LEG. FINANCE - BILLS 1979 - 1980 1153

HB 687 cont., thru CSHB 688

1153

CHAPTER 89. ALASKA ENERGY CENTER.

Sec. 45.89.010. ALASKA ENERGY CENTER ESTABLISHED. There is established the Alaska Energy Center. The center is a public corporation of the state. It is an instrumentality of the state in the Department of Administration, but has a legal existence independent of and separate from the state. Exercise by the center of the powers conferred by this chapter is an essential governmental function of the state.

Sec. 45.89.020. PURPOSE. The primary purpose of the center is to create employment opportunities and other benefits in the state through the development and use of more efficient technologies. The center shall

(1) promote the most efficient and appropriate technologies for the use and conservation of the state's energy resources;

(2) provide economic benefits to state citizens;

(3) promote the effective use of the state's resources;

(4) promote diversification of employment opportunities;

(5) reduce state energy imports; and

(6) bring existing and new technologies to a stage of commercial feasibility.

Sec. 45.89.030. BOARD OF DIRECTORS. A board of directors of the center is established as its governing body.

Sec. 45.89.040. COMPOSITION OF BOARD OF DIRECTORS. (a) The board of directors consists of nine members as follows:

(1) seven members appointed by the governor and confirmed by a majority of the members of the legislature in joint session;

(2) two members of the legislature jointly appointed by the president of the senate and the speaker of the house of representatives at the beginning of each legislature.

(b) The board shall elect a chairman and other necessary officers

from among its members.

Sec. 45.89.050. TERM OF OFFICE. (a) The members of the legislature appointed to the board serve ex officio as nonvoting members of the board for the duration of the legislature during which they were appointed.

(b) The members of the board appointed by the governor serve three-year terms and may be reappointed. Terms shall be staggered.

(c) The officers of the board elected under AS 45.89.040(b) serve a term of three years.

Sec. 45.89.060. REMOVAL AND VACANCIES. (a) The governor may remove from office a board member appointed under AS 45.89.040(a)(1) with the consent of a majority of the members of the legislature in joint session. A removal by the governor shall be in writing and state the reason for removal. If the legislature is not in session, the governor may suspend a member of the board. After suspension, a board member may not participate in board business and may not be counted for the purpose of establishing a quorum. The joint session shall be held within 10 days from the date of removal, if the removal occurs while the legislature is in session, or within 30 days of convening of the next regular session of the legislature, if the legislature is not in session. If the legislature refuses to consent to removal, the suspension of the board member is terminated and the member shall be reinstated to the office by the governor.

(b) A vacancy on the board among the members appointed under AS 45.89.040(a)(1) shall be filled by appointment by the governor and confirmation by a majority of members of the legislature in joint session. An appointee to fill a vacancy shall hold office for the balance of the term for which his predecessor on the board was appointed. If a vacancy arises on the board while the legislature is not in session, the

governor may appoint an interim member, until the legislature has the opportunity to confirm the appointment.

(c) A vacancy on the board among the members appointed under AS 45.89.040(a)(2) shall be filled by appointment by the presiding officer of the house of the legislature to which the vacating board member belonged.

(d) A vacancy on the board does not impair the authority of a quorum of the board to exercise all the powers and perform all the duties of the board.

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(b) At least three of the board members appointed under AS 45.89.-040(a)(1) shall be nationally recognized experts in energy technology or energy development.

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staff as necessary. The executive director and all employees of the board are in the exempt service under AS 39.25.

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(1) adopt, alter, and use a corporate seal;

(2) prescribe, adopt, amend, and repeal bylaws;

(3) sue and be sued in the name of the center;

(4) enter into any agreements necessary to the exercise of its powers and functions;

(5) accept grants from and contract with the federal government and the state or its political subdivisions and to that end comply with the provisions of federal, state, or local programs when necessary, except that it may not enter into any agreements whereby a permanent state or local government position is financed or partially financed in connection with a project;

(6) accept grants and loans from and contract with sources other than those in (5) of this section for the purposes of the work of the center;

(7) appear in behalf of the center before boards, commissions, departments, or other agencies of municipal, state, or federal government;

(8) acquire, hold, use, lease, sell, or otherwise dispose of property of any kind, real, personal, or mixed, or an interest in it;

(9) conduct or sponsor applied research, development and demonstration projects, and prepare, publish, and distribute technical studies, reports, bulletins and other materials it considers appropriate;

(10) hold patents, copyrights, trademarks, royalties or other evidences of protection or exclusivity issued under the laws of the

United States or any state or nation obtained by persons receiving assistance from the center;

(11) adopt regulations governing the exercise of its powers;

(12) do everything necessary or desirable to carry out the purposes of the center.

Sec. 45.89.130. DUTIES. The board shall

(1) promote the commercial development and use of more efficient energy technologies;

(2) subject to the availability of money,

(A) sponsor energy research projects intended to accomplish the purposes of the center;

(B) conduct and sponsor applied research, development, and demonstration projects of energy technologies;

(C) provide financial and other support to inventors and businesses engaged in the development, demonstration, and commercialization of energy technologies;

(3) manage projects for which financing has been appropriated by the legislature;

(4) in developing its programs, consult with the Alaska Council on Science and Technology, the Alaska Power Authority, the Alaska Renewable Resources Corporation, the division of energy and power development of the Department of Commerce and Economic Development, the Department of Natural Resources, and the University of Alaska; the board shall meet with responsible officials and representatives of these organizations and agencies at least twice each year;

(5) consult with other energy research and development organizations.

Sec. 45.89.140. BUDGET AND APPROPRIATIONS. (a) The center is subject to the Executive Budget Act (AS 37.07), except as provided in

(b) of this section and in AS 37.25.030.

(b) The budget of the center shall include a description of and amount of proposed financing for projects to be conducted or supported by the center. Requests in the budget for project financing shall include a statement of the objectives and goals of the project, including, but not limited to, the number of jobs to be created and the number of businesses to be assisted by the project. The amount of the center's operating budget shall be specified separately from proposed project financing.

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(b) When feasible, the center shall contract with the University of Alaska or an organization which is based in Alaska for research.

Sec. 45.89.200. DEFINITIONS. In this chapter

(1) "board" means the Board of Directors of the Alaska Energy Center;

(2) "center" means the Alaska Energy Center;

(3) "energy technology" means technological developments and innovations which are appropriate for

(A) production of energy through the use of renewable and alternative energy sources;

(B) energy conservation;

(C) development of facilities for the use of waste heat and the cogeneration of electricity and heat;

(D) the reduction of dependence on fossil fuels;

(E) efficient recovery and use of fossil fuels.

* Sec. 4. AS 39.25.110 is amended by adding a new paragraph to read:

(22) employees of the Alaska Energy Center.

* Sec. 5. AS 39.50.200(9) is amended by adding a new subparagraph to read:

(SS) Alaska Energy Center (AS 45.89).

* Sec. 6. AS 37.25 is amended by adding a new section to read:

Sec. 37.25.030. APPROPRIATIONS FOR PROJECTS OF THE ALASKA ENERGY CENTER. An appropriation to the Alaska Energy Center for a research, development, or demonstration project under AS 45.89.130(2) is valid for the duration of the project and the unexpended balance for the project shall be carried forward to subsequent fiscal years.

* Sec. 7. AS 44.46.080(c)(3) is amended to read:

(3) annually submit to the governor and the legislature the findings of the council, including

(A) a listing, description, ranking, and justification of research needs; [, AND]

(B) its recommendations for projects which should be conducted or supported by the Alaska Energy Center;

(C) a commentary on significant research activities of the preceding year funded by the state; and [INCLUDING]

(D) the relationship of that research to the state's needs and priorities;

* Sec. 8. APPOINTMENT OF FIRST BOARD OF DIRECTORS OF ALASKA ENERGY CENTER. The governor shall designate the terms of the members of the Board of Directors of the Alaska Energy Center first appointed under AS 45.89.040(a)(1). Of the seven members first appointed

(1) three shall serve a term of one year;

(2) two shall serve a term of two years; and

(3) two shall serve a term of three years.

* Sec. 9. Sections 1 - 6 and 8 of this Act take effect immediately in accordance with AS 01.10.070(c).

* Sec. 10. Section 7 of this Act takes effect July 1, 1980.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

HB 687

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 687
Title Creating the Alaska Energy Center
Requested by Bob Speed Date 3/3/80

II. FISCAL DETAIL
Agency Affected Department of Administration
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES			1,837.6			
200 TRAVEL			335.0			
300 CONTRACTUAL			2,863.9			
400 COMMODITIES			100.0			
500 EQUIPMENT			550.0			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			14,400.0			
TOTAL			20,086.5			

FUNDING (Thousands of Dollars)

GENERAL FUND			16,386.5			
FEDERAL FUNDS			3,700.0			
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			50			
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
SEE ATTACHED

Director's and Deputy Director's salaries would be comparable to University President's and Vice-President's salaries, assuming they receive a 14.7% increase for FY 81. This is the percentage increase allowed for the highest range state salary under the new salary schedule.

Reallocation of line item amounts will be required if a management contract is let to initiate start-up of the Center.

IV. DATE 3/3/80 PREPARED BY Milt Barker
AGENCY Legislative Finance
PHONE 465-3795

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

ALASKA ENERGY CENTER - HB 687
OPERATING BUDGET FISCAL YEAR 1981
($000)

	1st QUARTER		2nd QUARTER		3rd QUARTER		4th QUARTER		TOTAL
	Expenditures	Positions	Expenditures	Positions	Expenditures	Positions	Expenditures	Positions	Expenditures
PERSONAL SERVICES									
Salaries									
Executive Director	20.0	1	20.0	1	20.0	1	20.0	1	80.0
Deputy Director	17.5	1	17.5	1	17.5	1	35.0	2	87.5
Senior Staff	60.0	4	90.0	6	120.0	8	150.0	10	420.0
Professional Staff	67.5	6	112.5	10	157.5	14	225.0	20	562.5
Technical/Jr. Staff	33.5	4	57.5	6	77.0	8	96.2	10	264.2
Secretarial Staff	16.5	4	22.0	5	27.5	6	38.5	7	104.5
Total Salaries	215.0	20	319.5	29	419.5	38	564.7	50	1,518.7
Benefits @21%	45.1		67.1		88.1		118.6		318.9
Total Personal Services	260.1		386.6		507.6		683.3		1,837.6
TRAVEL	85.0		60.0		85.0		105.0		335.0
CONTRACTUAL									
Organizational Study	65.0								65.0
Rent	126.8		188.5		247.5		333.3		896.1
Subcontracts	100.0		300.0		400.0		700.0		1,500.0
Telephone/xerox/other	43.2		83.5		114.0		162.1		402.8
Total Contractual	335.0		572.0		761.5		1,195.4		2,863.9
COMMODITIES	10.0		20.0		30.0		40.0		100.0
EQUIPMENT	50.0		100.0		200.0		200.0		550.0
TOTAL OPERATING BUDGET	740.1		1,138.6		1,584.1		2,223.7		5,686.5

ORGANIZATIONAL STUDY

CONTRACTUAL	$45,000
TRAVEL	10,000
INCIDENTAL & CONTINGENCY	10,000
STUDY TOTAL	$65,000

PROJECTS BUDGET

Project	Duration	Total Cost	State Share
Geothermal	1 yr	$1,200,000	$1,200,000
Wind	1 yr	1,200,000	1,200,000
Hydro (micro)	1 yr	500,000	300,000
Feedlot or dairy methane	1 yr	1,500,000	750,000
Electric transportation		500,000	250,000
Diesel transition to coal	2 yr	1,000,000	1,000,000
Hydrogen engine	2 yr	1,500,000	1,500,000
Wood alcohol (barge/SE)	2 yr	4,500,000	3,000,000
Sawmill alcohol (interior)	2 yr	2,500,000	1,500,000
TOTAL		$14,400,000	$10,700,000

RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to micro... its records and to dispose of the original records after microfilm reproductions have been made.

