

**HB**

**1 1 4**

<TARGET><BILL>HB 114</BILL><SUBJECT>HB  
114</SUBJECT><COMM>HJUD27</COMM></TARGET>

# FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

cost # codes

Bill Version HB 114  
Fiscal Note Number \_\_\_\_\_  
Publish Date \_\_\_\_\_

Identifier (file name) HB114CS(L&C)-LAW-CIV-12-07-11 Dept. Affected Law  
Title An Act relating to an opt-out charitable giving program Appropriation Civil  
offered by an electronic or telephone cooperative. Allocation Commercial and Fair Business  
Sponsor Representative(s) Thompson  
Requester (H) Judiciary OMB Component Number 2717

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

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FUND SOURCE** (Thousands of Dollars)

1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS**

Full-time							
Part-time							
Temporary							

**CHANGE IN REVENUES**

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Estimated SUPPLEMENTAL (FY12) operating costs \_\_\_\_\_ (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs \_\_\_\_\_ (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated for new fiscal year form.

Prepared by Eileen Donahue, Division Operations Manager  
Division Administrative Services  
Approved by John J. Burns, Attorney General  
Department of Law

Phone 465-5427  
Date/Time 12/07/11 11:00AM  
Date 12/7/2011

FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. HB 114

**Analysis**

This bill proposes amendments to AS 10.25 by adding a new section that will allow an electric or telephone cooperative to engage in an opt-out "round-up" charitable giving program that allows the cooperative to round up customer bills to the next whole dollar amount. Amounts collected must be used for charitable purposes. Currently, all opt-out programs are prohibited under AS 45.45.930. The bill will amend AS 45.45.930 to create an exception for electric and telephone cooperatives organized under AS 10.25 that meet the opt-out criteria contained in the bill. In order to qualify for the exemption, the program must be a "round-up" program, and the cooperative must meet several criteria, including adequate notice of the program, disclosure on every bill that the round-up is voluntary, and an opportunity to ask for a full refund for up to three years.

There is no anticipated fiscal impact to Department of Law.

# FISCAL NOTE

**STATE OF ALASKA**  
**2012 LEGISLATIVE SESSION**

Bill Version HB 114  
Fiscal Note Number \_\_\_\_\_  
( ) Publish Date \_\_\_\_\_

Identifier (file name) HB114-DCCED-CBPL-12-14-11 Dept. Affected DCCED  
Title Opt-Out Charitable Giving Program Appropriation Corp., Business & Professional Lic.  
Allocation Corp., Business & Professional Lic.  
Sponsor Representative Thompson  
Requester House Judiciary OMB Component Number 2360

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

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
<b>OPERATING EXPENDITURES</b>								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Outlay								
Grants, Benefits								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Why this fiscal note differs from previous version (if initial version, please note as such)**

This fiscal note updates the appropriation/allocation to accurately reflect the division affected.

Prepared by Don Habeger, Director  
Division Corporations, Business and Professional Licensing  
Approved by Susan K. Bell, Commissioner  
Commerce, Community, and Economic Development

Phone 907-465-2536  
Date/Time 12/14/11 1:00PM  
Date 12/28/2011

**FISCAL NOTE**

**STATE OF ALASKA  
2012 LEGISLATIVE SESSION**

**BILL NO.** HB 114

**Analysis**

House Bill 114 gives statutory authority for electric and telephone cooperatives to offer an opt-out charitable giving program to their members, when the program has been approved by a majority of the membership.

DCCED does not anticipate any fiscal impact as a result of the passage of this legislation.

# ALASKA STATE LEGISLATURE

**Session:**

State Capitol Building,  
Room 428  
Juneau, Alaska 99801-2186  
Phone (907) 465-3004  
Fax: (907) 465-2070  
Toll Free: (877) 465-3004



**Interim:**

1292 Sadler Way  
Fairbanks, Alaska 99701  
Phone: (907) 452-1088  
Fax: (907) 452-1146

## REPRESENTATIVE STEVE THOMPSON DISTRICT 10

### MEMORANDUM

To: Representative Carl Gatto, Chair  
House Judiciary Committee

From: Representative Steve Thompson

Date: February 15, 2011

Re: Hearing request for HB114, "**An Act relating to opt-out charitable giving program offered by an electric or telephone cooperative**"

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Please consider this memo as a request for the House Judiciary Committee to hear HB 114.

