HB

152

SENATE FINANCE COMMITTEE REPORT

DATE: 5/2/07

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 152(FIN)

HB 152 ESTABLISH RENEWABLE ENERGY FUND/ACCOUNT

"An Act establishing a renewable energy project account and a renewable energy fund and describing their uses and purposes."

and recommends:

[✓] be **replaced** with [ ] **SCS** or [ ] **CS** HB 152 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[✓] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	3/24/08	✓			
SFC	4/10/08	✓			
HSS	4/10/08	✓			
CED	4/9/08	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
		✓			
		✓			
	DYSON			✓	
	HUGGINS			✓	
	OLSON			✓	
CO-CHAIR:		✓			
CO-CHAIR:					

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: SCS CSHB 152(FIN)
() Publish Date:

Identifier (file name): HB152SCSCS(FIN)-CED-AEA-04-09-08
Title: Establish Renewable Energy Fund/Account
Dept. Affected: DCCED
RDU: Alaska Energy Authority (453)
Component: AEA Statewide Project Dev and AEEE
Sponsor: Harris et al
Requester: Senate Finance
Component Number: 2888

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2009**	**FY 2009**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**
Personal Services							
Travel	20.0		5.0	5.0	5.0	5.0	
Contractual	200.0		150.0	150.0	150.0	150.0	
Supplies	6.0						
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**226.0**	**0.0**	**155.0**	**155.0**	**155.0**	**155.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	226.0		155.0	155.0	155.0	155.0	
1005 GF/Program Receipts							
1037 GF/Mental Health							
10XX Renewable Energy Fund							
TOTAL	**226.0**	**0.0**	**155.0**	**155.0**	**155.0**	**155.0**	**0.0**

Estimate of any current year (FY2008) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This legislation creates a renewable energy grant recommendation program to be administered by the Alaska Energy Authority (AEA) and establishes a seven member advisory committee. This legislation requires AEA, in consultation with the advisory committee, to establish regulations to 1) develop a methodology for determining the order of projects that receive assistance 2) determine grant and eligibility 3) identify criteria to evaluate the benefit and feasibility of potential projects 4) develop a methodology for distributing funds to finance various studies and construction projects 5) provide for power production incentives to reduce principal balances of loans. AEA will provide recommendations to the legislature for annual appropriations for eligible projects.

Prepared by: Sara Fisher-Goad, Deputy Director-Operations — Phone 907-771-3012
Division: Alaska Energy Authority — Date/Time 4/9/08 9:16 AM
Approved by: Emil R. Notti, Commissioner — Date 4/9/2008
Agency: Department of Commerce, Community, and Economic Development

(Revised 11/15/2007 OMB)

ANALYSIS CONTINUATION

FY 2010 through FY 2013, in consultation with the advisory committee, AEA shall make appropriation recommendations to the legislature for projects to finance feasibility studies, reconnaissance studies, energy resource monitoring, and construction of renewable energy projects, natural gas projects, or transmission or distribution infrastructure located in Alaska. AEA shall annually solicit funding recommendations from the advisory committee for all grants and loans.

This legislation establishes project eligibility criteria for a renewable energy project, a natural gas project and a transmission or distribution infrastructure project.

This fiscal note represents costs associated with a new project manager who will be responsible for developing the regulations in consultation with the advisory committee. $100.0 in contractual costs for AIDEA and one-time $6.0 supply costs associated with the position. For FY 2009 an additional $100.0 is required to assist in developing the evaluation criteria and evaluate the proposals. Subsequent years we anticipate $50.0 required for evaluation of the proposals. The fiscal note also provides estimated travel costs for the 7 member committee to meet 4 times in FY 2009 for the initial development phase of regulations and annually to solicit funding recommendations.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: SCS CS HB 152 (FIN)
() Publish Date:

ID(File name) HB152SCSCS(FIN)-DHSS-EAP-04-10-08
Dept. Affected: Health & Social Services
Title ESTABLISH RENEWABLE ENERGY FUND/ACCOUNT
RDU Public Assistance
Component Energy Assistance Program
Sponsor HARRIS
Requester SENATE FINANCE
Component No. 226

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2009**	**FY 2009**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**
Personal Services	159.3		159.3	159.3	159.3	159.3	159.3
Travel							
Contractual	135.0		32.0	32.0	32.0	32.0	32.0
Supplies	25.0		25.0	25.0	25.0	25.0	25.0
Equipment	28.0						
Land & Structures							
Grants & Claims	5,928.0		2,964.0	2,964.0	2,964.0	2,964.0	2,964.0
Miscellaneous							
TOTAL OPERATING	**6,275.3**	**0.0**	**3,180.3**	**3,180.3**	**3,180.3**	**3,180.3**	**3,180.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (0)							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	6,275.3		3,180.3	3,180.3	3,180.3	3,180.3	3,180.3
1037 GF/Mental Health							
Other(Specify Type-do not abbreviate)							
Other(Specify Type-do not abbreviate)							
TOTAL	**6,275.3**	**0.0**	**3,180.3**	**3,180.3**	**3,180.3**	**3,180.3**	**3,180.3**

Estimate of any current year (FY2008) cost:

POSITIONS

Full-time	4		4	4	4	4	4
Part-time							
Temporary							

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

SCS CSHB 152 establishes a state-funded Heating Assistance Program for households with incomes between 150% and 225% of the federal poverty guidelines for Alaska. The proposed state-funded program is intended to serve households that do not qualify for the federally-funded Low-Income Home Energy Assistance Program (LIHEAP), which limits household income to 150% of the federal poverty guidelines for Alaska.

The administration and funding for the federally-funded LIHEAP is shared by the State and Alaska Native Organizations operating Tribal Energy assistance Programs. Last heating season, over 13,000 households in Alaska received help from the state and tribal programs. (Continued)

Prepared by: Ellie Fitzjarrald, Director — Phone 465-2680
Division: Division of Public Assistance — Date/Time 04/09/2008
Approved by: Karleen Jackson, Commissioner — Date 04/10/2008
Agency: Department of Health and Social Services

ANALYSIS CONTINUATION

SCS CSHB 152 includes the program flexibility afforded in the federal LIHEAP program that allows tribal entities to operate energy assistance programs. The bill gives the department the option to contract with Alaska Native Organizations operating tribal energy assistance programs and to provide a fair and equitable share of the appropriations for the state-funded program to serve households in the tribal program's service areas. The bill establishes an immediate effective date and authorizes retroactive payments to eligible households to offset heating costs incurred during the winter of 2007-2008.

Assumptions:

- We assume the new state-funded program will operate the same as the existing Heating Assistance Program, which has a fixed annual appropriation such as the LIHEAP Block Grant, and accepts applications from September 1 through April 30 each year.
- Up to six months will be needed to allow for program start-up. While eligibility rules, policies, and general administrative practices for the federally-funded LIHEAP will be used to support the new state-funded program, changes in the Administrative Code and enhancements to the state's Heating Assistance Program's automated computer system (HAS) will be needed. Emergency regulations may be needed if the new program is expected to accept applications effective September 1, 2008. Additional staff support will also be needed to manage the increased application volume and workload.

The table below shows the 2008 federal poverty guidelines for Alaska, up to a household of four, which is the average size of households receiving heating assistance grants.

2008 Federal Poverty Levels for Alaska			
Family	Percent of Poverty		
Size	100%	150%	225%
1	13,000	19 500	29,250
2	17,500	26,250	39,375
3	22,000	33,000	49,500
4	26,500	39,750	59,625

(Continued)

ANALYSIS CONTINUATION

- The Department estimates that an additional 3,800 household will qualify under the higher income limits for the new state-funded Heating Assistance Program. Note: Information about the number of qualifying households with incomes between 150% and 225% of the federal poverty guidelines for Alaska is limited and difficult to project. Costs for this new program will need to be re-evaluated as the department gains experience administering it.
- The average annual heating assistance grant will be $780 per household.

Total Annual Benefit Costs are estimated to be $2,964.0 (3,800 households x $780/year); in FY 09 the benefit costs are double to reflect grants that will be issued for the 2008 - 2009 heating season, and the retroactive payments for the 2007-2008 heating season as authorized in the legislation.

Administrative Cost Assumptions:

- Three Eligibility Technicians (Range 13) and one ADC II (Range 8) will be needed to manage the increased applications and workload resulting from more households applying for heating assistance. These positions are responsible for providing customer service, communicating with applicants and vendors, verifying applicant information, and making the eligibility decision. The positions are seasonal and work up to eight months each year (Sept-April).
- Modifications to DPA's Heating Assistance management information system (HAS) are needed to facilitate the implementation of the higher income limits and to track eligibility and benefit issuance for the new state-funded program separately from the federally-funded LIHEAP program.
- Information about the availability of the new program, revisions to the application, community educations and outreach will begin August 2008.

Total Annual Administrative Costs: $216.3

Personal Services:	$159.3 (salary and benefits for 4 seasonal positions)
Contractual:	$32.0 (annual cost for information technology, telecommunications, office space, phones)
Supplies:	$25.0 (program materials, outreach, and office supplies)

Additional One-time start-up Costs for FY09: $103.0

Equipment/Supply:	$28.0 (one-time costs for desktop computers, printers, and work stations for four new positions)
Contractual:	$50.0 (one-time cost of $50.0 for modifications to the Heating Assistance Management Information System
	$25.0 (development of regulations)

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: SCS CSHB 152 (FIN)
() Publish Date:

Identifier (file name):
Title: Establish Renewable Energy Fund/Account
Dept. Affected: DCCED
RDU: Alaska Energy Authority
Component: Grants
Sponsor: Harris
Requester: Senate Finance Committee
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2009**	**FY 2009**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0	
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		50,000.0	50,000.0	50,000.0	50,000.0	50,000 0	
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	50,000.0	50,000.0	50,000.0	50,000.0	50,000.0	0.0

Estimate of any current year (FY2008) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

"It is the intent of the legislature to appropriate $50 million in grants to applicants for renewable energy projects determined by the Alaska Energy Authority. As a matter of temporary law, HB 152 requires the Authority seek the recommendation of the Legislative Budget and Audit Committee prior to awarding grants in FY09."

Prepared by: Senator Bert Stedman
Senate Finance Committee, Co-Chair
Phone 465-3873
Date/Time

Senator Lyman Hoffman
Senate Finance Committee, Co-Chair
Date 4/10/2008

(Revised 10/23/2007 OMB)

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: SCS CSHB152(RES)
() Publish Date:

Identifier (file name): HB152SCSCS(RES)-CED-AIDEA-03-24-08
Dept. Affected: DCCED
Title: Establish Renewable Energy Fund/Account
RDU: AIDEA (125)
Component: AIDEA Operations
Sponsor: Harris et al
Requester: Senate Finance
Cornponent Number: 1234

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services	100.0		100.0	100.0	100.0	100.0	100.0
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	100.0	0.0	100.0	100.0	100.0	100.0	100.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1007 Interagency Receipts	100.0	0.0	100.0	100.0	100.0	100.0	100.0
TOTAL	100.0	0.0	100.0	100.0	100.0	100.0	100.0

Estimate of any current year (FY2008) cost:

POSITIONS

Full-time	1	0	1	1	1	1	1
Part-time							
Temporary							

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

This legislation creates a renewable energy fund to be administered by the Alaska Energy Authority (AEA) and establishes a seven member advisory committee. AIDEA provides through a reimbursable services agreement (RSA), staff support for AEA programs. Funding for this RSA would come from the newly established Renewable Energy fund.

Prepared by: Sara Fisher-Goad, Deputy Director-Operations
Phone 907-771-3012
Division: Alaska Industrial Development and Export Authority
Date/Time 3/24/08 12:49 PM
Approved by: Emil R. Notti, Commissioner
Date 3/24/2008
Agency: Department of Commerce, Community, and Economic Development

SENATE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced:
Referred:

A RESOLUTION

Suspending Rules 24(c), 35, 41(b), and 42(c), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 152, establishing a renewable energy project account and a renewable energy fund and describing their uses and purposes.

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

That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of Rules 24(c), 35, 41(b), and 42(c), Uniform Rules of the Alaska State Legislature, regarding changes to the title of a bill, are suspended in consideration of House Bill No. 152, establishing a renewable energy project account and a renewable energy fund and describing their uses and purposes.

Adopted 4-7-08

25-LS0413\J.5
Bullock/Kane
4/9/08

AMENDMENT #6

OFFERED IN THE SENATE

TO: SCS CSHB 152(FIN), Draft Version "J"

Page 1, line 1:

Delete "**and,**"

Page 1, line 4, following "**grants**":

Insert "**; and establishing an Alaska Renewable Energy Task Force**"

Page 1, line 8:

Delete "The"

Insert "For secs. 2, 3, 5, and 6 of this Act, the"

Page 2, line 25, following "in":

Insert "secs. 2 and 5 of"

Page 2, following line 25:

Insert a new subsection to read:

"(c) For sec. 4 of this Act, the legislature finds that

(1) energy issues are among the most critical issues in the state; and

(2) a thorough assessment of present and future state energy needs and requirements is necessary."

Page 5, following line 13:

Insert a new bill section to read:

"* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to

read:

ALASKA RENEWABLE ENERGY TASK FORCE. (a) There is established in the legislative branch of state government the Alaska Renewable Energy Task Force. The task force consists of seven voting members appointed as follows:

(1) the speaker of the house of representatives shall appoint three members from the house of representatives;

(2) the president of the senate shall appoint three members from the senate; and

(3) the governor shall appoint one member.

(b) The chair of the task force shall be a legislative member selected by a majority vote of the members of the task force. The staff of the members who are legislators shall serve as staff to the task force.

(c) The task force shall prepare a report that includes

(1) an assessment of future statewide renewable energy needs; and

(2) recommendations for a statewide energy plan to fulfill the state's renewable energy needs.

(d) Members of the task force are entitled to transportation expenses and per diem allowances provided by law.

(e) The task force shall meet at least four times. The task force may meet in communities in the state that are using or considering sources of renewable energy.

(f) The task force shall submit written reports of its findings and recommendations to the legislature

(1) before March 1, 2009; and

(2) before March 1, 2010.

(g) The Alaska Renewable Energy Task Force is terminated on April 16, 2010."

Renumber the following bill section accordingly.

Page 6, following line 9:

Insert a new bill section to read:

"* Sec. 7. Sections 1(c) and 4 of this Act are repealed April 16, 2010."

Adopted 4-9-08 R.O. 4-10-08

25-LS0413\J
Kane
4/8/08

SENATE CS FOR CS FOR HOUSE BILL NO. 152(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES HARRIS, Thomas, Crawford, Gara, Salmon, Johnson, Guttenberg, Gardner, Nelson, Edgmon, LeDoux, Dahlstrom, Kerttula, Wilson, Holmes, Doll, Meyer, Kawasaki, Joule, Seaton, Lynn, Gruenberg, Johansen, Ramras

SENATORS McGuire, Therriault, Dyson, Wagoner, Bunde, Ellis, Kookesh, Elton, Stevens, Wielechowski, Thomas

A BILL

FOR AN ACT ENTITLED

"An Act establishing a renewable energy grant recommendation program; and, for the fiscal year ending June 30, 2009, authorizing the Alaska Energy Authority to distribute renewable energy grants and setting out the procedures to be followed to award those grants."

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

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE FINDINGS AND INTENT. (a) The legislature finds that

(1) an adequate, reliable, reasonably priced, and safe supply of energy is necessary for Alaska's basic infrastructure, and economic and technological development;

(2) Alaska possesses vast amounts of renewable energy resources in the form of wind, solar, geothermal, wave, tidal, biomass, river in-stream, and hydropower;

(3) the legislature established the Alaska Energy Policy Task Force in 2003 to review and analyze the state's current and long-term energy needs;

(4) the task force found that one of Alaska's long-term energy needs is to identify and evaluate long-term fuel resources, and recommended that the state should increase the proportion of renewables in long term-fuel sources;

(5) the cost of fuels such as natural gas and diesel that Alaskans rely on in large part to generate electric power is steadily rising;

(6) residents of rural Alaska pay far more for electricity than residents who live on the Railbelt energy grid;

(7) there is virtually no fuel cost associated with renewable energy resources;

(8) other states and nations are working successfully to develop their renewable energy resources;

(9) the continued competitiveness and stability of the state's economy requires that the legislature consider national trends toward renewable energy development;

(10) renewable energy technology development promotes industry and creates jobs;

(11) clean renewable energy has many environmental and health benefits;

(12) locally produced renewable energy has many security benefits;

(13) modern, affordable, and efficient renewable energy technologies now exist;

(14) it is in the interest of the public for Alaska to develop its renewable energy resources; and

(15) natural gas can be considered as a last alternative for communities with no other reasonable renewable resources.

(b) It is the intent of the legislature that each year, for the next five years, $50,000,000 in capital funds be appropriated to fund projects recommended by the Alaska Energy Authority as described in this Act.

