

HB

152

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSHB 152(FIN)
 (H) Publish Date: 4/16/2007

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Renewable Energy Fund RDU AIDEA (125)
 Component AIDEA Operations
 Sponsor Harris and Thomas
 Requester _____ Component No. 1234

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING

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	.	.	.	.	.	.
TOTAL	.	.	.	.	.	.

Estimate of any current year (FY2007) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
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 staff support to AEA programs. The fiscal note is indeterminate at this time.

If an appropriation is made to capitalize the renewable energy fund created under HB 152 (FIN), AIDEA will provide staff support to promulgate regulations for the grant program as well as establish the seven member advisory committee. AIDEA anticipates that \$100.0 will be needed in personal service costs, which will be funded through interagency receipts from AEA.

Prepared by: House Finance Committee Phone 465-4945
 Division _____ Date/Time 04/16/07 10:37 A.M.
 Approved by: Representative Meyer Date 4/16/2007
Representative Chenault

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: CSHB 152(FIN)
 (H) Publish Date: 4/16/2007

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Renewable Energy Fund RDU Alaska Energy Authority (453)
 Component AEA Rural Energy Operations
 Sponsor Harris and Thomas
 Requester _____ Component No. 2600

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel
Contractual
Supplies
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 CF/Program Receipts						
1037 GF/Mental Health						
New Renewable Energy Fund	.	.	.	.	.	.
TOTAL	.	.	.	.	.	.

Estimate of any current year (FY2007) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
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. 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 loan 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; and 5) provide for power production incentives to reduce principal balances of loans.

Prepared by: House Finance Committee Phone 465-6875
 Division _____ Date/Time 04/16/07 11:07 A.M.
 Approved by: Representative Kevin Meyer Date 4/16/2007
 Agency Representative Mike Chenault

FISCAL NOTE # 4

**STATE OF ALASKA
2007 LEGISLATIVE SESSION**

BILL NO. CSHB 152(FIN)

ANALYSIS CONTINUATION

In consultation with the advisory committee, AEA shall make grants and loans to eligible applicants 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.

The costs associated with the program start up will be as follows:

New project manager responsible for developing the regulations in consultation with the advisory committee: \$100.0; one-time supply costs of \$6.0, and estimated travel costs for the seven member committee to meet four times for the initial development phase of regulations and annually to solicit funding recommendations of \$20.0.

The funding source is assumed to be the fund created under HB 152 (FIN), assuming the legislation becomes law and an appropriation is made to capitalize the fund. Until this time, the fiscal note is indeterminate.

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 establish 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:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

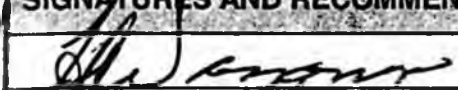
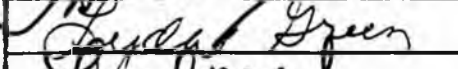
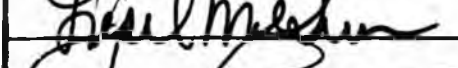


NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

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

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	DO NOT PASS	NO REC	AMEND
	WAGNER	✓			
	Green	✓			
	McBride	✓			
	Steiner	X			
CHAIR: 	Higgins	✓			

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

MEMORANDUM

TO: Senator Charlie Huggins
Senate Resources Chairman

FROM: Representative John Harris
Speaker of the House

DATE: April 19, 2007

SUBJECT: Hearing Request for HB 152 

I respectfully request that the Senate Resource Committee schedule House Bill 152: An Act establishing a renewable energy fund and describing its uses and purposes, at its earliest convenience.

If you have any questions please contact either me or my staff, Charisse Millett, at 465-4859.

Thank you for your consideration of my request.

ALASKA STATE LEGISLATURE

Sen. Charlie Huggins, Chair
Sen. Bert Stedman, Vice Chair
Sen. Lyda Green
Sen. Gary Stevens
Sen. Lesil McGuire
Sen. Bill Wielechowski
Sen. Thomas Wagoner



State Capitol, Room 119
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265
800-862-3878

Senate Resources Committee

MEMORANDUM

Date: January 24, 2007

To: All Legislators

From: Senator Charlie Huggins, Chairman
Senate Resources Committee

Re: Bill Scheduling Requirements

Meetings: Monday, Wednesday, Friday
3:30 p.m. – 5:00 p.m.
Butrovich room #205

Bills for which I receive a written request from the prime sponsor will be considered for hearing. Please include the following with your request:

- Current version of the bill ←
- Sponsor statement ←
- Fiscal notes appropriate to most recent bill vs. ✓
- Sectional analysis ✓
- Background information – position papers, agency/organization briefs, support & opposition letters, research etc. ←
- Teleconference request form indicating invited sites & participants (excluding hearing date & time) http://intranet/lios/tc_order_form.pdf ✓
- Request for any special audio/video equipment for presentations N/A
- Name and direct line phone number of staff member assigned to the legislation ←

The sooner extra materials (with proper identifiers) are submitted for committee packets the more likely they'll be included.

Please call my committee aide, Sharon Long @ 465-4907 with questions.

Thank you in advance for your cooperation. I'm looking forward to a collegial and productive session.

Alaska State Legislature

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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 gasoline 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 State Legislature

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John Harris
Speaker of the House

SECTIONAL ANALYSIS HOUSE BILL 152

"An Act establishing a renewable energy fund and describing its uses and purposes."