The following documents will be provided via email:

HB114 Sponsor Statement version \_\_\_  
Explanation of Changes from original bill  
HB114 Sectional version \_\_\_  
HB114 version \_\_\_  
HB114 version A  
GVEA support document, Jan. 2011  
Spreadsheet re: Electrical Cooperatives  
Cordova Electric Cooperative letter of support  
Homer Electric Association, Inc. letter of support  
Molly Brann letter of support

Thank you.

# ALASKA STATE LEGISLATURE

**Session:**

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Fairbanks, Alaska 99701  
Phone: (907) 452-1088  
Fax: (907) 452-1146

## REPRESENTATIVE STEVE THOMPSON DISTRICT 10

### Sponsor Statement HB 114

#### **“An Act relating to an opt-out charitable giving program offered by an electric or telephone cooperative”**

House Bill 114 gives statutory authority for electric and telephone cooperatives to offer an opt-out charitable giving program to their members, when the program has been approved by a majority of the membership. More than 250 electric cooperatives across the U.S. have implemented similar successful programs.

House Bill 114 allows the cooperative’s members the opportunity to participate in a charitable giving program that will round their monthly bill to the next whole dollar amount, not to exceed 99 cents a month.

Under HB 114, the participating cooperative would clearly have to identify on each monthly billing statement the amount voluntarily added to a member’s bill, after rounding to the next whole dollar, and provide instruction on how to opt out of the program, should a member so choose.

The monies collected under HB 114 may only be used for charitable donations and members are given the opportunity to claim a full refund of all amounts they paid under the program for at least the three preceding years.

Based on the collective generosity of cooperative members, charitable donations will add up quickly. Funds will then be disbursed back into the community to benefit qualified organizations and help neighbors in need.

Additionally, HB 114 authorizes electrical cooperatives to provide weatherization and energy efficiency products and services to their members.

# ALASKA STATE LEGISLATURE

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Phone: (907) 452-1088  
Fax: (907) 452-1146

## REPRESENTATIVE STEVE THOMPSON DISTRICT 10

### Sectional HB 114 version M

**“An Act relating to an opt-out charitable giving program offered by an electric or telephone cooperative”**

**Section 1:** AS 10.25.010(a) Authorizes an electric or telephone cooperative to offer a charitable giving program.

**Section 2:** AS 10.25.020 The powers of an electric cooperative are amended to allow electrical cooperatives to provide weatherization and energy efficiency products and services to their members.

**Section 3:** AS10.25.237 Adds a new section to statute that describes the framework and requirements for the cooperative’s charitable giving program.

**Section 4:** AS 45.45.930 Clarifies that the this charitable giving program does not conflict with AS 45.45.930.

# ALASKA STATE LEGISLATURE

**Session:**  
State Capitol Building,  
Room 428  
Juneau, Alaska 99801-2186  
Phone (907) 465-3004  
Fax: (907) 465-2070  
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**Interim:**  
1292 Sadler Way  
Fairbanks, Alaska 99701  
Phone: (907) 452-1088  
Fax: (907) 452-1146

## REPRESENTATIVE STEVE THOMPSON DISTRICT 10

### MEMORANDUM

To: House Judiciary Committee  
From: Representative Steve Thompson  
Date: February 16, 2011  
Re: Changes from HB114 version A to L&C version M

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The following changes were made to HB114 in the House Labor & Commerce Committee:

Amendment #1: Added section 2 to the bill, which added to the powers of an electric cooperative the ability to allow electrical cooperatives to provide weatherization and energy efficiency products and services to their members.

Amendment #2: Amended the language in proposed AS 10.25.237(b)(3) to put sideboards on what charitable donations the program's proceeds can be used for.