* **Sec. 2.** AS 42.45 is amended by adding a new section to read:

Sec. 42.45.045. Renewable energy grant recommendation program. (a) The authority shall, in consultation with the advisory committee established under (f) of this section and the Department of Natural Resources,

(1) develop a methodology for determining the order of projects that may receive assistance and will achieve a statewide balance of grant funds, including

separate requirements for grant eligibility, and adopt regulations identifying criteria to evaluate the benefit and feasibility of projects for which an applicant applies for support from the legislature, with significant weight being given to the amount of matching funds an applicant is able to make available;

(2) make recommendations to the legislature for renewable power production reimbursement grants; and

(3) not later than 10 days after the first day of each regular legislative session, submit to the legislature a report summarizing and reviewing each grant application submitted under this section and a recommended priority for awarding grants.

(b) In consultation with the advisory committee established in (f) of this section, the authority shall make recommendations to the legislature regarding eligible applicants' projects that finance feasibility studies, reconnaissance studies, energy resource monitoring, and construction of renewable energy projects, natural gas projects, or transmission or distribution infrastructure located in Alaska that meet the requirements of (c), (d), or (e) of this section, as applicable, and shall at least once each year, solicit from the advisory committee funding recommendations for all grants.

(c) For a renewable energy project to qualify for a grant recommendation under (b) of this section, the project must

(1) be a new project not in operation on the effective date of this Act or an addition to an existing project made after the effective date of this Act; and

(2) be

(A) a hydroelectric facility;

(B) a direct use of renewable energy resources;

(C) a facility that generates electricity from fuel cells that use hydrogen from renewable energy resources or natural gas; or

(D) a facility that generates energy from renewable energy resources.

(d) To qualify for a grant recommendation under (b) of this section, a project that is a natural gas project must benefit a community that

(1) has a population of 10,000 or less; and

(2) does not have economically viable renewable energy resources it can develop.

(e) To qualify for a grant recommendation under (b) of this section, transmission or distribution infrastructure must link a renewable energy project or natural gas project to the transmission or distribution infrastructure. A grant may be recommended under this subsection even if the grant applicant is not itself financing the construction of the renewable energy project or natural gas project.

(f) An advisory committee is established and consists of seven members, appointed as follows:

(1) five members shall be appointed jointly by the speaker of the house of representatives and the president of the senate to staggered three-year terms, with one representative to be appointed from each of the following groups:

(A) small Alaska rural electric utilities;

(B) large Alaska urban electric utilities;

(C) Alaska Native organizations;

(D) businesses or organizations engaged in the renewable energy sector; and

(E) the Denali Commission established under P.L. 105-277, 42 U.S.C. 3121 note;

(2) one member of the house of representatives shall be appointed by the speaker of the house of representatives; and

(3) one member of the senate shall be appointed by the president of the senate.

(g) A member of the advisory committee appointed under (f) of this section serves without compensation but is entitled to travel and per diem expenses as provided in AS 39.20.180.

(h) In this section,

(1) "eligible applicant" means an electric utility holding a certificate of public convenience and necessity under AS 42.05, independent power producer, local government, or other governmental utility, including a tribal council and housing

authority;

(2) "hydroelectric facility" has the meaning given to the term "project" under AS 42.45.350(g);

(3) "natural gas project" means use or access of natural gas other than landfill or digester gas;

(4) "renewable energy resources" means

(A) wind, solar, geothermal, wave, tidal, river in-stream, or hydropower;

(B) low-emission nontoxic biomass based on solid or liquid organic fuels from wood, forest and field residues, or animal or fish products;

(C) dedicated energy crops available on a renewable basis; or

(D) landfill gas and digester gas.

* **Sec. 3.** AS 42.45.045 is repealed June 30, 2013.

* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RENEWABLE ENERGY GRANTS DURING STATE FISCAL YEAR 2009. (a) For the fiscal year ending June 30, 2009, from an appropriation made under the statement of intent set out in sec. 1(b) of this Act, the Alaska Energy Authority shall distribute grants to applicants determined by the Authority and that meet the criteria in AS 42.45.045(c) - (e), added by sec. 2 of this Act, based on the procedure described in (b) of this section.

(b) For administering grants under AS 42.45.045(c) - (e), added by sec. 2 of this Act, for the fiscal year ending June 30, 2009, notwithstanding AS 42.45.045(a), (b), and (f) - (h), added by sec. 2 of this Act,

(1) the Alaska Energy Authority shall submit to the Legislative Budget and Audit Committee for review a revised program setting out the proposed grants;

(2) 45 days shall elapse before commencement of expenditures under the revised program unless the Legislative Budget and Audit Committee earlier recommends otherwise;

(3) should the Legislative Budget and Audit Committee recommend within the 45-day period that the Alaska Energy Authority not award the grants as set out in the revised program, the Alaska Energy Authority shall again review the grant applications and, if the

Alaska Energy Authority determines to authorize the expenditures, the Alaska Energy Authority shall provide the Legislative Budget and Audit Committee with a statement of the Alaska Energy Authority's reasons before commencement of expenditures making the approved grants.

* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION. For the initial appointments made to the advisory committee under AS 42.45.045(f)(1), added by sec. 2 of this Act, two members serve for one year, two for two years, and three for three years.

adopted 4-9-08

25-LS0413\J.3
Kane
4/8/08

AMENDMENT #1

OFFERED IN THE SENATE BY SENATOR STEDMAN

TO: SCS CSHB 152(FIN), Draft Version "J"

Page 4, lines 11 - 12:

Delete "jointly by the speaker of the house of representatives and the president of the senate"

Insert "by the governor"

CSSB 152(FIN)
K.
amend's 1, 2, 3, 4, 5, 6, 7

adopted 4-9-08

04/01/08

AMENDMENT #3

OFFERED IN THE SENATE FINANCE COMMITTEE
BY SENATOR ELTON

TO: SCS CSHB 152(FIN)
Version: 25-LS0413\J

Page 5, lines 7–8 are amended to read:

(A) wind, solar, geothermal, **hydrothermal,** wave, tidal, river in-stream, or hydropower;

Explanation:
This added word makes clear that "renewable energy resources" includes hydrothermal energy. Some have argued that taking heat out of or adding heat to water is the same thing as geothermal, but that's not a given. This clarifies that an ocean-source or lake-source heat pump qualifies.

Scott Saline (sp?) from Sitka talked about this issue at the 3/26 FIN hearing. Bill Leighty of Juneau also discussed this issue at both hearings.

Adopted 4-9-08

AMENDMENT #5

By Senator Stedman

OFFERED IN: Senate Finance

TO: SCS HB 152 (FIN) – version J

OFFERED BY: Senator

Page 3, line 1:

Add "and matching funds," after "eligibility"

Page 3, lines 3 and 4:

after legislature, delete rest of line 3 and 4.

(1) develop a methodology for determining the order of projects that may receive assistance and will achieve a statewide balance of grant funds, including separate requirements for grant eligibility **and matching funds,** and adopt regulations identifying criteria to evaluate the benefit and feasibility of projects for which an applicant applies for support from the legislature [WITH SIGNIFICANT WEIGHT BEING GIVEN TO THE AMOUNT OF MATCHING FUNDS AN APPLICANT IS ABLE TO MAKE AVAILABLE].

This change requires matching funds for projects, as determined by the regulatory process, without the ambiguity of determining the definition of "significant" weight.

Failed
1-4

AMENDMENT # 7 CONCEPTUAL

SCS C S HB 152 (FIN) VERSION "J" By DYSON

PAGE 2 LINE 4 AFTER "NATURAL GAS" ADD ", CLEAN COAL"

PAGE 2 LINE 21 AFTER "NATURAL GAS" ADD "AND CLEAN COAL"

PAGE 3 LINE 15 AFTER "PROJECTS" ~~ADD~~ "AND CLEAN COAL"

PAGE 5 ~~BEGIN~~ - MOVE LINES 9 & 10 TO A NEW ~~SECTION~~ SUB PARAGRAPH (5) BIO MASS FUEL; RENUMBER AS NECESSARY

PAGE 5 LINE 12 ADD SHALLOW GAS

adopted 4-9-08

25-LS0413\J.4
Bullock
4/8/08

AMENDMENT #2

OFFERED IN THE SENATE BY SENATOR HOFFMAN

TO: SCS CSHB 152(FIN), Draft Version "J"

Page 1, line 1:

Delete "**and,**"

Page 1, line 4, following "**grants**":

Insert "**; establishing a state heating assistance program in addition to the federal heating assistance program; and providing for an effective date**"

Page 2, line 25, following "in":

Insert "secs. 3 and 6 of"

Page 2, following line 25:

Insert a new bill section to read:

"* **Sec. 2.** AS 36.30.850(b) is amended by adding a new paragraph to read:

(46) contracts for delivery of home heating assistance under AS 47.25.626."

Renumber the following bill sections accordingly.

Page 5, following line 12:

Insert a new bill section to read:

"* **Sec. 4.** AS 47 is amended by adding new sections to read:

Article 3A. Alaska Heating Assistance Program.

Sec. 47.25.621. Alaska heating assistance program. (a) The Alaska heating

assistance program is established in the Department of Health and Social Services to provide expanded eligibility for Alaska residents for home heating assistance, to the extent funds are appropriated by the legislature for that purpose.

(b) The heating assistance program established under this section is in addition to the federal low-income heating and energy assistance provided under 42 U.S.C. 8621 - 8629 (Low-Income Home Energy Assistance Act of 1981), as amended, and implementing regulations.

Sec. 47.25.622. Duties. The department shall

(1) administer the Alaska heating assistance program provided under AS 47.25.621;

(2) adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the purpose of the program;

(3) coordinate payments among other heating assistance programs to avoid duplication of payments.

Sec. 47.25.623. Eligibility. An individual is eligible for home heating assistance payments under the Alaska home heating assistance program if the individual

(1) is a resident of the state;

(2) is physically present and resides in a home in the state when the home heating costs are incurred;

(3) has gross household income above 150 percent but that does not exceed 225 percent of the federal poverty guideline for Alaska set by the United States Department of Health and Human Services and revised under AS 42 U.S.C. 9902(2);

(4) meets other eligibility requirements specified in regulations adopted under AS 47.25.622.

Sec. 47.25.624. Appeal rights. Except as provided in AS 47.25.626(e), an individual who receives a determination from the department that denies, limits, or modifies home heating payments under AS 47.25.621 - 47.25.626, other than a determination based on insufficient funding of the program, may request a hearing before the department under regulations adopted by the department.

Sec. 47.25.625. Ability to recover or recoup improper home heating

assistance payments. An individual is liable to the department for the value of assistance improperly paid under AS 47.25.623 if the improper payment was based on inaccurate or incomplete information provided by the individual. In a civil action brought by the state to recover from the individual the value of the assistance improperly paid, the state may recover from the individual the costs of investigation and prosecution of the civil action, including attorney fees as determined under court rules.

Sec. 47.25.626. Regional heating assistance program. (a) The department may develop a regional Alaska heating assistance program for the administration of AS 47.25.621 - 47.25.626 to provide home heating assistance in a uniform and cost-effective manner in a region of this state if an Alaska Native organization is authorized to implement a federally approved tribal family assistance plan that includes that region and has been awarded a tribal energy assistance grant for a program that includes that region under 42 U.S.C. 8623(d).

(b) The department may award contracts to implement a program developed under (a) of this section. A contract authorized for delivery of home heating assistance under a regional Alaska heating assistance program under this section is exempt from the competitive bid requirements of AS 36.30 (State Procurement Code). Subject to appropriation, a contract under this section must be in an amount that represents a fair and equitable share of the money appropriated for the Alaska heating assistance program under AS 47.25.621 - 47.25.626 to serve the state residents specified in (a) of this section. The authority provided under this section to contract is in addition to the authority to contract in AS 47.05.015 or other law.

(c) The department may award a contract under this section only to an organization that

(1) has been awarded a tribal energy assistance grant under 42 U.S.C. 8623(d) for a program that includes that region;

(2) agrees to administer home heating assistance under AS 47.25.621 - 47.25.626 to state residents in the region; and

(3) agrees to implement an appeals process as described in (e) of this section.

(d) Records pertaining to recipients of home heating assistance under a contract awarded under this section are confidential and not subject to disclosure under AS 40.25.100 - 40.25.220.

(e) An organization that receives a contract under this section shall provide an appeals process to applicants for or recipients of home heating assistance covered by the contract awarded under this section. The appeals process must be the same as the method available under AS 47.25.624, except that the decision reached shall be considered a recommended decision to the department. Within 30 days after receiving a recommended decision, the department shall review the recommended decision and issue a decision accepting or rejecting the recommended decision. If the department rejects the recommended decision, the department shall independently review the record and issue its final decision. The final decision of the department on the matter is appealable to the courts of this state.

(f) If the department establishes a regional Alaska heating assistance program and awards a contract to provide home heating assistance under this section, a person applying for home heating assistance under AS 47.25.621 - 47.25.626 in the region of the state covered by the regional home heating assistance program may obtain home heating assistance from the department only through the organization designated by the department to serve the region."

Renumber the following bill section accordingly.

Page 5, line 20:

Delete "sec. 2"

Insert "sec. 3"

Page 5, line 21:

Delete "sec. 2"

Insert "sec. 3"

Page 5, line 23:

Delete "sec. 2"

Insert "sec. 3"

Page 6, line 8:

Delete "sec. 2"

Insert "sec. 3"

Page 6, following line 9:

Insert new bill sections to read:

"* **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: RETROACTIVITY OF REGULATIONS. Notwithstanding a contrary provision of AS 44.62.240, if the Department of Health and Social Services expressly designates in a regulation adopted under AS 47.25.622(2), enacted by sec. 4 of this Act, that the regulation applies retroactively to November 1, 2007, and is necessary to implement, interpret, make specific, or otherwise carry out AS 47.25.621 and 47.25.623, enacted by sec. 4 of this Act, the regulation may apply retroactively to November 1, 2007.

* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY OF CERTAIN PROVISIONS OF THIS ACT. AS 47.25.621 and 47.25.623, enacted by sec. 4 of this Act, are retroactive to November 1, 2007.

* **Sec. 10.** This Act takes effect immediately under AS 01.10.070(c)."

Adopted 4/10/08

25-LS0413\J.7
Cook/Kane
4/10/08

AMENDMENT 7

OFFERED IN THE SENATE BY SENATOR STEDMAN

TO: SCS CSHB 152(FIN), Draft Version "J"

Page 2, line 31:

Delete "and will achieve a statewide balance of grant funds"

Page 3, line 3:

Delete "significant weight being given"

Insert "the most weight being given to projects that serve areas in which energy costs exceed energy costs in other areas of the state, and significant weight being given to a statewide balance of grant funds and"

Adopted 4/10/08

25-LS0413\J.6
Kane
4/10/08

AMENDMENT 9

OFFERED IN THE SENATE BY SENATOR STEDMAN

TO: SCS CSHB 152(FIN), Draft Version "J"

Page 1, line 1, following "**establishing**":

Insert "**establishing a renewable energy fund and describing their uses and purposes;**"

Page 2, line 27:

Following "**energy**":

Insert "**fund and**"

Following "**program.**":

Insert new subsections to read:

"(a) A renewable energy fund is established as a separate fund to finance certain energy projects in Alaska.

(b) The authority shall administer the fund as a fund distinct from other funds of the authority. The fund consists of

(1) money appropriated to the fund by the legislature to provide grants for certain energy projects determined by the legislature;

(2) gifts, bequests, contributions from other sources, and federal money;

(3) interest earned on the fund balance; and

(4) investments to be managed by the Department of Revenue, which shall be the fiduciary of the fund under AS 37.10.071.

(c) The fund is not a dedicated fund."

Reletter the following subsections accordingly.

Page 2, line 28:

Delete "(f)"

Insert "(i)"

Page 3, line 11:

Delete "(f)"

Insert "(i)"

Page 3, line 16:

Delete "(c), (d), and (e)"

Insert "(f), (g), and (h)"

Page 3, line 20:

Delete "(b)"

Insert "(e)"

Page 3, line 30:

Delete "(b)"

Insert "(e)"

Page 4, line 4:

Delete "(b)"

Insert "(e)"

Page 4, line 25:

Delete "(f)"

Insert "(i)"

Page 4, following line 27:

Insert a new subsection to read:

"(k) The legislature may appropriate money for grants from the renewable energy project fund for renewable energy projects described in this section."

Reletter the following subsection accordingly.

Page 5, following line 1:

Insert a new paragraph to read:

"(2) "fund" means the renewable energy fund;"

Renumber the following paragraphs accordingly.

Page 5, line 19:

Delete "AS 42.45.045(c) - (e)"

Insert "AS 42.45.045(f) - (h)"

Page 5, line 21:

Delete "AS 42.45.045(c) - (e)"

Insert "AS 42.45.045(f) - (h)"

Delete "sec. 2"

Insert "sec. 3"

Page 5, line 22:

Delete "AS 42.45.045(a), (b), and (f) - (/)"

Insert "AS 42.45.045(d), (e), and (i) - (/)"

Page 5, line 23:

Delete "sec. 2"

Insert "sec. 3"

Page 6, line 8:

Delete "AS 42.45.045(f)(1)"

Insert "AS 42.45.045(i)(1)"

SENATE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced:
Referred:

A RESOLUTION

Suspending Rules 24(c), 35, 41(b), and 42(c), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 152, establishing a renewable energy project account and a renewable energy fund and describing their uses and purposes.

