

LEG. FINANCE - BILLS 1979 - 1980 1363

CSSB 438 cont. , 1363

THERMAL AND LIGHTING ENERGY STANDARDS

<u>100</u> - <u>Personal Services</u>	<u>\$ 56,308.00</u>
<p>1-Construction Engineer I (20a) (2,845/mo X 6 mo) + (3,039/mo X 6 mo) + 25.5% payroll burden = \$ 45,895</p> <p>½-Clerk Typist III (08a) ½ (1,277/mo X 6 mo) + (1,393/mo X 6 mo) + 30% payroll burden = \$ 10,413</p>	
<u>200</u> - <u>Travel</u>	<u>4,050.00</u>
<p>10 trips @ \$ 300 = \$ 3,000 15 days per diem @ \$ 70 = \$ 1,050</p>	
<u>300</u> - <u>Contractual</u>	<u>21,654.00</u>
<p>Professional services Training and education package development = \$10,000.00</p> <p>Other Telephone, postage, printing, copying, equipment rental, advertising, space rental = \$ 15,500.00</p>	
<u>400</u> - <u>Commodities</u>	<u>600.00</u>
<u>500</u> - <u>Equipment</u>	<u>1,408.00</u>
<p>1-Desk @ \$ 388 = \$ 388 1-Chair @ \$ 155 = \$ 155 1-Table @ \$ 145 = \$ 145 1-File cabinet @ \$ 200 = \$ 200 1-Calculator @ \$ 250 = \$ 250 1-Bookcase @ \$ 90 = \$ 90 1-Lanier hand dictating machine @ \$ 180 = \$ 180</p>	

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HCS for CSSB 438 (Finance)
 Title An Act relating to Energy
 Requested by Rep. Brian Rogers Date 5/12/80

II. FISCAL DETAIL
 Agency Affected Dept. of Commerce & Economic Development
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Division of Energy & Power Development
 (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		25.7	27.8	30.0	32.4	35.0
200 TRAVEL		3.6	3.9	4.2	4.5	4.9
300 CONTRACTUAL		23.7	25.6	27.6	29.9	32.2
400 COMMODITIES		1.6	1.7	1.9	2.0	2.2
500 EQUIPMENT		2.2	.4	5	6	7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		56.8	59.4	64.2	69.4	75.0

FUNDING (Thousands of Dollars)

GENERAL FUND		56.8	59.4	64.2	69.4	75.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1.0	1.0	1.0	1.0	1.0
PART TIME						
TEMPORARY						

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

Public Education

The estimated budget will provide the division sufficient supplemental support to carry out the public information program mandate in the legislation.

IV. DATE 5/12/80 PREPARED BY Milt Barker
 AGENCY Legislative Finance Division
 PHONE 465-3795
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

PUBLIC EDUCATION PROGRAM

<u>100 - Personal Services</u>	<u>\$ 25,662.00</u>
1-Administrative Assistant I (12a) (1,628/mo X 6 mo) + (1,662/mo X 6 mo) + 30% payroll burden = \$ 25,662	
<u>200 - Travel</u>	<u>3,600.00</u>
7 trips @ \$ 300 = \$ 2,100 20 days per diem @ \$ 75 = \$ 1,500	
<u>300 - Contractual</u>	<u>23,700.00</u>
Brochure and media preparation and production, advertising workshops, printing = \$ 17,700 Telephone, postage, copying, space rental and equipment rental = \$ 6,000	
<u>400 - Commodities</u>	<u>1,600.00</u>
<u>500 - Equipment</u>	<u>2,198.00</u>
1-Desk @ \$ 388 = \$ 388 1-Bookcase @ \$ 90 = \$ 90 1-Chair @ \$ 155 = \$ 155 1-Table @ \$ 145 = \$ 145 1-File Cabinet @ \$ 170 = \$ 170 1-Lanier portable dictaphone @ \$ 100 = \$ 100 3-Office partitions @ \$ 300 = \$ 900 1-12 digit calculator @ \$250 = \$ 250	

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HCS for CSSB 438 (Finance)
 Title An Act relating to Energy
 Requested by Rep. Brian Rogers Date 5/12/80

II. FISCAL DETAIL
 Agency Affected Dept. of Commerce & Economic Development
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Div. of Energy & Power Development
 (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		83.0				
200 TRAVEL		9.0				
300 CONTRACTUAL		12.4				
400 COMMODITIES		1.0				
500 EQUIPMENT		3.3				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		3150.0				
TOTAL		3258.7				

FUNDING (Thousands of Dollars)

GENERAL FUND		3258.7				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3.0				
PART TIME						
TEMPORARY						

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

Energy Conservation Refunds and Grants: See attached administrative cost detail

GRANTS: \$500.0 for REAA energy conservation planning assistance

\$400.0 matching funds for U.S. Dept. of Energy Appropriate Technology small grants program.

\$2250.0 Residential energy conservation refunds
 7000 single family residences @\$300 = 2100.0
 750 multi-family units @\$200 = 150.0

IV. DATE 5/12/80 PREPARED BY Milt Barker MB
 AGENCY Legislative Finance Div.
 Original: Legislative Finance PHONE 465-3795
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

CONSERVATION GRANTS ADMINISTRATION

100 - Personal Services

\$ 82,982.00

1-Grants Administrator II (17a)
(2,289/mo X 6 mo) + (2,455/mo X 6 mo) +
25.5% payroll burden = \$ 35,722

1-Accounting Technician I (12a)
(1,628/mo X 6 mo) + (1,761/mo X 6 mo) +
30% payroll burden = \$ 26,434

1-Clerk Typist III (08a)
(1,277/mo X 6 mo) + (1,393/mo X 6 mo) +
30% payroll burden = \$ 20,826

200 - Travel

9,000.00

20 trips @ \$ 300 = \$ 6,000

40 days @ \$ 75 = \$ 3,000

300 - Contractual

12,400.00

Telephone, postage, photocopying, printing
advertising, space rental, equipment rental

400 - Commodities

1,000.00

500 - Equipment

3,317.00

1-Desk @ \$ 388 = \$ 388

2-Desk w/ Typing Extension @ \$ 381 = \$ 762

2-Chair, Posture @ \$ 118 = \$ 236

1-Executive Swivel w/ arms @ \$ 155 = \$ 155

1-Credenza @ \$ 310 = \$ 310

2-Tables @ \$ 145 = \$ 290

3-Filing Cabinet @ \$ 188 = \$ 564

2-Side charis w/o arms @ \$ 66 = \$ 132

2-Calculator @ \$ 240 = \$ 480

THE LEGISLATURE OF THE STATE OF ALASKA
EJ EVENTH LEGISLATURE

FISCAL NOTE

i. REQUEST

Bill/Resolution No. HCS CSSB 438 (Finance)

Title An Act relating to Energy

Requested by Rep. Brian Rogers Date 5/12/80

ii. FISCAL DETAIL

Agency Affected Dept. of Commerce & Economic Development

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Div. of Energy & Power Development

(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		82.7				
200 TRAVEL		5.4				
300 CONTRACTUAL		1391.0				
400 COMMODITIES		2.4				
500 EQUIPMENT		2.9				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		1484.4				

FUNDING (Thousands of Dollars)

GENERAL FUND		1484.4				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2.5				
PART TIME						
TEMPORARY						

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

Energy Audits - See attached administrative cost detail.

Contractual includes 1285.0 for audits of 10,000 households @ \$128.50.

The budget presented above will enable the development and implementation of energy auditor workshops, materials development and dissemination and program evaluation. The Accounting Technician position is primarily needed for administration of the audit grant program through certified auditor contracts.

iv. DATE 5/12/80

PREPARED BY Milt Barker MB

AGENCY Legislative Finance Division

PHONE 465-3795

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

AUDIT DEVELOPMENT, TRAINING AND ADMINISTRATION

100 - Personal Services \$ 82,742.00

1-Architect/Planner (20a)
(2,845/mo X 6 mo) + (3,039/mo X 6 mo) + 25.5%
payroll burden = \$45,895.00

1/2 Clerk Typist III (08a)
(1,277/mo X 3 mo) + (1,761/mo X 3 mo) + 30%
payroll burden = \$10,413.00

1-Accounting Technician I (12a)
(1,628/mo X 6 mo) + (1,761/mo X 6 mo) + 30%
payroll burden = \$26,434.00

200 - Travel \$ 5,375.00

14 trips @ \$ 250 = \$ 3,500

25 days @ \$ 75 = \$ 1,875

300 - Contractual \$ 106,000.00

Professional Services
Workshops, materials, energy audit training
program, audit evaluation development and
implementation = \$ 93,500

Other
Telephone, postage, copying, equipment
rental, advertising, space rental = \$ 12,500

400 - Commodities \$ 2,400.00

500 - Equipment \$ 2,863.00

1-Desk @ \$ 388 = \$ 388
1-Chair @ \$ 155 = \$ 155
1-Bookcase @ \$ 90 = \$ 90
1-Programmable calculator @ \$ 650 = \$ 650
5-Dividers @ \$300 = \$ 1,500
1-Lanier distaphone @ \$ 80 = \$ 80

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HCS CSSB 438 (Finance)
 Title An Act relating to energy
 Requested by Rep. Brian Rogers Date 5/12/80

II. FISCAL DETAIL
 Agency Affected Dept. of Commerce & Economic Development
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Alaska Power Authority
 (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		35.0				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES		1.5				
700 GRANTS, CLAIMS, ETC.		2851.1				
TOTAL		2887.6				

FUNDING (Thousands of Dollars)

GENERAL FUND		2887.6				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1.0				
PART TIME						
TEMPORARY						

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

Power Production Cost Assistance

One position to monitor the program, review utility reports, make payments and coordinate with the APUC.

IV. DATE 5/12/80 PREPARED BY Milt Barker MB
 AGENCY Legislative Finance Div.
 PHONE 465-3795
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST HCS CS SB 438 (Finance)
 Bill/Resolution No. _____
 Title An Act relating to Energy
 Requested by Brian Rogers Date 5/12/80

II. FISCAL DETAIL
 Agency Affected Dept. of Commerce & Economic Development
 Program Category Affected Public Protection
 BRU, Program, or Subprogram(s) Affected Alaska Public Utilities Commission
 (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		128.1				
200 TRAVEL		9.0				
300 CONTRACTUAL		7.8				
400 COMMODITIES		.9				
500 EQUIPMENT		2.7				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		148.5				

FUNDING (Thousands of Dollars)

GENERAL FUND		148.5				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3.0				
PART TIME						
TEMPORARY						

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

Power Production Cost Assistance

IV. DATE 5/12/80 PREPARED BY Milt Barker MB
 AGENCY Legislative Finance
 PHONE 465-3795
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HCS CSSB 438 (Finance)
 Title An Act relating to energy
 Requested by Rep. Brian Rogers Date 5-12-80

II. FISCAL DETAIL
 Agency Affected Dept. of Commerce & Economic Development
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Division of Business Loans
 (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		137.9				
200 TRAVEL		16.0				
300 CONTRACTUAL		30.0				
400 COMMODITIES		2.0				
500 EQUIPMENT		9.1				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
LOANS		1600.0				
TOTAL		1795.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		1795.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		5.0				
PART TIME						
TEMPORARY						

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

Energy Conservation Loans -

See attached detail of administrative costs.

IV. DATE 5/12/80 PREPARED BY Milt Barker *MB*
 AGENCY Legislative Finance
 PHONE 465-3795
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Fiscal Note Detail- HCS CSSB 438 (Finance)

		<u>12 Months</u>
100	2 Loan Examiners I/II's (flex) @\$2289/mo.	55.0
	1 Loan Closer I @\$1440/mo.	17.3
	1 Documents Processing Clerk III @\$1440/mo.	17.3
	1 Accounting Clerk III @\$1440/mo.	<u>17.3</u>
	TOTAL WAGES	106.9
	Standard Benefits (wages x .1529)	16.3
	Supplemental Benefits (Wages x .0665)	7.1
	Health Insurance Cost (Man months x 127)	<u>7.6</u>
	TOTAL PERSONAL SERVICES	137.9
200	Travel to close loans	16.0
300	Telephone, postage, printing of applications, cost of additional office space	30.0
400	Office Supplies	2.0
500	Equipment:	
	5 Desks @\$340	1.7
	2 Typist's extensions @\$410	.8
	3 Credenzas @\$390	1.2
	3 Secretarial chairs @\$140	.4
	2 Executive chairs @\$180	.4
	5 Side chairs @\$125	.6
	5 File cabinets @\$125	.6
	5 Calculators @\$230	.7
	3 Typewriters @\$865	2.6
	5 Wastebaskets, desk organizers	<u>.1</u>
		<u>9.1</u>
	TOTAL COST.	\$195.0

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

AMENDED
FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCS for CSSB 438 (Finance)

Title An Act relating to energy

Requested by Rep. Brian Rogers

Date 5/12/80

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Division of Business Loans

(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)

	1 Mo. FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	5.8	69.0	75.9	83.5	91.9	101.1
200 TRAVEL	.9	11.0	12.1	13.3	14.6	16.1
300 CONTRACTUAL	1.0	12.4	13.6	15.0	16.5	18.1
400 COMMODITIES	-0-	.5	.6	.7	.8	.9
500 EQUIPMENT	3.9	-0-				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
CAPITALIZE LOAN FUND	1,500.0	-0-	-0-	-0-	-0-	-0-
TOTAL	1,511.6	92.9	102.2	112.5	123.8	136.2

FUNDING (Thousands of Dollars)

GENERAL FUND	1,511.6	92.9	102.2	112.5	123.8	136.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	2	2	2	2	2	2
PART TIME						
TEMPORARY						

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

BULK FUEL LOANS This fiscal note is amended to reflect the change to administration of only the bulk fuel revolving loan fund, and the change from "shall" to "may" in Sec. 45.87.030, which states that the department may contract for the administration of the program. Preliminary research indicates contracting for administration would be more expensive than handling the program with additional staffing in the division.