SECTION 1: Provides legislative findings stating the many reasons why renewable energy is important and in the public interest, including the economic, environmental and security benefits. The findings point out that this legislation is consistent with the recommendation made by the Legislative Energy Policy Task Force in 2004 to "increase the proportion of renewables in long term fuel sources." The section also mentions natural gas, and states that it is considered a last alternative for possible funding from the Fund if a community does not have any viable renewable energy resources available.

SECTION 2: (New in CS) Adds a new subsection in AS 42.45, the Rural and Statewide Energy Programs Act, to establish the Renewable Energy Project Account within the Power Project Fund in consultation with the advisory committee will make funding recommendations.

SECTION 3: Adds a new section to AS 42.45 to creates the Renewable Energy Fund consisting of funds appropriated by the Legislature, gifts, bequests, contributions from other sources, federal funds, and interest earned on the money in the Fund (subsections (a) and (b).

Subsection (c) provides that the Fund is not a dedicated fund.

Subsection (d) provides that Alaska Energy Authority, in consultation with the advisory committee (established later in the bill), will develop appropriate methodologies to determine priority projects for receive assistance, for allocating money from the fund, and for renewable power production debt reimbursement grants.

These provisions describing how the fund is managed are new in the proposed CS.

Unchanged in the CS is subsection (e), directing the authority to make grants under the program for feasibility studies, reconnaissance studies, energy resource monitoring, and

construction of projects, including renewable energy, natural gas, or transmission and distribution projects.

Subsection (f) provides criteria under which proposed renewable energy projects could qualify under the program. Such a project would have to be new, and either a hydroelectric project, a project employing direct use of renewable energy resources, a fuel cell project using renewable energy or natural gas, a project generating energy from in-stream kinetic turbines, or one using renewable energy resources. In this section, the CS drops a requirement that a hydro project be a minimum of 50 kilowatts and serve a minimum of 20 end users.

Subsection (g) requires that for a natural gas project to be eligible under this section, it must serve fewer than 10,000 and the community has no viable renewable energy resources it can develop.

Subsection (h) requires that to qualify under this section, a transmission or distribution project must connect a renewable energy or natural gas project to transmission or distribution infrastructure.

Subsection (i) provides a percent of market value-type mechanism allowing not more than five percent of the value of the Fund to be used each year for grants. In the CS, this provision replaces a more complicated funding mechanism.

Subsection (j) creates a citizen advisory committee made up of seven diverse renewable energy stakeholders who are appointed by the governor to staggered terms. The intent is to include those stakeholders in the use of the Fund. The existence of the advisory committee gives the Authority a group of experts to help the Authority get the program established also providing input on funding decisions.

Subsection (k) provides boilerplate language consistent with other boards and commissions relating to compensation for members of the advisory board.

Subsection (l) provides definitions for some of the terms used in the statute.

SECTION 4: Adds a new section to uncodified law to accommodate the initial appointments by the governor to the advisory committee created by sec. 2 of this Act.

April 30, 2007

Senate Resources Bill Packet

Enclosures: Fiscal Notes – Inside Front Pocket

1. HB 152 RENEWABLE ENERGY FUND	1 page
2. CS for HB 152 (FIN)	5 pages
3. Sectional Analysis	2 pages
4. Alaska Energy Authority – Overview of Alternative Energy and Energy Efficiency	12 pages
5. Resolutions of Support and Public Comment	18 pages

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

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES 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

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

A BILL

FOR AN ACT ENTITLED

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

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

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

6 **LEGISLATIVE FINDINGS.** The legislature finds that

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

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

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

14 (4) the task force found that one of Alaska's long-term energy needs is to

1 identify and evaluate long-term fuel resources, and recommended that the state should
2 increase the proportion of renewables in long term-fuel sources;

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

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

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

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

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

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

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

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

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

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

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

22 * **Sec. 2.** AS 42.45.010 is amended by adding a new subsection to read:

23 (k) The renewable energy project account is established as a special account
24 within the power project fund. The renewable energy project account consists of
25 appropriations to the account, loan repayments, and interest earned by loans from the
26 account, and money from the power project fund allocated to the account by the
27 authority. The authority, in consultation with the advisory committee established
28 under AS 42.45.045(j), may make loans from the renewable energy project account for
29 renewable energy projects described in AS 42.45.045(f).

30 * **Sec. 3.** AS 42.45 is amended by adding a new section to read:

31 **Sec. 42.45.045. Renewable energy fund.** (a) A renewable energy fund is

1 established as a separate fund to finance certain energy projects in Alaska.

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

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

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

8 (3) interest earned on the fund balance; and

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

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

12 (d) The authority shall, in consultation with the advisory committee
13 established under (j) of this section,

14 (1) develop a methodology for determining the order of projects that
15 receive assistance, including separate requirements for grant eligibility, and adopt
16 regulations identifying criteria to evaluate the benefit and feasibility of projects for
17 which an applicant applies for support from the fund, with significant weight being
18 given to the amount of matching funds an applicant is able to make available;

19 (2) develop a methodology for allocating money from the fund;

20 (3) provide for renewable power production debt reimbursement grants
21 to help reduce the principal balance of loans for projects meeting the requirements of
22 (f), (g), or (h) of this section; and

23 (4) apply for and be able to receive contributions from other sources
24 for distribution as grants to eligible applicants.

25 (e) In consultation with the advisory committee established in (j) of this
26 section, the authority shall make grants to eligible applicants to finance feasibility
27 studies, reconnaissance studies, energy resource monitoring, and construction of
28 renewable energy projects, natural gas projects, or transmission or distribution
29 infrastructure located in Alaska that meet the requirements of (f), (g), or (h) of this
30 section, as applicable, and shall at least once each year, solicit from the advisory
31 committee funding recommendations for all grants.