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

That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of Rules 24(c), 35, 41(b), and 42(c), Uniform Rules of the Alaska State Legislature, regarding changes to the title of a bill, are suspended in consideration of House Bill No. 152, establishing a renewable energy project account and a renewable energy fund and describing their uses and purposes.

SENATE FINANCE COMMITTEE ROLL CALL

DATE: 4-9-08

Amendment: Conceptual Amend. 7
Dyson

MEMBER	Favor	Oppose
SEN. HUGGINS		
SEN. OLSON		✓
SEN. THOMAS		✓
SEN. DYSON	✓	
SEN. ELTON		✓
SEN. HOFFMAN		
SEN. STEDMAN		✓

YEA 1

NAY 4

withdraw

25-LS0413\W.3
Kane
4/9/08

AMENDMENT #4

OFFERED IN THE SENATE

TO: SCS CSHB 152(RES)

Page 1, line 4, following "~~purposes~~ grants":

Insert "**; and establishing an Alaska Renewable Energy Task Force**"

Page 1, line 8:

Delete "The"

Insert "(a) For secs. 2 and 3 of this Act, the"

Page 2, following line 22:

Insert a new subsection to read:

"(b) For sec. 4 of this Act, the legislature finds that

(1) energy issues are among the most critical issues in the state; and

(2) a thorough assessment of present and future state energy needs and requirements is necessary."

Page 5, following line 12:

Insert a new bill section to read:

"* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to read:

ALASKA RENEWABLE ENERGY TASK FORCE. (a) There is established in the legislative branch of state government the Alaska Renewable Energy Task Force. The task force consists of seven voting members appointed as follows:

(1) the speaker of the house of representatives shall appoint three members from the house of representatives;

(2) the president of the senate shall appoint three members from the senate; and

(3) the governor shall appoint one member.

(b) The chair of the task force shall be a legislative member selected by a majority vote of the members of the task force. The staff of the members who are legislators shall serve as staff to the task force.

(c) The task force shall prepare a report that includes

(1) an assessment of future statewide renewable energy needs; and

(2) recommendations for a statewide energy plan to fulfill the state's renewable energy needs.

(d) Members of the task force are entitled to transportation expenses and per diem allowances provided by law.

(e) The task force shall meet at least four times. The task force may meet in communities in the state that are using or considering sources of renewable energy.

(f) The task force shall submit written reports of its findings and recommendations to the legislature

(1) before March 1, 2009; and

(2) before March 1, 2010.

(g) The Alaska Renewable Energy Task Force is terminated on April 16, 2010."

Renumber the following bill section accordingly.

Page 6, following line 9:

Insert a new bill section to read:

"* Sec. 6. Sections 1(b) and 4 of this Act are repealed April 16, 2010."

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 404(CRA)
(H) Publish Date: 3/17/08

Identifier (file name):
Title: Alternative Energy Task Force
Sponsor: Rep. Fairclough, Edgmon, Thomas, Wilson, et al.
Requester: Community and Regional Affairs

Dept. Affected: University of Alaska
RDU: University of Alaska
Component: Sysbra
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2008) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The University of Alaska would participate in the Alaska Renewable Energy Task Force. To the degree projects are proposed that require additional expertise, facilities, equipment or other resources, additional funding would be required.

Prepared by: Michelle Rizk
Division: University of Alaska
Phone 907-450-8187
Date/Time 2/29/08 2 30 PM

Approved by: Pat Pitney
University of Alaska
Date 2/29/08 2 30 PM

Doug Johnson Fri, Apr 4, 2008 8:31 PM

Subject: Support for HB 152
Date: Thursday, April 3, 2008 7:44 AM
From: Doug Johnson <djohnson@oceanrenewablepower.com>
To: <Senator_Bert_Stedman@legis.state.ak.us>
Conversation: Support for HB 152

Dear Senator Steadman,
On behalf of Ocean Renewable Power Company ALASKA (ORPC Alaska), I would like to thank you for your support of renewable energy as well as specifically request from you to pass the HB 152 bill and its funding for 2008. ORPC Alaska has a unique opportunity to invest in the windfalls from a non-renewable energy industry into a new and emerging renewable energy industry here in Alaska. Developing renewable energy resources need R&D funding support and The Renewable Energy Fund will play a key role in supporting new industry development.

Again, ORPC Alaska thanks you for your support and thoughtful consideration on this important legislation.

Best,

Doug

D. Douglas Johnson
Alaska Projects Director
ORPC Alaska, LLC
911 W. 8th Ave., Suite 205
Anchorage, Alaska 99501
(907) 250-7269
djohnson@OceanRenewablePower.com
http://www.OceanRenewablePower.com

ORPC
Ocean Renewable
Power Company

ALASKA ENERGY AUTHORITY

Alternative Energy RFP - Eligible and Complete Applications
Preconstruction

ID	Proposer	Description	Project Cost	Amount Requested	Planning Area	Resource	Location
1	Fairbanks Biodiesel	Waste vegtable oil for heating, transportation, power generatio	100,000	6,630	Railbelt	Biofuels	Statewide
2	Fairbanks Economic Development Corp	Carbon-based-fuel-gasifiers Syngas	500,000,000	400,000	Railbelt	Biofuels	Fairbanks
3	Golden Valley Electric Association	NPE gas turbine operation on syngas produced from biomass	3,250,000	50,000	Railbelt	Biofuels	Fairbanks
4	HMH Consulting, LLC	Algae biodiesel production	850,500	89,677	Railbelt	Biofuels	Various
5	Taku Renewable Resources, Inc	Biodiesel production from multiple feedstocks		123,653	4DP - SE	Biofuels	Juneau
6	Chugachmiut	CHP Biomass	3,200,000	100,000	Rural	Biomass	Port Graham
7	Copper River School District	Wood boiler	281,195	50,000	Rural	Biomass	Kenny Lake
8	Gulkana Village Council	Biomass boiler system	79,000	79,000	Rural	Biomass	Gulkana
9	Matanuska-Susitna Borough	Wood-fired Heating Plant for Su-Valley School	561,000	25,000	Railbelt	Biomass	Talkeetna
10	Hobbs Industries, Inc	Castle Mountain Coal mine for district heating	5,000,000	500,000	Railbelt	Coal	Palmer
11	Native Council of Port Heiden	Geothermal power plant	3,500,000	88,870	Rural	Geothermal	Port Heiden
12	Alaska Power Company	Hydro Mentasta	2,600,000	431,950	Rural	Hydro	Mentasta
13	Alaska Power Company	Hydro Yerrick	6,846,919	672,450	Rural	Hydro	Yerrick Cr (Tok)
14	Alaska Power Company	Hydro Soule River Hyder	201,500,000	914,058	Rural	Hydro	Soule R (Hyder)
15	Chenega Corporation	Hydro Chenega	727,000	130,402	Rural	Hydro	Chenega Bay
16	City of Coffman Cove	Hydro Coffman Cove	1,000,000	100,000	Rural	Hydro	Coffman Cove
17	City of Homer	Low impact hydro turbines in Homer water mains	325,000	39,000	Railbelt	Hydro	Homer
18	City of Tenakee Springs	Indian River Hydro	1,500,000	200,000	Rural	Hydro	Tenakee Springs
19	Community of Elfin Cove Non-Profit Corp	Hydro Elfin Cove	1,500,000	144,000	Rural	Hydro	Elfin Cove
20	Fishhook Renewable Energy, LLC	Fishhook Hydro at Hatcher Pass	3,999,470	215,000	Railbelt	Hydro	Hatcher Pass
21	Golden Valley Electric Association	Run of the river hydro on Nenana at Healy	24,000,000	75,000	Railbelt	Hydro	Healy
22	Golden Valley Electric Association	Hydro on Tanana at Little Gerstle	130,000,000	75,000	Railbelt	Hydro	Little Gerstle River
23	Haida Corporation	Reynolds Creek hydro	13,700,000	175,000	Rural	Hydro	Hydaburg
24	Homer Electric Association	Ptarmigan Lake/Creek low impact hydro	14,000,000	500,000	Railbelt	Hydro	Crown Point
25	Homer Electric Association	Falls Creek low impact hydro	17,500,000	500,000	Railbelt	Hydro	Crown Point
26	Homer Electric Association	Cresent Lake/Creek low impact hydro	17,500,000	500,000	Railbelt	Hydro	Moose Pass
27	Homer Electric Association	Grant Lake/Creek low impact hydro	17,500,000	500,000	Railbelt	Hydro	Moose Pass
28	Renaissance Ketchikan Group, LLC	Hydro Wards Cove Ketchikan	1,880,000	93,000	4DP - SE	Hydro	Ketchikan
29	TDX Power	Chakachamna Hydro	16,400,000	553,080	Railbelt	Hydro	Anchorage
30	Togiak Traditional Council	Continous stream gauging station		16,326	Rural	Hydro	Togiak
31	Hydro Green Energy, LLC	Hydrokinetic Galena	16,000,000	125,000	Rural	Ocean/River	Galena
32	Golden Valley Electric Association	Solar thermal water heating system	500,000	80,000	Railbelt	Solar	Denali Nat Park
33	Alaska Wind Power LLC	Delta wind farm	44,000,000	500,000	Rural	Wind	Delta Junction
34	BQ Energy, LLC	Tesoro Refinery Kenai wind generation	44,210,871	300,000	Railbelt	Wind	Nikiski
35	Bristol Bay Area Health Corporation	Wind generator for corporation	8,000,000	300,000	Rural	Wind	Dillingham
36	City of Nunam Iqua	Wind power study	1,300,000	42,900	Rural	Wind	Nunam Iqua
37	Golden Valley Electric Association	Eva Creek wind interconnection criteria	60,000,000	35,000	Railbelt	Wind	Eva Creek
38	Ipnatachiaq Electric Company	Wind integration to current diesel system	710,000	99,625	Rural	Wind	Deering
39	Kodiak Electric Association, Inc	Wind at Pillar Mountain Phase 2	30,000,000	150,000	4DP - SE	Wind	Kodiak
40	Village Wind Power LLC	Tok wind farm	285,000	285,000	Rural	Wind	Tok
41	Village Wind Power LLC	Bethel wind farm	190,000	190,000	Rural	Wind	Bethel
	Total		**1,194,495,955**	**9,454,621**			
	Total possible grant funds (80% of Request)			**7,563,697**			

ALASKA ENERGY AUTHORITY

Alternative Energy RFP - Eligible and Complete Applications
Construction

ID	Proposer	Description	Project Cost	Amount Requested	Planning Area	Resource	Location
1	Chena Power, LLC	Combusted biomass to drive Organic Rankine Cycle	4,007,900	3,507,900	Railbelt	Biomass	Fairbanks
2	Gulkana Village Council	Biomass boiler system	500,200	500,200	Rural	Biomass	Gulkana
3	Gwitchyaa Zhee Corporation	Biomass fueled heaters, boilers, and gasification	2,057,610	995,610	Rural	Biomass	Fort Yukon
4	Ionia, INC	Biomass thermal energy	498,705	493,705	Railbelt	Biomass	Kasilof
5	Mt. Sanford Tribal Consortium	Wood boiler for heat and water	259,396	129,698	Rural	Biomass	Gakona
6	Hobbs Industries, Inc	Castle Mountain Coal mine for district heating	5,000,000	3,000,000	Railbelt	Coal	Palmer
7	Juneau International Airport	Geothermal ground source heat pump	1,076,000	1,026,000	Railbelt	Geothermal	Juneau
8	TDX Power	Manley Hot Spring Geothermal	1,880,000	1,880,000	Rural	Geothermal	Manley Hot Springs
9	City of King Cove	Waterfall Creek hydro	3,700,000	3,700,000	Rural	Hydro	King Cove
10	Fishhook Renewable Energy, LLC	Fishhook Hydro at Hatcher Pass, Phase I	89,118	89,118	Railbelt	Hydro	Hatcher Pass
11	Fishhook Renewable Energy, LLC	Fishhook Hydro at Hatcher Pass, Phase II	3,804,781	817,023	Railbelt	Hydro	Hatcher Pass
12	Haida Corporation	Reynolds Creek hydro (5.0 MW)	13,700,000	11,700,000	Rural	Hydro	Hydaburg
13	Alaska Environmental Power	Wind turbines near Delta	2,078,900	1,603,000	Railbelt	Wind	Delta Junction
14	Aleutian Pribilof Island Comm Devel Assoc	Saint George high penetration wind diesel hybrid	2,294,875	2,294,875	Rural	Wind	Saint George
15	BQ Energy, LLC	Tesoro Refinery Kenai wind generation	44,210,871	44,210,871	Railbelt	Wind	Nikiski
16	City of Bethel	Wind turbine purchase	799,554	399,777	Rural	Wind	Bethel
17	Kodiak Electric Association, Inc	Wind at Pillar Mountain	14,700,000	13,810,000	4DP - SE	Wind	Kodiak
18	Kotzebue Electric Association	Vanadium Battery Red-Ox Flow	2,172,062	2,172,062	Rural	Wind	Kotzebue
19	Lake and Peninsula Borough	Wind at Kohanok	921,000	148,000	Rural	Wind	Kohanok
	Total		**103,750,972**	**92,477,839**			
	Total possible grant funds (50% of Request)			**46,238,920**			

LARGE STRANDED RENEWABLES:

the International Renewable Hydrogen Transmission Demonstration Facility (IRHTDF)

WILLIAM C. LEIGHTY, Director, The Leighty Foundation, Box 20993, Juneau, AK 99802 USA [illegible]

DR. MASARU HIRATA, Professor Emeritus, University of Tokyo [illegible] Member, The Science Council of Japan [illegible] JAPAN [illegible]

DR. KAZUHIRO [illegible] General Manager, Nippon Steel Corporation, Energy Engineering Division [illegible] Tokyo 100 8071, JAPAN [illegible]

JACQUES BENOIT, Regional Director - Quebec, AMEC Earth & Environmental [illegible] CANADA [illegible]

A pilot-scale gaseous hydrogen (GH2) transmission pipeline system optimized to bring large-scale, remote, diverse, dispersed, stranded, renewable resources to distant markets, in "renewables-hydrogen service"

- No pipelines for renewables-hydrogen service exist
- Major new industrial processes require pilot plants like IRHTDF.
- Electricity lines and GH2 pipelines are comparable in capital and O&M cost
- GH2 transmission provides valuable storage, in the pipeline and in geologic formations
- New underground GH2 pipelines may be more secure, socially acceptable, permittable, and bankable than new overhead electric lines

Global Energy Strategy Challenge

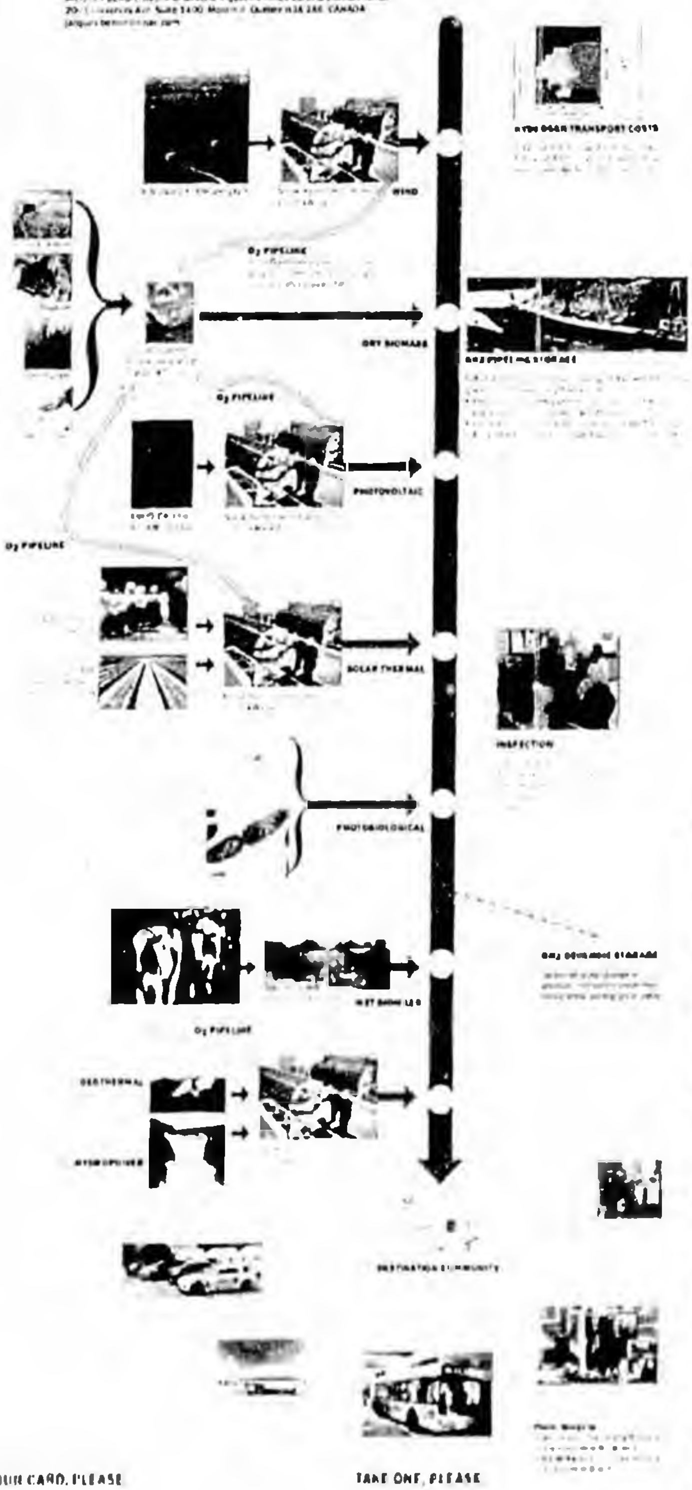
- How shall we bring Earth's large, stranded, renewable resources to distant markets? Transmission options for large-scale stranded renewables:
  - New high voltage direct current (HVDC) electric lines
  - New gaseous hydrogen (GH2) transmission pipelines
  - Synthetic liquid hydrocarbons, with net zero C emissions
  - Superconducting "Energy Pipeline" (EPRI, USA concept)
- Pipelining GH2 is costly, ~ 1.5 - 2 x that of natural gas
  - Low volumetric energy density of hydrogen: one-third that of natural gas
  - Pipeline systems must be safe from hydrogen attack: corrosion, cracking, embrittlement
  - Special compressors, valves, and meters required
- Will gaseous hydrogen (GH2) transmission pipelines be a major part of humanity's sustainable energy future? Under what circumstances? Can pipelined renewable-source hydrogen compete with hydrogen from other sources?
- To discover, quantify, and demonstrate answers, we should begin now to:
  - Assemble and fund an international consortium
  - Design, build, and operate the IRHTDF
  - Operate IRHTDF first as an R&D lab, then as a test facility, then as a demonstration facility
  - Guide our global energy strategy

