

BILLS 1981 - 1982 1404
SSHB 9 cont. - CSSSHB 9 1404

1 including but not limited to a theatre, concert hall or gallery, or to
2 serve as the repository of the historical or contemporary heritage of
3 the community and its people, and which also may be used for compatible
4 activities, including but not limited to, activities relating to educa-
5 tion, community meetings, tourism, and visitor information.

6 * Sec. 37. AS 46.12.120 is amended by adding a new paragraph to read:

- 7 (6) adopt building energy performance standards for
8 (A) public facilities of the state; and
9 (B) residences, commercial and industrial buildings,
10 and other privately owned buildings in the state for which alterna-
11 tive energy system and energy conservation improvement loans may
12 be made under AS 46.13 or for which an energy conservation credit
13 is sought under AS 43.20.037.

14 * Sec. 38. AS 46 is amended by adding a new chapter to read:

15 CHAPTER 13. ENERGY CONSERVATION AND DEVELOPMENT.

16 ARTICLE 1. COMPREHENSIVE ENERGY CONSERVATION PROGRAM.

17 Sec. 46.13.010. COMPREHENSIVE ENERGY CONSERVATION PROGRAM. (a)

18 The Department of Commerce and Economic Development shall develop and
19 administer a comprehensive energy conservation program.

20 (b) The program shall

- 21 (1) systematically address energy conservation in every
22 community of the state;
23 (2) provide for performance of energy audits for buildings;
24 (3) provide for the installation of energy conservation
25 devices;
26 (4) include provisions for education of the public about,
27 and encourage public participation in, planning and management of
28 energy conservation activities; and
29 (5) coordinate energy conservation planning and energy

1 conservation programs of other agencies of the state and local govern-
2 ments and nongovernmental entities.

3 ARTICLE 2. ALTERNATIVE TECHNOLOGY AND
4 ENERGY CONSERVATION LOANS.

5 Sec. 46.13.100. LOAN FUND ESTABLISHED. There is established in
6 the Department of Commerce and Economic Development the alternative
7 technology and energy conservation loan fund to carry out the purposes
8 of AS 46.13.100 - 46.13.199. A loan made under AS 46.13.100 - 46.13.199
9 may be used

10 (1) to develop energy production and conservation systems
11 using energy sources other than fossil or nuclear fuel, including, but
12 not limited to, windmills, water, and solar energy devices;

13 (2) to develop and implement methods of energy production,
14 waste disposal, recycling, food production, transportation, building
15 design, and industrial enterprise which may be more efficient, less
16 costly, and less energy intensive than those methods presently used and
17 which are appropriate to the Alaska environment;

18 (3) to purchase, construct, or install an energy conserva-
19 tion improvement or an alternative energy system which is likely to
20 result in energy conservation or energy cost savings

21 (A) in a residential or commercial building;

22 (B) in a building owned by a corporation organized
23 under AS 10.20; or

24 (C) as part of an agricultural or industrial process.

25 Sec. 46.13.110. POWERS AND DUTIES OF THE DEPARTMENT. The depart-
26 ment may make loans

27 (1) for the purchase, construction, installation, and pro-
28 duction of

29 (A) alternative energy systems;

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(B) energy conservation improvements; and

(2) for the development, implementation, and production of more efficient, less costly, less energy intensive, and more appropriate technologies.

Sec. 46.13.120. AUDITS. A loan may not be made under AS 46.-13.100 - 46.13.190 for an alternative energy system or energy conservation improvement unless audits of the building have been completed as provided in this section. The audits shall include

(1) an abbreviated audit that

(A) identifies the energy conservation improvements defined in AS 46.13.249(4) which are appropriate to the building;

(B) identifies other low-cost improvements which the owner may make to conserve energy;

(C) advises the owner of possible conservation practices; and

(D) recommends areas to be analyzed in a detailed energy audit;

(2) a detailed audit that

(A) analyzes building characteristics;

(B) evaluates the applicability of structural retrofit, upgrading, and the replacement of energy systems with alternative energy systems;

(C) recommends appropriate alternative energy systems for the building; and

(D) provides to the applicant an estimate of the costs to implement the recommended measures, and an estimate of the time in which the estimated cost of the energy saved by implementation of the recommended measures exceeds the cost of implementing the recommended measures.