See attached fiscal note detail.

IV. DATE Amended 5-12-80

PREPARED BY Sharon Traylor, Director
AGENCY Div. of Business Loans, Dept. of Commerce & Econ. Dev.
PHONE 465-2510

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

Fiscal Note Detail, CS HB 653

		<u>12 Months</u>
100.	1 Loan Examiner III @2,652/ mo.	\$31.8
	1 Accounting Technician II @1,850/mo.	22.2
		<u>\$54.0</u>
	Standard Benefits (Wages X .1529)	8.3
	Supplemental Benefits (Wages X .0665)	3.6
	Health Insurance (Man months X \$127)	3.1
	Total Personal Services	<u>\$69.0</u>
200.	Travel to villages:	
	20 trips @430	\$8.6
	40 days per diem @60	<u>2.4</u>
		11.0
300.	Telephone, postage, printing, advertising	\$10.0
	Additional office space @200/mo.	<u>2.4</u>
		12.4
400.	Office Supplies	<u>.5</u>
	Total Operating Cost	\$92.9
500.	2 Desks @333	\$.7
	2 Credenzas @390	.8
	1 Secretarial chair	.1
	1 Executive chair	.2
	2 Side chairs	.3
	2 File cabinets @247	.5
	1 Typewriter	.8
	2 Calculators @225	<u>.5</u>
		3.9
	Total	\$96.8

10% Inflation for succeeding years.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCS for CSSB 438 (Finance)

Title An act relating to energy

Requested by Rep. Brian Rogers

Date 5.12.80

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Local Government Assistance

(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		90.3	97.5	105.3	113.8	122.9
200 TRAVEL		21.0	22.7	24.5	26.5	28.6
300 CONTRACTUAL		58.0	62.6	67.7	73.1	78.9
400 COMMODITIES		.4	.4	.5	.5	.5
500 EQUIPMENT		3.3	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		1000.0				
TOTAL	0	1173.0	183.2	198.0	213.9	230.9

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		1173.0	183.2	198.0	213.9	230.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

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

BULK FUEL GRANTS Sections 2 and 3 of CSHB 653 amends the Rural Development Assistance Program to allow for grants to construct bulk fuel storage facilities. Based on funding in CSHB 654 it is assumed that approximately 20 grants could be made per year based on an average grant of \$50,000. The program will require a great deal of interaction with numerous Federal and State agencies. The cost for administering this program are as follows:

Personal Service: 1 Local Government Specialist IV,
1 Local Government Specialist I-III
1 Clerk Typist III 90.3

IV. DATE 5-12-80

PREPARED BY Doug Griffin

AGENCY Community & Regional Affairs

Original: Legislative Finance

PHONE 465-4736

cc: Budget and Management

Prime Sponsor (First Legislator Named)

FISCAL NOTE - Continued CSHB 653/654

Travel	1.5 trips per grant @ 20 grants per year equals 30 trips @ \$700 per trip	21.0
Contractual		58.0
	Communications, printing and advertising, office space, mag card typewriter rental	11.8
	RSA with Commerce and Economic Development, Division of Energy and Power Development for the following:	
	Rural Education Specialist (Range 18) plus benefits	39.2
	Travel	4.5
	Contractual and Equipment	2.5
Commodities:	Office Supplies	.4
Equipment (one-time purchase):	Desk, chairs, bookcases filing cabinets, calculator	3.3

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCS CSSB 438 (Finance)
 Title An Act Relating to Energy Conservation
 Requested by House Resources Date 4/22/80

II. FISCAL DETAIL

Agency Affected University of Alaska
 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			30.0			
300 CONTRACTUAL			100.0			
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			130.0			

FUNDING (Thousands of Dollars)

GENERAL FUND			130.0			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			0			
PART TIME			0			
TEMPORARY			0			

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

The university would contract with local architects and engineers for seminars at various campuses. Travel money would enable existing university faculty to participate in the program.

IV. DATE 4/22/80 PREPARED BY Representative Brian Rogers
 AGENCY _____
 Original: Legislative Finance PHONE _____
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Amendment to proposed Finance Committee Substitute for CSSB 438.

Page 18, line 1

add new (c)

"The applicant shall provide the financial institution with an energy audit as defined under 45.89.100.(3), and shall be responsible for the cost of the audit. The applicant shall be eligible for an audit under section 46.11.030.

SUBCOMMITTEE APPROVED AMENDMENTS

TO DRAFT HCS for SB 438 (Fin).

- (1) 44.33 - (Dept. of Commerce)

Pg. 6 add: To facilitate planning for rural educational institutions and facilities, the Dept. shall grant funds as appropriated and requested to Regional Education Attendance Areas or School District for the purpose of developing and implementing energy conservation measures and criteria for the planning, design, construction and management of educational facilities.

- (2) 44.33 (17) Pg. 6 add:

Provide funds to match federal contributions to the U.S. Dept. of Energy, Appropriate Technology Small Grants Program for Alaska.

- (3) 44.42 - (DOTPF) Pg. 7 add:

The Dept. may provide planning assistance including but not limited to surveys, energy audits and technical services to Rural Education Attendance Areas for the purpose of developing and implementing energy conservation measures and criteria for the planning design construction and management of educational facilities.

Subcommittee Amendments Con't

(4) P.11, line 28-29

Refunds, "grants" and loans made.....

(5) P. 12 Line 3

May make refunds ", or grants" for.....

(6) P. 12, Line 19

Add new section (d):

"The department may establish procedures for payment of grants before the purchase, construction or installation of an energy construction improvement."

(7) P. 18, line 1

Add: "The applicant shall be eligible for an audit under section 46.11.030."

(8) P. 23, line 15:

Delete:"of electrical generation"

P. 23, Line 21:

Add:production expenses "for electrical generation."

P. 23, line 27:

Add: fixed costs "relating to electrical generation."

(9) P 24, line 23:

Change: "five" to "fifteen,"

P. 24, line 26:

Change: "9.467" to "7.65"

(10) P 25, line 2:

Add: local community "and charitable" service.....

P. 27, line 4:

Add: local community "and charitable" facility.....

(11) P. 26, line 20:

Add: (b) and "(h)" of this section.....

Subcommittee amendments continued

(12) Page 27-28. Delete subsection (j), replace with:

"a utility

which is exempt from regulation under AS 42.05.711 may receive power production cost assistance under AS 44.56.162 without becoming subject to the jurisdiction of the Alaska Public Utilities Commission if the utility is otherwise eligible for assistance and if the utility

(1) files with the commission the audited financial data necessary to determine the adjusted power production cost in the form prescribed in a recognized form of utility accounts;

(2) makes the reports required in this section which are required of an electric utility with a rate schedule approved by the commission within the time and in the form the Alaska Power Authority designates;

(3) sets rates charged for residential services and local community and charitable facilities by including as part of its revenue requirements for these services only the adjusted power production cost per kilowatt-hour sold;

(4) allows audits the commission determines necessary to insure compliance with this section;

(5) furnishes its electric service customers eligible under this program the "Notice to Customer" specified in AS 44.56.162(i).

(13) Page 28-29. Delete section 44.56.164 in its entirety.

(14) Page 29, lines 24-25. Delete "and 44.56.164"

Subcommittee Amendments continued

(15) Page 24 , line 6 and 9 -- Delete "loan," insert "load."

(16) Page 24, line 18 -- add new section:

(5) Fixed costs relating to transmission, consisting of

(A) depreciation of transmission lines and equipment;

(B) taxes on transmission lines and equipment;

(C) insurance on or attributable to transmission lines and equipment;

(D) interest on indebtedness incurred for transmission lines and equipment.

5/9/80 ✓
Chenoweth

On

Original sponsors: Haugen, Anderson,
Barnes, et al

1 IN THE HOUSE

Add to House CSSB 432 (finance) BY THE FINANCE COMMITTEE
~~CS FOR HOUSE BILL NO. 754 (Finance)~~

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to projects of the Alaska Power Author-
7 ity, approving the general design and maximum amount of
8 bonds of the Alaska Power Authority for certain power
9 projects, and repealing the water resources revolving
10 loan fund; and providing for an effective date."

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

12 * Section 1. AS 44.56.080(13) is amended to read:

13 (13) to perform reconnaissance studies, feasibility
14 studies, and engineering and design with respect to power projects;

15 * Sec. 2. AS 44.56.080 is amended by adding a new paragraph to read:

16 (16) to recommend to the legislature

17 (A) the issuance of general obligation bonds of the
18 state to finance the construction of a power project if the autho-
19 rity first determines that the project cannot be financed by reve-
20 nue bonds of the authority at reasonable rates of interest;

21 (B) the pledge of the credit of the state to guarantee
22 repayment of all or any portion of revenue bonds issued to assist
23 in construction of power projects;

24 (C) an appropriation from the general fund

25 (i) for debt service on bonds or other project
26 purposes; or

27 (ii) to reduce the amount of debt financing for the
28 project;

29 (D) an appropriation to the power project fund for a

1 power project;

2 (E) an appropriation of a part of the income of the
3 renewable resources investment fund for a power project;

4 (F) development of a project under financing arrange-
5 ments with other entities using leveraged leases or other financing
6 methods.

7 * Sec. 3. AS 44.56.170(a) is amended to read:

8 (a) There is established as a separate fund the power project
9 [REVOLVING] fund which shall be [ADMINISTERED BY THE AUTHORITY AS A
10 TRUST FUND SEPARATE AND] distinct from any other money or funds of the
11 authority, and which includes only [SHALL BE COMPOSED OF APPROPRIATED]
12 money appropriated by the legislature [FUNDS AND INTEREST EARNED ON
13 LOANS BY THE FUND].

14 * Sec. 4. AS 44.56.170(b) is repealed and re-enacted to read:

15 (b) The authority may make loans from the power project fund

16 (1) to electric utilities, regional electric authorities,
17 cities, boroughs, regional and village corporations, village councils,
18 and nonprofit marketing cooperatives to pay the costs of

19 (A) reconnaissance studies, feasibility studies, license
20 and permit applications, preconstruction engineering, and design of
21 power projects;

22 (B) constructing, equipping, modifying, improving, and
23 expanding small-scale power production facilities, conservation
24 facilities, bulk fuel storage facilities, and transmission and
25 distribution facilities, including energy production, transmission
26 and distribution, and waste energy conservation facilities which
27 depend on fossil fuel, wind power, tidal, geothermal, biomass,
28 hydroelectric, solar or other non-nuclear energy sources; and

29 (C) reconnaissance studies, preconstruction engineering,

1 design, construction, equipping, modification, and expansion of
2 potable water supply including surface storage and groundwater
3 sources and transmission of water from surface storage to existing
4 distribution systems;

5 (2) to a borrower for a power project if

6 (A) the loan is entered into under a leveraged lease
7 financing arrangement;

8 (B) the party which will be responsible for the power
9 project is an electric utility, regional electric authority, city,
10 borough, regional or village corporation, village council, or
11 nonprofit marketing cooperative; and

12 (C) the borrower seeking the loan demonstrates to the
13 authority that the financing arrangement for the power project will
14 reduce project financing costs below costs of comparable public
15 power projects.

16 * Sec. 5. AS 44.56.170(c) is repealed and re-enacted to read:

17 (c) Before making a loan from the power project fund, the authority
18 shall, by regulation, specify

19 (1) standards for the eligibility of borrowers and the types
20 of projects to be financed with loans;

21 (2) standards regarding the technical and economic viability
22 and revenue self-sufficiency of eligible projects;

23 (3) collateral or other security required for loans;

24 (4) the terms and conditions of loans;

25 (5) criteria to establish financial feasibility and to measure
26 the amount of state assistance necessary for particular projects to meet
27 the financial feasibility criteria; and

28 (6) other relevant criteria, standards or procedures.

29 * Sec. 6. AS 44.56.170(e) is amended to read:

1 (e) Repayment of the loans shall be secured in any [SUCH] manner
2 which [AS] the authority determines is feasible to assure prompt repay-
3 ment under a loan agreement entered into with the borrower. The author-
4 ity may make an unsecured loan from the power project fund to a borrower
5 regulated by the Alaska Public Utilities Commission under AS 42.05 if the
6 borrower has a substantial history of repaying long-term loans and the
7 capacity to repay the loan. [THE AUTHORITY MAY FORGIVE REPAYMENTS OF
8 LOANS MADE FOR RECONNAISSANCE STUDIES IF THE STUDY SHOWS THAT A PROJECT
9 IS NOT FEASIBLE.] Under a loan agreement, repayment may be deferred for
10 10 years or until the project for which the loan is made has achieved
11 earnings from its operations sufficient to pay the loan, whichever is
12 earlier.