1 (f) For a renewable energy project to qualify for a grant under (e) of this
2 section, the project must

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

5 (2) be

6 (A) a hydroelectric facility;

7 (B) a direct use of renewable energy resources;

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

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

12 (g) To qualify for a grant under (e) of this section, a project that is a natural
13 gas project must benefit a community that

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

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

17 (h) To qualify for a grant under (e) of this section, transmission or distribution
18 infrastructure must link a renewable energy project or natural gas project to the
19 transmission or distribution infrastructure. A grant may be made under this subsection
20 even if the grant applicant is not itself financing the construction of the renewable
21 energy project or natural gas project.

22 (i) Not more than five percent of the market value of the fund on June 30 of
23 the preceding fiscal year may be used for grants under this section in a fiscal year. The
24 authority may not grant more than five percent of the amount of the fund available on
25 June 30 of the preceding fiscal year for natural gas projects under (g) of this section.

26 (j) An advisory committee is established and consists of seven members
27 appointed by the governor to staggered three-year terms, with one representative to be
28 appointed from each of the following groups:

29 (1) small Alaska rural utilities serving not more than 10,000 people;

30 (2) large Alaska urban utilities;

31 (3) nonprofit environmental groups;

- 1 (4) nonprofit consumer groups;
 2 (5) Alaska Native organizations;
 3 (6) businesses engaged in the renewable energy sector; and
 4 (7) the Denali Commission established under P.L. 105-277, 42 U.S.C.

5 3121 note.

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

9 (l) In this section,

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

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

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

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

19 (5) "renewable energy resources" means

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

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

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

25 (D) landfill gas and digester gas.

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

28 **TRANSITION.** AS 39.05.055(5) applies to the initial appointments by the governor to
 29 the advisory committee under AS 42.45.045(j), added by sec. 3 of this Act.

May 1, 2007
Need Cmte CS
w/ this amendment

HB 152 passed w/
Cmte #1

passed
w/o
objection

HB 152 -- AMENDMENTS

Requested by Sara Fisher-Goad, Deputy Director of Operations, Alaska Energy Authority

1 Page 1, Line 11: Delete the comma after the word "river."

Section 1 (2) would then read as follows:

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

requested
by revenue →

2 Page 3, Line 9: Following the word "Revenue," insert "..., which shall be the fiduciary of the fund under AS 37.10.071."

This amendment was a clarification requested by the Department of Revenue.

Section 3(b)(4) would then read as follows:

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

3 Page 4, Lines 7 and 8: Delete the first instance of the word "energy" and insert "electricity," and delete "run on" and insert "use hydrogen from."

Section 3(2)(C) would then read as follows:

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

4 Page 4, Lines 9 and 10: Delete (D) in its entirety. This is covered in (E).

5 Page 5, Line 21: Delete the comma after the word "river."

Section 3 (l) (5) (A) would then read as follows:

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



Alaska Energy Authority Alternative Energy and Energy Efficiency Overview

Juneau
March 2007

Peter Crimp



AEA Programs

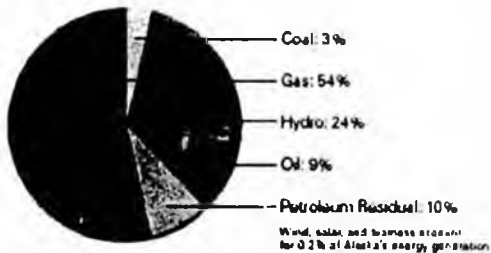
- 1. Statewide Energy Planning
- 2. Infrastructure owner—Bradley Lake Hydro, Willow-Healy intertie
- 3. Bulk Fuel Upgrades
- 4. Rural Power System Upgrades
- 5. Alternative Energy and Energy Efficiency
- 6. Power Cost Equalization (PCE)
- 7. Project Financing
- 8. Training

Statewide Energy Planning

- 1. Rural Energy Plan
- 2. Energy Policy Task Force
 - Railbelt
 - Non-Railbelt
- 3. Rural Energy Action Council
- 4. RE Atlas of Alaska
- 5. Alaska Power Statistics



**Statewide Electrical Generation
in Alaska by Energy Source**



ARCTIC OCEAN

Infrastructure

Average Electrical Generation

MW	Gas	Oil	Coal	Hydro-electric	Wind	Bio-mass	Solar	Geo-thermal
<0.1	●				✖	—	●	—
0.1-1	●	—	●	✖	▲	—	●	—
1-10	●	●	●	✖	▲	—	—	—
>10	●	●	●	✖	—	—	—	—