Rationale, purpose

- We need to rebuild humanity's energy system for all renewable resources
- Earth's largest, richest renewable resources are stranded
  - Far from population and load centers
  - Without gathering and transmission systems to deliver their energy
- Many costly, new, high capacity transmission systems will be needed worldwide for these large, remote, stranded resources
- GH2 pipelines compete with HVDC electric transmission lines, in capital and O&M costs, conversion and transmission losses
- GH2 pipeline is the lowest cost hydrogen transport mode for long distance and high power [illegible]
- GH2 pipeline transmission systems must be optimized for renewables-hydrogen service
  - High capacity, high pressure, large diameter, long distance
  - Accommodate frequent, large pressure cycles
  - Avoid hydrogen attack: corrosion, cracking, embrittlement
  - Provide storage in pipeline and in geologic formations
  - Deliver renewable-source GH2 at competitive cost
  - Add value from synergies among diverse renewable resources
  - Use valuable O2 byproduct of electrolysis for adjacent dry biomass gasification plants
- No GH2 pipelines for renewables-hydrogen service exist; the extensive extant industrial GH2 pipeline system is not capable of renewables-hydrogen service
- All major new processes require pilot plants
  - Benefits, costs, synergies, technical obstacles must be identified and quantified; IRR and NPV predicted for full-scale facilities
  - IRHTDF is the ideal test and demonstration facility for renewables-hydrogen service, for GH2
- Will GH2 pipelines have a major role in humanity's sustainable energy future? Under what circumstances? IRHTDF is on the critical path to finding those answers

IRHTDF status

- Concept only; no detailed engineering or economics studies
- No funding or consortium in place; now a leadership opportunity
- Probable $US 50 - 100M cost, 5 years; requires international effort
- Ideal project for:
  - IPHE (International Partnership for the Hydrogen Economy)
  - IEA Hydrogen Implementation Agreement (HIA)
  - EC PATH (Partnership Advancing Transition to Hydrogen)



YOUR CARD, PLEASE

TAKE ONE, PLEASE

Opportunity: Proposed Northeast Asia Natural Gas Pipeline

Opportunity: Great Plains, North America

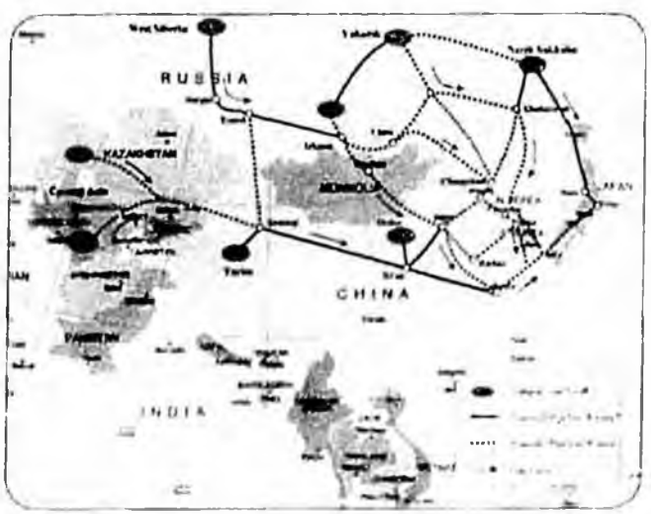
Opportunities: Global

Proposal for a Northeast Asian Hydrogen Highway
From a Natural-gas-based to a Hydrogen-based Society

K. Ohtsuka, D. Eng
General Manager, Nippon Steel Corporation
Tokyo, Japan

M. Iwata, D. Eng
President, Shibaura Institute of Technology
Tokyo, Japan

W. Leighty
Director, The Leighty Foundation
Juneau, AK, USA



The proposed Northeast Asian Natural Gas Pipeline should be built of hydrogen-capable pipe, so that energy from the diverse, abundant, renewable resources of this vast region may be gathered and transmitted as gaseous hydrogen (GH2), replacing natural gas reserves as they are depleted.

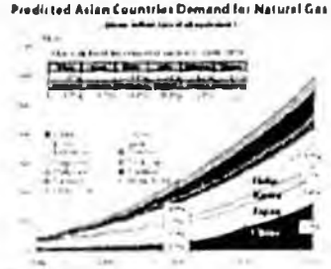
- Diverse, large, rich, renewable energy resources can be synergistically generated, converted, transmitted, and stored at seasonal scale as GH2 in pipelines, and perhaps stored in geologic formations
  - East Siberia and Sakhalin are rich in natural gas
  - Most of Russia's untapped hydroelectricity is in East Siberia
  - Kamchatka, Chishima (Kuril) Islands, and Sakhalin have rich coastal and offshore wind
  - West China has abundant solar
  - Kamchatka has large geothermal
  - The extent and intensity of these renewables has not been accurately assessed
- Northeast Asia's environmental protection and energy security require a large, new pipeline system to gather and transport, throughout the region, natural gas in the short term and renewable-source hydrogen in the long term
- European Commission's (EC) "NaturalHY" program is assessing technical and economic aspects of adding renewable-source GH2 into Europe's extant natural gas pipeline system

Capacity of Gaseous Hydrogen (GH2) Pipelines

- Without input or midline compressors
- At 100 bar pipeline input pressure, 35 bar delivery pressure

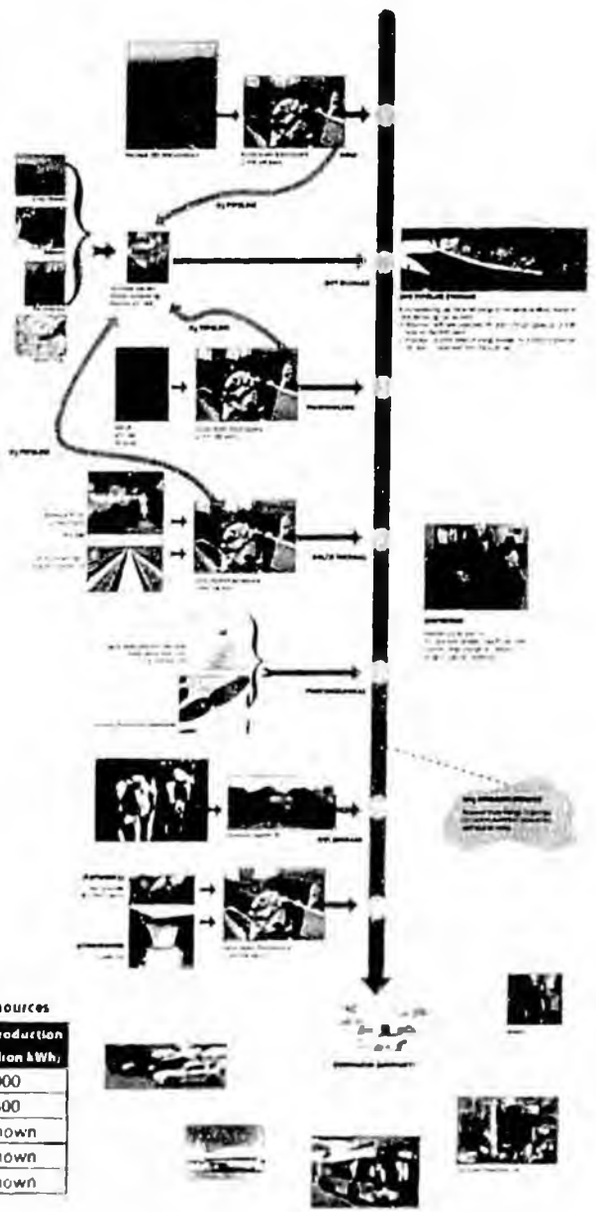
Distance km	Nominal Diameter Inches	Capacity GW	Capacity MMscfd	Capacity Million Nm3 / day	Capacity Tons per day	Storage Capacity MMscf	Storage Capacity Tons
120	20	2.8	702	18.1	1,869	141	174
120	36	12.8	3,100	80.1	8,253	450	1,121
480	20	2.1	573	14.8	1,526	211	262
480	36	10.2	2,580	66.7	6,869	675	1,798
800	20	1.8	444	11.5	1,182	152	936
800	36	7.9	1,998	51.7	5,319	1,126	2,937
1,600	20	1.2	313	8.1	831	703	1,872
1,600	35	5.5	1,413	36.5	3,762	2,251	5,994

Predicted Asian Countries Demand for Natural Gas



Estimated Asia Renewable Energy Resources

Renewable Resource	Annual Production TWh (billion kWh)
Hydro	3,000
Geothermal	3,300
Wind	Unknown
Solar	Unknown
Total	Unknown



RUNNING THE WORLD ON RENEWABLES VIA HYDROGEN TRANSMISSION PIPELINES WITH FIRMING GEOLOGIC STORAGE

William C. Leighty [1]
Box 20993, Juneau, AK 99802 USA Phone: 907-586-1426, Fax : 907-586-1424
E-mail: wleighty@earthlink.net

ABSTRACT

The world's richest renewable energy resources – of large geographic extent and high intensity – are stranded: far from end-users with no gathering and transmission systems to deliver the energy. The energy output of most renewables varies greatly, at time scales of seconds to seasons: the energy capture assets thus operate at inherently low capacity factor (CF); energy delivery to end-users is not "firm". New electric transmission systems, or fractions thereof, dedicated to renewables, will suffer the same low CF, and represent substantial stranded capital assets, which increases the cost of delivered renewable-source energy.

At gigawatt (GW) scale, renewable-source electricity from diverse sources, worldwide, can be converted to hydrogen and oxygen, via high-pressure-output electrolyzers, with the hydrogen pipelined to load centers (cities, refineries, chemical plants) for use as vehicle fuel, combined-heat-and-power generation on the retail side of the customers' meters, ammonia production, and petroleum refinery feedstock. The oxygen byproduct may be sold to adjacent dry biomass and / or coal gasification plants. Figures 1-2. New, large, solution-mined salt caverns in the southern Great Plains, and probably elsewhere in the world, can economically store enough energy as compressed gaseous hydrogen (GH2) to "firm" renewables at annual scale, adding great market and strategic value to diverse, stranded, rich, renewable resources. Figure 3. For example, Great Plains, USA, wind energy, if fully harvested and "firmed" and transmitted to markets, could supply the entire energy consumption of USA. If gathered, transmitted, and delivered as hydrogen, about 15,000 new solution-mined salt caverns would be required, at an incremental capital cost to the generation-transmission system of ~ 5%.

We report the results of several studies of the technical and economic feasibility of large-scale renewables – hydrogen systems. Windplants are the lowest-cost new renewable energy sources; we focus on wind, although concentrating solar power (CSP) is probably synergistic and will become attractive in cost. The largest and richest renewable resources in North America, with high average annual windspeed and sunlight, are stranded in the Great Plains: extant electric transmission capacity is insignificant relative to the resource potential. Large, new, electric transmission systems will be difficult to site and permit and may be difficult to finance, because of public opposition, uncertainties about transmission cost recovery, and inherently low CF in renewables service.

The industrial gas companies' decades of success and safety in operating thousands of km of GH2 pipelines worldwide is encouraging, but these are relatively short, small-diameter pipelines, and operating at low and constant pressure: not subject to the technical demands of renewables-hydrogen service (RHS), nor to the economic challenge of delivering low-volumetric-energy-density GH2 over hundreds or thousands of miles to compete with other hydrogen sources at the destination. The salt cavern storage industry is also mature; several GH2 storage caverns have been in service for over twenty years; construction and O&M costs are well understood.

[1] Director, The Leighty Foundation, www.leightyfoundation.org/earth.php

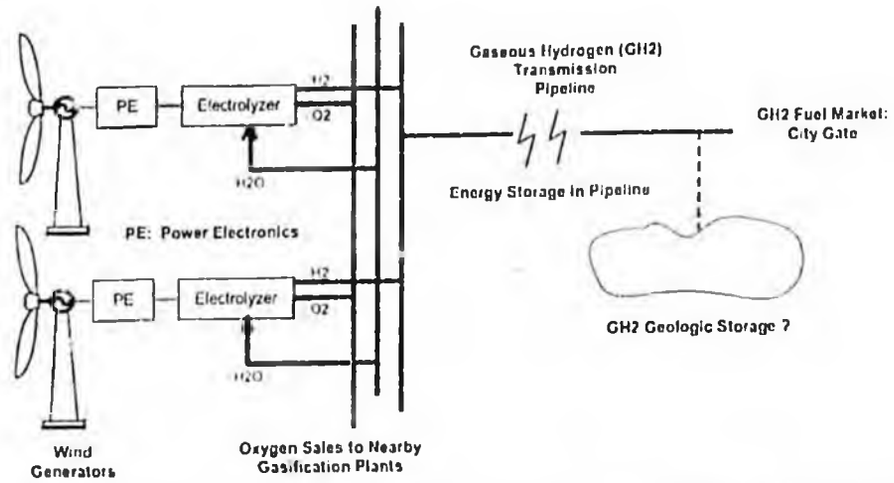


Figure 1. Generation, conversion, gathering, firming storage, and transmission of diverse renewable resources

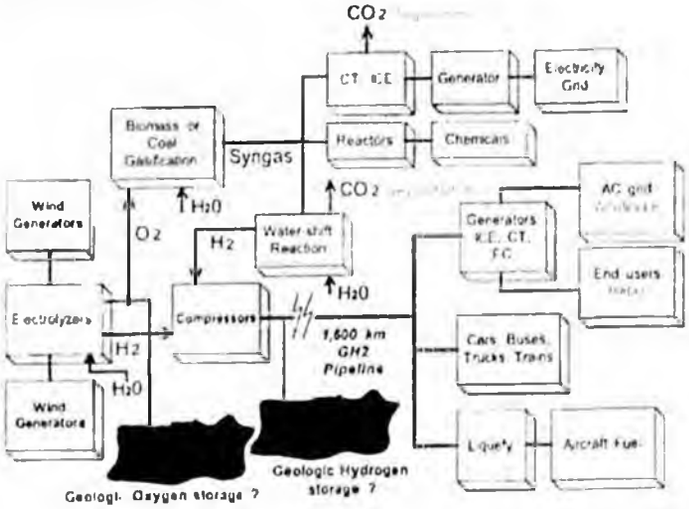


Figure 2. System options: compression and oxygen byproduct use at adjacent gasification plant

Figure 3. "Domal" and "bedded" salt deposits; some are useful for cavern storage of GH2

FARM ENERGY BACKGROUNDER

ENVIRONMENTAL LAW & POLICY CENTER

Producing Nitrogen Fertilizer from Renewable, Domestic Energy Resources: A Proposed USDA Research Initiative

The Challenge

American agriculture relies upon abundant nitrogen fertilizer for maintaining high yields.

Even with rising nitrogen fertilizer use efficiency, overall fertilizer consumption in the U.S. has remained fairly steady for the last ten years (Figure 1), and it will likely increase in the years ahead with increasing acreage under continuous corn.

This becomes a problem of:

1. *Energy and food security* - More than 50% of U.S. nitrogen fertilizer is imported and this number is increasing.
2. *Global warming* - Every ton of conventionally-produced nitrogen fertilizer manufactured ultimately releases almost two tons of CO_2 into the air.