13 * Sec. 7. AS 44.56.170(f) is repealed and re-enacted to read:

14 (f) Power projects are subject to the following limitations on
15 interest and specific restrictions:

16 (1) Power projects for which loans are outstanding from the
17 water resources revolving loan fund (AS 45.86) on July 13, 1978, may
18 receive additional financing from the power project fund; the additional
19 financing, if granted,

20 (A) shall be granted for a term not exceeding 50 years;

21 (B) shall be granted at an interest rate of not less
22 than three or more than five percent a year on the unpaid balance;

23 (C) shall be conditioned on the repayment of loan princi-
24 pal and interest to begin on the earlier of

25 (i) the date of the start of commercial operation
26 of the project; or

27 (ii) 10 years from the date the loan is granted.

28 (2) Loans for power projects

29 (A) shall be granted for a term not to exceed 50 years;

1 and

2 (B) shall be granted at an interest rate which is not
3 less than five percent and which is the lesser of

4 (i) a rate equal to the percentage of the average
5 weekly yield of municipal bonds for the 12 months preceding the
6 date of the loan, as determined by the authority from municipal
7 bond yield rates reported in the 30-year revenue index of the
8 Weekly Bond Buyer; or

9 (ii) a rate determined by the authority which allows
10 the project to meet criteria of financial feasibility established
11 under AS 44.56.170(c).

12 * Sec. 8. AS 44.56.170 is amended by adding new subsections to read:

13 (g) Loan repayments and interest earned by loans from the power
14 project fund shall be deposited in the state general fund.

15 (h) The legislature may forgive the repayment of a loan made from
16 the power project fund for a reconnaissance study or a feasibility study
17 when the authority finds that the power project for which the loan was
18 made is not feasible.

19 * Sec. 9. AS 44.56 is amended by adding new sections in article 5 to
20 read:

21 Sec. 44.56.177. RECONNAISSANCE STUDY. (a) To identify power
22 project alternatives for a community, the authority shall, after consul-
23 tation with other state agencies and after review of information on
24 alternative sources of power, complete a reconnaissance study for each
25 proposed new power project.

26 (b) A reconnaissance study shall

27 (1) survey all power sources available to the community and
28 adjacent area and evaluate the relative economic merits of alternative
29 sources of power;

1 (2) include an assessment of the effect of the development of
2 alternative sources of power on the environment so as to assure that
3 there is no adverse effect to the environment which would make the
4 project inadvisable;

5 (3) include public comment from residents of the community
6 and adjacent area.

7 (c) The authority, in consultation with the division of budget and
8 management, shall adopt regulations defining

9 (1) the methods which it shall apply to determine that the
10 information required by (b) of this section is obtained; and

11 (2) standard criteria and measures for comparative analysis
12 of alternative power sources.

13 Sec. 44.56.179. REVIEW OF RECONNAISSANCE STUDY BY DIVISION OF
14 BUDGET AND MANAGEMENT. (a) The division of budget and management in
15 the Office of the Governor shall review reconnaissance studies for
16 proposed projects of the authority.

17 (b) The review shall examine each reconnaissance study for compli-
18 ance with the requirements of AS 44.56.177(b) and (c). The division of
19 budget and management may approve or disapprove a reconnaissance study.
20 If the division of budget and management disapproves of a reconnaissance
21 study, it shall return the reconnaissance study to the authority together
22 with a comprehensive statement of the reasons for its disapproval. The
23 authority may amend the portions of the reconnaissance study which the
24 division of budget and management identifies as deficient and resubmit
25 the reconnaissance study to the division of budget and management for
26 reconsideration.

27 (c) For purposes of this section, a power project is approved if
28 the reconnaissance study for the project has not been disapproved by the
29 division of budget and management within 30 days of submission of the

1 reconnaissance study for the project to it by the authority.

2 Sec. 44.56.181. FEASIBILITY STUDY AND FINANCE PLAN. (a) Unless
3 the reconnaissance study has been disapproved by the division of budget
4 and management under AS 44.56.179, the authority shall complete a feasi-
5 bility study and plan of finance for each proposed project.

6 (b) A feasibility study shall include

7 (1) information about the proposed project, including but not
8 limited to total project construction costs, total project operating
9 costs, the timing and amount of anticipated returns from the completed
10 project, a benefit-to-cost ratio, the potential effect of the project on
11 the environment of the area which will be served by the project when
12 completed, and the availability of alternative government financing;

13 (2) a statement of all assumptions which affect the economic
14 feasibility of the project, including but not limited to the discount
15 rate and interest rate of amounts of money used for the project, antici-
16 pated fuel prices, an escalation rate, state and local electric load
17 growth, and estimates of indirect costs and benefits;

18 (3) a comparative analysis of all reasonable alternatives to
19 construction of the proposed project; and

20 (4) information based on engineering and design work which
21 meets the requirements for submission of a license application for the
22 project to the Federal Energy Regulatory Commission.

23 (c) The plan of finance shall include recommendations of the most
24 appropriate means to finance a project, including, but not limited to,

25 (1) the issuance of revenue bonds of the authority;

26 (2) the issuance of

27 (A) general obligation bonds of the state; or

28 (B) revenue bonds of the authority which are guaranteed

29 or partially guaranteed by the state;

- 1 (3) an appropriation from the general fund
2 (A) to pay debt service on bonds or for other project
3 purposes; or
4 (B) to reduce the amount of debt financing for the
5 project;
- 6 (4) a loan from the general fund;
- 7 (5) financing arrangements with other entities using lever-
8 aged leases or other financing methods;
- 9 (6) assistance from any federal agency, including, but not
10 limited to, the Rural Electrification Administration;
- 11 (7) a loan from the power project fund (AS 44.56.170(a)), or
12 from the renewable resources investment fund (AS 37.11.050); or
- 13 (8) any combination of financing arrangements listed in this
14 subsection.

15 (d) When financial assistance from the state is necessary for a
16 project to meet financial feasibility criteria, the plan of finance
17 shall include an estimate of the minimum amount of financial assistance
18 required from the state. The plan of finance shall include an estimate
19 of the present value of the financial assistance from the state, computed
20 as the difference between

- 21 (1) a market rate of interest, which is
22 (A) the rate determined under AS 44.56.170(f)(2)(B)(i);
23 or
24 (B) the estimated interest rate for revenue bonds issued
25 by the authority for the project; and
26 (2) the effective rate of interest because of state financial
27 assistance provided.

28 (e) The authority, in cooperation with the division of budget and
29 management, shall adopt regulations defining

1 (1) the techniques which it shall apply to determine that the
2 information required by (b) - (d) of this section is obtained; and

3 (2) standard criteria and measures for comparative analysis
4 of alternative financing arrangements.

5 Sec. 44.56.183. REVIEW OF FEASIBILITY STUDIES AND PLANS OF FINANCE
6 BY DIVISION OF BUDGET AND MANAGEMENT. (a) The division of budget and
7 management in the Office of the Governor shall review the feasibility
8 study and plan of finance for a project of the authority for compliance
9 with the provisions of AS 44.56.181(b) - (d).

10 (b) In its review under this section, the division of budget and
11 management may obtain an independent evaluation of a feasibility study
12 and plan of finance to determine compliance with the provisions of
13 AS 44.56.181(b) - (d).

14 (c) When the division of budget and management has completed a
15 review of the feasibility study and the plan of finance for a project
16 under this section, it shall submit a report to the governor. The
17 report shall examine the feasibility study and plan of finance for
18 compliance with the requirements of AS 44.56.181(b) - (d). The report
19 of the division of budget and management shall include a recommendation
20 to the governor and legislature for approval or disapproval of the pro-
21 ject based on the division's review of the feasibility study, and plan
22 of finance for compliance with the requirements of AS 44.56.181(b) -
23 (d).

24 (d) The report required by (c) of this section shall be prepared
25 and submitted not later than 60 days after the feasibility study and
26 plan of finance for a proposed project have been received by the division
27 of budget and management.

28 Sec. 44.56.185. SUBMISSION TO THE LEGISLATURE. (a) The authority
29 shall submit a feasibility study and plan of finance for a proposed new

1 project to the legislature. When the report of the division of budget
2 and management the feasibility study and plan of finance is completed as
3 requested in AS 44.56.183, it shall be submitted to the legislature.

4 (b) The authority may not proceed with work on the engineering or
5 design phase of a project for which legislative approval is required
6 until the legislature approves the proposed new project. However, the
7 authority may proceed with the engineering or design work necessary to
8 meet the requirements for submission of a license application for the
9 project to the Federal Energy Regulatory Commission without obtaining
10 legislative approval of the proposed new project.

11 (c) The legislature shall consider and must approve all new pro-
12 jects. The legislature may approve a proposed new project only by
13 enacting legislation authorizing that project.

14 Sec. 44.56.187. APPLICABILITY OF SECTIONS. (a) The provisions of
15 AS 44.56.177 - 44.56.185 apply only to a proposed new project which

16 (1) requires an appropriation from the state general fund,
17 from the power project fund, or from the renewable resources investment
18 fund and the appropriation exceeds

19 (A) \$3,000,000, for projects for which legislative
20 approval is sought during 1981;

21 (B) \$3,000,000 multiplied by a factor equal to a ratio
22 determined by dividing the construction cost index of the Engineer-
23 ing News Record determined for January of the year during which a
24 project is submitted for legislative approval, by the construction
25 cost index of the Engineering News Record for March, 1980, for
26 projects for which legislative approval is sought after December 31,
27 1981; or

28 (2) is based on a plan of finance which requires the issuance
29 of general obligation bonds or other pledge of the credit of the state.

1 (b) The provisions of AS 44.56.177 - 44.56.185 and 44.56.189 apply
2 to a project which generates more than 25 megawatts of power for which
3 the authority will issue its revenue bonds for costs of construction.

4 (c) The provisions of AS 44.56.177 - 44.56.183 do not apply when a
5 reconnaissance study and a feasibility study for a proposed new project
6 have been prepared by an agency of the federal government, if the author-
7 ity determines that the reconnaissance study and the feasibility study
8 prepared by the agency of the federal government provide information
9 sufficient to permit the authority to finance and construct the proposed
10 new project in accordance with the requirements of this chapter. When a
11 reconnaissance study and feasibility study are prepared for a proposed
12 new project by an agency of the federal government and the authority
13 proposes to finance and construct the proposed new project, the authority
14 shall provide copies of the studies and a proposed plan of finance to
15 the division of budget and management. The division of budget and
16 management in the Office of the Governor shall review the studies and
17 plan of finance. Within 60 days after its receipt of the studies and
18 plan of finance, the division of budget and management shall submit a
19 report to the governor and legislature. The report shall examine the
20 feasibility study and plan of finance and comment upon compliance of the
21 feasibility study and plan of finance with the requirements of AS 44.-
22 56.181. Approval of the legislature under AS 44.56.185 is required for
23 a proposed new project which is exempt from the requirements of
24 AS 44.56.177 - 44.56.183 under this subsection. Notwithstanding
25 AS 44.56.185(b), the authority may not proceed with engineering or
26 design work for a project until legislative approval of the project has
27 been given under AS 44.56.185(c), except that the authority may under-
28 take engineering and design work necessary to submit a license applica-
29 tion for the project to the Federal Energy Regulatory Commission without

1 first obtaining legislative approval of the project.

2 (d) The provisions of AS 44.56.175 - 44.56.183 do not apply to

3 (1) an addition, modification, repair, reconstruction, de-
4 sign, acquisition or construction for the purpose of completing a pro-
5 ject;

6 (2) the construction of an electrical transmission or dis-
7 tribution facility which is estimated to cost less than \$3,000,000.

8 Sec. 44.56.189. PROJECT CONSTRUCTION. If a new project is to be
9 designed, acquired and constructed by the authority, it shall be de-
10 signed, acquired and constructed as a public work of the state. For the
11 purpose of this section a new project does not include

12 (1) an addition or modification to an existing project unless
13 the total cost of the addition or modification exceeds \$1,000,000;

14 (2) repair or reconstruction of a project; or

15 (3) design, acquisition or construction necessary to complete
16 a project for which bonds have been issued.

17 Sec. 44.55.191. LIMITATIONS ON ISSUANCE OF BONDS BY THE AUTHORITY.
18 The authority may not issue bonds except after 60 days notification of
19 its intent to issue bonds is given to the governor and to the legisla-
20 ture, if the legislature is in session, or to the Legislative Budget and
21 Audit Committee, if the legislature is not in session.

22 Sec. 44.56.195. OPERATION OF PROJECTS. (a) When a project is
23 operated by the authority, the authority shall enter into one or more
24 contracts for the sale of electrical power from the project. A contract
25 entered into under this section shall meet all requirements of AS 44.-
26 56.090.

27 (b) When, under a contract entered into by the authority under (a)
28 of this section, revenues earned exceed the costs specified in AS 44.-
29 56.090(a), the authority shall require the parties to the contract to

1 reduce rates or improve services to consumers served by the power pro-
2 ject.

3 (c) If, at the expiration of a contract entered into by the autho-
4 rity under (a) of this section, revenues earned by the authority under
5 the contract exceed expenses of the authority for the project, an amount
6 equal to the excess shall be used by the authority to reduce rates or
7 improve services to consumers served by the power project.

