.  $1,000 \times \$400 = \$400,000$

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HCS CS SB 4002 FIN  
 ( ) Publish Date: \_\_\_\_\_  
 Dept. Affected: Health & Social Services  
 RDU Public Assistance  
 Component General Relief Assistance

ID(File name) SB4002HCSCS(FIN)-DHSS-GRA-08-05-08  
 Title ALASKA RESOURCE REBATE PROGRAM  
 Sponsor RULES BY REQUEST OF THE GOVERNOR  
 Requester HOUSE FINANCE

Component No. 221

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation		Information				
	Required						
<b>OPERATING EXPENDITURES</b>	<b>FY 2009</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
Personal Services	76.4						
Travel	10.0						
Contractual	49.5						
Supplies	20.3						
Equipment							
Land & Structures							
Grants & Claims	1,282.3						
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>1,438.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES (0)</b>							
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	1,438.5						
1037 GF/Mental Health							
Other(Specify Type-do not abbreviate)							
Other(Specify Type-do not abbreviate)							
<b>TOTAL</b>	<b>1,438.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary		2					

**ANALYSIS:** (Attach a separate page if necessary)

HCS CS SB (FIN) increases the 2008 Permanent Fund Dividend by \$1,200 to provide residents of the state with an Alaska resource rebate. The bill also allows veterans, spouses or dependents of a living or deceased veteran to apply for the \$1,200 resource rebate payment if they did not apply for a 2008 permanent fund dividend. Veterans' benefits, both pension and medical, that would be lost as a result of counting the rebate must be replaced with Hold Harmless (HH) benefits through the General Relief Assistance program.

Prepared by: Ellie Fitzjarrald, Director  
 Division Public Assistance  
 Approved by: William H. Hogan, Commissioner  
 Agency Department of Health and Social Services

Phone 465-5847  
 Date/Time 08/05/2008  
 Date 08/05/2008

**FISCAL NOTE**

**STATE OF ALASKA  
2008 LEGISLATIVE SESSION**

**BILL NO: HCS CS SB 4002 FIN**

**ANALYSIS CONTINUATION**

Some veterans benefits are income tested. The Veterans Administration has advised us it will likely treat the resource rebate as income. Pension benefits will be reduced dollar for dollar and prorated over the calendar year. The cost of replacing medical benefits will vary according the veteran's usage of VA medical services. The pension and medical benefits will be replaced through payment of a Hold Harmless benefit.

**Cost Assumptions**

VA estimates 376 beneficiaries (312 vets and 64 widows and dependents) will be impacted. We estimate the VA hold harmless cost to replace these benefits is \$451.2 (376 x \$1,200).

VA estimates that 497 veterans are receiving assistance with costs of medications, inpatient/outpatient care, and long-term care services. Based on information provided by the VA, the anticipated cost for holding these services harmless is \$831.1

In order to issue these benefits, the Division will need to employ two temporary Project Assistant positions to manage the additional workload associated with determining eligibility and issuing hold harmless benefits, and will need to modify DPA's Eligibility Information System (EIS) to facilitate the issuance of Hold Harmless benefits for veterans whose benefits are reduced due to the resource rebate.

FY09 Administrative Costs for VA benefits: \$156.2

Personal Services (2 positions): \$76.4

Travel (to facilitate employee training and outreach): \$10.0

Contractual (telecommunication, printing, and outreach to inform veterans of the program's availability): \$14.5

Contractual (EIS Computer Programming Modifications): \$35.0

Supplies (equipment and supplies for issuing notices and warrants): \$20.3

All costs for the Alaska Resource Rebate Hold Harmless Program are eliminated in FY 2010 to reflect the sunset of the program June 30, 2009.

# FISCAL NOTE

**STATE OF ALASKA  
2008 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 4005  
 () Publish Date: \_\_\_\_\_

Identifier (file name): HB4005-CED-CRA-08-03-08 Dept. Affected: FUND CAPITALIZATIONS  
 Title: PCE ELIGIB,AMTS,ELIGIBLE UTILITY DEFINED RDU: Bulk Fuel Bridge Loan Fund  
 Component: Bulk Fuel Bridge Loan Fund  
 Sponsor: House Finance Component Number: 2920  
 Requester: House Finance

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Misc Cap Fuel Bridge 1208	2,518.0						
<b>TOTAL OPERATING</b>	<b>2,518.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES ( )</b>							
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts							
1003 GF Match							
1004 GF	2,518.0						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other PCE Fund 1089							
<b>TOTAL</b>	<b>2,518.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

This legislation amends the statute for the Bulk Fuel Bridge Loan Fund by raising the cap from \$500,000 to \$750,000 on the amount that can be borrowed by communities for fuel purchases. As a result, another \$2.5 million is expected to be needed for loans from this fund. The \$18.0 is the amount expected to be needed for increased on-site travel by the contractor operating the program and is included in the fiscal note for DCRA.