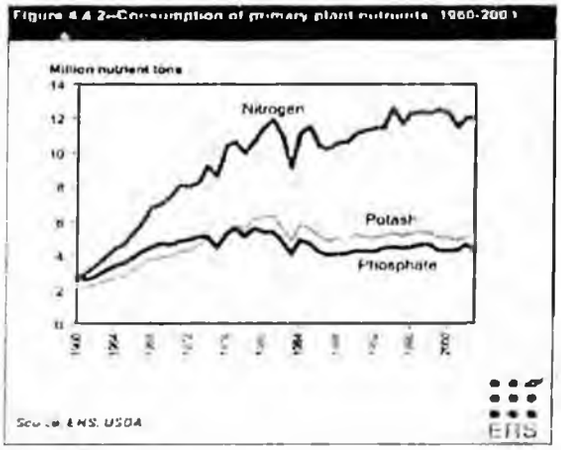


Figure 1

Figure 2

Compounding these challenges, farmers will be under increasing fertilizer-related cost pressure:

- U.S. nitrogen fertilizer prices have nearly doubled since 2000 (Figure 2)
- Security concerns are leading to more restrictive regulations for rail transport of nitrogen fertilizer, which will cause prices to rise even more.
- Fertilizer is the largest energy expenditure for row crop agriculture, and can account for nearly 10% of total seasonal operating expenses.

A Solution: A Renewable, Domestic Alternative to Imported Nitrogen Fertilizer

Anhydrous ammonia, a major form of fertilizer and the key feedstock of other forms of synthetic nitrogen fertilizer, can be produced using clean, domestically-supplied renewable resources.

Renewable-source electricity → *Hydrogen (from dissociation of water)* → *Anhydrous ammonia*
Nitrogen (from air separation units)

Please email Mr. John Moore at JMoore@ELPC.org with any questions or comments.

Producing Nitrogen Fertilizer from Renewable, Domestic Energy Resources: A Proposed USDA Research Initiative

The National Security, Economic and Environmental Benefits of Developing Renewables-to-Nitrogen Fertilizer Technology

- Enhance U.S. energy and food security
- Lower greenhouse gas emissions
- Provide new income and investment opportunities in rural America
- Provide a new product from wind energy and other renewable-source electricity, reducing the need to build new transmission lines to access wind-rich regions of the Great Plains
- Will also create an emissions-free fuel that could be used to one day power tractors, combines and harvesters currently run on imported, expensive diesel.

Moving Toward Commercialization: The Renewable Nitrogen Fertilizer Research Initiative

Why Government Action Is Necessary

Despite the substantial public benefits of renewable nitrogen fertilizer, private sector research and development of renewables-to-nitrogen fertilizer technology is moving too slowly:

- The general public is wary of the potential hazards of ammonia.
- Investors perceive conventionally-produced fertilizer to be an unbeatable "low cost leader".
- Leaders in fertilizer production and wind power production have separate, historically successful business models, and see no pressing need to alter those business models.
- The renewable power and fertilizer industries historically have had no business relationships with each other.

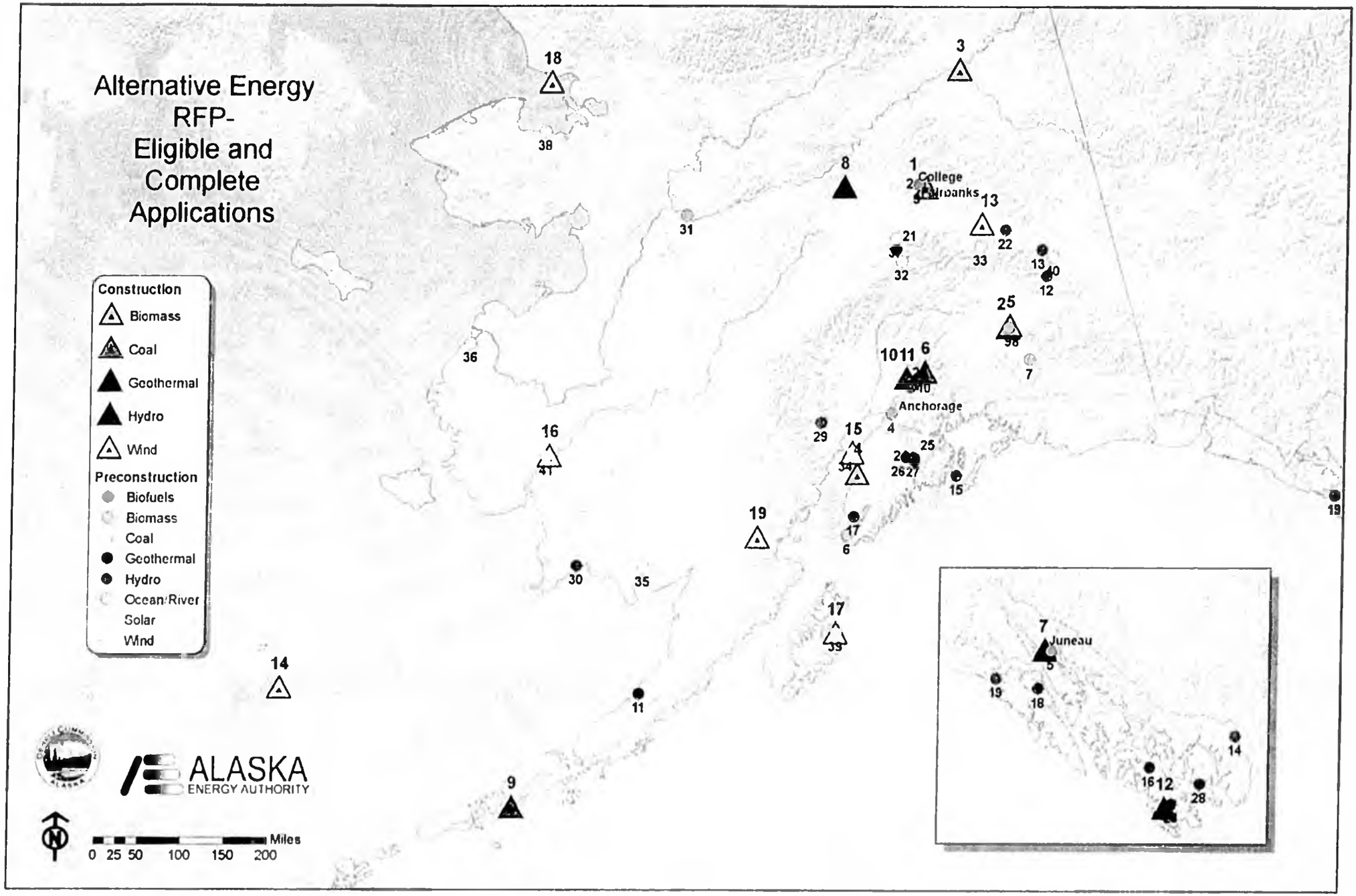
The Renewable Nitrogen Fertilizer Research Initiative

The USDA, in consultation with the Department of Energy, and with the involvement of leading experts from academia, industry and government, will develop a strategic research plan to *determine the key technical and economic challenges to large-scale commercialization of renewables-to-nitrogen fertilizer.*

Core Objectives of the Strategic Research Plan

- Determine efficiency improvements that are necessary for each component of the renewables-to-ammonia system (*i.e.*, the electrolyzer, air separation unit, and ammonia synloop) for this system to produce cost-competitive nitrogen fertilize
- Understand the additional technical challer ..ag commercialization.
    - Cost competition from "brown" a ..rom natural gas and coal
    - Modifications/expansion needed to ..urrently installed ammonia pipeline and storage tank system to enable interconnection of on-farm renewables-to-ammonia systems.
    - Impact on ammonia t..nsportation infrastructure and safety regulations.
    - Net greenhouse gas benefits of producing ammonia fertilizer from renewables rather than alternative methods (e.g. natural gas-to-ammonia or coal-to-ammonia).
- Develop two to three renewables-to-fertilizer production models.
- Prepare preliminary design for a pilot plant to validate and demonstrate the technical and economic feasibility of one of these production models
- Quantify the economic and environmental impacts of a renewables-to-fertilizer infrastructure on jobs, investment and reduced nitrogen fertilizer imports.

Please email Mr. John Moore at JMoore@ELPC.org with any questions or comments.


Alternative Energy RFP- Eligible and Complete Applications
Construction
Biomass
Coal
Geothermal
Hydro
Wind
Preconstruction
Biofuels
Biomass
Coal
Geothermal
Hydro
Ocean/River
Solar
Wind
ALASKA ENERGY AUTHORITY
Miles
0 25 50 100 150 200
College
Fairbanks
Anchorage
Juneau

SENATE COMMITTEE REPORT

DATE: 4/20/07

FURTHER: (Finance)

DATE TURNED IN TO OFFICE: 5/1/07

Resources Committee considered CS FOR HOUSE BILL NO. 152(FIN)

HB 152 ESTABLISH RENEWABLE ENERGY FUND/ACCOUNT

"An Act establishing a renewable energy project account and a renewable energy fund and describing their uses and purposes."

and recommends:

[✓] be replaced with [✓] SCS or [ ] CS CSHB 152 (RES)

[ ] adopt previous [ ] SCS or [ ] CS _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[✓] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
H.FIN/ADEA	4/16		✓		3
H.FIN/AEA	4/16		✓		4

[ ] APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	WAGONER	✓			
	Green	✓			
	McGuire	✓			
	STEVENS	X			
CHAIR:	Huggins	✓			

SITE: Offnets	SUBJECT OF MEETING:
COMMITTEE: SFIN	BILL # HB152
DATE:	UPDATE #:

PRINT YOUR NAME	COMMUNITY	REPRESENTING/AFFILIATION	DO YOU WANT TESTIFY Y or N
Chris Rose		Renew. Energy AK Pro	Y
Ernest Weiss		King Cove/Mayor	Y
Gary Hennigh		City Administrator/King Cove	Y
Phil Steyer		Chugach Electric	Y

SITE: SITKA COMMITTEE: SFIN DATE:03/26/08	SUBJECT OF MEETING: Renewable Energy Fund/Account BILL # CS HB152 UPDATE #:1

TESTIFY Y or N	PRINT YOUR NAME	TOWN/CITY	REPRESENTING/AFFILIATION
Y	Scott Saline	Sitka	self

Alaska State Legislature

HOUSE OF REPRESENTATIVES
Alaska State Capitol Juneau, Alaska 99801-1181

MEMORANDUM

March 25, 2008

TO: Senator Bert Stedman, Senate Finance Co-chair
Senator Lyman Hoffman, Senate Finance Co-chair
Representative Kevin Meyer, House Finance Co-chair
Representative Mike Chenault, House Finance Co-chair

FROM: Representative John Harris
Representative Bill Thomas

SUBJECT: Renewable Energy Fund Appropriation Request

Appropriation Request

As the bill sponsors for House Bill 152, an Act establishing a renewable energy fund, we would like to request your consideration for including the following language appropriation in the FY09 capital budget:

> Sec. __. RENEWABLE ENERGY FUND. (a) The sum of $300,000,000 is appropriated from the general fund to the renewable energy fund (AS 42.45.045).
>
> Sec. __. CONTINGENCY. (a) The appropriation made in sec. __ of this Act is contingent on passage by the Twenty-Fifth Alaska State Legislature and enactment into law of a measure creating a renewable energy fund.

These appropriations are subject to an effective date of July 1, 2008.

Purpose

An appropriation of $300,000,000 from FY09 general funds would capitalize the renewable energy fund created by HB152.

The renewable energy fund would establish a means to make grants available through the Alaska Energy Authority (AEA) to develop renewable energy projects across the entire state. Projects will help to move communities toward self-sufficiency from fossil fuels, and will allow us to begin more development of technologies that use sources in Alaska that are otherwise readily available – such as wind, hydro, geothermal, and other energy sources.

Management of the Funds

Upon enactment of this appropriation, the renewable energy fund will be capitalized and invested by the Department of Revenue. Investments are intended to be invested in a manner that yields at least a seven percent nominal return over time. On July 1 of each year, the commissioner of revenue is required to determine value of the fund

Grants from the Fund

HB152 establishes the eligibility requirements for renewable energy projects to receive grants. The bill also establishes an advisory committee to work with AEA to develop a detailed methodology and regulations to identify the criteria to evaluate the benefits and feasibility of projects that apply to AEA. Along with AEA and DNR, the advisory committee will help determine which applicants should be funded.

This bill does not create a dedicated fund – funding for grants must be approved by appropriation of the legislature.

STATE OF ALASKA

SARAH PALIN, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

☐ P.O. BOX 111000
JUNEAU, ALASKA 99811-1000
PHONE (907) 465-2400
FAX: (907) 465-3886

☐ 550 WEST 7TH AVENUE, SUITE 1400
ANCHORAGE, ALASKA 99501-3650
PHONE: (907) 269-8431
FAX: (907) 269-8918

March 9, 2007

Speaker of the House, John Harris
House of Representatives
State Capitol Room 208
Juneau, Alaska 99801

Dear Speaker Harris:

I appreciate the opportunity for DNR to offer comments and suggestions regarding HB 152. DNR understands that the intent of HB 152 is to provide financial assistance for development of renewable energy sources that will supplement, or possibly replace current local energy systems. We look forward to working with you and the rest of the legislature to help diversify the energy picture in Alaska and provide a clean and sustainable energy base for future generations.

As an important part of that base, DNR fully supports developing all energy resources that are technically developable, economically and operationally feasible, and limit the impact on the local environment. As you know, it is vitally important that an energy consumer have current and reliable data on all possible energy sources for a given location so that informed decisions can be made. It is equally important that economics, long-term maintenance requirements, reliability, sustainability, and relative environmental impact be fully considered during the development of an energy-source portfolio. As is the case for any energy policy, it should likewise include incentives for taking advantage of efficiencies (such as waste-heat from generators) and conservation efforts that will help decrease overall consumption.

With respect to the "renewable energy fund" set out in Sec. 2 of HB 152, DNR understands that the Alaska Energy Authority already has a similar fund. However, should you retain some aspect of the "renewable energy fund" in the bill, we have the following recommendations.

First, the advisory committee set out in AS 42.45.045(b) should include at least one professional staff member from the Department of Natural Resources that has expertise in energy resources and permitting of energy exploration and development. We would also recommend that if natural gas is to be kept as a

possible energy source in this bill, that you consider adding a representative from the oil and gas industry and that "nonprofit environmental groups" be replaced with "an environmental scientist."

In addition, the advisory board should be expanded to include at least one Alaska Energy Authority member and one member from the Department of Community and Economic Development.

Second, if the goal of this legislation is to provide a source of renewable energy, we recommend that you delete references to natural gas throughout the bill, including AS 42.45.045(g). If the goal is rural energy, then we recommend that in AS 42.45.045(f) you add a population restriction, such as 10,000 or less. Regardless, we would point out that AS 42.45.045(g)(2)and (3) are problematic both economically and environmentally.

AS 42.45.045(g)(2) forces a rural community or utility (or smaller communities) to rule out renewable energy sources before it can consider a local natural gas source, regardless of the cost of developing the renewable energy source. Likewise, AS 42.45.045(g)(3) makes an assumption that harvesting renewable energy has no adverse environmental impacts. This assumption is incorrect. For example, both hydroelectric and wind farms can have adverse impacts, particularly on fish and wildlife. In effect, AS 42.45.045(g) sets a higher standard environmentally and economically for natural gas than for renewable energy sources.

In the opinion of DNR, including reference to and limiting the assistance options in relation to natural gas will create a situation that disadvantages some rural communities that may have such a local undeveloped resource, and could result in a negative economic impact by discouraging development of the most feasible alternative. It is DNR's recommendation that both AS 42.45.045(g)(2) and (3) (Page 4, lines 26-29) be deleted.

DNR also recommends language be added requiring that before a loan or grant is given, the recipient obtain authorization for the use of any state lands that might be needed for the project. This site control may include authorizations from several state agencies and may include the need for survey. There is no guarantee that permission will be granted to use state land just because a grant is issued. It has been our experience that some recipients of grants and loans begin projects on state lands and have already expended funds before obtaining authorization from the state for use of its lands.

In addition to the comments above, DNR offers the following specific suggestions:

Pg. 1, line 9: DNR suggests that you include a finding suggesting that conservation should play a significant part in any energy policy.

Pg. 2, line 5: This statement is misleading. It may be better to state that the primary cost of renewable energy systems is exploration, development, and long-term maintenance, rather than purchase of the resource. Given there are tangible costs to develop any kind of energy resource, we would recommend deleting this statement.

Page 2, Line 16: We would recommend that the descriptive phrase "zero fuel cost" be deleted as this is not necessarily accurate. For example, biofuels and geothermal sources can have costs associated with leasing activity, purchase, or royalties.