8 * Sec. 10. AS 44.56.230(7) is repealed and re-enacted to read:

9 (7) "reconnaissance study" means a study conducted for the
10 purpose of assessing the present and future power needs of an area under
11 AS 44.56.177;

12 * Sec. 11. AS 44.56.230 is amended by adding new paragraphs to read:

13 (8) "feasibility study"

14 (A) means a study conducted for the purpose of estab-
15 lishing the economic and environmental practicality of completing a
16 proposed power project under AS 44.56.181;

17 (B) includes engineering and design work to meet the
18 requirements for submission of a license application for a proposed
19 new project to the Federal Energy Regulatory Commission;

20 (9) "small-scale power production facility" means a facility
21 which, by design, is to produce less than 25 megawatts of power.

22 * Sec. 12. AS 44.56.180 and AS 45.86 are repealed.

23 * Sec. 13. TRANSITION: CURRENT PROJECTS OF THE AUTHORITY. On the effec-
24 tive date of this Act, unless a proposed project is exempt under AS 44.56.187
25 added by sec. 9 of this Act,

26 (1) if the division of budget and management in the Office of the
27 Governor determines that the Alaska Power Authority has completed a recon-
28 naissance study as that term was defined by AS 44.56.230(7) before re-enact-
29 ment of AS 44.56.230(7) by sec. 10 of this Act, the project for which the

1 reconnaissance study was done is exempt from the provisions of AS 44.56.177
2 and 44.56.179, added by sec. 9 of this Act; the Alaska Power Authority shall
3 proceed with preparation of a feasibility study and plan of finance under
4 AS 44.56.181 added by sec. 9 of this Act;

5 (2) if the division of budget and management determines that the
6 Alaska Power Authority has completed both a reconnaissance study under AS 44.-
7 56.080(13) and a statement under AS 44.56.180(c),

8 (A) and that statement or the project for which it was pre-
9 pared has been approved by the legislature under AS 44.56.180(c), the
10 Alaska Power Authority may proceed with that project under AS 44.56.189
11 added by sec. 9 of this Act;

12 (B) and that statement or the project for which it was pre-
13 pared has not been approved by the legislature under AS 44.56.180(c),
14 the division of budget and management shall review the statement for
15 compliance with the requirements of AS 44.56.183 added by sec. 9 of this
16 Act before the statement is submitted under AS 44.56.185, added by
17 sec. 9 of this Act, to the legislature; review by the division of budget
18 and management may not unreasonably delay submission of the statement to
19 the legislature;

20 (3) if a proposed new project has been approved by the legis-
21 lature, or if money has been appropriated by the legislature for a proposed
22 new project, and the Alaska Power Authority has not completed a reconnais-
23 sance study under AS 44.56.080(13) or a statement under AS 44.56.180(c), the
24 project is subject to the provisions of AS 44.56.177 - 44.56.185.

25 * Sec. 14. APPROVAL OF PENDING PROJECTS OF THE ALASKA POWER AUTHORITY.

26 (a) The Alaska Power Authority has submitted to the governor and the legis-
27 lature a statement of its recommendations for financing certain power pro-
28 jects and a statement outlining the general design, demonstration of finan-
29 cial feasibility, and maximum amounts of revenue bonds and appropriations

1 necessary for the projects, together with a statement of the design, acqui-
2 sition, construction and financing of the projects by the authority or another
3 person which satisfy the conditions of AS 44.56.180. The legislature has
4 adopted joint resolutions approving the general design and maximum amount of
5 bonds to be issued for several of the projects and those actions are con-
6 firmed.

7 (b) Actions taken by the legislature before the effective date of this
8 Act to approve the general design and maximum amount of bonds for power
9 projects are confirmed and the Alaska Power Authority is authorized to issue
10 its bonds for the following power projects in the maximum principal amount
11 set out after each:

12 (1) Solomon Gulch, \$20,000,000;

13 (2) Terror Lake, \$120,000,000.

14 (c) The general design and maximum amount of bonds for power projects
15 are approved and the Alaska Power Authority is authorized to issue its bonds
16 for the following power projects in the maximum principal amount set out
17 after each:

18 (1) Golden Valley Electric Association waste heat, \$110,000,000;

19 (2) Tyee Lake, \$70,000,000;

20 (3) Swan Lake, \$120,000,000;

21 (4) Glacier Highway Electric Association, \$800,000;

22 (5) Cordova Electric Cooperative, \$6,500,000;

23 (6) Matanuska Electric Association, \$2,500,000;

24 (7) Homer Electric Association, \$3,360,000;

25 (8) Naknek Electric Association, \$730,000;

26 (9) Lake Elva, \$15,000,000; and

27 (10) Black Bear Lake, \$30,000,000.

28 * Sec. 15. TRANSITION: WATER RESOURCES REVOLVING LOAN FUND. (a) The
29 balance of the water resources revolving loan fund (AS 45.86) lapses into the

1 general fund on the effective date of this Act.

2 (b) The principal and interest due on obligations created by loans made
3 from the water resources revolving loan fund shall be repaid to the commis-
4 sioner of commerce and economic development, and shall be transmitted by him
5 to the commissioner of revenue for deposit in the state general fund.

6 * Sec. 16. Sections 1 - 13 and 15 of this Act take effect July 1, 1980.

7 * Sec. 17. Sections 14, 16, and 17 of this Act take effect immediately in
8 accordance with AS 01.10.070(c).

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WO 7833 ✓
Chenoweth

Original sponsor: Fahrenkamp

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 438 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to energy: to the conservation of
7 energy, the development and use of alternative energy
8 systems, and modifying state and local taxes to encour-
9 age energy conservation; exempting certain energy
10 transactions from regulation by the Alaska Public
11 Utilities Commission; establishing a power production
12 cost assistance program for electric utilities;
13 providing for assistance in the acquisition of bulk
14 fuel; and providing for an effective date."

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

16 * Section 1. DECLARATION OF POLICY. It is the policy of the state to
17 encourage and facilitate the implementation of energy conservation measures
18 relating to in-state energy use. This policy shall be implemented by

19 (1) the state setting an example of wise and efficient energy use,
20 by designing and managing public buildings and their energy systems to meet
21 appropriate standards for energy efficiency;

22 (2) providing incentives for the design and modification of resi-
23 dential, commercial, and industrial buildings to accomplish maximum energy
24 efficiency; and

25 (3) establishing mandatory energy efficiency standards for build-
26 ings purchased or constructed with state financial assistance.

27 *Sec. 2. AS 14.40.260 is amended by adding a new paragraph to read:

28 (7) develop and offer at one or more of the senior college or
29 community college campuses a continuing professional education program

1 for architects, engineers, building officials, and officers and employ-
2 ees of financial institutions on alternative energy systems and on
3 energy conservation and solar design and construction methods applicable
4 to the state.

5 * Sec. 3. AS 29.33.080 is amended by adding a new subsection to read:

6 (g) Exceptions may be granted to building, housing and related
7 codes by the planning commission when an applicant for an exception
8 demonstrates that the exception will result in increased energy effi-
9 ciency, unless the planning commission determines that the exception
10 would endanger the health or safety of the public.

11 * Sec. 4. AS 29.33.090(c) is amended by adding a new paragraph to read:

12 (7) encourage efficiency in the use of energy and the sub-
13 stitution of energy from renewable sources for energy from fossil fuels.

14 * Sec. 5. AS 29.48.020 is amended by adding a new paragraph to read::

15 (7) establish or participate in with the federal and state
16 government loan programs for housing rehabilitation and improvement for
17 conservation of energy.

18 * Sec. 6. AS 29.48.035(14) is amended to read:

19 (14) building, housing and related codes, which may be pro-
20 vided by cities within cities or, in the manner required in (b) or (c)
21 of this section, by first or second class boroughs in the borough area
22 outside cities or areawide, subject to the following: [;]

23 (A) exceptions to requirements of the codes may be made
24 in the codes among other reasons, in order to provide for the
25 preservation, maintenance and protection of historic sites, build-
26 ings and monuments;

27 (B) codes may not be used to prohibit or restrict the
28 development or use of solar or wind energy except if the assembly
29 or council finds that the development or use of solar or wind

1 energy would endanger the health or safety of the public;

2 * Sec. 7. AS 34.15 is amended by adding a new section to article 1 to
3 read:

4 Sec. 34.15.145. SOLAR EASEMENT. (a) An easement obtained for the
5 purpose of protecting the exposure of property to the direct rays of the
6 sun must be created in writing and is subject to the recording require-
7 ments for other conveyances of real property.

8 (b) An instrument creating a solar easement must include, but is
9 not limited to,

10 (1) the vertical and horizontal angles, expressed in degrees,
11 at which the solar easement extends over the real property subject to
12 the solar easement;

13 (2) any terms or conditions under which the solar easement is
14 granted or under which it will be terminated;

15 (3) any provisions for compensation of the owner of the
16 property benefiting from the solar easement in the event of interference
17 with the enjoyment of the solar easement, or compensation of the owner
18 of the property subject to the solar easement for maintaining the solar
19 easement.

20 * Sec. 8. AS 42.05.711 is amended by adding a new subsection to read:

21 (f) The provisions of this chapter do not apply to sales, exchanges
22 or gifts of energy to an electric utility certificated under this
23 chapter when the energy which is the subject of the sale, exchange or
24 gift is waste heat, electricity, or other energy which is surplus or the
25 by-product of an industrial process. In an area in which no electric
26 utility is certificated for service, energy provided by sale, exchange
27 or gift may be provided to any utility which is certificated for service
28 to that area. A contract for the sale, exchange or gift of energy
29 exempt under this subsection does not make the supplier a public

1 utility, and does not transfer the responsibility to provide utility
2 services from a certificated utility to any other persons.

3 * Sec. 9. AS 43.20 is amended by adding a new section to read:

4 Sec. 43.20.037. TRADE OR BUSINESS ENERGY CONSERVATION CREDIT. (a)

5 A person engaged in a trade or business is allowed as a credit against
6 the tax due under this chapter 35 percent of the cost of

7 (1) purchasing, constructing, and installing an alternative
8 energy system or an energy conservation improvement; and

9 (2) the cost of labor for the installation of an alternative
10 energy system or an energy conservation improvement.

11 (b) The credit granted by (a) of this section is limited to
12 \$5,000.

13 (c) A credit may not be claimed for an alternative energy system
14 under this section unless the system, when installed, provides

15 (1) at least 30 percent of the average annual hot water
16 energy needs of the building or structure in which it has been in-
17 stalled; or

18 (2) at least 10 percent of the average annual thermal,
19 electrical or mechanical energy needs of the building or structure in
20 which it has been installed.

21 (d) In this section

22 (1) "alternative energy system"

23 (A) means a source of thermal, mechanical or electrical
24 energy which is not dependent on oil or gas for the supply of
25 energy for space heating and cooling, refrigeration and cold
26 storage, electrical power, mechanical power, or the heating of
27 water;

28 (B) includes

29 (i) an alternative energy property as defined by

1 sec. 48(1)(3)(A) of the Internal Revenue Code (26 U.S.C. sec. 48(1)-
2 (3)(A));

3 (ii) a method of architectural design and construc-
4 tion which provides for the collection, storage and use of direct
5 radiation from the sun; and

6 (iii) any other device approved by the commissioner
7 of commerce and economic development under AS 44.33.040(12);

8 (2) "energy conservation improvement" means

9 (A) structural insulation;

10 (B) thermal windows and doors;

11 (C) a furnace replacement burner designed to achieve a
12 reduction in the amount of fuel consumed as a result of increased
13 combustion efficiency;

14 (D) a device for modifying flue openings designed to
15 increase the efficiency of operation of the heating system;

16 (E) an electrical or mechanical furnace ignition system
17 which replaces a gas pilot light;

18 (F) an automatic energy saving setback thermostat;

19 (G) a meter which displays the cost of energy usage;

20 (H) caulking and weatherstripping of doors and windows;

21 (I) insulating shades and shutters;

22 (J) air and water recuperators;

23 (K) any other energy saving device approved by the
24 commissioner of commerce and economic development under AS 44.33.-
25 040(12).

26 * Sec. 10. AS 43.40.100(2) is amended by adding a new subparagraph to
27 read:

28 (F) fuel which is at least 10 percent alcohol by volume.

29 * Sec. 11. AS 44.33.040 is amended by adding new paragraphs to read:

1 (12) by regulation,

2 (A) adopt or revise thermal and lighting energy stan-
3 dards applicable to buildings and structures, except for public
4 facilities;

5 (B) determine whether a device qualifies as an alter-
6 native energy system or an energy conservation improvement;

7 (13) direct the development of use of solar energy in the
8 state;

9 (14) promote the efficient use of energy resources;

10 (15) encourage and aid local programs which promote the effi-
11 cient use of energy;

12 (16) establish, by regulations adopted in accordance with the
13 Administrative Procedure Act (AS 44.62), a training and certification
14 program for persons performing energy audits as defined in AS 46.11.-
15 900(2).

16 * Sec. 12. AS 44.42.020(a) is amended by adding a new paragraph to read:

17 (14) adopt energy performance standards for public facilities
18 of the state, the construction of which begins after the effective date
19 of this paragraph; the standards shall be based on thermal and lighting
20 energy standards established by the American Society of Heating, Refrig-
21 eration and Air Conditioning Engineers as adapted to application in high
22 latitude, cold climate environs.