Prepared by: Tara Jollie, Director  
 Division: Division of Community and Regional Affairs  
 Approved by: Amanda Ryder, Director  
 Division: Division of Administrative Services

Phone: 907-269-7959  
 Date/Time: \_\_\_\_\_  
 Date: 8/3/2008

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB 4002  
 ( ) Publish Date: \_\_\_\_\_

Identifier (file name): SB4002-CED-BULK FUEL FUND CAPS-08-03-08 Dept. Affected: FUND CAPITALIZATIONS  
 Title: PCE.ELIGIB;AMTS;ELIGIBLE UTILITY DEFINED RDU: Bulk Fuel Revolving Loan Fund  
 Component: Bulk Fuel Revolving Loan Fund  
 Sponsor: Senate Finance  
 Requester: Senate Finance Component Number: \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Misc Fnd Cap Bulk Fuel 1074	3,461.0							
<b>TOTAL OPERATING</b>	<b>3,461.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
<b>CHANGE IN REVENUES ( )</b>								

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	3,461.0							
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other PCE Fund 1089								
<b>TOTAL</b>	<b>3,461.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

**ANALYSIS:** (Attach a separate page if necessary)

This legislation amends the statute for the Bulk Fuel Revolving Loan Fund [AS 42.45.250(e)] by raising the cap from \$500,000 to \$750,000 for any one borrower. The cap is also raised for a cooperative corporation or an electric cooperative that uses the loan to purchase bulk fuel on behalf of more than one community. This cap may not exceed the lesser of \$750,000 (from \$500,000) multiplied by the number of communities on whose behalf the bulk fuel is to be purchased, or \$1.8 million.

Prepared by: Sara Fisher-Goad, Deputy Director - Operations  
 Division: Alaska Energy Authority  
 Approved by: Amanda Ryder, Director  
Division of Administrative Services

Phone 907-771-3012  
 Date/Time: \_\_\_\_\_  
 Date 8/3/2008

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB 4002  
 ( ) Publish Date: \_\_\_\_\_

Identifier (file name): SB4002-CED-CRA-08-03-08 Dept. Affected: Commerce  
 Title: PCE.ELIGIB;AMTS;ELIGIBLE UTILITY DEFINED RDU: Comm Assist & Econ Development  
 Component: Community & Regional Affairs  
 Sponsor: Senate Finance  
 Requester: Senate Finance Component Number: 2703

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	Appropriation Required	Information					
	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services							
Travel							
Contractual	18.0		18.0	18.0	18.0	18.0	18.0
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>18.0</b>	<b>0.0</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES ( )</b>							
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Fuel Bridge Fund (1208)	18.0		18.0	18.0	18.0	18.0	18.0
<b>TOTAL</b>	<b>18.0</b>	<b>0.0</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

This legislation amends the statute for Bulk Fuel Bridge Loan Fund by raising the cap (from \$500,000 to \$750,000) on the amount that can be borrowed by communities for fuel purchases. Because this program is a lender of last resort, a rise in the cap may increase the possibility that borrowers (i.e., communities) may struggle to repay the loans. When this occurs, the contractor provides on-site assistance to the loan recipient regarding the retail pricing of fuel, sales, or collection on past due retail accounts, or strategies regarding use of government funds for repayment of loans.

While it is difficult to determine exactly how much more the contractor may need to travel, the contractor is reimbursed only for travel that actually occurs.