James O Smith
Signature of Camera Operator

3/20/90
Date

COMMITTEE REPORT

SENATE

FURTHER: None

5/6/80

Date: 5-26-80

Mr. President:

The Committee on FINANCE has had CSHB 687

establishing the Alaska Energy Center

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[✓] do pass with attached amendments(s)

[ ] replace with CS for ______ [ ] same title [ ] new title

and recommends ______

[ ] AND attaches a "Letter of Intent" [X] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the ______ Committee

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS:

CHAIRMAN

S 60 (Rev. 12/78)

AMENDMENT

OFFERED IN THE SENATE: BY: Finance Committee

TO: _____ SENATE BILL No. _____

CS for HOUSE BILL No. 687

PAGE: _____ LINE: _____

Page 4, Line 10 through 16

Delete existing material and replace with the following:

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Page 7, Between Lines 17 and 18 - Insert the following:

Sec. 45.89.155. PRINCIPAL OFFICE. The principal office of the center shall be located in Fairbanks. The board shall authorize the establishment of other offices of the center in other areas of the state as appropriate to its activities.

70

Original sponsors: Gardiner, Rogers, Branson, et al

Offered: 4/11/80
Referred: Finance

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 687

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing the Alaska Energy Center, amending the Science and Technology Act, and adding fiscal provisions relating to appropriations for the work of the Alaska Energy Center; and providing for an effective date."

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

* Section 1. FINDINGS. The legislature finds that the State of Alaska is currently receiving substantial re enues from the sale of nonrenewable energy resources to consumers in other states of the nation. The legislature recognizes that bringing more efficient and advanced energy technologies to the stage of commercial development may result in lower energy costs to consumers throughout the state and the nation. The legislature believes Alaska has a responsibility to use part of its nonrenewable energy resource revenues to help accomplish this goal. The legislature finds that an independent energy resource development center, initially established under the direction of the state, can best accomplish the aid to individuals and businesses necessary to develop and implement advanced energy technologies. The legislature further finds that the work of the center will provide significant employment benefits to the citizens of the state and will stimulate the development of the state's energy resources.

* Sec. 2. INTENT. In establishing an Alaska Energy Center and providing money for its operation, it is the intent of the legislature that the center act achieve self-reliance at the earliest possible date.

* Sec. 3. AS 45 is amended by adding a new chapter to read:

Original sponsors: Gardiner, Rogers, Branson, et al

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* Sec. 5. AS 39.50.200(9) is amended by adding a new subparagraph to read:

(SS) Alaska Energy Center (AS 45.89).

* Sec. 6. AS 37.25 is amended by adding a new section to read:

Sec. 37.25.030. APPROPRIATIONS FOR PROJECTS OF THE ALASKA ENERGY CENTER. An appropriation to the Alaska Energy Center for a research, development, or demonstration project under AS 45.89.130(2) is valid for the duration of the project and the unexpended balance for the project shall be carried forward to subsequent fiscal years.

* Sec. 7. AS 44.46.080(c)(3) is amended to read:

(3) annually submit to the governor and the legislature the findings of the council, including

(A) a listing, description, ranking, and justification of research needs; [, AND]

(B) its recommendations for projects which should be conducted or supported by the Alaska Energy Center;

(C) a commentary on significant research activities of the preceding year funded by the state; and [INCLUDING]

(D) the relationship of that research to the state's needs and priorities;

* Sec. 8. APPOINTMENT OF FIRST BOARD OF DIRECTORS OF ALASKA ENERGY CENTER. The governor shall designate the terms of the members of the Board of Directors of the Alaska Energy Center first appointed under AS 45.89.040(a)(1). Of the seven members first appointed

(1) three shall serve a term of one year;

(2) two shall serve a term of two years; and

(3) two shall serve a term of three years.

* Sec. 9. Sections 1 - 6 and 8 of this Act take effect immediately in accordance with AS 01.10.070(c).

* Sec. 10. Section 7 of this Act takes effect July 1, 1980.

CS HB 687

A M E N D M E N T

Page 4, line 10 and succeeding, Qualifications of board members. Delete all material and replace with the following:

Sec. 45.89.070. QUALIFICATIONS OF BOARD MEMBERS. (a) At least four of the board members appointed under AS 45.89.040(a)(1) shall be residents of the state. (b) At least three of the board members appointed under AS 45.89.040(a)(1) shall have professional recognition, based on experience and achievement in their profession and in the society, in energy technology or development; business formation and management; or development and marketing of resources or products.

John, do you have objection to this adm? Di like to take it.

PROPOSED AMENDMENT TO CSHB 687 (Alaska Energy Center)

page 7, between lines 17 and 18

INSERT NEW SECTION 45.89.155 (from original HB 687 - numbered 45.89.130)

Sec. 45.89.155. PRINCIPAL OFFICE. The principal office of the center shall be located in Fairbanks. The board shall authorize the establishment of other offices of the center in other areas of the state as appropriate to its activities.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 687
Title Establishing the Alaska Energy Center
Requested by Senate Finance Committee Date 5/26/80

II. FISCAL DETAIL
Agency Affected Department of Administration
Program Category Affected
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	* **See attached detail dated 5/26/80***					

FUNDING (Thousands of Dollars)

GENERAL FUND	-	-	6,000,000	11,074,000		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			22	40		
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE 5/26/80 PREPARED BY
AGENCY Legislature
PHONE 465-3753

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

5/26/80

SCS CSHB 687

ALASKA ENERGY CENTER

OPERATING & CAPITAL BUDGET

FISCAL YEARS 1981 & 1982

BUDGET COMPONENT	FY 81	FY 82
PERSONAL SERVICES		
Salaries	$418,000	$904,000
Benefits @ 21%	88,000	190,000
Total Personal Services	$506,000	$1,094,000
TRAVEL	165,000	200,000
CONTRACTUAL		
Rent	310,000	520,000
Subcontracts	394,000	1,100,000
		800,000
Phone/Xerox/Other	140,000	260,000
Total Contractual	844,000	
COMMODITIES	50,000	80,000
EQUIPMENT	65,000	120,000
TOTAL OPERATING BUDGET	$1,630,000	$3,074,000
TOTAL CAPITAL BUDGET	4,370,000	$8,000,000
** TOTAL FISCAL NOTE (BUDGET)	$6,000,000	$11,074,000

ALASKA ENERGY CENTER
CAPITAL BUDGET
PAGE 1

PROJECT TYPE	DESCRIPTION & ALLOCATION	APPROPRIATION
GEOTHERMAL:	Pilgrim Hot Springs deep drilling	$250,000
MICRO-HYDRO:	Hydroelectric projects less than 1.5 MegaWatt	300,000
	1. Grant to Seward General Hospital to install a hydroelectric power generation facility: ($102,000)	
	2. Village micro-hydro demonstration project(s)(198,000)	
	Intent: To include analysis of cost payback period, compared to other alternative power supply resources, including but not limited to diesel, coal, larger hydro-electric plants and other renewable energy alternatives.	
WIND.PHOTOVOLTAICS AND HYDROGEN PROJECTS:		900,000
	1. Village-scale demonstration project for use of solar electric energy as a primary or back-up domestic or utility energy source (250,000)	
	2. Utility-scale wind energy demonstration (25KW to 40KW wind machine in municipal utility systems, to be constructed in areas highly visible to a significant number of state residents, such as a view of roadways. (450,000)	
	3. Wind-solar electric-hydrogen electroysis demonstration project to develop a hybrid renewable energy system directed at solving problems of energy storage. (200,000)	
	Intent: These three projects may be combined in any manner deemed feasible, with cost savings to be reinvested in additional equipment or solution of related problems, or kept for later reallocation.	
AGRICULTURAL FUEL ALCOHOL:	Use of agricultural products or by-products to generate fuel alcohol, in conjunction with feedlot operating using high-protein process residues as cattle feed.	100,000
INTERIOR SAWMILL FUEL ALCOHOL:	Use of wood and wood wastes from sawmill operation or other sources, to generate fuel alcohol.	350,000
SOUTHEASTERN BARGE-BASED FUEL ALCOHOL:	Use of wood and wood wastes from existing logging operations to generate fuel alcohol, develop a barge-based system and method of fuel transport; including procurement of barges and development of wood chippers adapted to barge operation.	800,000

PROJECT TYPE	DESCRIPTIO	ION	APPROPRIATION
	Intent: All alcohol projects matching funds for use with a from federal or other sources operation may be done in con supplanted by, wood gasificat in cooperation with U.S. Fore	considered ocured heastern h, or to be done	
ELECTRIC TRANSPORTATION:	Batte vehicles at two cities in Ala (Fairbanks) and the other a w vehicles as possible should b owners/operators will be expe in return for use of the vehi	commuter car pool cold dry climate (Juneau). As many each area. Vehicle tribute useful data	250,000
	Intent: To determine the fea transportation in Alaska cli and economically, and to dete transportation in terms of co the potential for electric tr generating capacity in Juneau in Fairbanks.	short-term electric technologically otential of electric ptance in Alaska, n to use excess educe air pollution	
SOLAR CONSERVATION ARCHETECTURE:	and energy-conserving (super- and methods, and land-use pat lattitudes and varying Alaska is to be given to urban desig needs of municipalities, and cultural needs.	ment of passive solar archetectural styles ted to northern equal consideration le to subdivision using sensitive to	300,000
	Intent: Rural housing design options accommodating energy production as an integral part recognize the goal of resoluti blems: housing, energy and n The archetectural project of passive solar residences i municipalities, and of reside or more Bush villages, depend for the Bush construction, ho market value to recoup constr The amount recouped may be us of an energy-conserving perma of the Alaska Energy Center.	e into consideration greenhouses for food g design, and should e crucial Bush pro- quality. e actual construction tern and Interior Alaskan munity buildings in one available. Except ted may be sold at fair related project expenses. design and engineering y to be the headquarters	
DIESEL CONVERSION TO COAL:	Dem to convert diesel engines of or to develop same.	f technologies s to coal combustion	150,000

PROJECT TYPE	DESCRIPTION & ALLOCATION	APPROPRIATION
	(University of Alaska Contract Research)	
FUEL RESEARCH:	Basic research on encapsulation of hydrogen and natural gas in Alaska zeolites, storage of hydrogen, methane and ethanol with zeolite applications.	90,000
SOLAR TECHNOLOGY:	Testing of different collector types, investigation of seasonal storage technologies, solar grain drying and test ot heating. Obtain reliable data set for irect and indirect solar radiation, photovoi aic research if additional funding is available.	215,000
HEAT PUMP DEMONSTRATION:	Development of electric and non-electric heat pump systems suited for urban and rural monitering and performance evaluation, publication of results.	65,000
BIOMASS REDUCTION PROGRAM:	Investigations to determine most technologically and economically appropriate reduction technologies for Alaska's climate. ncludes research on wood product combustion and conversion of fibrous material and animal biomass (animal waste) to liquid fuels.	85,000
ARCTIC COAL UTILIZATION:	Investigation and demonstration of local coal use on the North Slope. By Naval Arctic Research Laboratory.	130,000
WIND DATA:	Revision of wind atlas data in regional format; expansion of data base and reporting of results.	110,000
WASTE HEAT:	Development of a waste heat use research center. Involves clearing, piping construction of greenhouses, and evaluation of differing methods of utilizing low temperature water for greenhouse use.	275,000
		$4,370,000

SCS CSHB 687

ALASKA ENERGY CENTER

OPERATING & CAPITAL BUDGET

FISCAL YEARS 1981 & 1982

BUDGET COMPONENT	FY 81	FY 82
PERSONAL SERVICES		
Salaries	$418,000	$904,000
Benefits @ 21%	88,000	190,000
Total Personal Services	$506,000	$1,094,000
TRAVEL	165,000	200,000
CONTRACTUAL		
Rent	310,000	520,000
Subcontracts	394,000	1,100,000 800,000
Phone/Xerox/Other	140,000	260,000
Total Contractual	844,000	
COMMODITIES	50,000	80,000
EQUIPMENT	65,000	120,000
TOTAL	$1,630,000	
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ALASKA ENERGY CENTER
CAPITAL BUDGET
PAGE 1

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2. Village micro-hydro demonstration project(s)(198,000)

Intent: To include analysis of cost payback period, compared to other alternative power supply resources, including but not limited to diesel, coal, larger hydro-electric plants and other renewable energy alternatives.