1 Sec. 46.13.130. LOAN TERMS. (a) A loan for the purchase, con-
2 struction, or installation of an alternative energy system or an energy
3 conservation improvement under AS 46.13.100 - 46.13.199 may be made
4 only for an alternative energy system or energy conservation improve-
5 ment which has been recommended in a detailed energy audit as a measure
6 which is likely to result in energy conservation or energy cost savings.

7 (b) A loan for the development of an alternative energy system or
8 for an energy conservation improvement

9 (1) may include the cost of the detailed audit of the build-
10 ing; and

11 (2) may not exceed the lesser of

12 (A) the cost of the alternative energy system or the
13 energy conservation improvement and the amount included under (1)
14 of this subsection; or

15 (B) \$100,000.

16 (c) The duration for repayment of a loan may not exceed 75 percent
17 of the estimated useful life of the alternative energy system or energy
18 conservation improvement, as determined by the department. However,
19 the department may provide for a graduated interest rate for a loan
20 made under AS 46.13.100 - 46.13.199, and may defer the payment of
21 principal and interest on a loan. The department may not provide for a
22 graduated interest rate for a loan or defer payment of a loan unless
23 the borrower agrees to repayment terms which preserve the present value
24 of the amount loaned.

25 (d) All payments of principal and interest on a loan made under
26 AS 46.13.100 - 46.13.199 shall be paid by the department to the Depart-
27 ment of Revenue for deposit into the general fund.

28 (e) The rate of interest on a loan made under AS 46.13.100 -
29 46.13.199

1 (1) is five percent, if the loan is made before January 1,
2 1984;

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

8 (f) The department may require security for a loan under this
9 section. When security is required, the security may include only a
10 lien against the alternative energy system or energy conservation
11 improvement, or against personal property of the borrower. When a loan
12 is made under this section, the department may require the loan appli-
13 cant to present copies of invoices or billings for expenses which the
14 proceeds of the loan will be used to pay.

15 Sec. 46.13.140. LIMITATIONS ON LOANS. A loan for an alternative
16 energy system or energy conservation improvement which uses wood as its
17 principal fuel may not be used by the borrower for structural changes
18 in a building. Not more than one-third of the amount loaned for an
19 alternative energy system or energy conservation improvement which uses
20 wood as its principal fuel may be used for costs of installation of the
21 system or improvement.

22 Sec. 46.13.150. LOAN ADVANCES. The department shall establish
23 procedures for the payment of an advance of a portion of the proceeds
24 of a loan by an applicant before the purchase and construction or
25 installation of an energy conservation improvement or an alternative
26 energy system.

27 Sec. 46.13.160. REGULATIONS. The department shall adopt regula-
28 tions necessary to carry out the provisions of AS 46.13.100 - 46.13.199.

29 Sec. 46.13.199. DEFINITIONS. In AS 46.13.100 - 46.13.199,

1 "alternative energy system"

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

6 (2) includes

7 (A) an alternative energy property as defined by
8 sec. 48(1)(3)(A) of the Internal Revenue Code (26 U.S.C. sec. 48-
9 (1)(3)(A));

10 (B) a method of architectural design and construction
11 which

12 (i) provides for the collection, storage and use
13 of direct radiation from the sun; or

14 (ii) provides for the retention of heat by the use
15 of an amount or quality of insulation which exceeds the
16 amount or quality of insulation required by building perfor-
17 mance standards adopted by the Alaska Energy Center; and

18 (C) any other device approved by the commissioner of
19 commerce and economic development under AS 46.13.290(12).

20 ARTICLE 3. ENERGY CONSERVATION REFUNDS AND GRANTS.

21 Sec. 46.13.200. FUND ESTABLISHED. There is established in the
22 Department of Commerce and Economic Development the residential energy
23 conservation grant fund to carry out the purposes of AS 46.13.200 -
24 46.13.249. Refunds and grants made under AS 46.13.200 - 46.13.249 may
25 be used to purchase, construct, and install an energy conservation
26 improvement in residential buildings. The fund may be used for no
27 other purpose.

28 Sec. 46.13.210. REFUNDS AND GRANTS. (a) The department may
29 make refunds or grants for the purchase, construction, and installation

1 of an energy conservation improvement in a residential building if the
2 person applying for a refund or grant demonstrates, on the basis of an
3 energy audit, that the expenditures of the refund or grant for the
4 purchase, construction or installation of the energy conservation
5 improvement would be exceeded by reduced energy costs attributable to
6 the purchase, construction, or installation of the energy conservation
7 improvement during the expected useful life of the energy conservation
8 improvement.