Prepared by: Tara Jollie, Director Phone: 907-269-7959  
 Division: Division of Community and Regional Affairs Date/Time: \_\_\_\_\_  
 Approved by: Amanda Ryder, Director Date: 8/3/2008  
Division of Administrative Services

**HOUSE CONCURRENT RESOLUTION NO.**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-FIFTH LEGISLATURE - FOURTH SPECIAL SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Introduced:**

**Referred:**

**A RESOLUTION**

1 **Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State**  
2 **Legislature, concerning Senate Bill No. 4002, relating to grants from the renewable**  
3 **energy grant fund; amending the bulk fuel bridge loan fund and the bulk fuel revolving**  
4 **loan fund; amending the power cost equalization program, repealing the exclusion from**  
5 **eligibility for power cost equalization for certain power projects that take their power**  
6 **from hydroelectric facilities, and amending the definition of "eligible electric utility" as**  
7 **it applies to the power cost equalization program and the grant program for small**  
8 **power projects for utility improvements; relating to establishing a gas pipeline**  
9 **development fund in the Department of Revenue; establishing the Alaska resource**  
10 **rebate program and relating to that program; and relating to heating assistance.**

11 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

12 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of  
13 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding

1 changes to the title of a bill, are suspended in consideration of Senate Bill No. 4002, relating  
2 to grants from the renewable energy grant fund; amending the bulk fuel bridge loan fund and  
3 the bulk fuel revolving loan fund; amending the power cost equalization program, repealing  
4 the exclusion from eligibility for power cost equalization for certain power projects that take  
5 their power from hydroelectric facilities, and amending the definition of "eligible electric  
6 utility" as it applies to the power cost equalization program and the grant program for small  
7 power projects for utility improvements; relating to establishing a gas pipeline development  
8 fund in the Department of Revenue; establishing the Alaska resource rebate program and  
9 relating to that program; and relating to heating assistance.

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: 4  
 Bill Version: CSSB 4002(FIN)  
 (S) Publish Date: 8/2/08

Identifier (file name): SB4002-SFIN-AEA-07-31-08 Dept. Affected: DCCED  
 Title: Alaska Resource Rebate Program RDU: Alaska Energy Authority  
 Sponsor: Senate Finance Committee Component: \_\_\_\_\_  
 Requester: Senate Finance Committee Component Number: \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims		172,889.0	172,889.0	0.0	0.0	0.0	0.0	
Miscellaneous								
<b>TOTAL OPERATING</b>		<b>0.0</b>	<b>172,889.0</b>	<b>172,889.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES ( )</b>								
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		172,889.0	172,889.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>		<b>0.0</b>	<b>172,889.0</b>	<b>172,889.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

This legislation establishes the Alaska Resource Rebate Program that provides a rebate payment to offset the high cost of residential heating oil. The program will be administered by the Alaska Energy Authority.

The program is available to Alaskan residents who purchase and take delivery of residential heating oil between 9/1/08 and 3/31/09 and/or between 9/1/09 and 3/31/10. Qualified individuals must apply for reimbursement to the Alaska Energy Authority prior to July 1, 2010 to be considered. Commercial buildings or buildings owned by government entities are not eligible for this program.

Prepared by: Miles Baker  
 Division: Senate Finance Committee  
 Approved by: Senator Bert Stedman, Co-Chair

Phone: (907) 465-3873  
 Date/Time: 7/31/08 2:00pm  
 Date: 7/31/2008

FISCAL NOTE # 4

STATE OF ALASKA  
2008 LEGISLATIVE SESSION

BILL NO. CSSB 4002(FIN)

ANALYSIS CONTINUATION

Rebate Computation:

The program will rebate the amount paid above \$3.00 per gallon, of a qualified applicants home heating oil purchases up to a maximum for each 7-month winter qualifying period of:

1. 600 gallons per single family residence or
2. 300 gallons per each residential unit within a multifamily building

Assumptions:

This is a new program and it is unclear how many qualified individuals will take advantage of this rebate. However, for purposes of estimating program costs, the following estimates were used:

Avg heating oil consumption per HH:	1,000 gals (AEA)
<u>% annual consumption used during winter:</u>	<u>60%</u>
Annual consumption eligible for rebate:	600 gals

Statewide avg price per gallon of heating oil:	\$ 5.51* (DCCED as of 6/2008)
<u>Rebate Program Price Floor</u>	<u>\$ 3.00</u>
Avg per gallon rebate:	\$ 2.51

Total Alaskan Households:	230,000 (Dept of Labor, 2006 Census Update)
<u>Est. # Heating with Natural Gas:</u>	<u>115,200 (Enstar Estimate)</u>
Max. # Heating with Heating Oil:	114,800