WIND,PHOTOVOLTAICS AND HYDROGEN PROJECTS:		900,000

1. Village-scale demonstration project for use of solar electric energy as a primary or back-up domestic or utility energy source (250,000)
2. Utility-scale wind energy demonstration (25KW to 40KW wind machine in municipal utility systems, to be constructed in areas highly visible to a significant number of state residents, such as a view of roadways. (450,000)
3. Wind-solar electric-hydrogen electroysis demonstration project to develop a hybrid renewable energy system directed at solving problems of energy storage. (200,000)

Intent: These three projects may be combined in any manner deemed feasible, with cost savings to be reinvested in additional equipment or solution of related problems, or kept for later reallocation.

AGRICULTURAL FUEL ALCOHOL:	Use of agricultural products or by-products to generate fuel alcohol, in conjunction with feedlot operating using high-protein process residues as cattle feed.	100,000
INTERIOR SAWMILL FUEL ALCOHOL:	Use of wood and wood wastes from sawmill operation or other sources, to generate fuel alcohol.	350,000
SOUTHEASTERN BARGE-BASED FUEL ALCOHOL:	Use of wood and wood wastes from existing logging operations to generate fuel alcohol, develop a barge-based system and method of fuel transport; including procurement of barges and development of wood chippers adapted to barge operation.	800,000

PROJECT TYPE	DESCRIPTION & ALLOCATION	APPROPRIATION

Intent: All alcohol projects are to be considered matching funds for use with any money procured from federal or other sources. The Southeastern operation may be done in conjunction with, or supplanted by, wood gasification and is to be done in cooperation with U.S. Forest Service.

ELECTRIC TRANSPORTATION: Battery powered commuter car pool vehicles at two cities in Alaska, one a cold dry climate (Fairbanks) and the other a wet climate (Juneau). As many vehicles as possible should be tested in each area. Vehicle owners/operators will be expected to contribute useful data in return for use of the vehicles. 250,000

Intent: To determine the feasibility of short-term electric transportation in Alaska climates, both technologically and economically, and to determine the potential of electric transportation in terms of consumer acceptance in Alaska, the potential for electric transportation to use excess generating capacity in Juneau, and to reduce air pollution in Fairbanks.

SOLAR CONSERVATION ARCHETECTURE: Development of passive solar and energy-conserving (super-insulated) archetectural styles and methods, and land-use patterns, adapted to northern lattitudes and varying Alaska climates; equal consideration is to be given to urban designs adaptable to subdivision needs of municipalities, and to rural housing sensitive to cultural needs. 300,000

Intent: Rural housing design should take into consideration options accommodating energy conserving greenhouses for food production as an integral part of housing design, and should recognize the goal of resolution of three crucial Bush problems: housing, energy and nutritional quality.

The archetectural project is to include actual construction of passive solar residences in Sourtheastern and Interior Alaskan municipalities, and of residences or community buildings in one or more Bush villages, depending on funds available. Except for the Bush construction, homes constructed may be sold at fair market value to recoup construction and related project expenses. The amount recouped may be used to fund design and engineering of an energy-conserving permanent facility to be the headquarters of the Alaska Energy Center.

DIESEL CONVERSION TO COAL: Demonstration of technologies to convert diesel engines of varying sizes to coal combustion or to develop same. 150,000

PROJECT TYPE	DESCRIPTION & ALLOCATION	APPROPRIATION
	(University of Alaska Contract Research)	
FUEL RESEARCH:	Basic research on encapsulation of hydrogen and natural gas in Alaska zeolites, storage of hydrogen, methane and ethanol with zeolite applications.	90,000
SOLAR TECHNOLOGY:	Testing of different collector types, investigation of seasonal storage technologies, solar grain drying and test plot heating. Obtain reliable data set for direct and indirect solar radiation, photovoltaic research if additional funding is available.	215,000
HEAT PUMP DEMONSTRATION:	Development of electric and non-electric heat pump systems suited for urban and rural monitering and performance evaluation, publication of results.	65,000
BIOMASS REDUCTION PROGRAM:	Investigations to determine most technologically and economically appropriate reduction technologies for Alaska's climate. Includes research on wood product combustion and conversion of fibrous material and animal biomass (animal waste) to liquid fuels.	85,000
ARCTIC COAL UTILIZATION:	Investigation and demonstration of local coal use on the North Slope. By Naval Arctic Research Laboratory.	130,000
WIND DATA:	Revision of wind atlas data in regional format; expansion of data base and reporting of results.	110,000
WASTE HEAT.	Development of a waste heat use research center. Involves clearing, piping construction of greenhouses, and evaluation of differing methods of utilizing low temperature water for greenhouse use.	275,000

TOTAL CAP. BUDGET $4,370,000

Alaska State Legislature
House of Representatives

POUCH V
JUNEAU, ALASKA 99811
OFFICIAL BUSINESS

MEMO: May 17, 1980

TO: Sen. John Sackett, Chairman
Sen. George Hohman, Vice Chairman
Members, Senate Finance Committee

FROM: Rep. Terry Gardiner, Speaker
by Bob Speed, A.A.

RE: CS HB 687 creating the Alaska Energy Center

Attached you will find two additional pieces of information you will find useful in consideration of CS HB 687:

-- Revised fiscal note
-- Letter of Intent

Please feel free to contact us in regard to any questions you may have, or for further information.

CSHB 687

REVISED FISCAL NOTE

I. REQUEST
Bill/Resolution No. Committee substitute for House Bill 687 (Page 1 of 3)
Title An Act creating the Alaska Energy Center
Requested by Date

II. FISCAL DETAIL
Agency Affected Department of Administration
Program Category Affected Development
Budget Request Unit(s) Affected Alaska Energy Center

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		1183.6	2733.2	2924.5	3129.2	3348.3
200	TRAVEL		260.0	396.6	424.6	435.1	465.5
300	CONTRACTUAL		1657.6	4761.6	5166.3	5527.9	5914.9
400	COMMODITIES		60.0	160.0	171.2	183.2	196.0
500	EQUIPMENT		350.0	800.0	856.0	915.9	980.0
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.		1445.0	1546.1	1654.4	1770.2	1894.1
	PROJECT FUNDING		15000.0	18750.0	20062.5	21466.8	22969.6
	TOTAL		20006.2	29130.9	31241.5	33428.3	35768.1

FUNDING (Thousands of Dollars)

GENERAL FUND			10006.2	16880.7	17227.3	14552.5	12456.8
FEDERAL FUNDS			10000.0	12250.0	13107.5	14025.0	15006.8
OTHER (Specify)					906.7	4850.8	8304.5

POSITIONS

FULL TIME			38.0	50.0	50.0	50.0	50.0
PART TIME							
TEMPORARY							

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached for expenditure summary.

Assumptions: FY 81 is startup; FY 82 full operations
FY 83, FY 84, FY 85 inflation from FY 82 at 7 per cent
Federal funding $10 million FY 81; $12.250 million FY 82;
FY 83, FY 84, FY 85 inflation from FY 82 at 7 per cent
General funding for non-federal portion of operations 100 per cent in FY 81 and FY 82; 95 per cent in FY 83; 75 per cent in FY 84; 60 per cent in FY 85; continuing decline
Other funds include royalties, private contracts, additional federal funds; 5 per cent of non-federal operation in FY 83; 25 per cent in FY 84; 40 per cent in FY 85
Grants and claims includes subcontracts to University of Alaska for alternative energy research in FY 81; inflation at 7 per cent for FY 82, FY 83, FY 84, FY 85.

IV. DATE April 24, 1980 PREPARED BY Jerry Boucher
AGENCY Legislative Finance
Original: Legislative Finance PHONE 465-3720

ALASKA ENERGY CENTER - CSHB 687

ect Funding - FY 81

Project funding for FY 81 includes $5 million in general funds and $10 million in anticipated federal and other receipts. Up to $2.5 million of the general funds may be used to match other receipts. The Board of Directors of the Energy Center shall submit a plan for expenditure of the remaining $2.5 million in general funds to the Speaker of the House and the President of the Senate before these funds are encumbered.

Grants & Claims - FY 81

Grants and claims includes $1,445,000 for the following subcontracts to the University of Alaska Alternative Energy Research Program:

Fuels research program	180,000
Solar technology program	315,000
Heat pump demonstrations	65,000
Biomass fuels research	130,000
Energy economics research	80,000
Coal utilization research	230,000
Wind energy data collection and wind energy atlas	110,000
Waste heat research center	275,000
Fuel cell demonstrations	60,000
	1,445,000

Grants and claims for FY 82 - FY 85 includes continuation of alternative energy research projects by the University of Alaska under contract to the Alaska Energy Center, with specific projects to be determined by the Board of Directors of the Alaska Energy Center. The legislature intends that technology development and demonstration projects currently being conducted by the following agencies be transferred to the Alaska Energy Center in the FY 82 and subsequent budgets:

University of Alaska
Division of Energy and Power Development
Alaska Power Authority
Department of Transportation and Public Facilities
all other energy technology development projects

The Board of Directors of the Alaska Energy Center may subcontract to the University of Alaska, other state agencies, or private research firms from the project funding line item for any projects selected by the board.

Appropriations for project funding made to the Alaska Energy Center are for capital projects and are subject to AS 37.25.020.

ALASKA ENERGY CENTER - CSHB 687

OPERATING BUDGET - FISCAL YEARS 1981 & 1982

	1st Quarter		2nd Quarter		3d Quarter		4th Quarter		FY 82 Full Operat	
	Expend.	Pos.	Expend.	Pos.	Expend.	Pos.	Expend.	Pos.	Expend.	Positi
PERSONAL SERVICES										
Salaries										
Exec. Director	20.0	1	20.0	1	20.0	1	20.0	1	80.0	1
Dept. Directors			17.5	1	17.5	1	17.5	1	140.0	2
Senior Staff			60.0	4	90.0	6	120.0	8	600.0	10
Professional Staff			67.5	6	112.5	10	157.5	14	900.0	20
Tech/Junior Staff			33.5	4	57.5	6	77.0	8	384.8	11
Secretarial Staff	4.2	1	16.5	4	22.0	5	27.5	6	154.0	7
Total Salaries	24.2	2	215.0	20	319.5	29	419.5	36	2258.8	50
Benefits @ 21%	5.1		45.1		67.1		88.1		474.4	
Total Personal Services	29.3		260.1		386.6		507.6		2733.2	
TRAVEL	50.0		85.0		60.0		85.0		380.0	
CONTRACTUAL										
Rent	48.2		126.8		188.5		247.5		1333.2	
Subcontracts	25.0		100.0		300.0		400.0		2800.0	
Phone/Xerox/Other	10.9		43.2		83.5		114.0		648.4	
Total Contractual	54.9		335.0		572.0		761.5		4781.6	
COMMODITIES			10.0		20.0		30.0		160.0	
EQUIPMENT			50.0		100.0		200.0		800.0	
TOTAL OPERATING	134.2		740.1		1138.6		1584.1		8894.8	

CSHB 687

To: Rep. Terry Gardiner
Speaker of the House

From: Rep. Bill Miles, Chairman
House Resources Committee

Date: May 1, 1980

Re: CS HB 687/ Alaska Energy Center
LETTER OF INTENT

The establishment of an Alaska Energy Center is intended to accomplish several major goals, both social and economic. The primary purpose is to use Alaska's energy resources and technology to create jobs in Alaska. A parallel goal is to help solve energy cost and supply problems for Alaskans.

We recognize that energy consumption patterns will undergo dramatic change during the remainder of this century, and into the next. One goal for the Alaska Energy Center is to be a recognized leader in the research and development which will accompany this change, and also which will help conserve the depletable fossil fuels we depend upon, and enhance the economic recoverability of known reserves. This recognized leadership status will be reflected by the number of grants and contracts awarded to the center from government and industry for fossil fuel recovery, development of new energy forms from renewable resources, better use of existing technologies, as well as the practical demonstration of ways to use alternative energy resources economically. In achieving this goal, the energy center shall contribute to the resolution of energy problems faced by Alaskan residents and the communities they live in.