Pg. 2, line 18-19: (15) This broad statement should be deleted. It does not seem reasonable to suggest that a community should develop a renewable resource regardless of long-term cost or environmental impact, especially in a community that may have an undeveloped conventional resource available. The statement fails to take into account the particular location as well as the particular source of energy, either renewable or nonrenewable, that might be available. It also overlooks the economics and particular environmental factors of a particular location. For example, building a dam on a critical salmon migration river to produce hydroelectric energy may not be the better alternative to natural gas. We recommend deleting this sentence.

Page 5, Line 1 "electric grid" should be defined.

My staff would be happy to speak with you further about these concerns. Again, I appreciate the opportunity to submit comments and look forward to working with you during the session.

Sincerely,

Thomas E. Irwin
Commissioner

cc: Representative Bill Thomas
Robert Swenson, Acting Directo DNR, Division of Geological & Geophysical Surveys
Kevin Banks, Acting Director, DNR, Division of Oil & Gas
Wyn Menefee, DNR, Division of Mining, Land & Water
Melanie Lesh, Legislative Liaison, DNR
Marie Crosley, DNR, Division of Oil & Gas

Alaska State Legislature

Session: (Jan-May)
State Capitol, Room 208
Juneau, AK 99801-1182
(907) 465-4859
Fax (907) 465-3799

Interim: (June-Dec)
716 West 4th Avenue, Suite 300
Anchorage, AK 99501-2133
(907) 269-0129
Fax (907) 269-0128

John Harris

Speaker of the House

SPONSOR STATEMENT
HOUSE BILL 152:
"An Act Establishing a Renewable Energy Fund and Describing its Uses and Purposes"

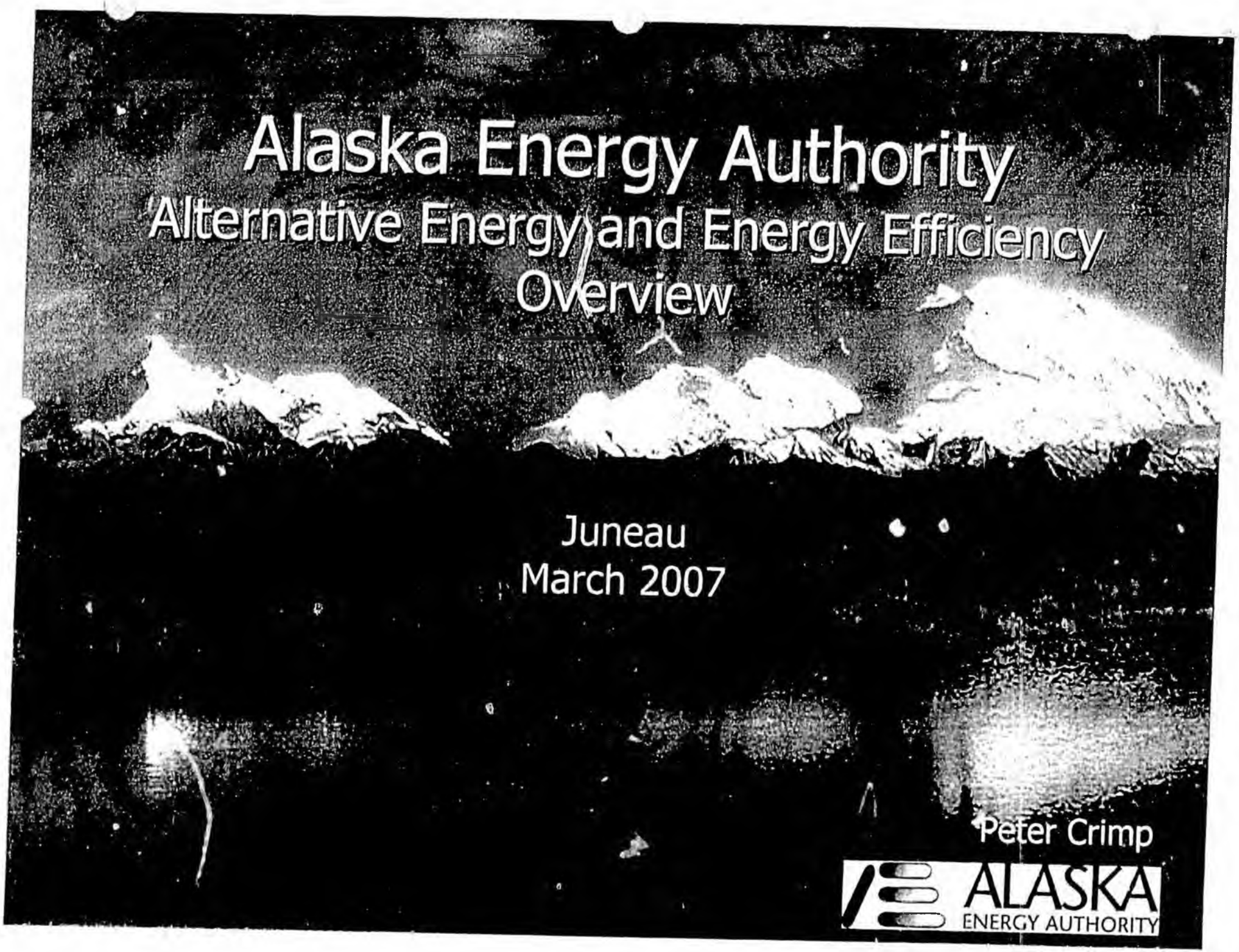
The high cost of fuel in Alaska has made it increasingly difficult for Alaskan residents to prosper. Home heating fuel and gasoline prices have skyrocketed in recent years leaving some Alaska families, who already struggle to make ends meet, left to prioritize between basic necessities of life: heat, food, or health care. This has a direct impact on Alaska's economy and Alaskans way of life.

This problem promises to worsen as the supplies of Alaska's most precious nonrenewable resources dwindle. With the decline in production in Alaska's oil fields and the prospect for a gasline years away other sources of energy are imperative. The time has come to seriously explore other renewable sources of energy. Alaska is widely known for its nonrenewable resources; however, Alaska also has excellent sources of renewable energy such as wind, geothermal, solar and hydropower.

Many of our communities have already been researching ways to secure cleaner and more cost effective energy. These Alaskans need funding to help harness these renewable sources of power. House Bill 152 establishes a renewable energy fund, which will be administered by the Alaska Energy Authority (AEA). AEA will take advice from an advisory committee with members appointed by the Governor from various utilities, environmental, business, state, and Native stakeholders groups. The Fund will offer both loan and grant options for Alaskans to develop alternative energy projects throughout our State.

These renewable energy projects will not only move Alaska's communities into the future, but they will also assist those completely crippled by the rising costs of fuel. By reducing the cost of power in some areas with renewable energy projects, Alaskans can become more self-sufficient.

Alaska has been an energy state for decades. House Bill 152 is a logical progression toward developing our inexhaustible energy resources. Alaska's communities have waited long enough and are poised to take control of their future energy needs. We urge your support for this crucial piece of legislation.

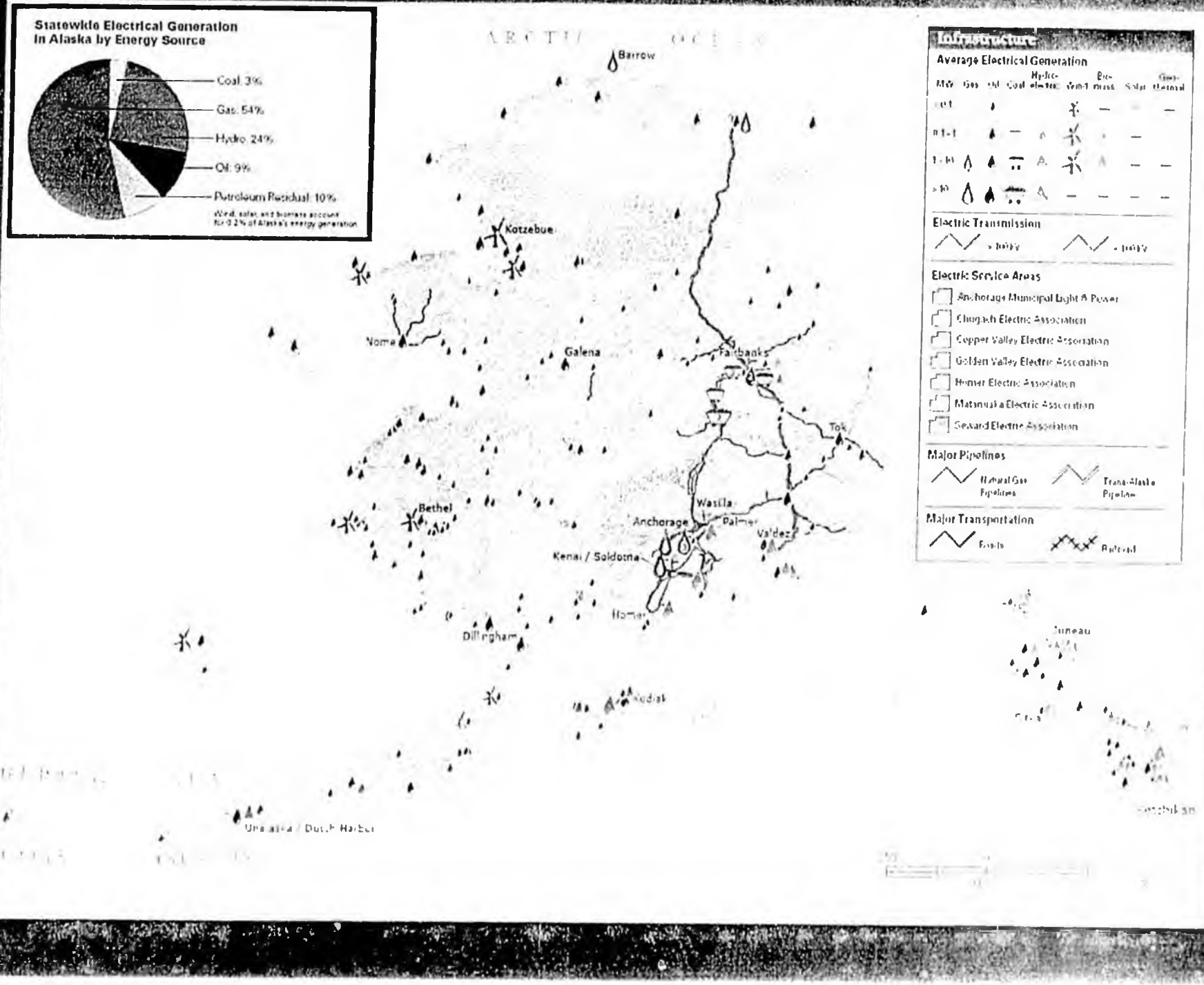

Alaska Energy Authority
Alternative Energy and Energy Efficiency
Overview
Juneau
March 2007
Peter Crimp
ALASKA
ENERGY AUTHORITY

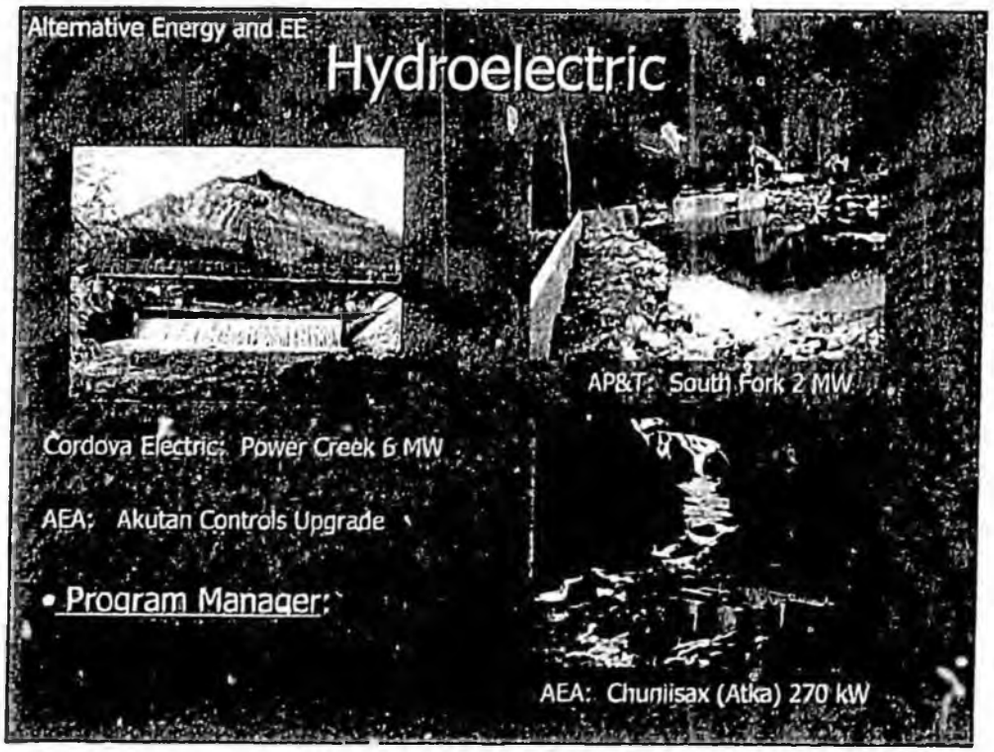
AEA Programs

- Statewide Energy Planning
- Infrastructure owner—Bradley Lake Hydro, Willow-Healy intertie
- Bulk Fuel Upgrades
- Rural Power System Upgrades
- Alternative Energy and Energy Efficiency
- Power Cost Equalization (PCE)
- Project Financing
- Training

Statewide Energy Planning

- Rural Energy Plan
- Energy Policy Task Force
  - Railbelt
  - Non-Railbelt
- Rural Energy Action Council
- RE Atlas of Alaska
- Alaska Power Statistics


Statewide Electrical Generation
In Alaska by Energy Source
Coal: 3%
Gas: 54%
Hydro: 24%
Oil: 9%
Petroleum Residual: 10%
Wind, solar, and biomass account for 0.2% of Alaska's energy generation
Barrow
Kotzebue
Nome
Galena
Fairbanks
Tok
Bethel
Wasilla
Palmer
Anchorage
Valdez
Kenai / Soldotna
Homer
Dillingham
Juneau
Infrastructure
Average Electrical Generation
Electric Transmission
Electric Service Areas
Anchorage Municipal Light & Power
Chugach Electric Association
Copper Valley Electric Association
Golden Valley Electric Association
Homer Electric Association
Matanuska Electric Association
Seward Electric Association
Major Pipelines
Natural Gas Pipelines
Trans-Alaska Pipeline
Major Transportation
Roads
Railroad



Potential Hydro Projects*

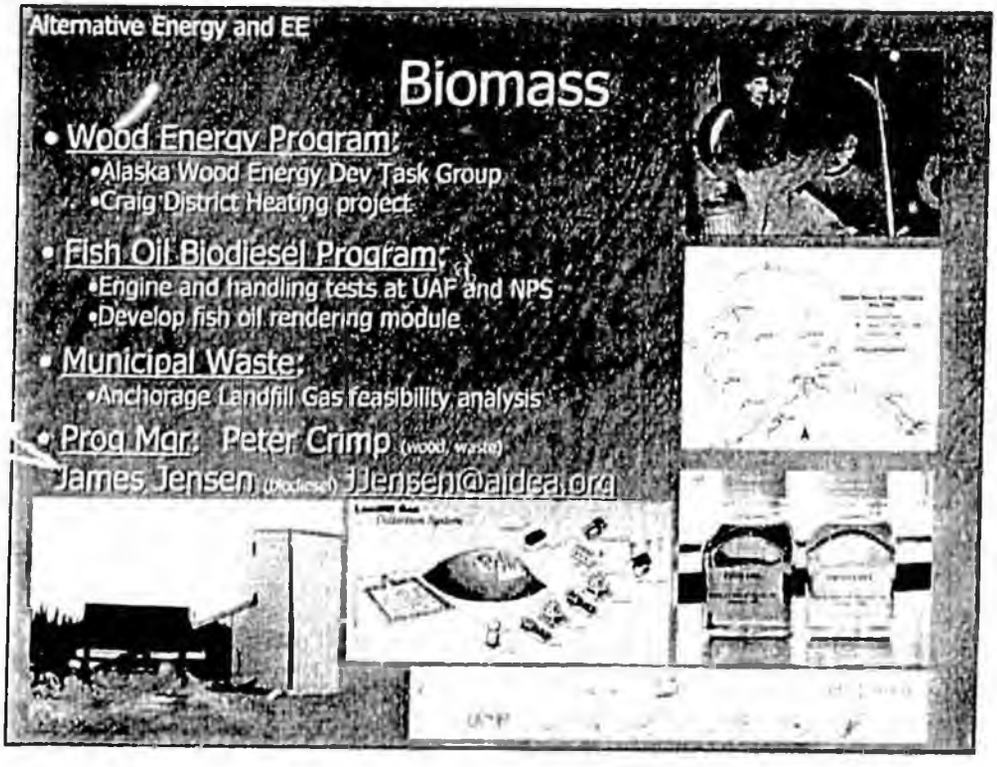
Community	Planning Area	Project	IC (MW)	Energy (MWh/yr)
Valdez	Four Dam Pool/SE	Allison Creek	7.0	29,000
Juneau	Four Dam Pool/SE	Lake 3160	7.0	56,800
Hyder	Four Dam Pool/SE	Soule Cr.	50.0	187,000
Sitka	Four Dam Pool/SE	Takatz Lake	20.0	98,000
Eagle River	Railbelt	South Fork Eagle	1.2	6,000
Mat-Su	Railbelt	Archangel Cr.	1.2	5,000
Mat-Su	Railbelt	Fishhook Cr	1.2	5,000
Tyonek	Railbelt	Chakachamna	430.0	1,301,000

** Provisional list—not comprehensive. Other potential projects to be identified through public solicitations and further research.*

Potential Hydro Projects* (cont.)