9 (b) A refund or grant made under this section may not exceed and
10 amount determined by the department by application of each of the
11 factors set out in (e) of this section to the base rate applicable to
12 the dwelling or residential building. The base rate is

13 (1) \$300 for a single-family dwelling; or

14 (2) \$200 for each unit in a multi-unit residential building.

15 (c) The department

16 (1) shall establish simple procedures for the payment of a
17 refund to an applicant within 30 days of submission to the department
18 of an application, if the application is supported by receipts for
19 expenditures which comply with the results of an energy audit; and

20 (2) shall prescribe a form for applying for a refund or
21 grant under this section.

22 (d) The department may make a grant to an applicant before the
23 purchase, construction or installation of an energy conservation im-
24 provement.

25 (e) In making a refund or grant under this section, the depart-
26 ment shall determine the amount of a refund or grant payable under (a)
27 of this section by adjusting the base rate set out in (b) of this
28 section by

29 (1) a regional cost-of-living index determined by the depart-

1 ment;

2 (2) a degree day factor.

3 Sec. 46.13.249. DEFINITIONS. In AS 46.13.200 - 46.13.249,

4 (1) "degree day" means a unit that represents one degree of
5 declination from 65 degrees in the mean outdoor temperature of a day;

6 (2) "degree day factor" means the factor determined by
7 dividing the average number of degree days for the community in which a
8 dwelling or residential building is located by the average number of
9 degree days for the state;

10 (3) "energy audit" means

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

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

16 (C) an energy audit completed before July 1, 1981,
17 which has been approved by the commissioner as an audit which
18 fairly demonstrates the energy consumption characteristics of a
19 residence and which indicates likely energy conservation and cost
20 savings measures;

21 (4) "energy conservation improvement" means

22 (A) structural insulation;

23 (B) storm and thermal windows and doors;

24 (C) a furnace replacement burner designed to achieve a
25 reduction in the amount of fuel consumed as a result of increased
26 combustion efficiency;

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

29 (E) an electrical or mechanical furnace ignition system

1 which replaces a gas pilot light;

2 (F) an automatic energy-saving setback thermostat;

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

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

5 (I) insulating shades and shutters;

6 (J) air and water recuperators;

7 (K) electrical outlet insulating gaskets;

8 (L) water heater insulating jacket;

9 (M) shower flow reducer;

10 (N) any other energy-saving device approved by the
11 commissioner of commerce and economic development under AS 44.33.-
12 040(12);

13 (5) "regional cost-of-living index" is an index determined
14 by calculating costs of living in the election districts of the state
15 by using the cost of living in Anchorage as a base of 1.00;

16 (6) "residential building" means a building which is used as
17 a home, dwelling or sleeping place and includes a newly constructed
18 building and a building proposed for construction as well as an existing
19 structure.

20 ARTICLE 4. LOW-INCOME ENERGY CONSERVATION ASSISTANCE.

21 Sec. 46.13.250. LOW-INCOME ENERGY CONSERVATION ASSISTANCE. The
22 department may make a grant to an individual, municipality, or nonprofit
23 corporation to install energy conservation improvements in a building
24 or dwelling in which a low-income individual resides. A grant may not
25 exceed \$3,000.

26 Sec. 46.13.260. STANDARDS. The department shall by regulation
27 establish

28 (1) income standards for individuals who are eligible for
29 assistance under AS 46.13.250 - 46.13.279;

1 (2) eligibility requirements for contractors of the grantee
2 who install energy conservation improvements;

3 (3) the energy conservation improvements which may be made
4 under AS 46.13.250 - 46.13.279;

5 (4) the amount of assistance that may be provided to an
6 individual under AS 46.13.250 - 46.13.279, considering

7 (A) the estimated life of the housing unit;

8 (B) prior energy conservation improvements made to the
9 housing unit;

10 (C) the cost effectiveness of any proposed improvements
11 which are made to conserve energy;

12 (D) costs of materials and transportation of materials;
13 and

14 (E) the availability of other financial resources for
15 energy conservation in the building or dwelling.