A second major goal recognizes that Alaska has historically been an exporter of raw materials and an importer of finished goods. We believe that while Alaska seeks to resolve its energy price and supply problems over the long term by converting to renewable energy resource use, the opportunity exists to create new industries and employment in the state based on locally available energy resources and the technologies associated with them. Rather than continue to import energy resources and the technology necessary to utilize them, the state should help establish local industries to accomplish the same thing. Direct employment, the "ripple effect" of indirect employment, and recirculation of dollars used to pay for local resources rather than exported to import traditional fuels, will all have profound effects on the economies of Alaskan communities and of the state as a whole. Many of the jobs created will be in demonstration projects carrying some risk of success; but many will be in small businesses spread throughout the state in local resource procurement, hardware assembly and maintenance, plant operations and marketing.

The net result will be new industries and jobs for communities and their residents, as well as greater energy independence for all Alaskans. The Energy Center will help bring about this change through demonstration of economically feasible alternative forms of producing energy and direct technical assistance to local entrepeneurs in creation of local businesses to manufacture, process, harvest or assemble the locally available energy resource or the equipment needed to utilize it. In helping commercialize such ventures, a fundamental role of the center shall be to train inexperienced entrepeneurs in operations and accounting principles needed to make a success of those venture found to be economically feasible; and to work closely with the Alaska Renewable Resources Corp., the Alaska Fisheries and Agriculture Bank, the state business loan programs, private financial institutions and other appropriate funding sources to provide sufficient capital to establish the new business.

A third major goal for the Alaska Energy Center, and one which will provide a check on the success of its activities, is for it to become economically self-sufficient in its operating budget over a maximum period of ten years. We believe this can be accomplished in several ways. First, its research and development activity should be financed from grants and contracts, patent licensing fees and royalties. Although it is probable that the State of Alaska shall continue to be a significant source of contract work, the Legislature expects the Center to initiate from its inception and to maintain a strong ability to compete in the marketplace for an ever-increasing percentage of its operating money. To this end, the Legislature's intent is to capitalize the operational budget with a strong investment in the beginning, and to gradually phase out funding of operations by 1990. Project funding approved by the Legislature is intended to be in advance for full projected costs, to insure that continuity of projects in progress shall not be jeopardized in event of unanticipated budget reductions in succeeding years.

A fourth goal for the energy center recognizes the public service responsibility of the institution. The Alaska Energy Center is established as a private nonprofit corporation to perform an essential service to the People of Alaska. It is to be expected that some of this benefit should be provided as a public service at no cost, to those who request it, while the center is also charged with the responsibility to protect its proprietary interests on which it will depend for an ever-increasing share of tis operating and project revenues.

In regard to projects undertaken within Alaska, the energy center shall consider local cultural, social and economic factors, and the aspirations and ways of life of people in existing communities, when determining whether a project or technology is appropriate to local needs. These considerations shall be given equal weight in matching resources and needs.

No corporate structure is established in HB 687. The Legislature recognizes that this vital decision is best left to the board of directors. To that end, the Legislature has appropriated $100,000 for a comparative study of the organization of similar institutions, public and private, around the country. The first part of that study, to be conducted by the Office of the Governor, shall be to determine the best composition of the board itself, to aid the governor in appointing board members. The secod phase, to be directed in part by the board itself, shall be to determine the best management system for the Alaska center.

Although the study remains to be done, and the Legislature lacks the direction which the document will offer when final decisions are made, there are a number of concerns the Legislature intends to be addressed in establishing the enabling legislation in HB 687. These can be broken down into four basic areas of need:

1) fossil fuel recovery and related environmental problems
2) renewable energy and transportation
3) energy conservation and building design
4) Innovation Center

The two areas of greatest energy consumption in Alaska are transportation and space heating of buildings, so it follows that these are areas where the Energy Center could provide some of the greatest contributions to energy conservation and replacement of fossil fuels. An "innovation center" would not be limited exclusively to energy but would provide a service to all Alaskan inventors and innovators with marketable ideas. Among the services the Innovation Center would provide would be assistance in determing whether Alaskan inventions are marketable, patent searches and patenting, and business and capital formation if that is the desires of the inventor, or obtaining manufacturing licenses and royalty agreements if the inventor prefers, and marketing.

It is expected that the Innovation Center would perform these services at no initial cost to the client; but that if the product proves commercially successful the Innovation Center would be entitled to a royalty for its services at a standard rate. Wherever feasible, the Center would give preference to manufacture in Alaska.

Original sponsors: Gardiner, Rogers, Branson, et al

Offered: 4/11/80
Referred: Finance

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 687

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing the Alaska Energy Center, amending the Science and Technology Act, and adding fiscal provisions relating to appropriations for the work of the Alaska Energy Center; and providing for an effective date."

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

* Section 1. FINDINGS. The legislature finds that the State of Alaska is currently receiving substantial revenues from the sale of nonrenewable energy resources to consumers in other states of the nation. The legislature recognizes that bringing more efficient and advanced energy technologies to the stage of commercial development may result in lower energy costs to consumers throughout the state and the nation. The legislature believes Alaska has a responsibility to use part of its nonrenewable energy resource revenues to help accomplish this goal. The legislature finds that an independent energy resource development center, initially established under the direction of the state, can best accomplish the aid to individuals and businesses necessary to develop and implement advanced energy technologies. The legislature further finds that the work of the center will provide significant employment benefits to the citizens of the state and will stimulate the development of the state's energy resources.

* Sec. 2. INTENT. In establishing an Alaska Energy Center and providing money for its operation, it is the intent of the legislature that the center act to achieve self-reliance at the earliest possible date.

* Sec. 3. AS 45 is amended by adding a new chapter to read:

CHAPTER 89. ALASKA ENERGY CENTER.

Sec. 45.89.010. ALASKA ENERGY CENTER ESTABLISHED. There is established the Alaska Energy Center. The center is a public corporation of the state. It is an instrumentality of the state in the Department of Administration, but has a legal existence independent of and separate from the state. Exercise by the center of the powers conferred by this chapter is an essential governmental function of the state.

Sec. 45.89.020. PURPOSE. The primary purpose of the center is to create employment opportunities and other benefits in the state through the development and use of more efficient technologies. The center shall

(1) promote the most efficient and appropriate technologies for the use and conservation of the state's energy resources;

(2) provide economic benefits to state citizens;

(3) promote the effective use of the state's resources;

(4) promote diversification of employment opportunities;

(5) reduce state energy imports; and

(6) bring existing and new technologies to a stage of commercial feasibility.

Sec. 45.89.030. BOARD OF DIRECTORS. A board of directors of the center is established as its governing body.

Sec. 45.89.040. COMPOSITION OF BOARD OF DIRECTORS. (a) The board of directors consists of nine members as follows:

(1) seven members appointed by the governor and confirmed by a majority of the members of the legislature in joint session;

(2) two members of the legislature jointly appointed by the president of the senate and the speaker of the house of representatives at the beginning of each legislature.

(b) The board shall elect a chairman and other necessary officers

from among its members.

Sec. 45.89.050. TERM OF OFFICE. (a) The members of the legislature appointed to the board serve ex officio as nonvoting members of the board for the duration of the legislature during which they were appointed.

(b) The members of the board appointed by the governor serve three-year terms and may be reappointed. Terms shall be staggered.

(c) The officers of the board elected under AS 45.89.040(b) serve a term of three years.

Sec. 45.89.060. REMOVAL AND VACANCIES. (a) The governor may remove from office a board member appointed under AS 45.89.040(a)(1) with the consent of a majority of the members of the legislature in joint session. A removal by the governor shall be in writing and state the reason for removal. If the legislature is not in session, the governor may suspend a member of the board. After suspension, a board member may not participate in board business and may not be counted for the purpose of establishing a quorum. The joint session shall be held within 10 days from the date of removal, if the removal occurs while the legislature is in session, or within 30 days of convening of the next regular session of the legislature, if the legislature is not in session. If the legislature refuses to consent to removal, the suspension of the board member is terminated and the member shall be reinstated to the office by the governor.

(b) A vacancy on the board among the members appointed under AS 45.89.040(a)(1) shall be filled by appointment by the governor and confirmation by a majority of members of the legislature in joint session. An appointee to fill a vacancy shall hold office for the balance of the term for which his predecessor on the board was appointed. If a vacancy arises on the board while the legislature is not in session, the

governor may appoint an interim member, until the legislature has the opportunity to confirm the appointment.

(c) A vacancy on the board among the members appointed under AS 45.89.040(a)(2) shall be filled by appointment by the presiding officer of the house of the legislature to which the vacating board member belonged.

(d) A vacancy on the board does not impair the authority of a quorum of the board to exercise all the powers and perform all the duties of the board.

Sec. 45.89.070. QUALIFICATIONS OF BOARD MEMBERS. (a) At least four of the board members appointed under AS 45.89.040(a)(1) shall be residents of the state and shall have had experience in energy technology or energy development.

(b) At least three of the board members appointed under AS 45.89.-040(a)(1) shall be [nationally] recognized experts in energy technology or energy development.

Sec. 45.89.080. QUORUM. Four members of the board appointed under AS 45.89.040(a)(1) constitute a quorum for the transaction of business and the exercise of the powers and duties of the board.

Sec. 45.89.090. COMPENSATION OF BOARD MEMBERS. (a) Board members appointed under AS 45.89.040(a)(1) receive $350 per day while in attendance at and traveling to and from meetings of the board.

(b) Board members may receive a per diem allowance and transportation expenses in carrying out the duties under this chapter.

Sec. 45.89.100. CONFLICTS OF INTEREST. Members of the board are subject to AS 39.50.

Sec. 45.89.110. EMPLOYMENT OF PERSONNEL. The board shall employ and determine the salary of an executive director. The executive director may, with the approval of the board, select and employ additional

staff as necessary. The executive director and all employees of the board are in the exempt service under AS 39.25.

Sec. 45.89.120. POWERS. In carrying out the powers of the center, the board may

(1) adopt, alter, and use a corporate seal;

(2) prescribe, adopt, amend, and repeal bylaws;

(3) sue and be sued in the name of the center;

(4) enter into any agreements necessary to the exercise of its powers and functions;

(5) accept grants from and contract with the federal government and the state or its political subdivisions and to that end comply with the provisions of federal, state, or local programs when necessary, except that it may not enter into any agreements whereby a permanent state or local government position is financed or partially financed in connection with a project;

(6) accept grants and loans from and contract with sources other than those in (5) of this section for the purposes of the work of the center;

(7) appear in behalf of the center before boards, commissions, departments, or other agencies of municipal, state, or federal government;

(8) acquire, hold, use, lease, sell, or otherwise dispose of property of any kind, real, personal, or mixed, or an interest in it;

(9) conduct or sponsor applied research, development and demonstration projects, and prepare, publish, and distribute technical studies, reports, bulletins and other materials it considers appropriate;

(10) hold patents, copyrights, trademarks, royalties or other evidences of protection or exclusivity issued under the laws of the

United States or any state or nation obtained by persons receiving assistance from the center;

(11) adopt regulations governing the exercise of its powers;

(12) do everything necessary or desirable to carry out the purposes of the center.

Sec. 45.89.130. DUTIES. The board shall

(1) promote the commercial development and use of more efficient energy technologies;

(2) subject to the availability of money,

(A) sponsor energy research projects intended to accomplish the purposes of the center;

(B) conduct and sponsor applied research, development, and demonstration projects of energy technologies;

(C) provide financial and other support to inventors and businesses engaged in the development, demonstration, and commercialization of energy technologies;

(3) manage projects for which financing has been appropriated by the legislature;

(4) in developing its programs, consult with the Alaska Council on Science and Technology, the Alaska Power Authority, the Alaska Renewable Resources Corporation, the division of energy and power development of the Department of Commerce and Economic Development, the Department of Natural Resources, and the University of Alaska; the board shall meet with responsible officials and representatives of these organizations and agencies at least twice each year;

(5) consult with other energy research and development organizations.

Sec. 45.89.140. BUDGET AND APPROPRIATIONS. (a) The center is subject to the Executive Budget Act (AS 37.07), except as provided in

(b) of this section and in AS 37.25.030.

(b) The budget of the center shall include a description of and amount of proposed financing for projects to be conducted or supported by the center. Requests in the budget for project financing shall include a statement of the objectives and goals of the project, including, but not limited to, the number of jobs to be created and the number of businesses to be assisted by the project. The amount of the center's operating budget shall be specified separately from proposed project financing.