Amendment #3: Corrected sentence structure in proposed section AS 10.25.237.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number \_\_\_\_\_  
Bill Version CSHB114(L&C)  
( ) Publish Date \_\_\_\_\_

Identifier (file name): HB114CS(L&C)-LAW-CIV-02-17-11  
Title An Act relating to an opt-out charitable giving program offered by an electric or telephone cooperative  
Sponsor Representative(s) Thompson  
Requester (H) L&C  
Dept. Affected Law  
Appropriation Civil  
Allocation Commercial and Fair Business  
OMB Component Number 2717

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
Miscellaneous								
<b>TOTAL OPERATING</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2011) cost 0.0

**POSITIONS**

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Eileen Donahue, Division Operations Manager  
Division Administrative Services  
Approved by John J. Burns, Attorney General  
Department of Law

Phone 465-5427  
Date/Time 2/17/11 2:30 PM  
Date 2/17/2011

FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. CSHB114(L&C)

**Analysis**

This bill proposes amendments to AS 10.25 by adding a new section that will allow an electric or telephone cooperative to engage in an opt-out "round-up" charitable giving program that allows the cooperative to round up customer bills to the next whole dollar amount. Amounts collected must be used for charitable purposes. Currently, all opt-out programs are prohibited under AS 45.45.930. The bill will amend AS 45.45.930 to create an exception for electric and telephone cooperatives organized under AS 10.25 that meet the opt-out criteria contained in the bill. In order to qualify for the exemption, the program must be a "round-up" program, and the cooperative must meet several criteria, including adequate notice of the program, disclosure on every bill that the round-up is voluntary, and an opportunity to ask for a full refund for up to three years.

There is no anticipated fiscal impact to Department of Law.

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number \_\_\_\_\_  
 Bill Version \_\_\_\_\_  
 ( ) Publish Date \_\_\_\_\_

Identifier (file name) HB114-CCED-DED-02-04-11  
 Title Opt-Out Charitable Giving Program  
 Sponsor Representative Thompson  
 Requester House Labor & Commerce  
 Dept. Affected DCCED  
 Appropriation Economic Development  
 Allocation Economic Development  
 OMB Component Number 801

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

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

	Appropriation Required	Information					
		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Crystal Koeneman, Special Assistant  
 Division Commissioner's Office  
 Approved by Susan K. Bell, Commissioner  
Commerce, Community and Economic Development

Phone 465-2503  
 Date/Time 2/4/11 8:00PM  
 Date 2/4/2011

**FISCAL NOTE**

**STATE OF ALASKA  
2011 LEGISLATIVE SESSION**

**BILL NO.** \_\_\_\_\_

**Analysis**

This bill has no fiscal impact to the Department.

# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number \_\_\_\_\_  
Bill Version HB114  
( ) Publish Date \_\_\_\_\_

Identifier (file name): HB114-LAW-CIV-02-04-11  
Title An Act relating to an opt-out charitable giving program offered by an electric or telephone cooperative  
Sponsor Representative(s) Thompson  
Requester (H) Labor & Commerce  
Dept. Affected Law  
Appropriation Civil  
Allocation Commercial and Fair Business  
OMB Component Number 2717

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

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
Miscellaneous								
<b>TOTAL OPERATING</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES</b>								
---------------------------	--	--	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
<b>TOTAL</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2011) cost 0.0

**POSITIONS**

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Eileen Donahue, Division Operations Manager  
Division Administrative Services  
Approved by John J. Burns, Attorney General  
Department of Law

Phone 465-5427  
Date/Time 2/4/11 2:30 PM  
Date 2/4/2011

FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. HB114

**Analysis**

This bill proposes amendments to the statutes related to powers of electric or telephone cooperative by adding a new section for an opt-out charitable giving program.

There is no anticipated fiscal impact to Department of Law.

## Jane Pierson

---

**From:** Mary Jane Shows  
**Sent:** Tuesday, February 15, 2011 11:58 AM  
**To:** Jane Pierson  
**Subject:** FW: Round up Utilities

:

**From:** Molly Brann <[brann@alaska.net](mailto:brann@alaska.net)>  
**Date:** February 14, 2011 7:13:19 PM AKST  
**To:** Katie Koester <[Katie\\_Koester@legis.state.ak.us](mailto:Katie_Koester@legis.state.ak.us)>  
**Subject:** Round up Utilities

I sent this to Mary Ann Shows email address as listed on Rep Seaton's email, but it came back and said there was no such email address. Maybe they left off the s.

I have property in Oregon. I participate in the Midstate Electric program to "Round-up" my bill each month and the money goes to a variety of social services. Since my bill is often a round number like the \$18 a month utilities charge, I receive a discount for prompt payment, that amount is then rounded up and goes to the charities. It is a win-win situation. I don't really notice the change and maybe it comes to \$5 a year, but I am sure it adds up when every customer participates. If you have not already researched the other utilities that use this concept, you should check in with Midstate Electric in Oregon. They are actually donating the amount they would be gifting their customers for paying on time. They could be charging a late fee instead. So it is pretty cool for them to support their community this way and it probably saves them money because their customers enjoying paying on time.