16 Sec. 46.13.270. LIMITATION ON ASSISTANCE. If an energy conserva-
17 tion improvement in a building or dwelling is financed by a refund or
18 grant made under AS 46.13.200 - 46.13.249, a low-income individual who
19 later resides in the building or dwelling may receive assistance under
20 AS 46.13.250 - 46.13.279 for other energy conservation improvements.
21 However,

22 (1) only one grant may be made under AS 46.13.250 - 46.13.279
23 for each building or dwelling; and

24 (2) when a grant is given for a building or dwelling under
25 AS 46.13.250 - 46.13.279, the owner of the building or dwelling may not
26 obtain a refund or grant under AS 46.13.200 - 46.13.249.

27 Sec. 46.13.275. AUDIT. (a) A grant may not be made under
28 AS 46.13.250 - 46.13.279 unless an audit is completed. The audit shall
29 be an abbreviated audit and shall contain the information required by

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AS 46.11.032(1).

(b) The cost of an energy audit for a dwelling in which a low-income individual resides shall be paid by the department.

ARTICLE 10. GENERAL PROVISIONS.

Sec. 46.13.900. DEFINITIONS. In this chapter,

(1) "department" means the Department of Commerce and Economic Development;

(2) "division" means the division of energy and power development in the Department of Commerce and Economic Development.

* Sec. 39. The following laws are repealed: AS 45.88; AS 45.89; and AS 46.11.030(d) and (e).

* Sec. 40. The Alaska Housing Finance Corporation may not reduce the maximum loan amount for which an owner-builder is eligible under AS 18.56 if a loan has been issued to an owner-builder from the alternative technology and energy conservation loan fund (AS 46.13.100 - 46.13.199).

* Sec. 41. This Act takes effect July 1, 1981.

Introduced: 3/19/81
Referred: State Affairs

1 IN THE HOUSE

BY ROGERS AND BUCHHOLDT

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 9

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to departments and programs of state
7 government which are concerned with energy; and provid-
8 ing for an effective date."

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

10 * Section 1. AS 37.12.125(6) is amended to read:

11 (6) "renewable resource" means

12 (A) non-human living organisms;

13 (B) natural components of the environment, including
14 the air, land, and water; [AND]

15 (C) energy systems which are naturally recurring or
16 replenished; and

17 (D) energy conservation.

18 * Sec. 2. AS 43.20.037(d)(1)(B)(ii) is amended to read:

19 (ii) a method of architectural design and construc-
20 tion which provides for the collection, storage and use of
21 direct radiation from the sun or which provides for the re-
22 tention of heat by the use of an amount or quality of insula-
23 tion which exceeds the amount or quality of insulation re-
24 quired by building performance standards adopted by the
25 Department of Transportation and Public Facilities under
26 AS 44.42.020(14); and

27 * Sec. 3. AS 44.33.020 is amended by adding a new paragraph to read:

28 (25) develop and administer a village energy conservation
29 program for the benefit of the people of rural areas of the state,

1 emphasizing

2 (A) the performance of energy audits for residences;

3 (B) the installation of energy conservation improve-
4 ments; and

5 (C) community education and participation in the plan-
6 ning and management of village energy conservation programs and
7 projects.

8 * Sec. 4. AS 44.42.020(14) is amended to read:

9 (14) adopt energy performance standards and building perfor-
10 mance standards [FOR PUBLIC FACILITIES OF THE STATE, THE CONSTRUCTION
11 OF WHICH BEGINS AFTER JULY 1, 1980]; the standards shall be based on
12 thermal and lighting energy standards established by the American
13 Society of Heating, Refrigeration and Air Conditioning Engineers as
14 adapted for application in high latitude, cold climate environs; the
15 energy performance standards adopted under this paragraph apply to
16 public facilities of the state the construction of which began after
17 July 1, 1980; the building performance standards adopted under this
18 paragraph are recommended for construction of buildings except public
19 facilities;

20 * Sec. 5. AS 44.83.010 is amended to read:

21 Sec. 44.83.010. LEGISLATIVE FINDING AND POLICY. (a) The legis-
22 lature finds, determines and declares that

23 (1) there exist numerous potential hydroelectric and fossil
24 fuel gathering sites in the state;

25 (2) the establishment of energy [POWER] projects at these
26 sites is necessary to supply energy [POWER] at the lowest reasonable
27 cost to the state's municipal electric, rural electric, cooperative
28 electric, and private electric utilities, and regional electric authori-
29 ties, and thereby to the consumers of the state, as well as to supply

1 existing or future industrial needs;

2 (3) the achievement of the goals of lowest reasonable con-
3 sumer energy [POWER] costs and beneficial long-term economic growth and
4 of establishing, operating and developing energy [POWER] projects in
5 the state will be accelerated and facilitated by the creation of an
6 instrumentality of the state with powers to construct, acquire, finance,
7 and operate energy [POWER] projects.