23 * Sec. 13. AS 44.42.055(b)(4)(F) is amended to read:

24 (F) [THE] relative costs of identified alternatives
25 (life cycle cost analysis) including but not limited to the install
26 ation and operation of energy systems which are not dependent on
27 oil or gas for water heating, space heating and cooling require-
28 ments, and for the generation of electrical or mechanical power;

29 * Sec. 14. AS 44.42 is amended by adding a new section to read:

1 Sec. 44.42.065. CONSERVATION OF ENERGY IN PUBLIC BUILDINGS. (a)

2 The department shall, as soon as practicable after the effective date of
3 this Act, and at least once every seven years thereafter, perform an
4 energy audit of each public building. A report of the results of the
5 energy audits performed during the preceding year shall be submitted to
6 the legislature not later than February 1, of each year.

7 (b) The department shall include in the report required in (a) of
8 this section recommendations for corrective measures to improve the
9 energy efficiency and to minimize the life-cycle cost of the public
10 buildings surveyed. These measures may include (1) energy conservation
11 measures, (2) measures involving solar technology and other alternative
12 energy systems, (3) energy management, and (4) maintenance and operating
13 procedures and energy-related modifications. In recommending the cor-
14 rective measures, the department shall give priority to changes in
15 maintenance and operating procedures over measures requiring substantial
16 structural modification or installation of equipment.

17 (c) In this section, "energy audit" means a determination of

18 (1) the energy consumption characteristics of a building,
19 including the size, type, and rate of energy consumption of major energy
20 consuming systems of the building and the climate characterizing the
21 region where the building is located; and

22 (2) a determination of the energy conservation and cost
23 savings likely to result from appropriate energy-conserving maintenance
24 and operating procedures and modifications, including the purchase and
25 installation of energy-related fixtures.

26 * Sec. 15. AS 44.47.080 is amended to read:

27 Sec. 44.47.080. PLANNING ASSISTANCE TO PLATTING AUTHORITIES. To
28 facilitate [URBAN] planning in municipalities which exercise planning
29 and zoning authority [CITIES AND OTHER POLITICAL SUBDIVISIONS], the

1 department may provide planning assistance, including but not limited to
2 surveys, land-use studies, urban renewal plans, technical services,
3 model acts which include regulations designed to encourage development
4 and use of energy systems not dependent on oil or gas, and other plan-
5 ning work to a city, borough, or other platting authority. In an area
6 under the jurisdiction, for planning purposes, of a city, borough, or
7 other platting authority, the department may not perform the planning
8 work except at the request or with the consent of the local authority.

9 * Sec. 16. AS 44.56.224 is repealed and re-enacted to read:

10 Sec. 44.56.224. LONG-TERM ENERGY PLAN. The Department of Commerce
11 and Economic Development, assisted by the authority, shall, after public
12 hearings, prepare and annually revise a long-term energy plan. The
13 plan, and its annual revisions, shall be submitted to the commissioners
14 of the departments of the executive branch of the government for review
15 and to the governor for his approval. After approval, the plan shall be
16 submitted to the legislature not later than February 1 of each year.
17 The plan, and its annual revisions, shall include

18 (1) an "end-use" study examining and reporting on the nature
19 and amount of energy used and the purpose of its use; and

20 (2) an energy development component for meeting projected
21 thermal, electrical and transportation energy needs in the state at the
22 lowest reasonable cost, including environmental and social costs,
23 consistent with acceptable standards of reliability, giving an equal
24 consideration as practicable to all types of energy sources (except
25 those based on nuclear fuels) which are technologically feasible, and
26 which promote the efficient use of facilities and fuels consistent with
27 energy conservation goals, and the considerations specified in AS 44.-
28 56.180(e):

29 (3) an energy conservation component, including but not

1 limited to,

2 (A) conservation goals for reducing consumption of
3 energy, identifying the region for which applicable, and the source
4 or type of energy to which the goals are applicable; and

5 (B) specific methods and means for achieving the goals
6 of (A) of this paragraph;

7 (4) a component for emergency energy conservation measures
8 applicable during times of emergency; and

9 (5) a report on areas or subjects of research and development
10 and demonstration projects involving alternative energy systems, local
11 energy sources, and energy conservation.

12 * Sec. 17. AS 45.88.010 is amended to read:

13 Sec. 45.88.010. FUND ESTABLISHED. There is established in the
14 Department of Commerce and Economic Development the alternative tech-
15 nology and energy [POWER RESOURCE] revolving loan fund to carry out the
16 purposes of this chapter. Loans made under this chapter may be used

17 (1) to develop means of energy production utilizing energy
18 sources other than fossil or nuclear fuel, including, but not limited
19 to, windmills, water and solar energy [POWER] devices; and

20 (2) [. IN ADDITION, LOANS MADE UNDER THIS CHAPTER MAY BE
21 USED] to develop and implement methods of energy production, waste
22 disposal, recycling, food production, transportation, building design,
23 and industrial enterprise which may be more efficient, less costly, and
24 less energy intensive than those methods presently utilized and which
25 are appropriate to the Alaska environment [THE FUND MAY BE USED FOR NO
26 OTHER PURPOSES].

27 * Sec. 18. AS 45.88.020(a)(1) is amended to read:

28 (1) make loans for the purchase, construction, and installa-
29 tion of alternative energy systems [POWER RESOURCES] and for the

1 development and implementation of more efficient, less costly, less
2 energy intensive, and more appropriate technologies;

3 * Sec. 19. AS 45.88.030(a) is amended to read:

4 (a) A loan for the development of an alternative energy system
5 [POWER RESOURCE] or for the development or implementation of a northern
6 technology under this chapter may not exceed \$10,000.

7 * Sec. 20. AS 45.88.030(c) is amended to read:

8 (c) Loans made under this chapter may be used to finance [NO MORE
9 THAN 50 PERCENT OF]

10 (1) the cost of purchase, construction, and installation of
11 an [THE] alternative energy system which is likely to result in energy
12 conservation or energy cost savings; [POWER RESOURCE] or

13 (2) the development and implementation of methods of [ENERGY
14 PRODUCTION,] waste disposal, recycling, food production, transportation,
15 building design, and industrial enterprise which may be more efficient,
16 less costly, and less energy intensive than those methods presently
17 utilized and which are appropriate to the Alaska environment.

18 * Sec. 21. AS 45.88.030(d) is amended to read:

19 (d) All principal and interest payments on loans made under this
20 chapter shall be paid into the alternative technology and energy [POWER
21 RESOURCE] revolving loan fund.

22 * Sec. 22. AS 45.88.030(e) is amended to read:

23 (e) The rate of interest

24 (1) for a loan, other than a loan described in (2) of this
25 subsection, may not exceed nine and one-half percent a year on the
26 unpaid balance of the loan;

27 (2) for a loan the proceeds of which are used for an alter-
28 native energy system

29 (A) is five percent, if the loan is made before

1 January 1, 1984;

2 (B) equals the percentage of the average weekly yield
3 of municipal bonds for the 12 months preceding the loan, as deter-
4 mined by the commissioner of commerce and economic development
5 from municipal bond yield rates reported in the 30-year revenue
6 index of the Weekly Bond Buyer, for a loan made after December 31,
7 1983.

8 * Sec. 23. AS 45.88 is amended by adding a new section to read:

9 Sec. 45.88.050. DEFINITIONS. In this chapter, "alternative energy
10 system"

11 (1) means a source of thermal, mechanical or electrical
12 energy which is not dependent on oil or gas or a nuclear fuel for the
13 supply of energy for space heating and cooling, refrigeration and cold
14 storage, electrical power, mechanical power, or the heating of water;

15 (2) includes

16 (A) an alternative energy property as defined by sec.
17 48(1)(3)(A) of the Internal Revenue Code (26 U.S.C. sec. 48(1)-
18 (2)(A));

19 (B) a method of architectural design and construction
20 which provides for the collection, storage and use of direct radia-
21 tion from the sun; and

22 (C) any other device approved by the commissioner of
23 commerce and economic development under AS 44.33.040(12);

24 * Sec. 24. AS 45 is amended by adding a new chapter to read:

25 CHAPTER 89. RESIDENTIAL ENERGY CONSERVATION FUND.

26 Sec. 45.89.010. FUND ESTABLISHED. There is established in the
27 Department of Commerce and Economic Development the residential energy
28 conservation fund to carry out the purposes of this chapter. Refunds
29 and loans made under this chapter may be used to purchase, construct,

1 and install an energy conservation improvement in residential buildings.
2 The fund may be used for no other purpose.

3 Sec. 45.89.020. REFUNDS. (a) The department may make refunds for
4 the purchase, construction, and installation of an energy conservation
5 improvement in a residential building if the person applying for a
6 refund demonstrates, on the basis of an energy audit, that the expendi-
7 tures of the refund for the purchase, construction or installation of
8 the energy conservation improvement would be exceeded by reduced energy
9 costs attributable to the purchase, construction or installation of the
10 energy conservation improvement within seven years.

11 (b) A refund made under this section may not exceed

12 (1) \$300 for a single-family dwelling; or

13 (2) \$200 for each unit in a multi-unit residential building.

14 (c) The department shall establish simple procedures for the pay-
15 ment of a refund to an applicant within 30 days of submission to the
16 department of an application by the applicant, if the application is
17 supported by receipts for expenditures which comply with the results of
18 an energy audit.

ADVANCE GRANT

19 Sec. 45.89.030. LOANS. (a) The department may make loans for the
20 purchase, construction, and installation of an energy conservation
21 improvement in a residential building.

22 (b) A loan for the purchase, construction, and installation of an
23 energy conservation improvement under this chapter may not exceed the
24 lesser of

25 (1) an amount, as determined by an energy audit, which is
26 equal to the estimated total energy cost saving attributable to the
27 energy conservation improvement at a date which is 10 years after pur-
28 chase, construction, or installation of the energy conservation im-
29 provement; or

1 (2) \$5,000.

2 (c) A loan for the purchase, construction, and installation of an
3 energy conservation improvement under this chapter may be made for only
4 an energy conservation improvement which has been recommended, in an
5 energy audit, as a measure which is likely to result in energy conserva-
6 tion or energy cost savings.

7 (d) A loan made under this chapter may be used to finance

8 (1) all of the cost of purchasing, constructing, and install-
9 ing an energy conservation improvement; and

10 (2) the costs of labor for the installation of an energy
11 conservation improvement.

12 (e) Interest shall be charged on a loan made under this chapter.
13 Interest on a loan shall equal the percentage of the average weekly
14 yield of municipal bonds for the 12 months preceding the loan, as
15 determined by the commissioner from the municipal bond yield rates
16 reported in the 30-year revenue index of the Weekly Bond Buyer.

17 (f) The duration of repayment of a loan made under this chapter
18 may not exceed 10 years.

19 (g) The department may require security for a loan under this
20 section. When a loan is made under this section, the department may
21 require the loan applicant to present copies of invoices or billings for
22 expenses which the proceeds of the loan will be used to pay.

23 (h) Amounts repaid on a loan made under this section shall be
24 deposited to the residential energy conservation fund.

25 (i). A person who receives a loan under this section and knowingly
26 uses the loan proceeds for purposes other than those set out in (d) of
27 this section is guilty of the crime of misapplication of property under
28 AS 11.46.620.

29 Sec. 45.89.040. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The

1 commissioner may sell or transfer at par value or at a premium or dis-
2 count to any bank or other private purchaser for cash or other con-
3 sideration the mortgages and notes held by the department as security
4 for loans made under this chapter.

5 (b) The commissioner may sell or transfer at par value to the
6 Department of Revenue the mortgages and notes held by the department as
7 security for loans made under this chapter. The Department of Revenue
8 may purchase the mortgages and notes offered.

9 Sec. 45.89.100. DEFINITIONS. In this chapter

10 (1) "commissioner" means the commissioner of commerce and
11 economic development;

12 (2) "department" means the Department of Commerce and Eco-
13 nomic Development;

14 (3) "energy audit" means

15 (A) an energy audit completed under AS 46.11.030;

16 (B) an energy audit performed under sec. 215(b)(1)(A) of
17 the federal residential energy conservation program of the National
18 Energy Conservation Policy Act (42 U.S.C. 8216(b)(1)(A)); or

19 (C) an energy audit completed before the effective date
20 of this section which has been approved by the commissioner as an
21 audit which fairly demonstrates the energy consumption character-
22 istics of a residence and which indicates likely energy conser-
23 vation and cost savings measures;

24 (4) "energy conservation improvement" means

25 (A) structural insulation;

26 (B) thermal windows and doors;

27 (C) a furnace replacement burner designed to achieve a
28 reduction in the amount of fuel consumed as a result of increased
29 combustion efficiency;

- 1 (D) a device for modifying flue openings designed to
2 increase the efficiency of operation of the heating system;
- 3 (E) an electrical or mechanical furnace ignition system
4 which replaces a gas pilot light;
- 5 (F) an automatic energy saving setback thermostat;
- 6 (G) a meter which displays the cost of energy usage;
- 7 (H) caulking and weatherstripping of doors and windows;
- 8 (I) insulating shades and shutters;
- 9 (J) air and water recuperators;
- 10 (K) any other energy saving device approved by the
11 commissioner of commerce and economic development under AS 44.33.-
12 040(12).