Sec. 45.89.150. ANNUAL REPORT. The board shall prepare an annual report of its activities and submit a copy of the report to the legislature. The annual report shall be transmitted to the legislature at the beginning of each regular session. The report shall include a description of the work conducted or supported by the center, the number of jobs which have been created, the number of businesses which have been assisted, and any other information which the board determines should be included to describe the work of the center.

Sec. 45.89.160. COOPERATION WITH OTHER STATE AGENCIES AND THE UNIVERSITY OF ALASKA. (a) All departments, agencies, and public corporations of the state, including the University of Alaska, shall provide information, services, and facilities to the center on its request. The center shall reimburse the department, agency, or corporation for expenses reasonably incurred on the center's behalf.

(b) When feasible, the center shall contract with the University of Alaska or an organization which is based in Alaska for research.

Sec. 45.89.200. DEFINITIONS. In this chapter

(1) "board" means the Board of Directors of the Alaska Energy Center;

(2) "center" means the Alaska Energy Center;

(3) "energy technology" means technological developments and innovations which are appropriate for

(A) production of energy through the use of renewable and alternative energy sources;

(B) energy conservation;

(C) development of facilities for the use of waste heat and the cogeneration of electricity and heat;

(D) the reduction of dependence on fossil fuels;

(E) efficient recovery and use of fossil fuels.

* Sec. 4. AS 39.25.110 is amended by adding a new paragraph to read:

(22) employees of the Alaska Energy Center.

* Sec. 5. AS 39.50.200(9) is amended by adding a new subparagraph to read:

(SS) Alaska Energy Center (AS 45.89).

* Sec. 6. AS 37.25 is amended by adding a new section to read:

Sec. 37.25.030. APPROPRIATIONS FOR PROJECTS OF THE ALASKA ENERGY CENTER. An appropriation to the Alaska Energy Center for a research, development, or demonstration project under AS 45.89.130(2) is valid for the duration of the project and the unexpended balance for the project shall be carried forward to subsequent fiscal years.

* Sec. 7. AS 44.46.080(c)(3) is amended to read:

(3) annually submit to the governor and the legislature the findings of the council, including

(A) a listing, description, ranking, and justification of research needs; [, AND]

(B) its recommendations for projects which should be conducted or supported by the Alaska Energy Center;

(C) a commentary on significant research activities of the preceding year funded by the state; and [INCLUDING]

(D) the relationship of that research to the state's needs and priorities;

* Sec. 8. APPOINTMENT OF FIRST BOARD OF DIRECTORS OF ALASKA ENERGY CENTER. The governor shall designate the terms of the members of the Board of Directors of the Alaska Energy Center first appointed under AS 45.89.040(a)(1). Of the seven members first appointed

(1) three shall serve a term of one year;

(2) two shall serve a term of two years; and

(3) two shall serve a term of three years.

* Sec. 9. Sections 1 - 6 and 8 of this Act take effect immediately in accordance with AS 01.10.070(c).

* Sec. 10. Section 7 of this Act takes effect July 1, 1980.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 627
Title Establishing the Alaska Energy Center
Requested by Senate Finance Comm. Date 5/26/80

II. FISCAL DETAIL
Agency Affected Department of Administration
Program Category Affected
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 7.	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	See attached detail dated 5/26/80					

FUNDING (Thousands of Dollars)

GENERAL FUND	—	—	6,000,000	11,674,000		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			22	40		
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE 5/26/80 PREPARED BY
AGENCY Legislative
PHONE 465-3753

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

ACST
THE ALASKA COUNCIL ON SCIENCE AND TECHNOLOGY

TO: Alaska Council on Science and Technology

DATE: May 6, 1980

FROM: Christopher Noah
Executive Director

RE: Alaska Energy Center

Enclosed is the most recent version of the Fiscal Note for H.B. 687 which establishes the Alaska Energy Center.

Enclosure

CN:ljm

Christopher Noah, Executive Director · Pouch AV, Juneau, Alaska 99811

CSHB 687

REVISED FISCAL NOTE

I. REQUEST (Page 1 of 3)
Bill/Resolution No. Committee substitute for House Bill 687
Title An Act creating the Alaska Energy Center
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Administration
Program Category Affected Development
Budget Request Unit(s) Affected Alaska Energy Center

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		1183.6	2733.2	2924.5	3129.2	3348.3
200	TRAVEL		280.0	360.0	406.6	435.1	465.5
300	CONTRACTUAL		1687.6	4761.6	5166.3	5527.9	5914.9
400	COMMODITIES		60.0	160.0	171.2	183.2	196.0
500	EQUIPMENT		350.0	800.0	856.0	915.9	980.0
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC		1425.0	1546.1	1654.4	1770.2	1894.1
	PROJECT FUNDING		15000.0	18750.0	20062.5	21466.8	22969.6
	TOTAL		20006.2	29130.9	31241.5	33428.3	35768.1

FUNDING (Thousands of Dollars)

GENERAL FUND		10006.2	16880.9	17227.3	16552.5	12456.8
FEDERAL FUNDS		10000.0	12250.0	13107.5	14021.0	15006.8
OTHER (Specify)				906.7	484.8	6304.5

4000.0

POSITIONS

FULL TIME		38.0	50.0	50.0	50.0	50.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached for expenditure summary.

Assumptions: FY 81 is startup; FY 82 full operations
FY 83, FY 84, FY 85 inflation from FY 82 at 7 per cent
Federal funding $10 million FY 81; $12.250 million FY 82;
FY 83, FY 84, FY 85 inflation from FY 82 at 7 per cent
General funding for non-federal portion of operations 100 per cent in FY 81 and FY 82; 95 per cent in FY 83; 75 per cent in FY 84; 60 per cent in FY 85; continuing decline
Other funds include royalties, private contracts, additional federal funds; 5 per cent of non-federal operation in FY 83; 25 per cent in FY 84; 40 per cent in FY 85
Grants and claims includes subcontracts to University of Alaska for alternative energy research in FY 81; inflation at 7 per cent for FY 82, FY 83, FY 84, FY 85.

IV. DATE April 24, 1980 PREPARED BY [signature]
AGENCY Legislature
Original: Legislative Finance PHONE 465-3720

ALASKA ENERGY CENTER - CSHB 687 Page 2 of 3

Project Funding - FY 81

Project funding for FY 81 includes $5 million in general funds and $10 million in anticipated federal and other receipts. Up to $2.5 million of the general funds may be used to match other receipts. The Board of Directors of the Energy Center shall submit a plan for expenditure of the remaining $2.5 million in general funds to the Speaker of the House and the President of the Senate before these funds are encumbered.

Grants & Claims - FY 81

Grants and claims includes $1,445,000 for the following subcontracts to the University of Alaska Alternative Energy Research Program:

Fuels research program	180,000
Solar technology program	315,000
Heat pump demonstrations	65,000
Biomass fuels research	130,000
Energy economics research	80,000
Coal utilization research	230,000
Wind energy data collection and wind energy atlas	110,000
Waste heat research center	275,000
Fuel cell demonstrations	60,000
	1,445,000

Grants and claims for FY 82 - FY 85 includes continuation of alternative energy research projects by the University of Alaska under contract to the Alaska Energy Center, with specific projects to be determined by the Board of Directors of the Alaska Energy Center. The legislature intends that technology development and demonstration projects currently being conducted by the following agencies be transferred to the Alaska Energy Center in the FY 82 and subsequent budgets:

University of Alaska
Division of Energy and Power Development
Alaska Power Authority
Department of Transportation and Public Facilities
all other energy technology development projects

The Board of Directors of the Alaska Energy Center may subcontract to the University of Alaska, other state agencies, or private research firms from the project funding line item for any projects selected by the board.

Appropriations for project funding made to the Alaska Energy Center are for capital projects and are subject to AS 37.25.020.

ALASKA ENERGY CENTER - CSHB 687

OPERATING BUDGET - FISCAL YEARS 1981 & 1982

	1st Quarter		2nd Quarter		3d Quarter		4th Quarter		FY 82 Full Operat	
	Expend.	Pos.	Expend.	Pos.	Expend.	Pos.	Expend.	Pos.	Expend.	Positi
PERSONAL SERVICES										
Salaries										
Exec. Director	20.0	1	20.0	1	20.0	1	20.0	1	80.0	1
Dept. Directors			17.5	1	17.5	1	17.5	1	140.0	2
Senior Staff			60.0	4	90.0	6	120.0	8	600.0	10
Professional Staff			67.5	6	112.5	10	157.5	14	900.0	20
Tech/Junior Staff			33.5	4	57.5	6	77.0	8	384.8	10
Secretarial Staff	4.2	1	16.5	4	22.0	5	27.5	6	154.0	7
Total Salaries	24.2	2	215.0	20	319.5	29	419.5	38	2258.8	50
Benefits @ 21%	5.1		45.1		67.1		88.1		474.4	
Total Personal Services	29.3		260.1		386.6		507.6		2733.2	
TRAVEL	50.0		85.0		60.0		85.0		380.0	
CONTRACTUAL										
Rent	40.2		126.8		188.5		247.5		1333.2	
Subco ...cts	25.0		100.0		300.0		400.0		2800.0	
Phon... erox/Other	10.9		43.2		83.5		114.0		648.4	
Total Contractual	54.9		335.0		572.0		761.5		4761.6	
COMMODITIES			10.0		20.0		30.0		160.0	
EQUIPMENT			50.0		100.0		200.0		800.0	
TOTAL OPERATING	134.2		740.1		1138.6		1584.1		8894.8	

To: Rep. Terry Gardiner
Speaker of the House

From: Rep. Bill Miles, Chairman
House Resources Committee

Date: May 1, 1980

Re: CS HB 687/ Alaska Energy Center
LETTER OF INTENT

The establishment of an Alaska Energy Center is intended to accomplish several major goals, both social and economic. The primary purpose is to use Alaska's energy resources and technology to create jobs in Alaska. A parallel goal is to help solve energy cost and supply problems for Alaskans.

We recognize that energy consumption patterns will undergo dramatic change during the remainder of this century, and into the next. One goal for the Alaska Energy Center is to be a recognized leader in the research and development which will accompany this change, and also which will help conserve the depletable fossil fuels we depend upon, and enhance the economic recoverability of known reserves. This recognized leadership status will be reflected by the number of grants and contracts awarded to the center from government and industry for fossil fuel recovery, development of new energy forms from renewable resources, better use of existing technologies, as well as the practical demonstration of ways to use alternative energy resources economically. In achieving this goal, the energy center shall contribute to the resolution of energy problems faced by Alaskan residents and the communities they live in.

A second major goal recognizes that Alaska has historically been an exporter of raw materials and an importer of finished goods. We believe that while Alaska seeks to resolve its energy price and supply problems over the long term by converting to renewable energy resource use, the opportunity exists to create new industries and employment in the state based on locally available energy resources and the technologies associated with them. Rather than continue to import energy resources and the technology necessary to utilize them, the state should help establish local industries to accomplish the same thing. Direct employment, the "ripple effect" of indirect employment, and recirculation of dollars used to pay for local resources rather than exported to import traditional fuels, will all have profound effects on the economies of Alaskan communities and of the state as a whole. Many of the jobs created will be in demonstration projects carrying some risk of success; but many will be in small businesses spread throughout the state in local resource procurement, hardware assembly and maintenance, plant operations and marketing.

The net result will be new industries and jobs for communities and their residents, as well as greater energy independence for all Alaskans. The Energy Center will help bring about this change through demonstration of economically feasible alternative forms of producing energy and direct technical assistance to local entrepeneurs in creation of local businesses to manufacture, process, harvest or assemble the locally available energy resource or the equipment needed to utilize it. In helping commercialize such ventures, a fundamental role of the center shall be to train inexperienced entrepeneurs in operations and accounting principles needed to make a success of those venture found to be economically feasible; and to work closely with the Alaska Renewable Resources Corp., the Alaska Fisheries and Agriculture Bank, the state business loan programs, private financial institutions and other appropriate funding sources to provide sufficient capital to establish the new business.