Annual Program Cost Calculations:

For purposes of conservatively estimating annual program costs, the higher 600 gallon per residence figure is used instead of the 300 gallon figure for multi-unit dwellings.

$$(114,800 \text{ HH}) \times (600 \text{ gal/HH}) \times (2.51 \text{ \$/gal}) = \$172,888,800$$

\* Statewide average excludes the North Star Borough which subsidizes residential heating oil to its residents

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: 5  
 Bill Version: CSSB 4002(FIN)  
 (S) Publish Date: 8/2/08

Identifier (file name): SB4002-SFIN-REV-08-2-08 Dept. Affected: Revenue  
 Title: Alaska Resource Rebate Program RDU: Taxation & Treasury  
 Component: Resource Rebate  
 Sponsor: Senate Finance Committee  
 Requester: Senate Finance Committee Component Number: \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual		100.0	50.0	0.0	0.0	0.0	0.0	0.0
Supplies								
Equipment								
Land & Structures								
Grants & Claims		310,000.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous								
<b>TOTAL OPERATING</b>		<b>0.0</b>	<b>310,100.0</b>	<b>50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES ( )</b>								
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**FUND SOURCE** (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF		310,100.0	50.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
<b>TOTAL</b>	<b>0.0</b>	<b>310,100.0</b>	<b>50.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

This legislation adds \$500.00 to each 2008 PFD from the General Fund. There are no PFD eligibility. While it is expected that there will be no direct costs to administer this change in the PFD program, it is expected that there will be additional costs to the PFD Division in terms of additional public contracts and appeals of eligibility determinations. However, the increased size of the dividend may result in more appeals and therefore \$100,000 in FY09 and \$50,000 in FY10 are based on increased appeal costs from the Office of Administrative Hearings.

Total costs are based on 620,000 eligible 2008 PFD applicants. The actual number will not be determined until mid-September.

Prepared by: Miles Baker  
 Division: Senate Finance Committee  
 Approved by: Senator Bert Stedman

Phone: (907) 465-3873  
 Date/Time: 8/2/08 5:00pm  
 Date: 8/2/2008

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: 6  
 Bill Version: CSSB 4002(FIN)  
 (S) Publish Date: 8/2/08

Identifier (file name): SB4002-SFIN-PCE Fund-08-2-08 Dept Affected: Fund Capitalization  
 Title Power Cost Equalization Changes/Resource Rebate Program RDU PCE Fund  
 Component PCE Fund  
 Sponsor Senate Finance Committee  
 Requester Senate Finance Committee Component Number 2500

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Other: PCE Fund 1089		140,775.0	168,775.0	32,603.0	32,063.0	32,063.0	32,063.0	
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>140,775.0</b>	<b>168,775.0</b>	<b>32,603.0</b>	<b>32,063.0</b>	<b>32,063.0</b>	<b>32,063.0</b>	

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES ( )</b>							
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		140,775.0	142,975.0	6,803.0	6,263.0	6,263.0	6,263.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: PCE Endowment			25,800.0	25,800.0	25,800.0	25,800.0	25,800.0
<b>TOTAL</b>	<b>0.0</b>	<b>140,775.0</b>	<b>168,775.0</b>	<b>32,603.0</b>	<b>32,063.0</b>	<b>32,063.0</b>	<b>32,063.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

**ANALYSIS:** (Attach a separate page if necessary)

This legislation amends the PCE program by amending the definition of eligible utilities and making adjustments to the formula used to calculate the residential ratepayers allowable subsidizes kWhs.

In addition, the legislation provides a \$0.05 per kWhs residential rate reduction for non-PCE eligible electrical utilities.

The fiscal note shows the funds needed to capitalize the PCE fund. The FY 2009 appropriation is net of the \$28.0 mill FY09 appropriation already made to the PCE Rural Electric Cap Fund. In future years, the estimates assume a PCE Endowment payout of \$25.8 mill which is 7% of the 6/30/08 market value of the current endowment - \$369 mill.