13 * Sec. 25. AS 46 is amended by adding a new chapter to read:

14 TITLE 46. WATER, AIR, ENERGY, AND ENVIRONMENTAL CONSERVATION.

15 CHAPTER 11. CONSERVATION OF ENERGY AND MATERIALS.

16 Sec. 46.11.010. THERMAL AND LIGHTING ENERGY STANDARDS FOR PUBLIC
17 BUILDINGS. (a) All public facilities of the state, the construction of
18 which begins after the effective date of this Act, shall be designed to
19 comply with the thermal and lighting energy standards adopted by the
20 Department of Transportation and Public Facilities under AS 44.42.-
21 020(a)(14).

22 (b) By June 30, 1988, all public facilities of the state existing
23 on the effective date of this Act shall be modified, to the extent
24 economically feasible, to comply with the thermal and lighting energy
25 standards adopted by the Department of Transportation and Public Facili-
26 ties under AS 44.42.020(a)(14).

27 Sec. 46.11.020. TRAINING OF PUBLIC BUILDING MAINTENANCE PERSONNEL.
28 Persons responsible for the maintenance of public buildings designed
29 with energy conservation or production features shall be trained by the

1 department in the use and operation of those features.

2 Sec. 46.11.030. ENERGY AUDITS. (a) The Department of Commerce
3 and Economic Development shall

4 (1) establish criteria for the performance of energy audits
5 of commercial and industrial buildings located in the state;

6 (2) establish criteria for the performance of energy audits
7 of residences located in the state;

8 (3) develop a program by which to advise persons certified
9 under AS 44.33.040(16) to perform energy audits of contracts to be
10 awarded for performance of energy audits.

11 (b) The commissioner of commerce and economic development may
12 contract with persons certified under AS 44.33.040(16) to perform energy
13 audits. The commissioner may negotiate contracts or make contracts on
14 the basis of competitive bids.

15 (c) The Department of Commerce and Economic Development may con-
16 tract with a municipality for the performance of energy audits in the
17 municipality.

18 (d) A person requesting an energy audit is required to pay for the
19 audit. The fee for an audit of a one- or two-family residence is \$10.
20 The fee for an audit of other residences or of a commercial or indus-
21 trial building shall be established by regulations adopted, in accord-
22 ance with the Administrative Procedure Act (AS 44.62), by the commis-
23 sioner of commerce and economic development.

24 (e) The Department of Commerce and Economic Development shall
25 reimburse persons performing energy audits in the state for the cost, in
26 excess of fees received, of performing energy audits. In this subsec-
27 tion "cost" includes administrative cost.

28 Sec. 46.11.040. APPLICABILITY OF THERMAL AND LIGHTING ENERGY STAND-
29 DARDS TO PRIVATE BUILDINGS. State financial assistance may not be ap-

1 proved or granted for the construction of a new residential or com-
2 mercial building if construction of the building begins after
3 December 31, 1980, unless

4 (1) the building is in compliance with thermal and lighting
5 energy standards;

6 (2) the building is in compliance with the building code of a
7 municipality and the municipal building code meets or exceeds the ther-
8 mal and lighting energy standards;

9 (3) the building

10 (A) is constructed under an exception to the municipal
11 building code granted under AS 29.23.080(g); or

12 (B) is located or is to be located in an area where
13 thermal and lighting energy standards are not justified because of
14 the high cost of implementation of the standards, as determined
15 under regulations adopted by the commissioner of commerce and
16 economic development; or

17 (4) the applicant agrees, in writing, that the building will
18 be brought into compliance with thermal and lighting energy standards
19 within one year of conveyance.

20 Sec. 46.11.050. FINANCING OF ENERGY EFFICIENT HOMES AND BUILDINGS.

21 (a) A financial institution shall take into consideration the economic
22 benefits of alternative energy systems, life-cycle energy costs, energy
23 efficient building design, and energy conservation when financing homes
24 and buildings with state financial assistance.

25 (b) A financial institution that makes home mortgage loans with
26 money provided under AS 37.10.070 or a state agency which makes a direct
27 home mortgage loan to an applicant shall include estimated heating and
28 lighting costs as determined by an energy audit in standard principal,
29 interest, taxes and insurance calculation of the cost of buying a

1 housing unit.

2 Sec. 46.11.100. RECYCLING OF MATERIALS BY STATE AGENCIES. (a)
3 Each state agency shall to the greatest extent practicable recycle
4 reusable materials, including but not limited to, paper, glass, and
5 cans.

6 (b) The Department of Environmental Conservation shall encourage,
7 through cooperative means, the adoption of all available and practicable
8 methods throughout federal, state and local governments which recycle,
9 reuse and conserve materials.

10 Sec. 46.11.900. DEFINITIONS. In this chapter

11 (1) "alternative energy system"

12 (A) means a source of thermal, mechanical or electrical
13 energy which is not dependent on oil or gas or a nuclear fuel for
14 the supply of energy for space heating and cooling, refrigeration
15 and cold storage, electrical power, mechanical power, or the
16 heating of water;

17 (B) includes

18 (i) an alternative energy property as defined by
19 sec. 48(1)(3)(A) of the Internal Revenue Code (26 U.S.C. sec.
20 48(1)(3)(A));

21 (ii) a method of architectural design and construc-
22 tion which provides for the collection, storage and use of direct
23 radiation from the sun; and

24 (iii) any other device approved by the commissioner
25 of commerce and economic development under AS 44.33.040(12);

26 (2) "department" means the Department of Commerce and Econo-
27 mic Development;

28 (3) "energy audit" means a determination and written summary
29 prepared under AS 46.11.030 or sec. 215(b)(1)(A) of the National Energy

1 Conservation Policy Act (42 U.S.C. 8216(b)(1)(A)) of

2 (A) the energy consumption characteristics of a build-
3 ing, including the size, type, and rate of energy consumption of
4 major energy consuming systems of the building and the climate
5 characterizing the region where the building is located; and

6 (B) the energy conservation and cost savings likely to
7 result from appropriate energy-conserving maintenance and operating
8 procedures and modifications, including the purchase and installa-
9 tion of energy-related fixtures; for purposes of this subparagraph
10 when a fossil fuel is the energy source, the energy cost savings
11 shall be determined with reference to the projected price of that
12 fossil fuel over a 10-year period;

13 (4) "financial institution" means a bank, trust company,
14 savings bank, savings and loan association, or credit union;

15 (5) "life-cycle cost" means the total cost of owning, oper-
16 ating, and maintaining a building over its useful life, including its
17 energy and fuel costs, determined on a basis of a systematic evaluation
18 and comparison of alternative building systems, except that in the case
19 of leased buildings the life-cycle cost shall be calculated over the
20 effective remaining term of the lease;

21 (6) "new building" means a building the construction of which
22 begins after December 31, 1980;

23 (7) "public building" means a building owned or controlled
24 and held by the state for government or public use;

25 (8) "state financial assistance" means a loan, grant, guaran-
26 tee, insurance, payment, rebate, subsidy, or other form of state assis-
27 tance (other than aid under AS 43.18) including the purchase by a state
28 agency of a loan to finance the construction of a new residential,
29 commercial, or industrial building;

1 (9) "thermal and lighting energy standards" means the thermal
2 and lighting energy standards established by the American Society of
3 Heating, Refrigeration, and Air Conditioning Engineers as revised

4 (A) by the commissioner of transportation and public
5 facilities under AS 44.42.020(a) for public facilities; or

6 (B) by the commissioner of commerce and economic develop-
7 ment under AS 44.33.040(12) for buildings and structures which are
8 not public facilities.

9 * Sec. 26. AS 44.19 is amended by adding a new section to read:

10 ARTICLE 3A. DISASTER AND EMERGENCY RELIEF FUNDS [FUND].

11 Sec. 44.19.179. FUEL EMERGENCY FUND. There is established in the
12 Office of the Governor the fuel emergency fund. When the governor
13 determines that a shortage of fuel is sufficiently severe to justify
14 state assistance he may make a grant from the fuel emergency fund to a
15 city or borough, or to a village or unincorporated community, to pur-
16 chase emergency supplies of fuel.

17 * Sec. 27. AS 44.47.130 is amended by adding new paragraphs to read:

18 (7) make grants to communities for bulk fuel storage facili-
19 ties;

20 (8) cooperate with the Department of Environmental Conserva-
21 tion and other agencies to provide technical assistance to communities
22 in the installation, operation and management of bulk fuel storage
23 facilities.

24 * Sec. 28. AS 44.47.140 is amended to read:

25 Sec. 44.47.140. LIMITATIONS. A program [THE PROGRAMS] of the
26 department under AS 44.47.130 in a rural area [ARE SUBJECT TO THE
27 FOLLOWING LIMITATIONS:

28 (1) NO PROGRAM FOR ANY ONE COMMUNITY] may not exceed \$40,000
29 in cost a year, except that a grant of not more than \$60,000 may be made

1 under AS 44.47.145 for a bulk fuel storage facility [; AND

2 (2) NO FIRST CLASS CITY OF OVER 2,000 POPULATION IS ELIGIBLE
3 FOR ASSISTANCE].

4 * Sec. 29. AS 44.47 is amended by adding a new section to read:

5 Sec. 44.47.145. BULK FUEL STORAGE FACILITIES GRANT FUND. (a)
6 There is established in the Department of Community and Regional Affairs
7 the bulk fuel storage facilities grant fund. Grants may be made by the
8 department from this fund to a community to acquire and install
9 community bulk storage facilities.

10 (b) Grants made under this section for the acquisition and instal-
11 lation of a bulk fuel storage facility may not exceed \$60,000 per
12 community.

13 (c) If the governing body of two or more communities determine
14 that their fuel requirements may be served by a single bulk fuel storage
15 facility, the communities may jointly apply for grants to acquire and
16 install a single bulk fuel storage facility. When communities apply
17 jointly under this subsection, the limitation in (b) of this section is
18 multiplied by the number of communities which submit the joint appli-
19 cation.

20 (d) Before a grant is made under this section, the city council
21 or, if the community is not incorporated, a responsible representative
22 body in the community shall agree in writing to maintain and operate the
23 bulk storage facility to be constructed with the proceeds of the grant.

24 * Sec. 30. AS 45 is amended by adding a new chapter to read:

25 CHAPTER 87. BULK FUEL.

26 Sec. 45.87.010. BULK FUEL REVOLVING LOAN FUND ESTABLISHED. There
27 is established in the Department of Commerce and Economic Development
28 the bulk fuel revolving loan fund to assist communities in purchasing
29 bulk fuel. A community, or a private individual who has written

1 endorsement from the governing body of the community, is eligible for a
2 loan from the bulk fuel revolving loan fund for a bulk fuel purchase.

3 Sec. 45.87.020. LOAN TERMS FOR BULK FUEL PURCHASES. (a) Loans
4 made from the bulk fuel revolving loan fund to one borrower in any
5 fiscal year

6 (1) may not exceed \$50,000;

7 (2) shall be repaid in one year or less; and

8 (3) may not exceed 90 percent of the wholesale price of the
9 fuel purchased;

10 (b) Interest may be charged on a loan made from the bulk fuel
11 revolving loan fund. Interest shall be charged on a loan at a rate
12 equal to the percentage of the average weekly yield of municipal bonds
13 for the 12 months preceding the date of the loan, as determined by the
14 commissioner of commerce and economic development from municipal bond
15 yield rates reported in the 30-year revenue index of the Weekly Bond
16 Buyer. However, if the commissioner finds that a community cannot
17 afford to repay a portion of interest on a loan, and makes a deter-
18 mination in writing, he may reduce or eliminate the interest rate
19 applicable to the loan.

20 (c) Repayments of the principal on a loan from the bulk fuel
21 revolving loan fund shall be paid by the commissioner of commerce and
22 economic development into the bulk fuel revolving loan fund.

23 Sec. 45.87.030. POWERS OF THE DEPARTMENT. The department may
24 contract for the administration of the bulk fuel loan program estab-
25 lished in this chapter.

26 Sec. 45.87.040. DEFINITIONS. In this chapter

27 (1) "bulk fuel storage facility" means a storage tank capable
28 of holding at least 10,000 gallons of petroleum fuels;

29 (2) "community" means an organized municipality or an unin-

1 corporated village which is a social unit, with a population under
2 2,000;

3 (3) "department" means the Department of Commerce and Eco-
4 nomic Development.

5 * Sec. 31. AS 44.56 is amended by adding new sections to read:

6 ARTICLE 3A. POWER PRODUCTION COST ASSISTANCE.

7 Sec. 44.56.162. POWER PRODUCTION COST ASSISTANCE. (a) There is
8 established as a separate fund to provide financial assistance to eli-
9 gible electric utilities in the state, the power production cost assist-
10 ance fund which shall be administered by the authority as a fund
11 distinct from other funds of the authority and which is composed of
12 money appropriated for the purpose of providing power production cost
13 assistance to an eligible electric utility.