A third major goal for the Alaska Energy Center, and one which will provide a check on the success of its activities, is for it to become economically self-sufficient in its operating budget over a maximum period of ten years. We believe this can be accomplished in several ways. First, its research and development activity should be financed from grants and contracts, patent licensing fees and royalties. Although it is probable that the State of Alaska shall continue to be a significant source of contract work, the Legislature expects the Center to initiate from its inception and to maintain a strong ability to compete in the marketplace for an ever-increasing percentage of its operating money. To this end, the Legislature's intent is to capitalize the operational budget with a strong investment in the beginning, and to gradually phase out funding of operations by 1990. Project funding approved by the Legislature is intended to be in advance for full projected costs, to insure that continuity of projects in progress shall not be jeopardized in event of unanticipated budget reductions in succeeding years.

A fourth goal for the energy center recognizes the public service responsibility of the institution. The Alaska Energy Center is established as a private nonprofit corporation to perform an essential service to the People of Alaska. It is to be expected that some of this benefit should be provided as a public service at no cost, to those who request it, while the center is also charged with the responsibility to protect its proprietary interests on which it will depend for an ever-increasing share of its operating and project revenues.

In regard to projects undertaken within Alaska, the energy center shall consider local cultural, social and economic factors, and the aspirations and ways of life of people in existing communities, when determining whether a project or technology is appropriate to local needs. These considerations shall be given equal weight in matching resources and needs.

No corporate structure is established in HB 687. The Legislature recognizes that this vital decision is best left to the board of directors. To that end, the Legislature has appropriated $100,000 for a comparative study of the organization of similar institutions, public and private, around the country. The first part of that study, to be conducted by the Office of the Governor, shall be to determine the best composition of the board itself, to aid the governor in appointing board members. The secod phase, to be directed in part by the board itself, shall be to determine the best management system for the Alaska center.

Although the study remains to be done, and the Legislature lacks the direction which the document will offer when final decisions are made, there are a number of concerns the Legislature intends to be addressed in establishing the enabling legislation in HB 687. These can be broken down into four basic areas of need:

1) fossil fuel recovery and related environmental problems
2) renewable energy and transportation
3) energy conservation and building design
4) Innovation Center

The two areas of greatest energy consumption in Alaska are transportation and space heating of buildings, so it follows that these are areas where the Energy Center could provide some of the greatest contributions to energy conservation and replacement of fossil fuels. An "innovation center" would not be limited exclusively to energy but would provide a service to all Alaskan inventors and innovators with marketable ideas. Among the services the Innovation Center would provide would be assistance in determing whether Alaskan inventions are marketable, patent searches and patenting, and business and capital formation if that is the desires of the inventor, or obtaining manufacturing licenses and royalty agreements if the inventor prefers, and marketing.

It is expected that the Innovation Center would perform these services at no initial cost to the client; but that if the product proves commercially successful the Innovation Center would be entitled to a royalty for its services at a standard rate. Wherever feasible, the Center would give preference to manufacture in Alaska.

HB 687 Estab./AK Energy Center
In H RES 2.7.80
Then FIN
SB 402 - same

Dr. T. N. Davis
S.R. 20060
Fairbanks, Alaska 99701
February 22, 1980

To the 31 Legislators Sponsoring House Bill No. 687 and Senate Bill No. 402, and the Chairmen of the Resources and Finance Committees of the House and the Senate:

HB-687

T. Gardner
B. Rogers
M. Branson
N. Anderson
R. Barnes
R. Bettisworth
F. Brown
P. Carney
C. Chatterton
S. Cotten
R. Eliason
R. Halford
J. Hayes
J. McKinnon
H. Malone
T. Martin
R. Meekins
R. Metcalfe
B. Miles
M. Miller
P. Moss
J. Munson
B. Parker
R. Phillips
S. Smith

SB-402

M. Colletta
D. Bennett
T. Stimson
B. Sumner
J. Kerttula
A. Sturgulewski

Finance-House

R. Meekins (Chairman)

Finance-Senate

J. Sackett (Chairman)

Resources-House

A. Osterback (Co-Chairman)
B. Miles (Co-Chairman)

Resources-Senate

B. Sumner (Chairman)

Dear Legislator:

I compliment those of you who have sponsored House Bill No. 687 and Senate Bill No. 402. That action demonstrates an interest in the long-term welfare of Alaska and a recognition that Alaska can profit from investment in Alaskan science and technology.

I believe that there are several ways you can improve HB-687 and SB-402 to ensure that the proposed Alaska Energy Center will best serve the Alaskan public for many years to come. The intents behind my specific suggestions below are: 1) to provide a more effective management structure, 2) to provide more direct access to available technological talent in Alaska, 3) eliminate an apparent conflict of interest that exists within the proposed board of directors, 4) minimize the proliferation of advisory councils, 5) avoid double-charging the Alaskan taxpayer for services rendered, 6) create better integration with, and hence less damage to, existing public services, and 7) avoid the appearance of a vote of no-confidence in the University of Alaska and especially in its faculty.

I submit for your consideration these specific suggestions:

1. Eliminate the advisory board altogether and guarantee the appointment of an experienced, hard-nosed but far-seeing Board of Directors who bring to the board a knowledge of industrial, state agency, academic and other activities in the energy and northern technology arena. The stature of the individuals on the board should (and can)

be such that the board constitutes a power to be reckoned with and which will influence both the center it directs and the authority it reports to. This board probably will need to have more than nine members; it should include some of the members listed for the advisory board in HB 687. There needs to be a nominating mechanism devised that ensures appointment of a truly qualified and balanced board.

2. Make the board of directors of the Alaska Energy Center report through the President to the Board of Regents of the University of Alaska. There are several strong reasons for this reporting structure:

a) Center employees automatically become part of the University system so there is a cost efficiency. Most important is the fact that existing employees can be utilized by the Center without the costly inefficiences inherent in sub-contracting. Note that this procedure ensures the Center will have ready access to the biggest and best talent pool in the State * without the introduction of another overhead function. Otherwise, the Center will need to be staffed primarily with persons brought in from Outside.

b) The existence of a strong board of directors reporting to the Regents is likely to have a positive influence on the Regents that will serve Alaska well in the long run. I also see this board as a source of leadership that can create a strong sense of unity and purpose in research and teaching that can extend beyond energy issues to all aspects of science important to Alaska. If this board can be strong enough, it will foster strength, foresight and responsibility in the components of the University system to which it is juxtaposed.

c) Just as the Northern Technology Grants Program got off to a running start that did credit to the Legislature, the Alaska Energy Center can yield immediate return through the generation of <u>new jobs for Alaskans</u> by taking off from an established platform. If funds were available by July 1, 1980, at least 50 new jobs for Alaskans could be available in the Fairbanks area by October, 1980, using the existing system and important projects already underway. (A graft onto the existing roots of a tree produces more fruit far faster than planting a new tree.)

d) The impact upon the scientific community and other voting components of the Alaskan public is likely to be more positive than will be the impact of the establishment of a completely new component of state bureaucracy. People are becoming more aware of and more sensitive to this issue.

e) Net cost to the public is lower because Alaska will be building upon what it has while simultaneously avoiding partial destruction of what has already been built.

* Furthermore, one of the top in the nation. It is human nature to equate the level of expertise with the distance it has to travel to deliver its product, but the University of Alaska, right here at home, ranks 2nd in the nation in energy-related and environmental research.

f) The members of the public, especially the younger voters in Alaska, are undergoing a change in their perception of the values and meanings of education and technology and they are building a better dialogue and rapport with the University of Alaska than has existed before. They are likely to look with favor upon Legislative actions that integrate well with the statewide university system.

g) The Alaska Energy Center can be an effective educational device as well as a producer of knowledge, technology and jobs if it is made a part of the University system. Development of energy self-sufficiency is more than an immediate task. Except within the University community and among those who evolved from that community to take up other jobs, there are comparatively few in Alaska with adequate training and knowledge. We must now train the next generation of Alaskans, and the University is the place to do it--the energy center could help.

3. Given enough money there are some exciting ways in which an energy center operated as a part of the University could reach out to involve the public through expansion of established extension activities that the University has long conducted and through which it has gained experience and reputation. One approach is to create a high visibility in communities by careful choice of location. For example, by placing the main office of an energy center at the Alaskaland facility in Fairbanks and following a similar philosophy in other communities. Couple this concept with modern communications capabilities available to Alaska, namely two-way video to help better mesh energy research and education and to elevate the public's awareness and increase its involvement.

4. Consider means to strengthen communication between Alaska's basic and applied research community and Alaskan industry, for it is this industry that must take the leadership in bringing more efficient and advanced energy technologies to the stage of commercial development. If money were made available for grants to partnerships between industrial and research organizations--partnerships expressly formed to advance energy technology--some remarkable results could come out. This approach also has the advantage of directly fostering the development of Alaskan industry and more immediate jobs for Alaskans.

I appreciate the opportunity to communicate with you and hope my input will help you to generate improved legislation on this issue.

Sincerely,

T. Neil Davis

TND:pj

Phone: 479-7010 (work)
479-2732 (home)

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

To: Rep. Terry Gardiner
Speaker of the House

From: Rep. Bill Miles, Chairman
House Resources Committee

Date: May 1, 1980

CS HB 687/ Alaska Energy Center
LETTER OF INTENT

The establishment of an Alaska Energy Center is intended to accomplish several major goals, both social and economic. The primary purpose is to use Alaska's energy resources and technology to create jobs in Alaska. A parallel goal is to help solve energy cost and supply problems for Alaskans.

We recognize that energy consumption patterns will undergo dramatic change during the remainder of this century, and into the next. One goal for the Alaska Energy Center is to be a recognized leader in the research and development which will accompany this change, and also which will help conserve the depletable fossil fuels we depend upon, and enhance the economic recoverability of known reserves. This recognized leadership status will be reflected by the number of grants and contracts awarded to the center from government and industry for fossil fuel recovery, development of new energy forms from renewable resources, better use of existing technologies, as well as the practical demonstration of ways to use alternative energy resources economically. In achieving this goal, the energy center shall contribute to the resolution of energy problems faced by Alaskan residents and the communities they live in.

A second major goal recognizes that Alaska has historically been an exporter of raw materials and an importer of finished goods. We believe that while Alaska seeks to resolve its energy price and supply problems over the long term by converting to renewable energy resource use, the opportunity exists to create new industries and employment in the state based on locally available energy resources and the technologies associated with them. Rather than continue to import energy resources and the technology necessary to utilize them, the state should help establish local industries

to accomplish the same thing. Direct employment, the "ripple effect" of indirect employment, and recirculation of dollars used to pay for local resources rather than exported to import traditional fuels, will all have profound effects on the economies of Alaskan communities and of the state as a whole. Many of the jobs created will be in demonstration projects carrying some risk of success; but many will be in small businesses spread throughout the state in local resource procurement, hardware assembly and maintenance, plant operations and marketing.

The net result will be new industries and jobs for communities and their residents, as well as greater energy independence for all Alaskans. The Energy Center will help bring about this change through demonstration of economically feasible alternative forms of producing energy and direct technical assistance to local entrepeneurs in creation of local businesses to manufacture, process, harvest or assemble the locally available energy resource or the equipment needed to utilize it. In helping commercialize such ventures, a fundamental role of the center shall be to train inexperienced entrepeneurs in operations and accounting principles needed to make a success of those venture found to be economically feasible; and to work closely with the Alaska Renewable Resources Corp., the Alaska Fisheries and Agriculture Bank, the state business loan programs, private financial institutions and other appropriate funding sources to provide sufficient capital to establish the new business.

A third major goal for the Alaska Energy Center, and one which will provide a check on the success of its activities, is for it to become economically self-sufficient in its operating budget over a maximum period of ten years. We believe this can be accomplished in several ways. First, its research and development activity should be financed from grants and contracts, patent licensing fees and royalties. Although it is probable that the State of Alaska shall continue to be a significant source of contract work, the Legislature expects the Center to initiate from its inception and to maintain a strong ability to compete in the marketplace for an ever-increasing percentage of its operating money. To this end, the Legislature's intent is to capitalize the operational budget with a strong investment in the beginning, and to gradually phase out funding of operations by 1990. Project funding approved by the Legislature is intended to be in advance for full projected costs, to insure that continuity of projects in progress shall not be jeopardized in event of unanticipated budget reductions in succeeding years.