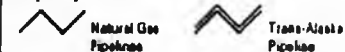
Electric Transmission



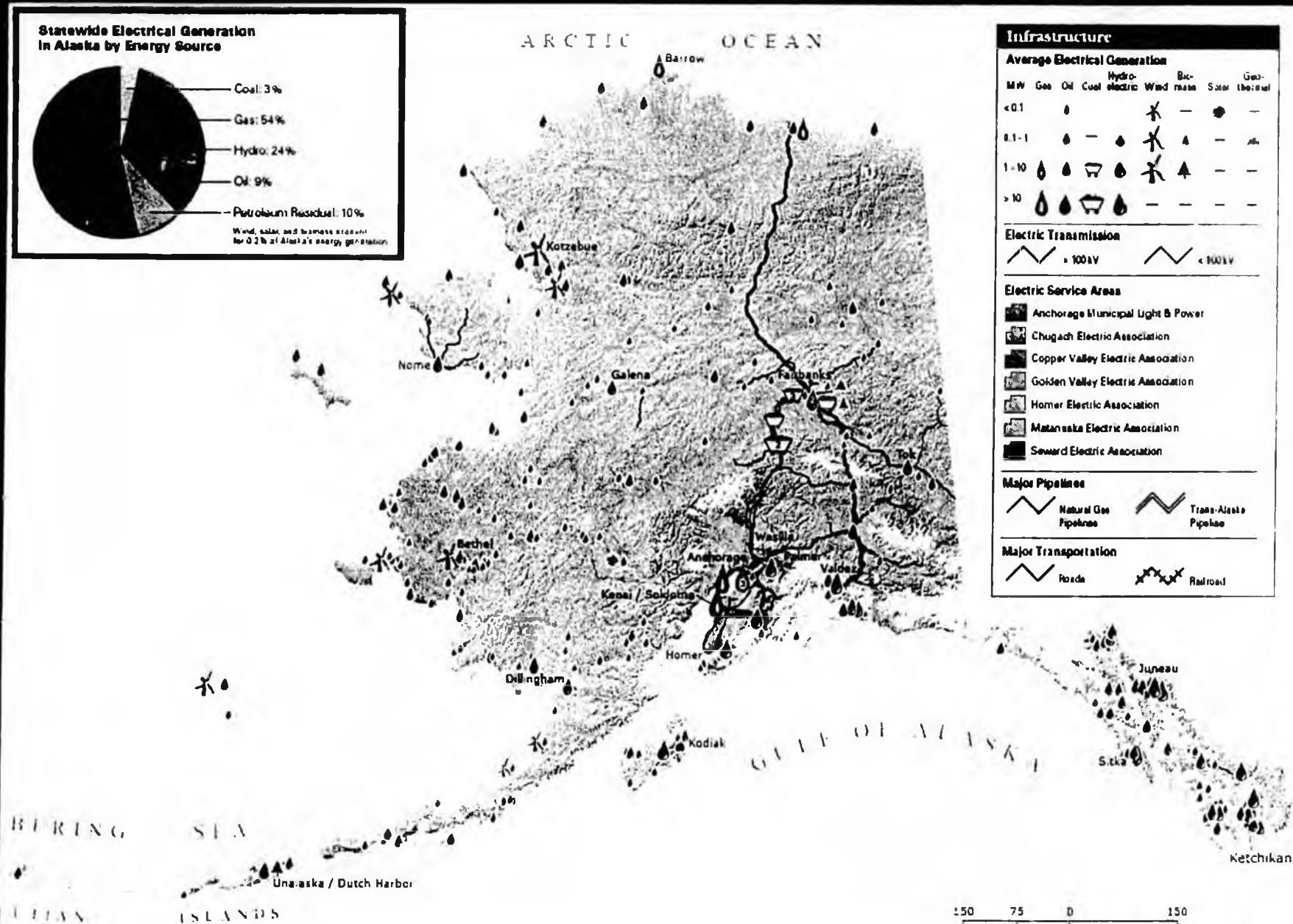
Electric Service Areas

- 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



Major Transportation



Alternative Energy and EE

Hydroelectric



Cordova Electric: Power Creek 6 MW

AEA: Akutan Controls Upgrade

• Program Manager:



AP&T: South Fork 2 MW

AEA: Chuniisax (Atka) 270 kW

Potential Hydro Projects*

Community	Planning Area	Project	IC (M W)	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

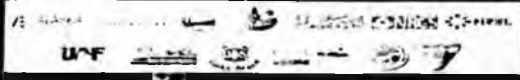
* Provisional list—not comprehensive. Other potential projects to be identified through public solicitations and further research.

Alternative Energy and EE

Biomass

- Wood Energy Program:
 - Alaska Wood Energy Dev Task Group
 - Craig District Heating project
- Fish Oil Biodiesel Program:
 - Engine and handling tests at UAF and NPS
 - Develop fish oil rendering module
- Municipal Waste:
 - Anchorage Landfill Gas feasibility analysis

• Prog Mgr: Peter Crimp (wood, waste)
James Jensen (biodiesel) JJensen@alaska.org



Potential Biomass Projects

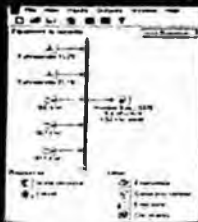
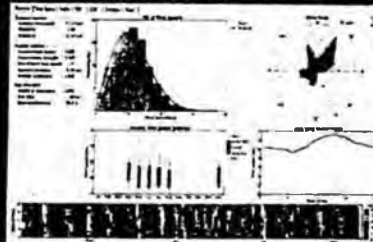
Community	Planning Area	Project	IC (MW)	Energy (MWh/yr)
Anchorage	Railbelt	Anchorage Landfill GTE	2.4	21,000
Fairbanks	Railbelt	Chena Power Biomass	0.2	1,300
Delta Junction	Railbelt	Delta-Greeley SD Wood Boiler		
Delta Junction	Railbelt	Jarvis Creek Biomass-Coal Co-fire	4	
Craig	Rural	Craig Biomass DH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

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

Alternative Energy and EE

Wind

- **Anemometer Loan Program:**
 - Provide met towers and project siting assistance
 - Wind resource data analysis
- **Project Feasibility Assessment:**
 - Training and use of HOMER model for project optimization
- **Project Financing:**
 - RFP 1: TDX Sand Point Wind (1MW)
 - RFP 2: Release in late October
- **Program Manager: Martina Dabo,**
MDabo@aiea.org