Molly Brann  
PO Box 1901  
Homer, AK 99603



## Goodcents at a Glance

January 2011

### About the program

Goodcents, in the sense that it is a round up program, is not new. More than 250 electric cooperatives across the U.S. have implemented similar programs. And they have been wildly successful.

In 2010, GVEA's Member Advisory Committee suggested the co-op initiate a round-up program. The board of directors agreed it would benefit the cooperative and an amendment to the Bylaws allowing such a program was sent out for membership vote in the 2010 elections. This is how it was worded on the ballot:

#### **GVEA Bylaw, Section 8. Utility Bill Round-up Program**

**The Cooperative may establish a program to permit members to round up their bills to the nearest dollar. The monies collected shall be used for charitable purposes in the Cooperative's service area. Members may be automatically included in this program, but may voluntarily choose not to participate in the program by request to the Cooperative.**

Discussion: ... "This Section allows GVEA to form a fund to assist community organizations, but members may voluntarily choose not to participate. More than 250 electric co-ops have Operation Round Up programs. Approval of this amendment would make GVEA the first in Alaska with such a community-oriented program."

More than 70 percent of the membership that cast a ballot voted in favor of a round up program.

### How the program will work

Goodcents will round up a monthly electric bill to the next highest dollar. For example, a bill of \$97.65 will round up to \$98.00 with the additional 35 cents going to the Goodcents fund. The small change, about 50 cents per bill per month, will add up quickly. The funds will be dispersed to qualified organizations and individuals in need on a quarterly basis by the Goodcents Board of Trustees. The goal of the program is to help build a stronger community.

### RCA Approval

In October, the RCA approved GVEA's amended tariff sheets for Goodcents. At the same time, they cautioned us that Goodcents may be in conflict with Alaska Statute 45.45.930, dealing with Opt-out Marketing Plans. Shortly thereafter, we received a letter from Senior Assistant Attorney General, Ed Sniffen, expressing the same concern.

GVEA had two options, hold fast to our attorney's written opinion that Goodcents was not in conflict with AS 45.45.930, or pursue a legislative fix. We decided the best course of action was a legislative solution.

After meeting with Assistant AG Ed Sniffen and Senator Meyer's chief of staff, Josh Applebee about the situation, both agreed to support our efforts in a legislative solution.

**Where we are now**

Legislation has been introduced into the 27<sup>th</sup> Legislative session to formally authorize electric and telephone cooperatives to offer opt-out charitable giving programs. On January 21, 2011, House Bill 114 was introduced by Representative Steve Thompson (R), Fairbanks and co-sponsored by Mark Neuman (R), Big Lake. It was referred to the Labor & Commerce and Judiciary Committees.

HB 114 includes two provisions. The first to Alaska Statute 10.25.237, were it provides authorization for telephone or electric cooperatives to offer an opt-out charitable giving program. The second is an amendment to AS 45.45.930, which provides clarification that AS 45.45.930 does not apply to telephone or electric cooperative opt-out charitable giving programs.



CORDOVA  
ELECTRIC  
COOPERATIVE, INC

P.O. Box 20, 705 Second Street, Cordova, Alaska 99574-0020 \* (907) 424-5555 \* Fax (907) 424-5527

February 4, 2011

Alaska State House of Representatives  
House Labor and Commerce Committee  
Representative Kurt Olsen, Chair

RE: House Bill 114, Opt-out Charitable Giving by Cooperatives

Dear Sirs,

Cordova Electric Cooperative supports adoption of HB 114. One of the core tenants of the Cooperative model is that of democratic membership control. As a private, non-profit corporation solely owned by the rate-paying members of the Cooperative, the members are financially vested as equity owners. Members of a Cooperative have the freedom to adopt charitable giving programs to benefit the sustainable development of their communities either by a direct vote to amend their bylaws, or by a vote of their elected board of directors to adopt a policy. The Laws of the State of Alaska should not intervene.