14 (b) Power production costs which may be paid from the power
15 production cost assistance fund include costs of electrical generation
16 for

- 17 (1) production expenses, consisting of the costs of
18 (A) operation supervision and engineering;
19 (B) fuel, oil, gas, coal, and other thermal fuels;
20 (C) generation expenses;
21 (D) miscellaneous other power generation expenses;
22 (E) rents;
23 (F) maintenance supervision and engineering;
24 (G) maintenance of structures;
25 (H) maintenance of generating and electric plant; and
26 (I) maintenance of miscellaneous other power generation;
- 27 (2) fixed costs, consisting of
28 (A) depreciation of a generating plant and equipment;
29 (B) taxes on a generating plant and equipment;

1 (C) insurance on or attributable to a generating plant
2 and equipment;

3 (D) interest on indebtedness incurred for a generating
4 plant and equipment;

5 (3) costs of purchased power, including but not limited to
6 system control and loan dispatching expenses; and

7 (4) transmission expenses, consisting of

8 (A) transmission operation supervision and engineering;

9 (B) transmission loan dispatching;

10 (C) station expenses;

11 (D) overhead line expenses;

12 (E) underground line expenses;

13 (F) transmission of electricity by others;

14 (G) miscellaneous transmission expenses;

15 (H) rents; and

16 (I) maintenance costs for facilities associated with

17 (A) - (E) of this paragraph.

18 (c) Power production cost assistance shall be paid to an eligible
19 electric utility if the actual power production costs of the utility
20 exceed its adjusted power production costs, as determined annually by
21 the commission. The adjusted power production costs of an electric
22 utility are

23 (1) five percent of the portion of the actual power produc-
24 tion costs which does not exceed 40 cents per kilowatt hour; plus

25 (2) the base power production cost escalator; the base power
26 production cost escalator is 9.497 cents per kilowatt hour adjusted
27 annually by a percentage equal to the percentage of change in the
28 Anchorage consumer price index for the year.

29 (d) An eligible electric utility may include as part of its

1 revenue requirement for the purpose of setting rates charged for resi-
2 dential service and local community facilities service only the adjusted
3 power production cost per kilowatt-hour sold. However, the utility's
4 approved tariff shall show rates based on the actual cost of providing
5 electric utility service and the state assistance derived from the power
6 production cost assistance program under this section.

7 (e) The power production cost assistance program shall be ad-
8 ministered by the authority based on a determination by the commission
9 of adjusted power production cost of each electric utility eligible for
10 power production cost assistance. An electric utility is eligible for
11 power production cost assistance if

12 (1) the actual power production costs of the utility exceed
13 the adjusted power production costs, as determined by the commission
14 under (c) of this section;

15 (2) at least 15 percent of the total energy sold by an elec-
16 tric utility during the calendar year preceding the year in which power
17 production cost assistance may be claimed was for residential use.

18 (f) The adjusted power production cost shall be calculated
19 annually in the manner prescribed by (c) of this section and shall be
20 based on the actual power production cost filed with the commission by
21 each eligible electric utility, as verified by the commission. The
22 power production cost shall be derived from financial data supporting
23 the most recently approved permanent rate schedule with adjustments
24 incorporating the current cost of fuel. The determination of the cost
25 of fuel by the commission shall be in accordance with the procedure for
26 approving fuel cost rate adjustments in effect at the time of the
27 determination. The commission shall review filings and approve an
28 adjusted power production cost per kilowatt-hour and revised rates based
29 on the approved adjusted power production cost per kilowatt-hour, as

1 determined under (c) of this section. The commission may change the
2 adjusted power production costs if

3 (1) a . increase or decrease in a utility's cost of fuel has
4 resulted in the approval of a fuel cost rate adjustment by the commis-
5 sion;

6 (2) a permanent or interim rate increase has been approved by
7 the commission, thereby establishing a higher or lower power production
8 cost;

9 (3) the authority has discovered discrepancies in its review
10 of data submitted, monthly, by the utilities; or

11 (4) the authority determines that appropriations are in-
12 sufficient to fund full payments to eligible utilities.

13 (g) Each electric utility with a rate schedule and adjusted power
14 production cost approved by the commission shall report monthly to the
15 authority within the time and in the form the authority designates (1)
16 the total actual power production costs of electric power including a
17 detailed breakdown of those costs as specified by the commission; (2)
18 the total kilowatt-hours sold during the preceding month; (3) the total
19 kilowatt-hours sold during the preceding month for service eligible for
20 power production cost assistance under (b) of this section; (4) the
21 total kilowatt-hours generated during the preceding month; (5) the total
22 power production cost per kilowatt-hour sold; (6) the total power pro-
23 duction cost per kilowatt-hour generated; and (7) any increase or de-
24 crease in the current unit price of fuel from the base price used by the
25 commission in the determination of power production costs. The authority
26 shall review the report and may submit the report to the commission for
27 additional review before payment.

28 (h) After review and approval by the authority, the authority
29 shall, subject to appropriation, pay to each eligible electric utility

1 an amount equal to the difference between the actual power production
 2 costs for the preceding month and the approved adjusted power production
 3 cost per kilowatt-hour times the number of kilowatt-hours sold to resi-
 4 dential and local community facility customers during the preceding
 5 month. Payment shall be made by the authority within 30 days of receipt
 6 from the utility of the report required under (g) of this section.
 7 However, if there is a dispute between the authority and the utility
 8 relating to the payment, the authority shall submit the report to the
 9 commission within 30 days of receipt of the report by the authority for
 10 review before payment. When a report is submitted to the commission for
 11 review under this section, payment shall be made by the authority within
 12 30 days after submission. If appropriations are insufficient for
 13 payment in full, the amount paid to each electric utility is reduced on
 14 a pro-rata basis.

15 (i) If an electric utility receives a payment under this section,
 16 the utility shall furnish the following notice to its electric service
 17 customers eligible under this program for each period for which the
 18 payment is received:

19 "NOTICE TO CUSTOMER

20 For the current billing period the utility has been paid
 21 under the State of Alaska's power production cost assistance
 22 program (AS 44.56.162) to assist the utility and its custo-
 23 mers in reducing the high cost of generation of electric
 24 energy.

25	Your total electrical service cost	\$
26	Less state assistance	\$
27	Your charge	\$

28 (j) An electric utility that is not subject to the jurisdiction of
 29 the commission becomes subject to that jurisdiction upon the approval by

1 the commission of an adjusted power production cost per kilowatt-hour
2 sold, notwithstanding the provisions of AS 42.05.701 or 42.05.711.

3 (k) For the purpose of this section,

4 (1) the terms used in (b)(1) - (4) of this section are
5 defined as those items are defined in a recognized system of utility
6 accounts designated by the commission;

7 (2) actual power production costs are the expenses and costs
8 prescribed in this subsection less any other power production cost
9 assistance provided to the electric utility.

10 (1) In this section,

11 (1) "commission" means the Alaska Public Utilities Commis-
12 sion;

13 (2) "local community facilities" means water and sewer, faci-
14 lities, public outdoor lighting, and community buildings whose opera-
15 tions are not paid for by the state, the federal government, or private
16 commercial interests.

17 Sec. 44.56.164. EXEMPT UTILITIES OPERATED BY POLITICAL SUB-
18 DIVISIONS. (a) A utility operated by a political subdivision of the
19 state which is exempt from regulation under AS 42.05.711(b) may receive
20 power production cost assistance under AS 44.56.162 without becoming
21 subject to the jurisdiction of the Alaska Public Utilities Commission if
22 the utility is otherwise eligible for assistance and if the utility

23 (1) files with the commission the financial data necessary to
24 determine the adjusted power production cost in the form prescribed in a
25 recognized system of utility accounts designated by the commission;

26 (2) makes the reports required in AS 44.56.162(g) required of
27 an electric utility with a rate schedule approved by the commission
28 within the time and in the form the Alaska Power Authority designates;

29 (3) sets rates charged for residential services and local

1 community services by including as part of its revenue requirements for
2 these services only the adjusted power production cost per kilowatt-hour
3 sold;

4 (4) allows audits the commission determines necessary to
5 insure compliance with this section;

6 (5) furnishes its electric service customers eligible under
7 this program the "Notice to Customer" specified in AS 44.56.162(i).

8 (b) The provisions of AS 44.56.162 relating to determination of
9 the amount of power production cost assistance and payment of the
10 assistance apply to assistance under this section.

11 * Sec. 32. AS 42.05.141 is amended by adding a new subsection to read:

12 (b) The commission shall perform the duties assigned to it under
13 AS 44.56.162. In the establishment of electric service rates under this
14 chapter the commission shall promote the conservation of resources used
15 in the generation of electric energy.

16 * Sec. 33. The Department of Commerce and Economic Development shall
17 conduct an education program to inform the public of the contents of this Act
18 and other government programs relating to energy conservation.

19 * Sec. 34. A report of the results of the first energy audit completed by
20 the Department of Transportation and Public Facilities under AS 44.42.065,
21 added by sec. 14 of this Act, shall be submitted to the legislature not later
22 than January 31, 1982.

23 * Sec. 35. AS 43.20.037, enacted by sec. 9 of this Act, is repealed.

24 * Sec. 36. AS 42.05.141(b), added by sec. 32 of this Act, and AS 44.56.-
25 162 and 44.56.164, added by sec. 31 of this Act, are repealed.

26 * Sec. 37. Sections 2 and 12 - 25 of this Act take effect July 1, 1980.

27 * Sec. 38. Sections 9 and 10 of this Act take effect January 1, 1981.

28 * Sec. 39. Section 36 of this Act takes effect July 1, 1983.

29 * Sec. 40. Section 35 of this Act takes effect January 1, 1984.

1 * Sec. 41. Sections 1, 3 - 8, 11, 26 - 34, and 37 - 41 of this Act take
2 effect immediately in accordance with AS 01.10.070(c).
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MEMORANDUM

State of Alaska

TO: Representative Russ Meekins
Chairman
House Finance Committee

DATE: April 28, 1980

FILE NO:

TELEPHONE NO:

FROM: Clarissa Quinlan *CQ*
Director
Division of Energy and Power
Development

SUBJECT: Committee Substitute
for HB 851

The attached fiscal notes reflect new provisions added to HB 851 following House Resources Committee markup. The change from the original fiscal notes generally reflect refinements of a minor nature except for the following:

1. Addition of the section relating to administration of the residential conservation grants.
2. Changes to the long-term energy development plan requirements included the original legislation.

RECEIVED
APR 30 1980

DEPARTMENT OF REVENUE
& ECONOMIC DEVELOPMENT
DIVISION OF BUSINESS LISTS

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCS for CS for SB 438
 Title An Act relating to energy
 Requested by Resources Committee Date _____

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Division of Energy and Power Development
 (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)

ENERGY AUDIT DEVELOPMENT, TRAINING AND ADMINISTRATION

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		93.2	100.7	108.7		
200 TRAVEL		5.4	5.8	6.3		
300 CONTRACTUAL		106.0	65.0	70.2		
400 COMMODITIES		2.4	2.6	2.8		
500 EQUIPMENT		2.9	.5	.6		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		209.9	174.6	188.6		

FUNDING (Thousands of Dollars)

*8% inflation rate assumed for succeeding years

GENERAL FUND		209.9	174.6	188.6		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3	3		
PART TIME						
TEMPORARY						

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

The budget presented above will enable the development and implementation of energy auditor workshops, materials development and dissemination and program evaluation. The Accounting Technician position is primarily needed for administration of the audit grant program through certified auditor contracts.

IV. DATE: 4-26-80

PREPARED BY Claudia Juntunen
 AGENCY Division of Energy & Power Development
 PHONE 276-0508

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

Section 26 - ENERGY

AUDIT DEVELOPMENT, TRAINING AND ADMINISTRATION

100 - Personal Services \$ 93,155.00

1-Architect/Planner (20a)
(2,845/mo X 6 mo) + (3,039/mo X 6 mo) + 25.5%
payroll burden = \$45,895.00

1-Clerk Typist III (08a)
(1,277/mo X 6 mo) + (1,761/mo X 6 mo) + 30%
payroll burden = \$20,826.00

1-Accounting Technician I (12a)
(1,628/mo X 6 mo) + (1,761/mo X 6 mo) + 30%
payroll burden = \$26,434.00

200 - Travel \$ 5,375.00

14 trips @ \$ 250 = \$ 3,500

25 days @ \$ 75 = \$ 1,875

300 - Contractual \$ 106,000.00

Professional Services
Workshops, materials, energy audit training
program, audit evaluation development and
implementation = \$ 93,500

Other
Telephone, postage, copying, equipment
rental, advertising, space rental = \$ 12,500

400 - Commodities \$ 2,400.00

500 - Equipment \$ 2,863.00

1-Desk @ \$ 388 = \$ 388
1-Chair @ \$ 155 = \$ 155
1-Bookcase @ \$ 90 = \$ 90
1-Programmable calculator @ \$ 650 = \$ 650
5-Dividers @ \$300 = \$ 1,500
1-Lanier distaphone @ \$ 80 = \$ 80

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL LEGISLATURE

I. REQUEST
 Bill/Resolution No. HCS for CS for SB 438
 Title An Act relating to energy
 Requested by Resources Committee Date _____

II. FISCAL DETAIL
 Agency Affected Department of Commerce and Economic Development
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Division of Energy and Power Development
 (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)

THERMAL AND LIGHTING ENERGY STANDARDS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		56.3	60.8	65.7	70.9	76.6
200 TRAVEL		4.0	4.3	4.7	5.0	5.4
300 CONTRACTURAL		21.7	23.4	25.3	27.3	29.5
400 COMMODITIES		.6	.7	.8	.9	1.0
500 EQUIPMENT		1.4	.4	.5	.6	.7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ECT.						
TOTAL		84.0	89.6	97.0	104.7	113.2

FUNDING (Thousands of Dollars) *8% inflation rate assumed for succeeding years

GENERAL FUND		84.0	89.6	97.0	104.7	113.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1.5	1.5	1.5	1.5	1.5
PART TIME						
TEMPORARY						

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

The funding requested will provide the Division with the capability to prepare necessary regulation for the standards, assure compliance by appropriate state agencies providing financial assistance for new buildings and assisting in educating the public about the standard and any future revisions.