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*

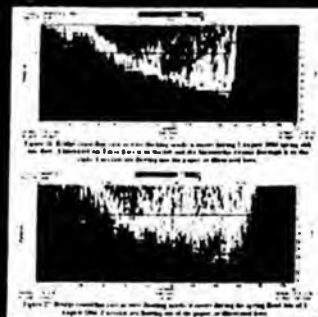
Community	Planning Area	Project
Tyonek	Railbelt	Mt Spurr
Akutan	Rural	Akutan Geothermal
Unalaska	Rural	Makushin Geothermal
Pilgrim Hot Springs	Rural	Pilgrim HS Geothermal

** 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

1. Construction Financing through grants and loans

2. Intertie Feasibility Assessment

• Alaska-BC RFP proposals due 10/13

3. 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

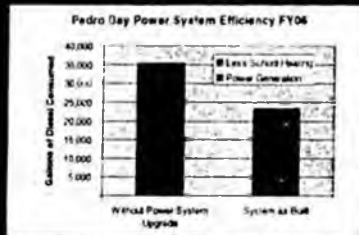
• Program Manager: Rebecca Garrett, RGarrett@aidea.org



Construction

Generation Efficiency

Tuluksak: Before and After



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
Akiak	Rural	Generation Efficiency	Akiak RPSU
Akutan	Rural	Generation Efficiency	Akutan RPSU Distribution
Chignik Bay	Rural	Generation Efficiency	Chignik Bay RPSU Distribution
Ellin Cove	Rural	Generation Efficiency	Ellin Cove RPSU Distribution
Igugig	Rural	Generation Efficiency	Igugig RPSU
Ruby	Rural	Generation Efficiency	Ruby RPSU
Tenakee Springs	Rural	Generation Efficiency	Tenakee Springs RPSU Distribution
Unalakleet	Rural	Generation Efficiency	Unalakleet RPSU
Kaliag	Rural	Heat Recovery	Kaliag HR upgrade
Statewide	Rural	Heat Recovery	AEA HR Database (29 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 Operator
- 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

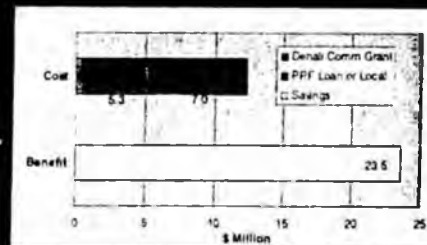
- Selection based on life-cycle cost, ranked by B/C ratio
- 1.4 million gal/year savings in diesel and natural gas



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

REF: HB 152



www.aidea.org

www.akenergyauthority.org

Sara Fisher-Goad
Deputy Director - Operations

813 West Northern Lights Blvd.
Anchorage, Alaska 99503-2495
sfishergoad@aidea.org

907/269-4623
Cell 907/301-0103
FAX 907/269-3044
In State Only 1-888-300-8534

HB 152 -- AMENDMENTS

Requested by Sura Fisher-Goad, Deputy Director of Operations, Alaska Energy Authority

- 1 Page 1, Line 11: Delete the comma after the word "river."

Section 1 (2) would then read as follows:

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

- 2 Page 3, Line 9: Following the word "Revenue," insert "..., which shall be the fiduciary of the fund under AS 37.10.071."

This amendment was a clarification requested by the Department of Revenue.

Section 3(b)(4) would then read as follows:

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

- 3 Page 4, Lines 7 and 8: Delete the first instance of the word "energy" and insert "electricity," and delete "run on" and insert "use hydrogen from."

Section 3(2)(C) would then read as follows:

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

- 4 Page 4, Lines 9 and 10: Delete (D) in its entirety. This is covered in (E).

- 5 Page 5, Line 21: Delete the comma after the word "river."

Section 3 (l) (5) (A) would then read as follows:

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

Sharon -

Requested changes by AEA for HB152, minor changes
and a clarification on page 3 requested by
the dept. of Revenue. Please call me
if you have any questions. Sharon -

25-LS0413VT

CS FOR HOUSE BILL NO. 152(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/16/07

Referred: Rules

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

A BILL

FOR AN ACT ENTITLED

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

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

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

6 **LEGISLATIVE FINDINGS.** The legislature finds that

- 7 (1) an adequate, reliable, reasonably priced, and safe supply of electrical
8 energy is necessary for Alaska's basic infrastructure, and economic and technological
9 development;
- 10 (2) Alaska possesses vast amounts of renewable energy resources in the form
11 of wind, solar, geothermal, wave, tidal, biomass, river, in-stream, and hydropower;
- 12 (3) the legislature established the Alaska Energy Policy Task Force in 2003 to
13 review and analyze the state's current and long-term energy needs;
- 14 (4) the task force found that one of Alaska's long-term energy needs is to

1 identify and evaluate long-term fuel resources, and recommended that the state should
2 increase the proportion of renewables in long term-fuel sources;

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

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

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

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

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

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

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

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

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

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

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

22 * **Sec. 2.** AS 42.45.010 is amended by adding a new subsection to read:

23 (k) The renewable energy project account is established as a special account
24 within the power project fund. The renewable energy project account consists of
25 appropriations to the account, loan repayments, and interest earned by loans from the
26 account, and money from the power project fund allocated to the account by the
27 authority. The authority, in consultation with the advisory committee established
28 under AS 42.45.045(j), may make loans from the renewable energy project account for
29 renewable energy projects described in AS 42.45.045(f).