Community	Planning Area	Project	IC (MW)	Energy (MWh/yr)
Angoon	Rural	Thayer	10.0	60,000
Chignik Lagoon	Rural	Chignik Lagoon	0.2	600
Chitina	Rural	Chitina RPSU		
Eagle	Rural	Eagle UEK Demo		
Hydaburg	Rural	Reynolds Cr.	5.0	20,000
Pelican	Rural	Pelican Hydro Flume		
Unalaska	Rural	Pyramid Creek	5	20,000
Tanacross	Rural	Yerrick Cr.	1.5	3,000
Tenakee	Rural	Tenakee	0.15	500

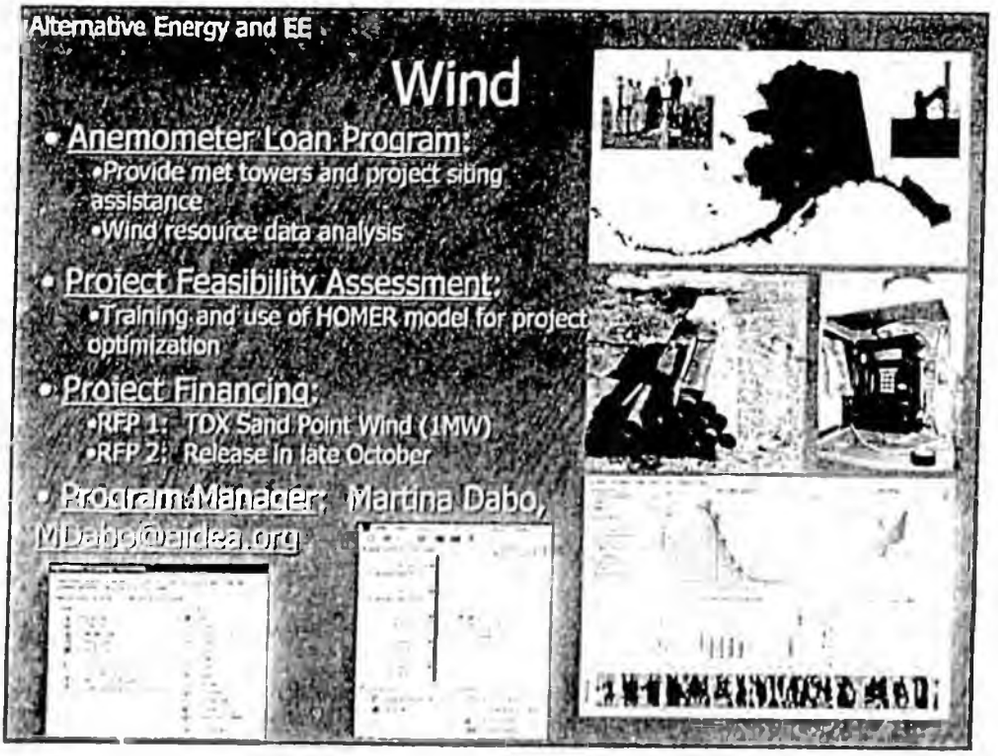
** Provisional list—not comprehensive. Other potential projects to be identified through public solicitations and further research.*



Potential Biomass Projects

Community	Planning Area	Project	IC (MW)	Energy (MWh/yr)
Anchorage	Railbelt	Anchorage Landfill GTE	2.4	21,000
Fairbanks	Railbelt	Chena Power Biomass	0.2	1,300
Delta Junction	Railbelt	Delta-Greeley SD Wood Boiler		
Delta Junction	Railbelt	Jarvis Creek Biomass-Coal Co-fire	4	
Craig	Rural	Craig Biomass DH		
Tok	Rural	Gateway SD Wood Boiler		
Haines	Rural	Haines SD Wood Boiler		
Tanana	Rural	Tanana SD Wood Boiler		
Statewide		Fish Oil Rendering Module		

** Provisional list—not comprehensive. Other potential projects to be identified through public solicitations and further research.*



Potential Wind Projects*

Community	Planning Area	Project	IC (MW)	Energy (MWh/yr)
Kodiak	Four Dam Pool/SE	Kodiak	2 to 8	
Healy	Railbelt	Eva Creek Wind	40	112,128
Anchorage	Railbelt	Fire Island	50	148,044
Aleutian Islands	Rural	Aleutian Regional		
Bethel	Rural	Bethel		
Chevak	Rural	Chevak	0.4	1,200
Northwest Region	Rural	Northwest Regional		
Nome	Rural	Nome- Energy Planning		
Sand Point II	Rural	Sand Point	0.5	
Unalakleet	Rural	Unalakleet	1 to 2	
Y-K Delta	Rural	Y-K Regional		
Statewide	Statewide	Wind-Training Program		

** Provisional list—not comprehensive. Other potential projects to be identified through public solicitations and further research.*

Alternative Energy and EE

Geothermal

- Alaska Geothermal Working Group: 47 participants with REAP assistance.
- Chena Hot Springs Project: $846k total grant and loan participation
- Project Development: Mt. Spurr, Manley Hot Springs, Bell Island, Akutan, Pilgrim Hot Springs, etc.
- Program Manager: David Lockard, DLockard@aidea.org

Potential Geothermal Projects*

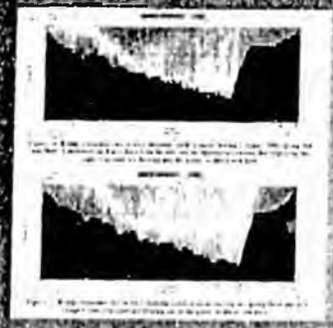
Community	Planning Area	Project
Tyonek	Railbelt	Mt Spurr
Akutan	Rural	Akutan Geothermal
Unalaska	Rural	Makushin Geothermal
Pilgrim Hot Springs	Rural	Pilgrim HS Geothermal

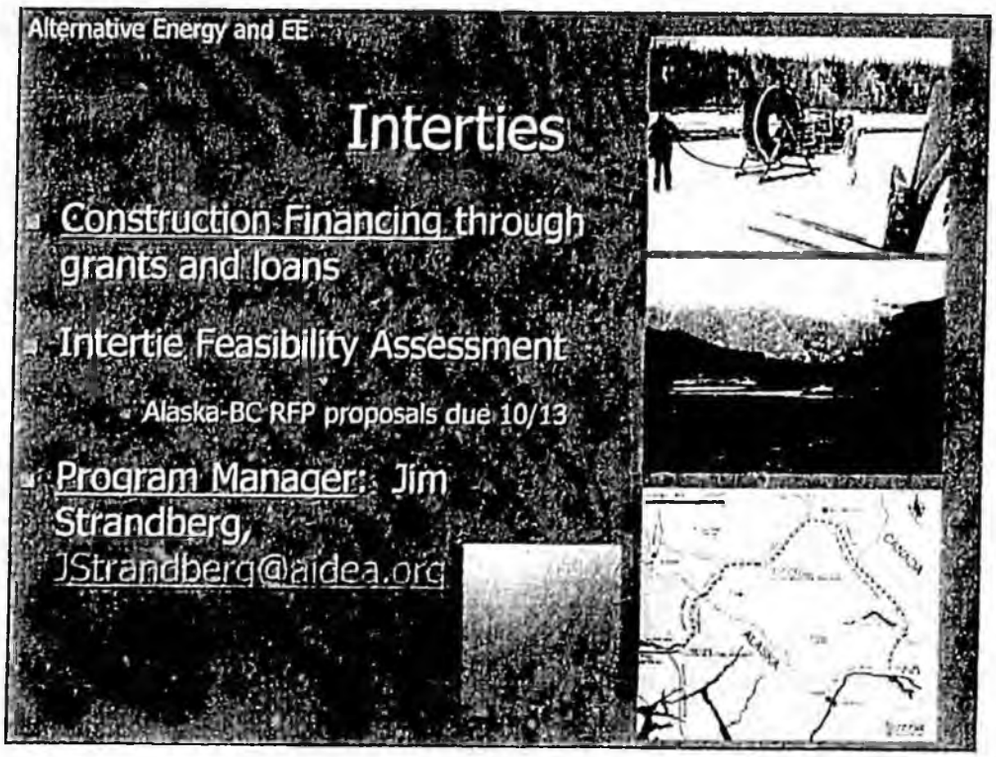
** Provisional list—not comprehensive. Other potential projects to be identified through public solicitations and further research.*

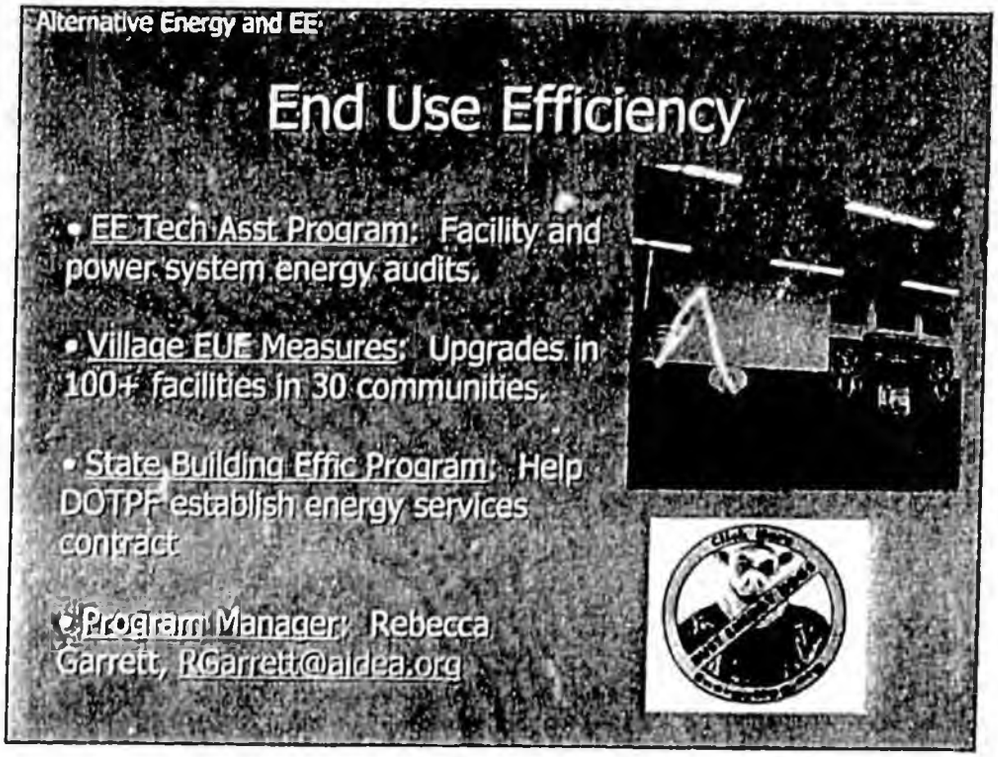
Alternative Energy and EE

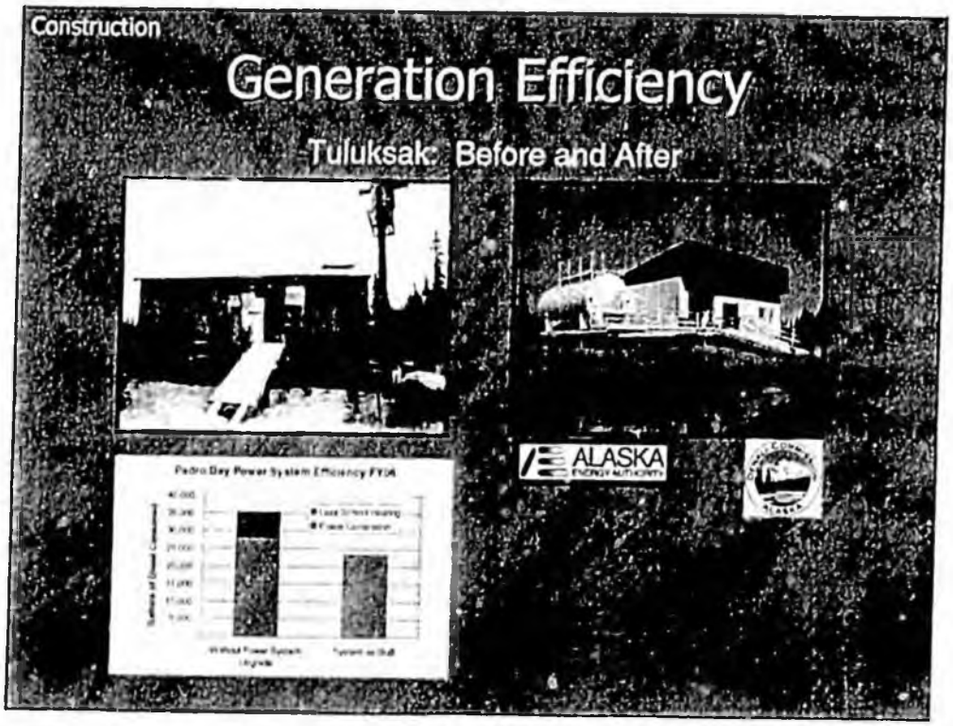
Ocean Energy

- EPRI study on tidal energy potential of Knik Arm completed in May 2006
- new preliminary FERC tidal energy applications filed this year
- Tidal energy conference Ketchikan, January 2007
- Program Manager: David Lockard, DLockard@aidea.org




Alternative Energy and EE
Interties
Construction Financing through grants and loans
Intertie Feasibility Assessment
Alaska-BC RFP proposals due 10/13
Program Manager: Jim Strandberg, JStrandberg@aidea.org


Alternative Energy and EE
End Use Efficiency
EE Tech Asst Program: Facility and power system energy audits.
Village EUE Measures: Upgrades in 100+ facilities in 30 communities.
State Building Effic Program: Help DOTPF establish energy services contract
Program Manager: Rebecca Garrett, RGarrett@aidea.org



Potential Efficiency Projects*

Community	Planning Area	Category	Project
Anchorage	Railbelt	End Use Efficiency	Anchorage School District ECMs
Statewide	Rural	End Use Efficiency	Village End Use Efficiency
Aklak	Rural	Generation Efficiency	Aklak RPSU
Akutan	Rural	Generation Efficiency	Akutan RPSU Distribution
Chignik Bay	Rural	Generation Efficiency	Chignik Bay RPSU Distribution
Elfin Cove	Rural	Generation Efficiency	Elfin Cove RPSU Distribution
Igiugig	Rural	Generation Efficiency	Igiugig RPSU
Ruby	Rural	Generation Efficiency	Ruby RPSU
Tanakee Springs	Rural	Generation Efficiency	Tanakee Springs RPSU Distribution
Unalakleet	Rural	Generation Efficiency	Unalakleet RPSU
Kaltag	Rural	Heat Recovery	Kaltag HR upgrade
Statewide	Rural	Heat Recovery	AEA HR Database (20 projects)

** Provisional list—not comprehensive. Other potential projects to be identified through public solicitations and further research.*

Training and Education

- Training Program
  - Advanced Powerplant Operator
  - Bulk Fuel Operator
  - Bulk Fuel Bookkeeper
  - Bulk Fuel Manager
  - Electrical Utility Bookkeeper
  - Electrical Utility Manager
  - Hydro Operator
  - On-Site Bulk Fuel
  - Power Plant Ope
  - PCE Utility Clerk
- Program Manager: Monica Moore, MMoore@aidea.org
- RE Conference: 4/24-26 Fairbanks
- Workshops
  - HOMER training
  - Wind, Ocean, Biomass, Geothermal...

Project Finance

- Energy Cost Reduction RFP
  - Selection based on life-cycle cost, ranked by B/C ratio
  - 1.4 million gal/year savings in diesel and natural gas
- Bulk Fuel Revolving Loan Fund
- Power Project Fund
- Program specific

Conclusion

- In rural areas continue to support reliable energy delivery through PCE and bulk fuel loans.
- But long-term sustainability will require actions that avoid exporting cash for imported fuels.
- Statewide: Need significant capital investment for cost-effective projects that stabilize long-term energy costs.