A fourth goal for the energy center recognizes the public service responsibility of the institution. The Alaska Energy Center is established as a private nonprofit corporation to perform an essential service to the People of

Alaska. It is to be expected that some of this benefit should be provided as a public service at no cost, to those who request it, while the center is also charged with the responsibility to protect its proprietary interests on which it will depend for an ever-increasing share of tis operating and project revenues.

In regard to projects undertaken within Alaska, the energy center shall consider local cultural, social and economic factors, and the aspiratıcns and ways of life of people in existing communities, when determining whether a project or technology is appropriate to local needs. These considerations shall be given equal weight in matching resources and needs.

No corporate structure is established in HB 687. The Legislature recognizes that this vital decision is best left to the board of directors. To that end, the Legislature has appropriated $100,000 for a comparative study of the organization of similar institutions, public and private, around the country. The first part of that study, to be conducted by the Office of the Governor, shall be to determine the best composition of the board itself, to aid the governor in appointing board members. The secod phase, to be directed in part by the board itself, shall be to determine the best management system for the Alaska center.

Although the study remains to be done, and the Legislature lacks the direction which the document will offer when final decisions are made, there are a number of concerns the Legislature intends to be addressed in establishing the enabling legislation in HB 687. These can be broken down into four basic areas of need:

1) fossil fuel recovery and related environmental problems
2) renewable energy and transportation
3) energy conservation and building design
4) Innovation Center

The two areas of greatest energy consumption in Alaska are transportation and space heating of buildings, so it follows that these are areas where the Energy Center could provide some of the greatest contributions to energy conservation and replacement of fossil fuels. An "innovation center" would not be limited exclusively to energy but would provide a service to all Alaskan inventors and innovators with marketable ideas. Among the services the Innovation Center would provide would be assistance in determing whether Alaskan inventions are marketable, patent searches and patenting, and business and capital formation if that is the desires of the inventor, or obtaining manufacturing licenses and royalty agreements if the inventor prefers, and marketing.

It is expected that the Innovation Center would perform these services at no initial cost to the client; but that if the product proves commercially successful the Innovation Center would be entitled to a royalty for its services at a standard rate. Wherever feasible, the Center would give preference to manufacture in Alaska.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

REVISED FISCAL NOTE

I. REQUEST
Bill/Resolution No. Committee substitute for House Bill 687 (Page 1 of 3
Title An Act creating the Alaska Energy Center
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Administration
Program Category Affected Development
Budget Request Unit(s) Affected Alaska Energy Center

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		1183.6	2733.2	2924.5	3129.2	3348.3
200	TRAVEL		280.0	380.0	406.6	435.1	465.5
300	CONTRACTUAL		1687.6	4761.6	5166.3	5527.9	5914.9
400	COMMODITIES		60.0	160.0	171.2	183.2	196.0
500	EQUIPMENT		350.0	800.0	856.0	915.9	980.0
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.		1445.0	1546.1	1654.4	1770.2	1894.1
	PROJECT FUNDING		15000.0	18750.0	20062.5	21466.8	22969.6
	TOTAL		20006.2	29130.9	31241.5	33428.3	35768.1

FUNDING (Thousands of Dollars)

GENERAL FUND		10006.2	16880.7	17227.3	14552.5	12456.8
FEDERAL FUNDS		10000.0	12250.0	13107.5	14025.0	15006.8
OTHER (Specify)				906.7	4850.8	8304.5

POSITIONS

FULL TIME		38.0	50.0	50.0	50.0	50.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached for expenditure summary.

Assumptions: FY 81 is startup; FY 82 full operations
FY 83, FY 84, FY 85 inflation from FY 82 at 7 per cent
Federal funding $10 million FY 81; $12.250 million FY 82;
FY 83, FY 84, FY 85 inflation from FY 82 at 7 per cent
General funding for non-federal portion of operations 100 per cent in FY 81 and FY 82; 95 per cent in FY 83; 75 per cent in FY 84; 60 per cent in FY 85; continuing decline
Other funds include royalties, private contracts, additional federal funds; 5 per cent of non-federal operation in FY 83; 25 per cent in FY 84; 40 per cent in FY 85
Grants and claims includes subcontracts to University of Alaska for alternative energy research in FY 81; inflation at 7 per cent for FY 82, FY 83, FY 84, FY 85.

IV. DATE April 24, 1980 PREPARED BY Steve Haagenson
AGENCY Legislature
PHONE 465-3720

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

ALASKA ENERGY CENTER - CSHB 687

OPERATING BUDGET - FISCAL YEARS 1981 & 1982

	1st Quarter		2nd Quarter		3d Quarter		4th Quarter		FY 82 Full Operat	
	Expen.	Pos.	Expend.	Pos.	Expend.	Pos.	Expend.	Pos.	Expend.	Posit
PERSONAL SERVICES										
Salaries										
Exec. Director	20.0	1	20.0	1	20.0	1	20.0	1	80.0	1
Dept. Directors			17.5	1	17.5	1	17.5	1	140.0	2
Senior Staff			60.0	4	90.0	6	120.0	8	600.0	10
Professional Staff			67.5	6	112.5	10	157.5	14	900.0	20
Tech/Junior Staff			33.5	4	57.5	6	77.0	8	384.8	10
Secretarial Staff	4.2	1	16.5	4	22.0	5	27.5	6	154.0	7
Total Salaries	24.2	2	215.0	20	319.5	29	419.5	38	2258.8	50
Benefits @ 21%	5.1		45.1		67.1		88.1		474.4	
Total Personal Services	29.3		260.1		386.6		507.6		2733.2	
TRAVEL	50.0		85.0		60.0		85.0		380.0	
CONTRACTUAL										
Rent	48.2		126.8		188.5		247.5		1333.2	
Subcontracts	25.0		100.0		300.0		400.0		2800.0	
Phone/Xerox/Other	10.9		43.2		83.5		114.0		648.4	
Total Contractual	54.9		335.0		572.0		761.5		4761.6	
COMMODITIES			10.0		20.0		30.0		160.0	
EQUIPMENT			50.0		100.0		200.0		800.0	
TOTAL OPERATING	134.2		740.1		1138.6		1584.1		8894.8	

Project Funding - FY 81

Project funding for FY 81 includes $5 million in general funds and $10 million in anticipated federal and other receipts. Up to $2.5 million of the general funds may be used to match other receipts. The Board of Directors of the Energy Center shall submit a plan for expenditure of the remaining $2.5 million in general funds to the Speaker of the House and the President of the Senate before these funds are encumbered.

Grants & Claims - FY 81

Grants and claims includes $1,445,000 for the following subcontracts to the University of Alaska Alternative Energy Research Program:

Fuels research program	180,000
Solar technology program	315,000
Heat pump demonstrations	65,000
Biomass fuels research	130,000
Energy economics research	80,000
Coal utilization research	230,000
Wind energy data collection and wind energy atlas	110,000
Waste heat research center	275,000
Fuel cell demonstrations	60,000
	1,445,000

Grants and claims for FY 82 - FY 85 includes continuation of alternative energy research projects by the University of Alaska under contract to the Alaska Energy Center, with specific projects to be determined by the Board of Directors of the Alaska Energy Center. The legislature intends that technology development and demonstration projects currently being conducted by the following agencies be transferred to the Alaska Energy Center in the FY 82 and subsequent budgets:

University of Alaska
Division of Energy and Power Development
Alaska Power Authority
Department of Transportation and Public Facilities
all other energy technology development projects

The Board of Directors of the Alaska Energy Center may subcontract to the University of Alaska, other state agencies, or private research firms from the project funding line item for any projects selected by the board.

Appropriations for project funding made to the Alaska Energy Center are for capital projects and are subject to AS 37.25.020.

I. REQUEST

Bill/Resolution No. CSHB 687

Title "An Act establishing the Alaska Energy Center; and providing for an effective date."

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Administrative Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		44.0				
200	TRAVEL		1.0				
300	CONTRACTUAL		1.2				
400	COMMODITIES		.6				
500	EQUIPMENT		-0-				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		46.8				

FUNDING (Thousands of Dollars)

GENERAL FUND		46.8	-0-	-0-	-0-	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY		2	-0-	-0-	-0-	

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Oral Freeman

Oral Freeman, Vice Chairman
House Finance Committee
April 24, 1980

IV. DATE _____ PREPARED BY _____

AGENCY _____

PHONE _____

Original: Legislative Finance

CATEGORY: GENERAL GOVERNMENT

AGENCY: ADMINISTRATION

PROGRAM: CENTRALIZED ADMINISTRATIVE SERVICES

BRU(s): OFFICE OF THE COMMISSIONER; ADMINISTRATIVE SERVICES; RISK MANAGEMENT

This program consists of the following BRU's: Office of the Commissioner of Administration; Administrative Services; and Risk Management.

The Commissioner's Office, as the administrative center for the Department, provides leadership to all program managers within the agency and guidance to other agencies within the executive branch. The goal of this BRU is to provide an optimum level of service common to all state agencies in order to create an environment conducive to achieving the objectives of State programs in the most cost effective manner.

The Division of Administrative Services contains the support staff of the Department of Administration. Major functions include accounting, personnel, budget services, and the Department's word processing centers. Funding for word processing support is included in department program budgets and is contracted to the Division of Administrative Services.

The Risk Management program combines the insurable type exposures of all State agencies and treats them under a single program to obtain the most advantageous cost and coverage effectiveness. Loss control programs are instituted to provide effective control of preventable accidents and losses. Centralized control of these functions by trained personnel takes maximum advantage of marketing leverage, and avoids gaps and duplication of effort. The total funding statewide for the Risk Management program operations and premiums is reflected as inter-agency and program receipts in the Risk Management's budget. Four new positions in this program are requested for FY 81 to affect greater savings.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
OFFICE OF THE COMMISSIONER	925.8	973.6	971.3	778.7			861.2
ADMINISTRATIVE SERVICES	391.0	401.3	396.2	415.0			401.7
OPERATIONS	173.6	177.8	175.0	280.0			433.6
PREMIUMS		13619.6	13616.7	13568.6			5536.9
LOSS RETENTION							7861.7
** TOTAL	1490.4	15172.3	15159.2	15042.3			15095.1
** CHANGE VERSUS 80 AUTH							0.3%
OBJECT DESCRIPTION							
PERS. SERV.	719.2	741.9	739.8	862.6			1027.9
TRAVEL	28.7	35.9	31.3	26.1			49.8
CONTRACTUAL	130.2	13762.8	13757.5	5768.1			5772.2
COMMODITIES	10.2	4.2	3.2	8.6			9.7
EQUIPMENT	1.0	9.1	9.0				10.6
LANDS/BLDGS	601.1	618.4	618.4	376.8			363.2
GRANTS, CLMS				8000.1			7861.7
FUNDING SOURCE							
GENERAL FUND	1316.8	1374.9	1367.5	1167.8			1236.7
PGM RECEIPTS			933.0	22.9			1495.6
OTHER FUNDS	173.6	13797.4	12858.7	13851.6			12362.8
** GENERAL FUND CHANGE VS. 80 AUTH							5.8%
POSITIONS							
FULL-TIME	21.0	21.0	17.0	26.0			30.0
PART-TIME							1.0
TEMPORARY	1.0	1.0		1.0			
STAFF MONTHS	266.5	266.5	266.5	324.9			372.0

Introduced: 2/7/80
Referred: Resources and Finance

BY GARDINER,ROGERS,BRANSON,ANDERSON,
BARNES,BETTISWORTH,BROWN,CARNEY,
CHATTERTON,COTTEN,ELIASON,HALFORD,
HAYES,MCKINNON,MALONE,MARTIN,MEEKINS,
METCALFE,MILES,MILLER,MOSS,MUNSON,
PARKER,PHILLIPS AND SMITH

IN THE HOUSE

HOUSE BILL NO. 687

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing the Alaska Energy Center; and providing for an effective date."

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

* Section 1. FINDINGS. The legislature finds that the State of Alaska is currently receiving substantial revenues from the sale of nonrenewable energy resources to consumers in other states of the nation. The legislature recognizes that bringing more efficient and advanced energy technologies to the stage of commercial development will result in lower energy costs to consumers throughout the state and the nation. The legislature believes Alaska has a responsibility to use part of its nonrenewable energy resource revenues to help accomplish this goal. The legislature finds that an independent energy resource development center under the direction of the state, can best accomplish the aid to individuals and businesses necessary to develop and implement advanced energy technologies. The legislature further finds that the work of the center will provide significant employment benefits to the citizens of the state and will stimulate the development of the state's energy resources.