IV. DATE 4-28-80 PREPARED BY Claudia Quintana
 AGENCY Division of Energy & Power Development
 PHONE 276-5002
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Section 26 - THERMAL AND LIGHTING ENERGY STANDARDS

100 - Personal Services \$ 56,308.00

1-Construction Engineer I (20a)
(2,845/mo X 6 mo) + (3,039/mo X 6 mo) + 25.5%
payroll burden = \$ 45,895

½-Clerk Typist III (08a)
½ (1,277/mo X 6 mo) + (1,393/mo X 6 mo) + 30%
payroll burden = \$ 10,413

200 - Travel 4,050.00

10 trips @ \$ 300 = \$ 3,000
15 days per diem @ \$ 70 = \$ 1,050

300 - Contractual 21,654.00

Professional services
Training and education package development =
\$10,000.00

Other
Telephone, postage, printing, copying,
equipment rental, advertising, space
rental = \$ 15,500.00

400 - Commodities 600.00

500 - Equipment 1,408.00

1-Desk @ \$ 388 = \$ 388
1-Chair @ \$ 155 = \$ 155
1-Table @ \$ 145 = \$ 145
1-File cabinet @ \$ 200 = \$ 200
1-Calculator @ \$ 250 = \$ 250
1-Bookcase @ \$ 90 = \$ 90
1-Lanier hand dictating machine @ \$ 180 = \$ 180

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL LEGISLATURE

I. REQUEST
 Bill/Resolution No. HCS for CS for SB 438
 Title An Act relating to energy
 Requested by Resources Committee Date _____

II. FISCAL DETAIL
 Agency Affected Department of Commerce and Economic Development
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Division of Energy and Power Development
 (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)

PUBLIC EDUCATION PROGRAM

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		25.7	27.8	30.0	32.4	35.0
200 TRAVEL		3.6	3.9	4.2	4.5	4.9
300 CONTRACTURAL		23.7	25.6	27.6	29.9	32.2
400 COMMODITIES		1.6	1.7	1.9	2.0	2.2
500 EQUIPMENT		2.2	.4	.5	.6	.7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ECT.						
TOTAL		56.8	59.4	64.2	69.4	75.0

FUNDING (Thousands of Dollars) *8% inflation rate assumed for succeeding years

GENERAL FUND		56.8	59.4	64.2	69.4	75.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

The estimated budget will provide the division sufficient supplemental support to carry out the public information program mandate in the legislation.

IV. DATE 4-28-80 PREPARED BY Clarence M. Dugolans
 AGENCY Division of Energy & Power Devel.
 PHONE 276-0508

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

Section 12 and 27 - PUBLIC EDUCATION PROGRAM

100 - Personal Services \$ 25,662.00

1-Administrative Assistant I (12a)
(1,628/mo X 6 mo) + (1,662/mo X 6 mo) + 30%
payroll burden = \$ 25,662

200 - Travel 3,600.00

7 trips @ \$ 300 = \$ 2,100
20 days per diem @ \$ 75 = \$ 1,500

300 - Contractual 23,700.00

Brochure and media preparation and production,
advertising workshops, printing = \$ 17,700

Telephone, postage, copying, space rental and
equipment rental = \$ 6,000

400 - Commodities 1,600.00

500 - Equipment 2,198.00

1-Desk @ \$ 388 = \$ 388
1-Bookcase @ \$ 90 = \$ 90
1-Chair @ \$ 155 = \$ 155
1-Table @ \$ 145 = \$ 145
1-File Cabinet @ \$ 170 = \$ 170
1-Lanier portable dictaphone @ \$ 100 = \$ 100
3-Office partitions @ \$ 300 = \$ 900
1-12 digit calculator @ \$250 = \$ 250

THE LEGISLATURE OF THE STATE OF ALASKA
 ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HCS for CS for SB 438
 Title An Act relating to energy
 Requested by Resources Committee Date _____

II. FISCAL DETAIL
 Agency Affected Department of Commerce and Economic Development
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Division of Energy and Power Development
 (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)

STATE-ASSISTED RESIDENTIAL ENERGY AUDITS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		1,285	1,500	541.2		
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		1,285	1,500	541.2		

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Reference Energy Audit Development, Training and Administration fiscal note.

IV. DATE: 4-22-80 PREPARED BY Clara M. Duplass
 AGENCY Division of Energy & Power Devel
 PHONE 276-0508
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE-ASSISTED RESIDENTIAL ENERGY AUDITS

These program estimated costs have been prepared in support of a State-assisted energy audit program, with local governments, local agencies, utilities, and other contractors providing energy audits for the residential sector with the State sharing the cost burden.

These calculations assume that in-house management of program contracts will be covered as outlined on the Fiscal Note for Energy Audit Administration for CS for HB851.

Assumptions:

1. Total 1980 Statewide occupied households (from HUD estimates): 112,750. Owned households (only) are 60%, or 67,650. For three years of program, assume Statewide household levels to be constant.
2. In 1979 the participation rate for the Fuel Conservation Tax Credit was 8%. Estimate the FY 81 Energy Audit Program response rate to be 150% of that, or 12%. FY 82 participation rate will increase to 14%. FY 83 response rate will decrease to 8% (increased owner share of costs.)
3. Cost of audit = \$120. Three hour residential audit at \$40/hour. State share for first two years is \$95, with owners paying \$25; while costs for third year are \$60 for owner and State per audit.
4. Option 1, below is for total households participating; with option 2 showing costs for "owned" only costs which are 40% reduction in program.

	FY 81	FY 82	FY 83
Option 1			
Households	112,750	112,750	112,750
Participation	.12	.14	.08
Participants	13,530	15,785	9,020
Audit Costs	1,623,600	1,894,200	1,082,400
Owner Costs	338,250	394,625	541,200
<u>State Share</u>	<u>1,285,350</u>	<u>1,499,575</u>	<u>541,200</u>
Option 2			
<u>State Share</u>	<u>771,210</u>	<u>899,745</u>	<u>324,720</u>

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL LEGISLATURE

I. REQUEST

Bill/Resolution No. HCS for CS for SB 438
Title An Act relating to energy
Requested by Resources Committee Date _____

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Division of Energy and Power Development
(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						
200 TRAVEL						
300 CONTRACTURAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ECT.						
TOTAL						

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

DEPD

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		11.5				
PART TIME						
TEMPORARY						

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

	Energy Plan	Energy Audit Admin.	Audit Contrib.	Thermal Standards	Public Educ.	Grants Admin.	Loan Admin.
PERSONAL SERVICES	90.8	93.2	-0-	56.3	25.7	83.0	
TRAVEL	9.3	5.4	-0-	4.0	3.6	9.0	
CONTRACTURAL	168.5	106.0	1,285	21.7	23.7	12.4	
COMMODITIES	.7	2.4	-0-	.6	1.6	1.0	
EQUIPMENT	1.1	2.9	-0-	1.4	2.2	3.3	

IV. DATE 4-28-80 PREPARED BY Clarence M. Duglitz
AGENCY Division of Energy & Power Development
PHONE 276-0598

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

IIB 851 Grants & Loans detail*

Grants

7,500 single-family homes at \$300	2,250,000
2,000 housing units at \$200	<u>400,000</u>
	2,650,000

LOANS

400 loans at \$5,000	2,000,000
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*Prepared by Representative Brian Rogers

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCS for CS for SB 438
Title An Act relating to energy
Requested by Resources Committee Date _____

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Division of Energy and Power Development
(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)

Long Term Energy Plan

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		90.8	62.1	67.1	72.4	78.2
200 TRAVEL		9.3	5.5	5.9	6.4	6.9
300 CONTRACTUAL		168.5	65.5	70.7	76.4	82.5
400 COMMODITIES		.7	.8	.9	1.0	1.1
500 EQUIPMENT		1.1	.4	.4	.4	.4
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		270.4	134.3	145.0	156.6	169.1

FUNDING (Thousands of Dollars)

* 8% inflation rate assumed for succeeding years

GENERAL FUND		270.4	134.3	145.0	156.6	169.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	2	2	2	2
PART TIME						
TEMPORARY						

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

FY81 efforts include initial preparation of Alaska's first comprehensive energy development plan, an energy emergency contingency plan and establishment of on-going energy supply and demand analysis system. These activities are major one-time efforts. In subsequent years the plan will be updated, close coordination with the Alaska Power Authority continued, and review of proposed energy projects for the Administration carried out. Other responsibilities will include liaison with the U.S. Department of Energy on energy pricing, supply and regulation issues.

IV. DATE 4-28-80 PREPARED BY Christine M. Dwyer
AGENCY Division of Energy & Power Dev.
PHONE 276-0508
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

Section 17 LONG TERM ENERGY PLAN

100 - Personal Services \$ 90,758.00

1-Energy Specialist II (18a)
(2,465/mo X 6 mo) + (2,640/mo X 6 mo) + 25.5%
payroll burden = \$38,441.00

*1-Administrative Assistant II (14a)
(1,850/mo X 6 mo) + (1,995/mo X 6 mo) + 25.5%
payroll burden = \$28,953.00

1-Clerk Typist II (07a)
(1,207/mo X 6 mo) + (1,319/mo X 6 mo) + 30.0%
payroll burden = \$19,021.00

Accounting Technician II (14a) - 15%
(1,850/mo X 6 mo) + (1,995/mo X 6 mo) + 25.5%
payroll burden = \$4,434.00

200 - Travel \$ 9,300.00

Juneau - 10 trips @ \$250 = \$2,500

Hearings - 2 sets = 12 trips @ \$ 300 = \$ 3,600

40 days per diem @ \$ 80 = \$ 3,200

300 - Contractual \$ 168,500.00

Professional service contracts = \$ 150,500
Development of on-going energy supply and
demand analysis system; energy development
plan and emergency contingency plans
preparation; transportation and fuels
production and supply systems assessments.

Computer and programing time = \$ 4,000

Telephone, postage, printing, advertising, copying,
space rental and equipment rental - \$ 14,000

400 - Commodities \$ 700.00

500 - Equipment \$ 1,108.00

1-Desk @ \$ 388 = \$ 388
1-Chair @ \$ 155 = \$ 155
2-Bookcases @ \$ 90 = \$ 180
1-Calculator @ \$ 240 = \$ 240
1-Table @ \$ 145 = \$ 145

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL LEGISLATURE

I. REQUEST

Bill/Resolution No. HCS for CS for SB 438
Title An Act relating to energy
Requested by Resources Committee Date _____

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Division of Energy and Power Development
(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)

CONSERVATION GRANTS ADMINISTRATION

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		83.0	89.6	96.8	104.6	112.9
200 TRAVEL		9.0	9.7	10.5	11.3	12.2
300 CONTRACTURAL		12.4	13.4	14.5	15.6	16.9
400 COMMODITIES		1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT		3.3	.5	.6	.7	.8
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ECT.						
TOTAL		108.7	114.3	123.6	133.5	144.2

FUNDING (Thousands of Dollars) *8% inflation assumed for succeeding years

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		108.7	114.3	123.6	133.5	144.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

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

The budget above was prepared assuming administration of the loan program by the Division of Business Loans

IV. DATE 4-28-80 PREPARED BY Christina M. Dwyer
AGENCY Division of Energy & Power Dev
PHONE 276-0508

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

Section 25 - CONSERVATION GRANTS ADMINISTRATION

100 - Personal Services

\$ 82,982.00

1-Grants Administrator II (17a)
(2,289/mo X 6 mo) + (2,455/mo X 6 mo) +
25.5% payroll burden = \$ 35,722

1-Accounting Technician I (12a)
(1,628/mo X 6 mo) + (1,761/mo X 6 mo) +
30% payroll burden = \$ 26,434

1-Clerk Typist III (08a)
(1,277/mo X 6 mo) + (1,393/mo X 6 mo) +
30% payroll burden = \$ 20,826

200 - Travel

9,000.00

20 trips @ \$ 300 = \$ 6,000
40 days @ \$ 75 = \$ 3,000

300 - Contractual

12,400.00

Telephone, postage, photocopying, printing
advertising, space rental, equipment rental

400 - Commodities

1,000.00

500 - Equipment

3,317.00

1-Desk @ \$ 388 = \$ 388
2-Desk w/ Typing Extension @ \$ 381 = \$ 762
2-Chair, Posture @ \$ 118 = \$ 236
1-Executive Swivel w/ arms @ \$ 155 = \$ 155
1-Credenza @ \$ 310 = \$ 310
2-Tables @ \$ 145 = \$ 290
3-Filing Cabinet @ \$ 188 = \$ 564
2-Side charis w/o arms @ \$ 66 = \$ 132
2-Calculator @ \$ 240 = \$ 480