30 * **Sec. 3.** AS 42.45 is amended by adding a new section to read:

31 **Sec. 42.45.045. Renewable energy fund.** (a) A renewable energy fund is

1 established as a separate fund to finance certain energy projects in Alaska.

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

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

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

8 (3) interest earned on the fund balance; and

9 (4) investments to be managed by the Department of Revenue.

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

11 (d) The authority shall, in consultation with the advisory committee
12 established under (j) of this section,

13 (1) develop a methodology for determining the order of projects that
14 receive assistance, including separate requirements for grant eligibility, and adopt
15 regulations identifying criteria to evaluate the benefit and feasibility of projects for
16 which an applicant applies for support from the fund, with significant weight being
17 given to the amount of matching funds an applicant is able to make available;

18 (2) develop a methodology for allocating money from the fund;

19 (3) provide for renewable power production debt reimbursement grants
20 to help reduce the principal balance of loans for projects meeting the requirements of
21 (f), (g), or (h) of this section; and

22 (4) apply for and be able to receive contributions from other sources
23 for distribution as grants to eligible applicants.

24 (e) In consultation with the advisory committee established in (j) of this
25 section, the authority shall make grants to eligible applicants to finance feasibility
26 studies, reconnaissance studies, energy resource monitoring, and construction of
27 renewable energy projects, natural gas projects, or transmission or distribution
28 infrastructure located in Alaska that meet the requirements of (f), (g), or (h) of this
29 section, as applicable, and shall at least once each year, solicit from the advisory
30 committee funding recommendations for all grants.

31 (f) For a renewable energy project to qualify for a grant under (c) of this

which shall be the
fiduciary of the fund
under
AS 37.10.07
↑
37.10.071

1 section, the project must

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

4 (2) be

5 (A) a hydroelectric facility;

6 (B) a direct use of renewable energy resources;

7 (C) a facility that generates energy from fuel cells that ~~run on~~
8 *use hydrogen from* renewable energy resources or natural gas; *of electricity*

9 (D) a facility that generates energy from in-stream kinetic
10 turbines; or *(covered by E)*

11 (E) a facility that generates energy from renewable energy
12 resources. *Electricity*

13 (g) To qualify for a grant under (e) of this section, a project that is a natural
14 gas project must benefit a community that

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

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

18 (h) To qualify for a grant under (e) of this section, transmission or distribution
19 infrastructure must link a renewable energy project or natural gas project to the
20 transmission or distribution infrastructure. A grant may be made under this subsection
21 even if the grant applicant is not itself financing the construction of the renewable
22 energy project or natural gas project.

23 (i) Not more than five percent of the market value of the fund on June 30 of
24 the preceding fiscal year may be used for grants under this section in a fiscal year. The
25 authority may not grant more than five percent of the amount of the fund available on
26 June 30 of the preceding fiscal year for natural gas projects under (g) of this section.

27 (j) An advisory committee is established and consists of seven members
28 appointed by the governor to staggered three-year terms, with one representative to be
29 appointed from each of the following groups:

30 (1) small Alaska rural utilities serving not more than 10,000 people;

31 (2) large Alaska urban utilities;

- 1 (3) nonprofit environmental groups;
 2 (4) nonprofit consumer groups;
 3 (5) Alaska Native organizations;
 4 (6) businesses engaged in the renewable energy sector; and
 5 (7) the Denali Commission established under P.L. 105-277, 42 U.S.C.

6 3121 note.

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

10 (l) In this section,

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

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

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

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

20 (5) "renewable energy resources" means

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

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

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

26 (D) landfill gas and digester gas.

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

29 TRANSITION. AS 39.05.055(5) applies to the initial appointments by the governor to
 30 the advisory committee under AS 42.45.045(j), added by sec. 3 of this Act.



AKPIRG

A ALASKA ALASKA PUBLIC INTEREST RES ALASKA PUBLIC INTEREST RESEARCH
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
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.

By: Assemblymember Woods
Adopted: 03/06/07

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 07-028**

**A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY SUPPORTING
THE ESTABLISHMENT OF A RENEWABLE ENERGY FUND FOR THE STATE OF
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 renewable energy resources in the form of wind, geothermal, biomass, solar, tidal, wave, and hydropower; and

WHEREAS, the Alaska State 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 of rural Alaska pay far more 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

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 zero fuel cost renewable energy resources.

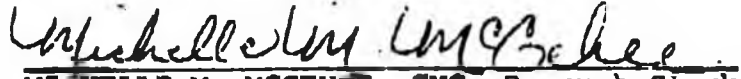
NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly finds that a Renewable Energy Fund for Alaska should be established as a separate fund to finance new utility scale renewable energy projects in Alaska with grants and loans.

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.

ADOPTED by the Matanuska-Susitna Borough Assembly this 6 day
of March, 2007.


CURTIS D. MENARD, Borough Mayor

ATTEST:


MICHELLE M. MCGEHEE, CMC, Borough Clerk

(SEAL)

PASSED UNANIMOUSLY: Woods, Allen, Church, Kvalheim, Bettine, and
Kluberton

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

- m o r e -

- 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.

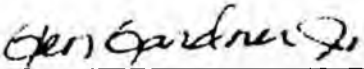
NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Southwest Alaska Municipal Conference support a Renewable Energy Fund for Alaska to be established as a separate fund to finance new utility-scale renewable energy projects in Alaska with grants and loans; and

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:

Attest:



Glen Gardner
President



Wanetta Ayers
Executive Director

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:

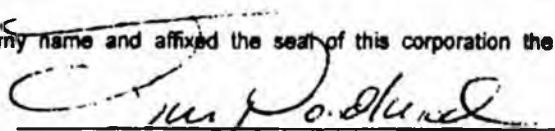
Resolution in Support of a Renewable Energy Fund

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 funding 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 I am 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.