Prepared by: Miles Baker  
 Division: Senate Finance Committee  
 Approved by: Senator Bert Stedman, Co-Chair

Phone: (907) 465-3873  
 Date/Time: 8/2/08 9:30am  
 Date: 8/2/2008

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: 7  
 Bill Version: CSSB 4002(FIN)  
 (S) Publish Dat: 8/3/08  
 Dept. Affected: Health & Social Services  
 RDU: Public Assistance  
 Component: General Relief Assistance

ID(File name) SB4002CS(FIN)-DHSS-GRA-08-03-08  
 Title ALASKA RESOURCE REBATE PROGRAM

Sponsor SENATE FINANCE  
 Requester SENATE FINANCE

Component No. 221

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation		Information				
	Required						
<b>OPERATING EXPENDITURES</b>	<b>FY 2009</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
Personal Services		76.4					
Travel		10.0					
Contractual		49.5					
Supplies		20.3					
Equipment							
Land & Structures							
Grants & Claims		1,583.1					
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>1,739.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>							
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<b>CHANGE IN REVENUES (0)</b>							
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**FUND SOURCE** (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF		1,739.3					
1037 GF/Mental Health							
Other(Specify Type-do not abbreviate)							
Other(Specify Type-do not abbreviate)							
<b>TOTAL</b>	<b>0.0</b>	<b>1,739.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time							
Part-time							
Temporary		2					

**ANALYSIS:** (Attach a separate page if necessary)

CSSB 4002\T (with amendments) increases the 2008 Permanent Fund Dividend by \$500 to provide residents of the state with an Alaska resource rebate. The bill also allows veterans, spouses or dependents of a living or deceased veteran to apply for the \$500 resource rebate payment if they did not apply for a 2008 permanent fund dividend. Under the bill, veterans may also apply for the Emergency Energy Relief program and receive a payment to offset the cost of fuel used for residences. Veterans' benefits, both pension and medical, that would be lost as a result of counting the rebate or energy relief payments must be replaced with Hold Harmless (HH) benefits through the General Relief Assistance program.

Prepared by: Ellie Fitzjarrald  
 Division: Public Assistance  
 Approved by: William H. Hogan, Commissioner  
 Agency: Department of Health and Social Services

Phone 465-5847  
 Date/Time 08/02/2008  
 Date 08/03/2008

**ANALYSIS CONTINUATION**

Some veterans benefits are income tested. The Veterans Administration has advised us it will likely treat the resource rebate and the emergency energy relief payments as income. Pension benefits will be reduced dollar to dollar and prorated over the calendar year. The cost of replacing medical benefits will vary according the veteran's usage of VA medical services. The pension and medical benefits will be replaced through payment of a Hold Harmless benefit.

Cost Assumptions

VA estimates 376 beneficiaries (312 vets and 64 widows and dependents) will be impacted. We estimate the VA hold harmless cost to replace these benefits is \$752.0 (376 x \$2000, which is the estimated combined value of energy relief and resource rebate).

VA estimates that 497 veterans are receiving assistance with costs of medications, inpatient/outpatient care, and long-term care services. Based on information provided by the VA, the anticipated cost for holding these services harmless is \$831.1

In order to issue these benefits, the Division will need to employ two temporary Project Assistant positions to manage the additional workload associated with determining eligibility and issuing hold harmless benefits, and will need to modify DPA's Eligibility Information System (EIS) to facilitate the issuance of Hold Harmless benefits for veterans whose benefits are reduced due to the resource rebate.

FY09 Administrative Costs for VA benefits: \$156.2

Personal Services (2 positions): \$76.4

Travel (to facilitate employee training and outreach): \$10.0

Contractual (telecommunication, printing, and outreach to inform veterans of the program's availability): \$14.5

Contractual (EIS Computer Programming Modifications): \$35.0

Supplies (equipment and supplies for issuing notices and warrants): \$20.3

All costs for the Alaska Resource Rebate Hold Harmless Program are eliminated in FY 2010 to reflect the sunset of the program June 30, 2009.

# FISCAL NOTE

**STATE OF ALASKA**  
**2008 LEGISLATIVE SESSION**

Fiscal Note Number: 8  
 Bill Version: CSSB 4002(FIN)  
 (S) Publish Date: 8/3/08  
 Dept. Affected: Health & Social Services  
 RDU: Public Assistance  
 Component: PFD Hold Harmless

ID(File name) SB4002CS(FIN)-DHSS-PFDHH-08-03-08  
 Title: ALASKA RESOURCE REBATE PROGRAM

Sponsor: SENATE FINANCE  
 Requester: SENATE FINANCE Component No. 225

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation		Information				
	Required						
<b>OPERATING EXPENDITURES</b>	<b>FY 2009</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims		400.0					
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>400.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>							
<b>CHANGE IN REVENUES (0)</b>							