8 (b) It is declared to be the policy of the state, in the interests
9 of promoting the general welfare of all the people of the state, and
10 public purposes, to reduce consumer energy [POWER] costs and otherwise
11 to encourage the long-term economic growth of the state, including the
12 development of its natural resources, through the establishment of
13 energy [POWER] projects by creating the public corporation with powers,
14 duties and functions as provided in this chapter.

15 * Sec. 6. AS 44.83.070 is amended to read:

16 Sec. 44.83.070. PURPOSE OF THE AUTHORITY. The purpose of the
17 authority is to promote, develop and advance the general prosperity and
18 economic welfare of the people of Alaska by providing a means of con-
19 structing, acquiring, financing and operating energy [POWER] production
20 facilities limited to fossil fuel, wind power, tidal, geothermal,
21 hydroelectric, or solar energy production and [WASTE] energy conserva-
22 tion facilities.

23 * Sec. 7. AS 44.83.080(5) is amended to read:

24 (5) to acquire, whether by construction, purchase, gift or
25 lease, and to improve, equip, operate, and maintain energy [POWER]
26 projects;

27 * Sec. 8. AS 44.83.080(10) is amended to read:

28 (10) to enter into contracts with the United States or any
29 person and, subject to the laws of the United States and subject to

1 concurrence of the legislature, with a foreign country or its agencies,
2 for the financing, construction, acquisition, operation and maintenance
3 of all or any part of an energy [A POWER] project, either inside or
4 outside the state, and for the sale or transmission of energy [POWER]
5 from a project or any right to the capacity of it or for the security
6 of any bonds of the authority issued or to be issued for the project;

7 * Sec. 9. AS 44.83.080(11) is amended to read:

8 (11) to enter into contracts with any person and with the
9 United States, and, subject to the laws of the United States and subject
10 to the concurrence of the legislature, with a foreign country or its
11 agencies for the purchase, sale, exchange, transmission, or use of
12 energy [POWER] from a project, or any right to the capacity of it;

13 * Sec. 10. AS 44.83.080(12) is amended to read:

14 (12) to apply to the appropriate agencies of the state, the
15 United States and to a foreign country and any other proper agency for
16 the permits, licenses, or approvals as may be necessary, and to con-
17 struct, maintain and operate energy [POWER] projects in accordance with
18 the licenses or permits, and to obtain, hold and use the license and
19 permits in the same manner as any other person or operating unit;

20 * Sec. 11. AS 44.83.080(13) is amended to read:

21 (13) to perform reconnaissance studies, feasibility studies,
22 and engineering and design with respect to energy [POWER] projects;

23 * Sec. 12. AS 44.83.080(16) is amended to read:

24 (16) to recommend to the legislature

25 (A) the issuance of general obligation bonds of the
26 state to finance the construction of an energy [A POWER] project
27 if the authority first determines that the project cannot be
28 financed by revenue bonds of the authority at reasonable rates of
29 interest;

1 (B) the pledge of the credit of the state to guarantee
2 repayment of all or any portion of revenue bonds issued to assist
3 in construction of energy [POWER] projects;

4 (C) an appropriation from the general fund

5 (i) for debt service on bonds or other project
6 purposes; or

7 (ii) to reduce the amount of debt financing for the
8 project;

9 (D) an appropriation to the energy [POWER] project fund
10 for a power project;

11 (E) an appropriation of a part of the income of the
12 renewable resources investment fund for an energy [A POWER] pro-
13 ject;

14 (F) development of a project under financing arrange-
15 ments with other entities using leveraged leases or other financing
16 methods.