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;

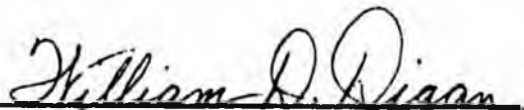
BE IT FURTHER RESOLVED that the Golden Valley Electric Association Board of Directors supports the concept of a renewable energy fund where the funding comes from an appropriation, general funds or through an endowment.

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.




William D. Digan, Secretary

Alaska State Chamber of Commerce
2007 Position
Create a Renewable Energy Fund for Alaska

The Alaska State Chamber of Commerce supports the establishment of a Renewable Energy Fund by the legislature, financed with general fund appropriations, to finance the construction of zero fuel cost renewable energy projects across Alaska.

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



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

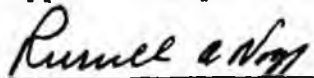
WHEREAS: Modern, affordable, and efficient renewable energy technologies now exist; and

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

March 5, 2006

Representative John Harris, Speaker
House of Representatives
State Capital, Room 404
Juneau, AK 99801-1182

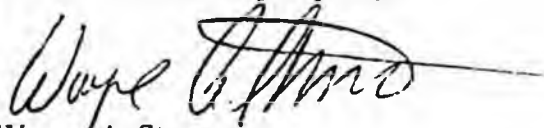
Representative Harris,

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 out 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 that 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

cc: Rep. Bill Thomas



ALASKA STATE
CHAMBER
OF COMMERCE

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FAX 463-5515

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Suite 700
Anchorage
Alaska 99501
(907) 278-2722
FAX 278-6643

www.alaskachamber.com

Jody Simpson

From: KERRI MORRIS [morris.kerri@gmail.com]
Sent: Wednesday, April 18, 2007 8:35 PM
To: Sen. Charlie Huggins
Subject: Support HB 152
Follow Up Flag: Follow up
Flag Status: Green

I am a "Super Voter." I vote in every election. ~~I also support the renewable energy fund as described in HB 152.~~ Please support it.

My daughter is 8 years old. She and her generation will inherit the world that we are depleting. We must do what we can to save it for her and her children.

Thank you.

--
Kerri K. Morris
morris.kerri@gmail.com

Well, at this point you have to quote Gramsci:
"pessimism of the intellect, optimism of the will."
If I had to lay bets, my bet would be that everything is going to go to hell,
but, you know, what else have we got except hope?
RICHARD RORTY

4/19/2007

Jody Simpson

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To: Sen. Charlie Huggins
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Thank you.

--
Kerri K. Morris
morris.kerri@gmail.com

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but, you know, what else have we got except hope?
RICHARD RORTY

Jody Simpson

From: Charlotte & Bob Sartor [bobchar@mtaonline.net]
Sent: Wednesday, April 25, 2007 4:02 PM
To: Sen. Charlie Huggins
Subject: Support HB 152
Follow Up Flag: Follow up
Flag Status: Green

Dear Senator Huggins:

Please support HB 152: Establishing A Renewable Energy Fund

We are glad to see that this bill is moving forward with passage through the State House, but now it seems to be stalled in the Senate. It is a good step in the right direction in today's world to support new and varied energy sources.

Developing renewable energy sources is an important step in reducing our dependence on oil. Anything we can do to support such development should be done.

Please work to gain passage of this bill in the short time remaining this year.

We also support funding the Fire Island Wind Farm with the rail road belt energy tie fund. It is important that all of our energy companies work together to establish efficient sources of energy for the whole area, rather than try to go it alone and work in secrecy as MEA appears to be doing

Charlotte Sartor
5900 S. Our Rd

District 16-N

Jody Simpson

FOR THE RECORD

From: mimi peabody [peamore@mtaonline.net]
Sent: Friday, April 13, 2007 11:45 AM
To: Sen. Charlie Huggins
Subject: energy bills
Follow Up Flag: Follow up
Flag Status: Green

Dear Senator Huggins,

I am a resident of the Mat-Su Valley and I strongly support the use of funds to develop a wind farm at Fire Island (SB 44). I am also in favor of HB 152 and SB 96 to put monies into renewable energy. This is an important direction for Alaskans to take and to demonstrate that we can be leaders in reducing green house gas emissions and in reducing pollution. I am also very strongly opposed to my electric company, MEA, building a coal power plant. Thank you for your work and hearing my voice.

Sincerely,

Mimi Peabody

District 16 -D

Jody Simpson

From: Randy Carter [jrc@alaska.net]
Sent: Thursday, April 26, 2007 9:15 AM
To: Sen. Charlie Huggins
Cc: Sen. Lyda Green
Subject: Please See That HB 152 IS PASSED THIS SESSION!

Follow Up Flag: Follow up
Flag Status: Green

Senator Huggins,

I am a constituent of yours living in Willow. I consider HB 152, "An Act establishing a renewable energy project account and a renewable energy fund and describing their uses and purposes," to be one of the most important bills under consideration by the legislature this year. It has broad support in the house where it passed
YEAS: 35 NAYS: 0 EXCUSED: 4 ABSENT: 1.

It also has strong support in the Senate. To date, ten Senators, McGuire, Therriault, Dyson, Wagoner, Bunde, Ellis, Kookesh, Elton, Stevens, and Wielechowski have signed on as cross sponsors of HB 152.