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1037 GF/Mental Health							
Other(PFD Hold Harmless)		400.0					
Other(Specify Type-do not abbreviate)							
<b>TOTAL</b>	<b>0.0</b>	<b>400.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2008) cost: \_\_\_\_\_

**POSITIONS**

Full time							
Part-time							
Temporary							

**ANALYSIS:** *(Attach a separate page if necessary)*

CSSB 4002\T (with amendments) increases the 2008 Permanent Fund Dividend by \$500 to provide residents of the state with an Alaska resource rebate. The increase of \$500 to the total amount of the dividend will be funded by transfers from the general fund to the dividend fund.

The Food Stamp, Social Security Supplemental Income (SSI), and Adult Public Assistance (APA) programs count the Permanent Fund Dividend (PFD) as income in determining whether a person or household qualifies for benefits. PFD money that is not spent and is kept after the month of receipt is also considered an available asset (cash on hand or money in the bank) for program participants.

Prepared by: Ellie Fitzjarrald Phone 465-5847  
 Division: Public Assistance Date/Time 08/02/2008  
 Approved by: William H. Hogan, Commissioner Date 08/03/2008  
 Agency: Department of Health and Social Services

**ANALYSIS CONTINUATION**

The Permanent Fund Dividend Hold Harmless program established in AS 43.32.075 requires that public assistance benefits which are lost as the result of counting the PFD as income or as an asset must be replaced by issuing a PFD Hold Harmless (PFD HH) benefit. PFD HH replacement benefits are limited to four months a year.

The department estimates an increment of \$400,000 in PFD HH will be needed in FY 09 to replace Food Stamp benefits that would otherwise be reduced or stopped as a result of households receiving the extra \$500 in the PFD.

The department does not expect the \$500 increase in the 2008 PFD to affect the amount of PFD HH expenditures needed to replace lost APA and SSI benefits. The amount of the PFD has been so high in recent years that benefits to these program recipients have been replaced with PFD Hold Harmless benefits, even without the additional \$500. These appropriations are accounted for in the FY 09 budget. The department also expects that the extra \$500 received by program participants will be spent on additional expenses such as increased energy costs.

**Assumptions:**

In FY09, the department expects that the \$500 added to the 2008 PFD would affect 1,000 Food Stamp households. The average PFD HH payment for Food Stamps is \$400/month. 1,000 households x \$400 = \$400,000

31 July, 2008

Dear Senator and Representative:

Thank you for your efforts during special session to seek solutions to the energy problems facing Alaska. It appears the legislature is responsibly tackling both short and long term solutions to this critical problem and we, the Board of Regents, applaud you for this effort.

As you attempt to construct an energy policy for Alaska please keep in mind a powerful resource you already have at your disposal – the University of Alaska. UA is uniquely positioned to provide immediate assistance in the development and evaluation of new technologies as well as enhancements of existing technologies.

UA has been at the cutting edge of energy research and development for decades. Although work has been spread across UA, units such as the UAF College of Engineering and Mines and the Geophysical Institute and the UAA Institute for Social and Economic Research have been particularly active. More recently UA established the Alaska Center for Energy and Power (ACEP). ACEP is on the front lines of addressing long term energy solutions through practical research and evaluation of such technologies as geothermal, hydroelectric, and wind generation. It is also heavily invested in shorter term solutions for improving oil and gas exploration, as well as continuing research and development associated with heavy oil, and gas hydrate development. ACEP has partnered with organizations such as Lawrence Livermore Laboratories, the United States Department of Energy and the National Renewable Energy Laboratory to build expertise.

We know the legislature is considering many options, but we encourage you to make sure research and development is one of them. Early drafts of Speaker Harris' bill included research as an eligible funding category of the Alternative Energy Grant Fund and Recommendation Program. The Board understands there may be many iterations of this bill or it may not pass at all. However, the Board of Regents supports the inclusion of research and development as a cornerstone of any solution you consider for energy in Alaska.

Sincerely,

Mary K. Hughes  
Chair  
Board of Regents  
University of Alaska Statewide System  
P. O. Box 755300  
Fairbanks, AK 99775-5300  
(907) 450-8010  
(907) 450-8012 (fax)