* Sec. 2. AS 45 is amended by adding a new chapter to read:

CHAPTER 89. ALASKA ENERGY CENTER.

Sec. 45.89.010. ALASKA ENERGY CENTER CREATED. There is created the Alaska Energy Center. The center is a public corporation of the state. It is an instrumentality of the state in the Department of Administration, but has a legal existence independent of and separate from the state. Exercise by the center of the powers conferred by this

chapter is an essential governmental function of the state.

Sec. 45.89.020. PURPOSE. The primary purpose of the center is to create employment opportunities in the state through the development of more efficient and advanced technologies. In addition, the center is to

(1) promote the most efficient and appropriate technologies for use of the state's energy resources;

(2) provide economic benefits to state citizens;

(3) promote the effective use of the state's resources;

(4) promote diversification of employment opportunities;

(5) reduce state energy imports;

(6) increase state energy and technology exports; and

(7) bring existing and new technologies to a stage of commercial feasibility.

Sec. 45.89.030. BOARD OF DIRECTORS. A board of directors of the center is established as its governing body.

Sec. 45.89.040. COMPOSITION OF BOARD OF DIRECTORS. (a) The board of directors consists of nine members as follows:

(1) one state senator appointed by the president of the senate and one state representative appointed by the speaker of the house of representatives;

(2) seven members appointed by the governor and confirmed by a majority of the members of the legislature in joint session.

(b) The board shall elect a chairman and other necessary officers from among its members.

Sec. 45.89.050. TERM OF OFFICE. (a) The members of the board appointed from the legislature serve ex officio.

(b) The members of the board appointed by the governor serve seven-year terms and may be reappointed. Terms shall be staggered. The initial terms are one member serving for one year, one member serving

for two years, one member serving for three years, one member serving for four years, one member serving for five years, one member serving for six years, and one member serving for seven years.

Sec. 45.89.060. REMOVAL AND VACANCIES. (a) The governor may remove from office a board member appointed by him with the consent of a majority of the members of the legislature in joint session. A removal by the governor shall be in writing and state the reason for removal. If the legislature is not in session, the governor may suspend a member of the board. After suspension, a board member may not participate in board business and may not be counted for the purpose of establishing a quorum. The joint session shall be held within 10 days from the date of removal if the removal occurs while the legislature is in session or within 30 days of convening of the next regular session of the legislature if the legislature is not in session. If the legislature refuses to consent to his removal, the board member shall be reinstated to his position by the governor.

(b) A vacancy on the board among the members appointed under AS 45.89.040(a)(2) shall be filled by appointment by the governor and confirmation by a majority of members of the legislature in joint session. An appointee to fill a vacancy shall hold office for the balance of the term for which his predecessor on the board was appointed. If a vacancy arises on the board while the legislature is not in session, the governor may appoint an interim member, until the legislature has the opportunity to confirm the appointment.

(c) A vacancy on the board among the members appointed under AS 45.89.040(a)(1) shall be filled by appointment by the presiding officer of the house of the legislature to which the vacating board member belonged.

(d) A vacancy on the board does not impair the authority of a

quorum of the board to exercise all the powers and perform all the duties of the board.

Sec. 45.89.070. QUALIFICATIONS OF BOARD MEMBERS. (a) At least four of the board members appointed under AS 45.89.040(a)(2) must be residents of the state.

(b) At least two of the board members appointed under AS 45.89.-040(a)(2) must have experience in the field of energy technology or development.

Sec. 45.89.080. QUORUM. Five members of the board constitute a quorum for the transaction of business and the exercise of the powers and duties of the board.

Sec. 45.89.090. COMPENSATION OF BOARD MEMBERS. (a) Board members appointed under AS 45.89.040(a)(2) receive $200 per day while in attendance at meetings of the board.

(b) All board members may receive a per diem allowance and transportation expenses in carrying out the duties under this chapter.

Sec. 45.89.100. CONFLICTS OF INTEREST. Members of the board are subject to the provisions of AS 39.50.

Sec. 45.89.110. EMPLOYMENT OF PERSONNEL. The board shall employ and determine the salary of an executive director. The executive director may, with the approval of the board, select and employ additional staff as necessary. The executive director and all employees of the board are in the exempt service under AS 39.25.

Sec. 45.89.120. ENERGY TECHNOLOGY ADVISORY COUNCIL. (a) An Energy Technology Advisory Council is established to advise the board on desirable energy technologies.

(b) The members of the Energy Technology Advisory Council are:

(1) the executive directors of the Alaska Power Authority (AS 44.56) and the Alaska Council on Science and Technology (AS 44.-

19.181 - 44.19.188);

(2) the director of the division of energy and power development of the Department of Commerce and Economic Development;

(3) a person appointed by and serving at the pleasure of the president of the University of Alaska;

(4) a member of the Board of Trustees of the Alaska Renewable Resources Corporation (AS 37.12) appointed by that board;

(5) six persons appointed by the board and representing business, energy, research, public interest, environmental, and government groups.

Sec. 45.89.130. PRINCIPAL OFFICE. The principal office of the center shall be located in Fairbanks. The board may authorize the establishment of other offices of the center in other areas of the state.

Sec. 45.89.140. POWERS. In carrying out the powers of the center, the board may

(1) adopt, alter, and use a corporate seal;

(2) prescribe, adopt, amend, and repeal bylaws;

(3) sue and be sued in the name of the center;

(4) enter into any agreements necessary to the exercise of its powers and functions;

(5) accept grants from and contract with the federal government and the state or its political subdivisions and to that end comply with the provisions of federal, state, or local programs when necessary, except that it may not enter into any agreements whereby a permanent state or local government position is funded or partially funded in connection with a project;

(6) accept grants and loans from sources other than those in (5) of this section to be held and used for the purposes of the center;

(7) appear in behalf of the center before boards, commissions, departments, or other agencies of municipal, state, or federal government;

(8) acquire, hold, use, lease, sell, or otherwise dispose of property of any kind, real, personal, or mixed, or an interest in it;

(9) conduct research and prepare, publish, and distribute technical studies, reports, bulletins and other materials it considers appropriate;

(10) hold patents, copyrights, trademarks, royalties or other evidences of protection or exclusivity issued under the laws of the United States or any state or nation obtained by persons receiving assistance from the center;

(11) adopt regulations governing the exercise of its powers;

(12) do everything necessary or desirable to carry out the purposes of the center.

Sec. 45.89.150. DUTIES. The board shall

(1) promote the commercial development of efficient and advanced energy technologies;

(2) subject to the availability of funds,

(A) sponsor energy research projects intended to accomplish the purposes of the center;

(B) conduct research, development, and demonstration projects of energy technologies;

(C) provide financial and other support to inventors and businesses engaged in the development, demonstration, and commercialization of energy technologies;

(3) manage projects for which funding has been appropriated by the legislature;

(4) consult with the Alaska Council on Science and Technology

(AS 44.19.181 - 44.19.188), Alaska Power Authority (AS 44.56), Alaska Renewable Resources Corporation (AS 37.12), and the division of energy and power development of the Department of Commerce and Economic Development in developing its programs;

(5) consult with other energy research and development organizations.

Sec. 45.89.160. BUDGET AND APPROPRIATIONS. (a) The center is subject to the Executive Budget Act (AS 37.07) except as provided in (b) and (c) of this section.

(b) The budget of the center shall include a description and amount of proposed funding for projects to be conducted or supported by the center. Requests for project funding shall include a statement of the objectives and goals of the project, including, but not limited to, the number of jobs to be created and the number of businesses to be assisted by the project. The amount of the center's operating budget shall be specified separately from proposed project funding and administration.

(c) An appropriation for a project under AS 45.89.150(2) is valid for the life of the project and the unexpended balance shall be carried forward to subsequent fiscal years.

Sec. 45.89.170. COOPERATION WITH OTHER STATE AGENCIES AND THE UNIVERSITY OF ALASKA. (a) All departments, agencies, and public corporations of the state, including the University of Alaska, shall provide information, services, and facilities to the center on its request. The center shall reimburse the department, agency, or corporation for expenses reasonably incurred on the center's behalf.

(b) When possible the center shall contract with the University of Alaska or private organizations for research activities.

Sec. 45.89.200. DEFINITIONS. In this chapter

(1) "board" means the Board of Directors of the Alaska Energy Center;

(2) "energy technology" means technological developments and innovations for

(A) efficient recovery and use of fossil fuels;

(B) production of energy through the use of renewable and alternative energy sources;

(C) energy conservation;

(D) development of facilities for the use of waste heat and the cogeneration of electricity and heat;

(E) the reduction of dependence on fossil fuels and which are appropriate for use in the state and other northern environments;

(3) "center" means the Alaska Energy Center.

* Sec. 3. AS 39.25.110 is amended by adding a new paragraph to read:

(22) employees of the Alaska Energy Center.

* Sec. 4. AS 39.50.200(9) is amended by adding a new subparagraph to read:

(SS) Alaska Energy Center (AS 45.89).

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-070(c).

RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O Smith
Signature of Camera Operator

3/20/90
Date

COMMITTEE REPORT

SENATE

FURTHER: None

6/4/80 Date: _____

Mr. President:

The Committee on FINANCE has had CSHB 688(Rules)

authorizing the commissioner of natural resources to acquire certain timber cutting rights

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

_____

_____

_____

_____

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_____

MEMBERS HAVING OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

S 60 (Rev. 12/78)

7576
Baldwin

Original sponsors: Miller and Gardiner

Offered: 6/2/80
Referred: Rules

IN THE HOUSE BY THE RULES COMMITTEE

CS FOR HOUSE BILL NO. 688 (Rules)

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act authorizing the commissioner of natural resources to acquire certain timber cutting rights."

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

* Section 1. AS 41.17 is amended by adding a new section to read:

Sec. 41.17.105. ACQUISITION OF TIMBER RIGHTS. (a) If requested by the commissioner of fish and game, the commissioner of natural resources may acquire for the state the right to cut and remove timber from private forest land if

(1) the timber is on land which is adjacent to a river, lake, or stream specified under AS 16.05.870 as important to the spawning, rearing, or migration of anadromous fish;

(2) the commissioner of fish and game finds that the timber cutting would be hazardous to the spawning, rearing or migration of anadromous fish; and

(3) the owner of the timber agrees to convey his right to cut and remove the timber to the state for a term of not less than 30 years or more than 150 years, which term shall be the period required for regrowth of the timber after cutting as determined by the commissioner of natural resources based on site and soil characteristics and comparable periods for regrowth of timber in adjacent areas or in other areas with similar geography and climate.

(b) The money or other consideration offered for timber cutting rights under this section shall equal the fair market value of the timber cutting rights as determined by the commissioner of natural

Engrossed

COMMITTEE COPY

resources.

(c) The commissioner of fish and game shall regularly, and when requested by the owner of the land or by the former owner of the timber, reevaluate the importance of the adjacent waters for, or the hazardous nature of cutting timber acquired under this section to, the spawning, rearing, or migration of anadromous fish. If, upon reevaluation, the commissioner of fish and game determines that the timber cutting activity is no longer hazardous to the spawning, rearing, or migration of anadromous fish or that the adjacent waters are no longer important to the spawning, rearing or migration of anadromous fish, the former owner of the timber is entitled to repurchase the timber cutting rights from the Department of Natural Resources for consideration of the same value paid by the Department of Natural Resources for the timber cutting rights with annual interest at a reasonable rate as determined by the commissioner of natural resources.

(d) The commissioner of natural resources may acquire privately owned timber cutting rights under this section by

(1) paying money;

(2) exchanging state land or an interest in state land;

(3) purchasing private or public land to exchange that land for the timber rights; and

(4) using any combination of the methods described in (1) - (3) of this subsection.

(e) The commissioner of natural resources shall

(1) advise the commissioner of fish and game on the performance of his duties under this section;

(2) at least 120 days before the acquisition of timber cutting rights under this section, determine the consideration to be paid for those rights; and