The bill was scheduled for a hearing in your Resources committee yesterday but I understand the hearing was cancelled. Please see that a hearing is scheduled promptly and the bill is passed out of the Resources committee so this very important bill can be passed THIS YEAR.

Randy Carter
P.O. 974
Willow, AK 99688

Jody Simpson

From: Margaret Subers [nlights@pobox.mtaonline.net]
Sent: Tuesday, May 01, 2007 9:10 PM
To: Sen. Charlie Huggins; Rep. Bill Stoltze
Cc: Sen. Johnny Ellis; Rep. Bill Thomas; Rep. John Harris
Subject: HB 152 and SB 96

Dear Mr. Huggins and Mr Stoltze,

First off, let us say thanks to all of you for being a legislator. We know that it takes a lot of courage and dedication in service to the public. **THANK YOU.**

We are your constituents. We live in the Butte. My husband and I are building a 5 Star +energy efficient dwelling and plan to be zero net, zero waste in the future. We know with every bone in our body how important Renewable Energy is **NOW**. We are doing this to protect ourselves from power outages, high energy costs and to protect the environment.

These small steps we are attempting to make right **now** should have happened 20 years ago on a national level. If we don't take the necessary steps **now** we will surely regret it. **We seriously urge you to support**

HB 152 / SB 96 and to urge your colleges to support them as well.

We can create many jobs from going to renewable energy, especially here in Alaska, we can be a model for the rest of our country (UK is active on a much more advanced scale than the US already when it comes to technology and sustainability), as we are seeing the effects of it faster than anywhere else.

Thank you for your help in this matter.

Sincerely,

Margaret and Bradley Subers

Jody Simpson

From: Jeff Turner
Sent: Thursday, April 19, 2007 1:35 PM
Subject: FW: PR - House Acts to Establish Renewable Energy Fund (HB 152)
Attachments: PR - House Acts to Establish Renewable Energy Fund (HB 152).doc

FOR IMMEDIATE RELEASE: April 19, 2007
4859

CONTACT: Rep. John Harris, 465-4859
Rep. Bill Thomas, 465-3732

House Acts to Establish Renewable Energy Fund **Harris' & Thomas' HB 152 Expands State's Energy Options & Infrastructure**

(Juneau) – The Alaska House of Representatives today unanimously passed legislation to establish the Renewable Energy Fund, which the Alaska Energy Authority would administer to promote and provide for communities across the state. HB 152, sponsored by House Speaker John Harris (R-Valdez) and Rep. Bill Thomas (R-Haines), forms an advisory committee with members from the utility industry, environmental, business, state and Native stakeholder groups. The fund would offer both loans and grants for Alaskans to develop alternative energy projects statewide.

“Whether it is wind, geothermal, tidal or biomass, our state has a wide variety and vast amount of renewable energy sources we could harness to provide a reliable and reasonably priced alternative to standards like diesel and gas,” Harris said. “We can and should be a world leader in their development. Ours has been an energy state for decades, and HB 152 puts the focus on developing our non-petroleum-based resources to help continue to be a green energy state in the future.”

“The Alaska Energy Policy Task Force came back to the Legislature saying the number one thing we need to do as a state is get our rural areas off of expensive diesel and inefficient electrical supplies and work towards zero fuel cost energy resources,” Thomas said. “The cost of diesel is steadily rising, crippling our rural communities. This legislation will help rural communities that have local wind, tidal, geothermal and biomass sources to develop them and begin to reap the benefits of those zero cost fuel sources.”

In addition to the renewable energy fund, HB 152 allows AEA to establish the renewable energy project account as a special account within the power project fund. The account is subject to funding by the Legislature, private donations, federal deposits, and by any interest earned on loan repayments or loans from the account.

In order to qualify for a grant from the fund, an applicant must prove that the project meets the following criteria:

4/30/2007

- a new project not in operation at the time the fund is established
- hydroelectric facility
- a direct use of renewable energy resources
- a facility that generates energy from fuel cells that run on renewables or natural gas
- a facility that generates from in-stream kinetic turbines
- a facility that generates energy from renewable energy resources.

In order for a natural gas project to qualify for a grant, it must benefit a community that has a population of 10,000 or less and does not have economically viable renewable energy resources it can develop.

HB 152 also covers transmission and distribution infrastructure projects, but those projects must link a renewable energy or natural gas project to existing transmission or distribution grids.

The seven-member advisory committee appointed by the governor set up to advise AEA on projects will consist of one member from each of the following groups: small Alaska rural utilities serving not more than 10,000 people; large Alaska urban utilities; nonprofit environmental groups; nonprofit consumer groups; Alaska Native organizations; businesses engaged in the renewable energy sector; and the Denali Commission.

"Clean renewable energy benefits the Alaskans and the environment," Harris said. "National trends show a public, and increasingly a governmental and industry, push to that end. Promoting this practice creates jobs and industry for Alaskans and can provide new avenues for rural Alaska to stop the crippling effect of rising oil-based fuel costs."

"Fourteen Other states already have similar funds to the one this legislation will create," Thomas said. "A renewable energy fund that provides grants and loans is a proven state policy to jump start development of renewable energy resources. The industry is already a \$40 billion a year business and now our state can start diversifying our economy and commerce to tie into that. But HB 152 isn't only about diversifying the economy; it's about affording our rural Alaska communities the chance to move away from expensive oil-based fuel and showing that the state is looking towards the future."

HB 152 has been referred to the Senate for its consideration.

#

Will Vandergriff
House Majority Press Secretary
(907) 465-5446 direct
will_vandergriff@legis.state.ak.us