Alaska Energy Authority
813 W. Northern Lights Blvd.
Anchorage, AK 99503
(907) 269-3000
1-888-300-8534 (toll free in Alaska)

www.akenergyauthority.org

Alaska - Wind Resource Map

Indian Reservation or
Alaska Native Village Statistical Area

Wind Power Classification

Wind Power Class	Resource Potential	Wind Power Density at 50 m W/m²	Wind Speed[a] at 50 m m/s	Wind Speed[a] at 50 m mph
2	Marginal	200 - 300	5.6 - 6.4	12.5 - 14.3
3	Fair	300 - 400	6.4 - 7.0	14.3 - 15.7
4	Good	400 - 500	7.0 - 7.5	15.7 - 16.8
5	Excellent	500 - 600	7.5 - 8.0	16.8 - 17.9
6	Outstanding	600 - 800	8.0 - 8.8	17.9 - 19.7
7	Superb	800 - 1600	8.8 - 11.1	19.7 - 24.8

[a] Wind speeds are based on a Weibull k value of 2.0

U S. Department of Energy
National Renewable
Energy Laboratory

Source: Pacific Northwest National
Laboratory - DOE, 1987.

DM Heimiller 01-MAY-2001 1.1.9

ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

Thursday, April 12, 2007

Co-Chairman Mike Chenault
Co-Chairman Kevin Meyer
Members of the House Finance Committee
State Capitol
Juneau, Alaska 99801-1182

Dear Co-Chairman Chenault, Co-Chairman Meyer, and members of the committee,

We are writing in support of HB 152 – ESTABLISHING A RENEWABLE ENERGY FUND.

The Alaska Municipal League supports renewable energy because it has the potential to lower energy costs in Alaska. This is due to the fact that there are virtually no fuel costs associated with renewable energy. Renewable energy also promotes industry and job creation because it allows for lower operating costs for industry. In addition, communities and citizens (particularly in rural areas) are being crippled by high fossil fuel costs.

As our State addresses Climate Change, it seems only wise for us to also spend time and money finding ways to "do our part" to curb the emissions produced by diesel fuel, which is the primary means of energy in smaller communities in this state.

AML passed a resolution in support of establishment of a renewable energy fund at our annual meeting on November 17, 2006. That resolution is attached to this letter.

We urge your support of HB 152.

Sincerely,

Kathie Wasserman

Kathie Wasserman, Executive Director
Alaska Municipal League
217 Second Street, Suite 200
Juneau, Alaska 99801
(907) 586-1325

ALASKA MUNICIPAL LEAGUE
Resolution No. 2007-14

A RESOLUTION ESTABLISHING A RENEWABLE ENERGY FUND

WHEREAS, Alaska possesses vast amounts of renewable energy resources in the form of wind, geothermal, biomass, solar, tidal, wave and hydro power; and

WHEREAS, the Alaska Legislature established the Alaska Energy Policy Task Force in 2003 to review and analyze the state's current and long-term energy needs. The Task Force found that one of Alaska's long-term energy needs is to "identify and evaluate long-term fuel resources: and recommends that the state "increase the proportion of renewables in long-term fuel sources"; and

WHEREAS, there is virtually no fuel costs associated with renewable energy resources; and

WHEREAS, renewable energy technology development promotes both industry and job creation; and

WHEREAS, ISER's December 2005 Research Summary states, "Diesel is the main energy source in remote communities....and in 2004, diesel outside the rail belt cost about 5 times as much per unit of energy as natural gas." Community facilities such as electrical plants, water & sewer services and health clinics use diesel fuel; and

WHEREAS, there are numerous agencies dealing with energy assistance, both federal, state and international specialists. We urge the State to appoint a cabinet level position to coordinate and centralize resources to effectively solve the long-term energy crisis; and

NOW, THEREFORE BE IT RESOLVED, by the Alaska Municipal League, that we request our Alaska State Legislature and Alaska Congressional Delegation to address the energy needs by:

1. Creating a Renewable Energy Fund to finance new utility scale renewable energy projects in Alaska. The Fund shall be funded by general appropriations. The Fund shall be distinct from funds administered by the Alaska Energy Authority.

2. The Fund will conduct a program of energy research, development, demonstration and application.

3. Create a cabinet level position to coordinate efforts and centralize state and federal resources to solve the long-term energy crisis.

4. Creating a revolving loan and grant program to assist individuals, organizations, and businesses in purchasing and installing alternative and renewable energy products.

PASSED AND APPROVED BY THE ALASKA MUNICIPAL LEAGUE on the 17th day of November 2006.

Signed: _____
Tim Bourcy, President
Alaska Municipal League

Attest:

_____

April 12, 2007

Representative Kevin Meyer, Co-Chair
Representative Mike Chenault, Co-Chair
House Finance Committee
State Capital
Juneau, AK 99801-1182

Members of the House Finance Committee,

The Alaska State Chamber of Commerce strongly supports sustainable energy solutions for Alaska. Alaska's vast geography and isolated communities create energy problems, energy shortages, and high-energy costs unparalleled by any other state. Thank you for sponsoring HB 152 and for your work with Rep. Bill Thomas. We appreciate your diligent work in searching for cheaper and alternative energy solutions for Alaska.

Existing and new businesses in Alaska must often jump through high-energy hurdles in order to prosper and maintain any level of sustainability. Finding solutions to Alaska's energy problems should be paramount for Alaska's political leaders. Especially in rural Alaska where transportation of energy creates additional costs, Alaska's businesses will continue to struggle as crude prices continue to escalate. HB 152 attempts to address Alaska's unique energy problems by creating an alternative energy fund, by studying and recommending energy solutions that will ultimately help all Alaskans and Alaska's businesses.

The Alaska State Chamber of Commerce strongly supports HB 152. We believe the bill will ultimately help the state configure alternative energy solutions th. will help lower the cost of energy in Alaska's remotest regions allowing all Alaskan's to prosper.

Yours in economic prosperity,

Wayne A. Stevens
President/CEO
Alaska State Chamber of Commerce

ALASKA STATE CHAMBER OF COMMERCE

Headquarters
217 2nd Street
Suite 201
Juneau
Alaska 99801
(907) 586 2323
FAX 463 5515

Regional Office
601 W. 5th Ave.
Suite 700
Anchorage
Alaska 99501
(907) 278-2722
FAX 278-6643

www.alaskachamber.com

AKPIRG
ALASKA PUBLIC INTEREST RESEARCH GROUP
PO Box 101093 ♦ Anchorage, Alaska 99510-1093 ♦ Ph: (907) 278-3661 ♦ Fax: (907) 278-9300 ♦ email: akpirg@akpirg.org

To: House Committee on Community and Regional Affairs

AkPIRG urges your support for HB 152 - ESTABLISHING A RENEWABLE ENERGY FUND.

Energy costs are on the rise across Alaska. Consumers are facing increasing costs for electricity, particularly in rural areas. Alaska's vast renewable energy resources can provide a cost-effective alternative to these rising prices. Communities like Kotzebue, Wales, St. Paul, Selawik, Port Heiden and Toksook Bay have projects on the ground that are doing just that. HB 152 will expand the amount of money available to build more projects in Alaska.

More state support of renewable energy development in Alaska is a good thing. Senator Murkowski stressed that in her speech to the Alaska Legislature. She emphasized the need for legislators to support renewable energy development. HB 152 can serve as the first step toward more energy produced in Alaska.

Most states have one or more of the following three policies: a renewable portfolio standard – mandating a certain percentage of renewable power by a date certain, net-metering – which enables customers to use their own generation to offset their consumption, and renewable energy funds – like that in HB 152. A compilation of state energy policies shows that 21 states and the District of Columbia (DC) now have renewable portfolio standards. Thirty-nine state and DC have net-metering policies. Fifteen states and DC have renewable energy funds like that of HB 152.

Energy efficiency is also a money saver and worth the investment. Whether it needs to be dealt with in this bill or whether it should be in a separate bill can be determined in committee. No matter how we are producing electric power or heating our homes, we should be doing it in the most energy-efficient manner. Consumers need to be rewarded and encouraged to start saving energy now.

With the ever-increasing cost of fossil fuel generated power, consumers deserved a diversified energy supply that will help keep costs down. HB 152 is a step in that direction.

Thank you for your support of this legislation.
Sincerely,

Steve Cleary

Steve Cleary
AkPIRG Director

Founded in 1974, the Alaska Public Interest Research Group (AkPIRG) is a non-profit, non-partisan, citizen-oriented statewide organization researching, educating and advocating on behalf of the public interest. AkPIRG has 1,000 Alaskan members.

01 02 07

CHUGACH

Resolution in Support of a Renewable Energy Fund

WHEREAS, the Chugach Electric Association Board of Directors recognizes that renewable energy will play an important role in Alaska's future energy supply;

BE IT RESOLVED that the Chugach Electric Association Board of Directors supports the establishment of a renewable energy fund where the fu. ding comes from the Alaska State Legislature in the form of appropriations, general funds, or through an endowment.

I, Jim Nordlund, do hereby certify that I am that im Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska; that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation duly and properly called and held on the 21st day of February, 2007, that a quorum was present at the meeting, that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 21st day of February 2007.

Jim Nordlund

Secretary

GVEA
Golden Valley Electric Association
PO Box 71249, Fairbanks, AK 99707-1249 • (907) 452-1151 • www.gvea.com
Your Touchstone Energy® Cooperative

RESOLUTION NO. 102-07
GOLDEN VALLEY ELECTRIC ASSOCIATION, INC.
SUPPORTING THE CONCEPT OF A RENEWABLE ENERGY FUND

WHEREAS, the GVEA Board recognizes that renewable energy will play an important role in Alaska's future energy supply;

BE IT FURTHER RESOLVED that the Golden Valley Electric Association Board of Directors supports the concept of a renewable energy fund where the funding comes from an appropriation, general funds or through an endowment.

CERTIFICATION

I, William D. Digan, do hereby certify that I am the Secretary of Golden Valley Electric Association, Inc., an electric not-for-profit cooperative membership corporation organized and existing under the laws of the State of Alaska; that the foregoing is a complete and correct copy of a resolution adopted at a regular meeting of the Board of Directors of this corporation, duly and properly called and held on the 29th day of January 2007; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the corporation this 29th day of January, 2007.

GOLDEN VALLEY ELECTRIC ASSN INC CORPORATE SEAL ALASKA

William D. Digan

William D. Digan, Secretary

ML&P Resolution 01-07
A Resolution Supporting the Establishment of a Renewable Energy Fund for Alaska

WHEREAS: An adequate, reliable, reasonably priced and safe supply of electrical energy is necessary for Alaska's basic infrastructure, economic and technological development; and

WHEREAS: Alaska possesses vast amounts of potential renewable energy resources including wind, geothermal, biomass, solar, tidal, wave, and hydro power; and

WHEREAS: The Alaska Legislature established the Alaska Energy Policy Task Force in 2003 to review and analyze the state's current and long term energy needs; and

WHEREAS: The Task Force found that one of Alaska's long term energy needs is to "identify and evaluate long term fuel resources", and recommended that the state should "increase the proportion of renewable in long term fuel sources"; and

WHEREAS: There is virtually no fuel cost associated with renewable energy resources; and

WHEREAS: Other states and nations are working successfully to develop their renewable energy resources; and

WHEREAS: The continued competitiveness and stability of the state's economy requires that the legislature consider national and international trends toward renewable energy development; and

WHEREAS: Renewable energy technology development promotes both industry investment and job creation; and

WHEREAS: Clean, renewable energy has many environmental and health benefits; and

WHEREAS: Locally produced renewable energy has many security benefits; and

WHEREAS: Modern, affordable, and efficient renewable energy technologies now exist; and

WHEREAS: It is in the public's interest for Alaska to develop its renewable energy resources.

NOW THEREFORE BE IT RESOLVED: That the Anchorage Municipal Light & Power Advisory Commission finds that a Renewable Energy Fund for Alaska should be established as a separate fund to finance new utility scale renewable energy projects in Alaska with grants and/or loans; and

BE IT FURTHER RESOLVED: That the Fund should be funded by general appropriations so that Alaska can leverage a portion of today's oil and gas wealth into a renewable energy industry that can and will provide perpetual benefits to Alaskans.

Approved and passed in the ML&P Commission meeting held January 24, 2007.

Russell Nogg, Chairman
ML&P Advisory Commission

ATTEST:
Linda R. Davidovics
ML&P Commission Secretary

SWAMC

Southwest Alaska Municipal Conference
3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7380 f: 907.562.0438 www.swamc.org

Alaska Peninsula
Aleutian
Bristol B.
Kodiak Is.
Pribilof Islands

Resolution 07 - 07

A resolution of the Southwest Alaska Municipal Conference in support of the Establishment of a Renewable Energy Fund for Alaska.

WHEREAS, an adequate, reliable, reasonably priced and safe supply of electrical energy is necessary for Alaska's basic infrastructure, and economic and technological development; and

WHEREAS, Alaska possesses vast amounts of renewable energy resources in the form of wind, geothermal, biomass, solar, tidal, wave and hydro power; and

WHEREAS, the Alaska Legislature established the Alaska Energy Policy Task Force in 2003 to review and analyze the state's current and long term energy needs; and

WHEREAS, the Task Force found that one of Alaska's long term energy needs is to "identify and evaluate long term fuel resources," and recommended that the state should "increase the proportion of renewable in long term fuel sources;" and

WHEREAS, the cost of fuels such as natural gas and diesel that Alaskans rely on in large part to generate electric power and heat is steadily rising; and

WHEREAS, residents in rural Alaska pay far more for electricity than residents who live on the Rail belt energy grid; and

WHEREAS, there is virtually no fuel cost associated with renewable energy resources; and

WHEREAS, other states and nations are working successfully to develop their renewable energy resources; and

- more -

WHEREAS, the continued competitiveness and stability of the state's economy requires that the legislature consider national and international trends towards renewable energy development; and

WHEREAS, renewable energy technology development promotes both industry investment and job creation; and

WHEREAS, clean, renewable energy has many environmental and health benefits; and

WHEREAS, locally produced renewable energy has many security benefits; and

WHEREAS, modern, affordable, and efficient renewable energy technologies now exist; and

WHEREAS, It is in the public's interest for Alaska to develop its zero fuel cost renewable energy resources.

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Southwest Alaska Municipal Conference support a Renewable Energy Fund for Alaska to be established as a separate fund to finance new utility-scale renewable energy projects in Alaska with grants and loans; and

BE IT FURTHER RESOLVED that the Fund should be funded by general appropriations so that Alaska can leverage a portion of today's oil and gas wealth into a renewable energy industry that can and will provide perpetual benefits to Alaskans.

PASSED AND ADOPTED by a duly constituted quorum of the Southwest Alaska Municipal Conference membership this 26th day of January, 2007.

Signed:

Glen Gardner
President

Attest:

Wanetta Ayers
Executive Director

ALASKA FEDERATION OF NATIVES INC.

2006 ANNUAL CONVENTION

RESOLUTION 06-34

TITLE: CALLING FOR THE ESTABLISHMENT OF A RENEWABLE ENERGY FUND

WHEREAS: Alaska possesses vast amounts of renewable energy resources in the form of wind, geothermal, biomass, solar, tidal, wave and hydro power; and

WHEREAS: The Alaska Legislature established the Alaska Energy Policy Task force in 2003 to review and analyze the state's current and long term energy needs; and

WHEREAS: The Task Force found that one of Alaska's long term energy needs is to "identify and evaluate long term fuel resources" and recommends that the state "increase the proportion of renewable energy in long term fuel sources"; and

WHEREAS: There is virtually no fuel costs associated with renewable energy resources; and

WHEREAS: Renewable energy technology development promotes both industry and job creation; and

WHEREAS: The Institute of Social and Economic Research's December 2005 research summary states "Diesel is the main energy source in remote communities--and in 2004 diesel outside the rail belt cost about 5 times as much per unit of energy as natural gas;"and

WHEREAS: Community facilities such as electrical plants, water & sewer services and health clinics use diesel fuel; and

WHEREAS: Rural Alaskan residents are dependent on diesel fuel to generate heat for homes and the high cost of energy seriously impacts economic conditions in rural Alaska. The average price of diesel fuel in the Bering Straits Region is $4.39 a gallon; and

WHEREAS: There are numerous agencies dealing with energy assistance, both federal state and international specialists. We urge the State to appoint a cabinet level position to coordinate and centralize resources to provide leadership and begin to develop a solution to the long term energy crisis, and

NOW THEREFORE BE IT RESOLVED by the Delegates to the 2006 Annual Convention of the Alaska Federation of Natives that President Bush is urged to include in his budget for FY 2008, more funding for alternative fuel projects; and

BE IT FURTHER RESOLVED, that the Alaska Congressional Delegation and the State Administration is urged to address the energy needs of rural Alaska families by:

1. Creating a Renewable Energy Fund to finance new utility scale renewable energy projects in Alaska funded by general appropriations. The fund shall be distinct from funds administered by Alaska Energy Authority and will conduct programs of energy research, development, demonstration and application; and
2. Creating a cabinet level position to coordinate efforts and centralize state and federal resources to solve the long term energy crisis; and
3. Creating a revolving loan fund to allow individuals and businesses to purchase and install alternative energy products

SUBMITTED BY: KAWERAK, INC.; NAPAKIAK CORPORATION

COMMITTEE ACTION: DO PASS

CONVENTION ACTION: AMENDED AND PASSED