In the opt-out charitable giving programs, the members are free to participate or decline thus retaining their freedom of choice in the matter. I strongly encourage you to recommend this bill for adoption, recognizing that it allows Cooperatives the freedom to exercise their democratic membership control to adopt either opt-in or opt-out charitable giving programs should they choose to engage in charitable giving programs within their communities.

Sincerely,

Clay R. Koplin  
CEO  
Cordova Electric Cooperative



## Homer Electric Association, Inc.

---

**Corporate Office**  
3977 Lake Street  
Homer, Alaska 99603-7680  
Phone (907) 235-8551  
FAX (907) 235-3313

**Central Peninsula Service Center**  
280 Airport Way  
Kenai, Alaska 99611-5280  
Phone (907) 283-5831  
FAX (907) 283-7122

February 4, 2011

House Labor and Commerce Committee  
Representative Kurt Olson, Chair  
Capitol Building, Room 24  
Juneau, Alaska 99801

Dear Chair Olson, Vice-Chair Johnson and members of the House Labor and Commerce Committee:

I would like to go on record in support of an amendment to House Bill 114 that would add language to the Electric and Telephone Cooperative Act (Act) allowing electric cooperatives to finance the purchase of weatherization and energy efficiency products and services. Currently, the Act only allows cooperatives to finance the purchase of electrical and plumbing appliances, fixtures and apparatus.

Homer Electric Association, Inc. (HEA) has a Line of Credit program that offers financing to its members for the purchase of products covered under the Act. While this is a popular program, many of our members have inquired about using the Line of Credit program to purchase materials and products that would improve the energy efficiency of their home or business. Unfortunately, due to the limitations specified in the Act, HEA is unable to offer any assistance in the purchase of these types of products.

Homer Electric has worked very hard over the past several years to provide its members with information that will help lower their energy usage and manage their electric bill. Along with regular newsletter articles, web site information and media advertisements, HEA has sponsored Energy and Conservation Fairs to promote energy efficiency products and services. The fairs have attracted nearly 1,000 HEA members annually over the past two years.

As we continue to promote conservation, it makes sense to have energy efficiency and weatherization products included in the Line of Credit program.

We believe that HB 114 is an excellent bill and the proposed amendment will be a valuable addition to this legislation. Thank you for considering our request.

Sincerely,

Bradley P. Janorschke  
General Manager

**Members**

as of Dec. 31, 2009

7,639  
 1,823  
 81,047  
 2,966  
 1,498  
 43,547  
 28,648  
 305  
 1,284  
 3,991  
 1,289  
 70  
 55,567  
 190  
 1,113  
 1,456  
 108  
 351  


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 232,892

**Electric Cooperatives**

Alaska Village Electric Cooperative, Inc. AVEC  
 Barrow Utilities & Electric Cooperative, Inc. BUECI  
 Chugach Electric Association, Inc. CHUGACH  
 Copper Valley Electric Association, Inc. CVEA  
 Cordova Electric Cooperative, Inc. CEC  
 Golden Valley Electric Association, Inc. GVEA  
 Homer Electric Association, Inc. HEA  
 Inn Electric Cooperative, Inc. INNEC  
 Inside Passage Electric Cooperative, Inc. IPEC  
 Kodiak Electric Association, Inc. KEA  
 Kotzebue Electric Association KOTZ  
 Levelock Electric Cooperative  
 Matanuska Electric Association, Inc. MEA  
 Middle Kuskokwim Electric Cooperative MKEC  
 Naknek Electric Association, Inc. NEA  
 Nushagak Cooperative, Inc. NC  
 Tanalian Electric Cooperative TEC  
 Unalakleet Valley Electric Cooperative UVEC

209,603      90% Participation Rate (members)

\$      104,801      Avg donation of \$.50 per month

\$      1,257,617      Annual amount raised if all electric cooperatives adopted an opt-out charitable giving program

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSHB 114(L&C)

1 Page 4, lines 13 - 16:

2 Delete "relief of poverty, distress, or other conditions of general public concern but  
3 not for religious organizations, political organizations, organized labor unions, or other labor  
4 organizations, or for any political purpose"

5 Insert "public welfare or charitable, scientific, or educational purposes but not for any  
6 political purpose or for the pecuniary profit of any individual or organization or labor  
7 organization; in this paragraph, a charitable purpose includes the relief of poverty, distress, or  
8 other condition of concern in the state"