17 * Sec. 13. AS 44.83.090 is amended to read:

18 Sec. 44.83.090. ENERGY [POWER] CONTRACTS AND THE ALASKA PUBLIC
19 UTILITIES COMMISSION. (a) The authority shall, in addition to the
20 other methods which it may find advantageous, provide a method by which
21 municipal electric, rural electric, cooperative electric, or private
22 electric utilities and regional electric authorities, or other persons
23 authorized by law to engage in the distribution of energy [ELECTRICITY]
24 may secure a reasonable share of the energy [POWER] generated by a
25 project, or any interest in a project, or for any right to the energy
26 [POWER] and shall sell the energy [POWER] or cause the energy [POWER]
27 to be sold at the lowest reasonable prices which cover the full cost of
28 the energy [ELECTRICITY] or services, including capital and operating
29 costs, debt coverage as considered appropriate by the authority, and

1 other charges that may be authorized by this chapter. A contract for
2 the sale, transmission and distribution of energy [POWER] generated by
3 a project or any right to the capacity of it shall provide:

4 (1) for payment of all operating and maintenance expenses of
5 a project and costs of renewals, replacements and improvements of it;

6 (2) for interest on and amortization charges sufficient to
7 retire bonds of the authority issued for the project and reserves for
8 them, plus a debt service coverage factor as may be determined by the
9 authority to be necessary for the marketability of its bonds;

10 (3) for monitoring of the project by the authority or its
11 agents;

12 (4) for full and complete disclosure to the authority of all
13 factors of cost in the transmission and distribution of energy [POWER],
14 so that rates to any persons may be fixed initially in the contract and
15 may be adjusted from time to time on the basis of true cost data;

16 (5) for periodic revisions of the service and rates to
17 persons on the basis of accurate cost data obtained by the accounting
18 methods and systems approved by the directors and in furtherance and
19 effectuation of the policy declared in this chapter;

20 (6) for the cancellation and termination of a contract upon
21 violation of its terms by any person;

22 (7) for security for performance as the authority may con-
23 sider practicable and advisable, including provisions assuring the
24 continuance of the distribution and transmission of energy [POWER]
25 generated by a project and the use of its facilities for these purposes;
26 and

27 (8) other terms not inconsistent with the provisions and
28 policy of this chapter as the authority may consider advisable.

29 (b) The authority is not subject to the jurisdiction of the

1 Alaska Public Utilities Commission. Nothing in this chapter grants the
2 authority any jurisdiction over the services or rates of any public
3 utility or diminishes or otherwise alters the jurisdiction of the
4 Alaska Public Utilities Commission with respect to any public utility,
5 including any right the commission may have to review and approve or
6 disapprove contracts for the purchase of energy [ELECTRICITY] by a
7 public utility.

8 * Sec. 14. AS 44.83.110(a)(1)(B) is amended to read:

9 (B) the fixing and collection of rentals, charges, fees
10 or other consideration for, and the other terms to be incorporated
11 in, contracts with respect to a project or to energy [GENERATED
12 POWER];

13 * Sec. 15. AS 44.83.110(a)(1)(C) is amended to read:

14 (C) the assignment by the authority of its rights in
15 contracts with respect to a project or to energy [GENERATED POWER]
16 or in a mortgage or other security interest created with respect
17 to a project or energy [GENERATED POWER] to a trustee for the
18 benefit of bondholders;

19 * Sec. 16. AS 44.83.110(b) is amended to read:

20 (b) Notwithstanding any other provisions of this chapter, the
21 trust agreement shall contain a covenant by the authority that it will
22 at all times maintain rates, fees or charges sufficient to pay, and
23 that a contract entered into by the authority for the sale, transmission
24 or distribution of energy [POWER] shall contain rates, fees or charges
25 sufficient to pay the costs of operation and maintenance of the project,
26 the principal of and interest on bonds issued under the trust agreement
27 as the same severally become due and payable, to provide for debt
28 service coverage as considered necessary by the authority for the
29 marketing of its bonds and to provide for renewals, replacements and

1 improvements of the project, and to maintain reserves required by the
2 terms of the trust agreement.

3 * Sec. 17. AS 44.83.170 is amended to read:

4 Sec. 44.83.170. ENERGY [POWER] PROJECT FUND. (a) There is
5 established as a separate fund the energy [POWER] project fund which
6 shall be distinct from any other money or funds of the authority, and
7 which includes only money appropriated by the legislature.

8 (b) The authority may make loans from the energy [POWER] project
9 fund

10 (1) to electric utilities, regional electric authorities,
11 municipalities, cities, boroughs, regional and village corporations,
12 village councils, and nonprofit marketing cooperatives to pay the costs
13 of

14 (A) reconnaissance studies, feasibility studies, license
15 and permit applications, preconstruction engineering, and design
16 of energy [POWER] projects;

17 (B) constructing, equipping, modifying, improving, and
18 expanding small-scale energy [POWER] production facilities, con-
19 servation facilities, bulk fuel storage facilities, and transmis-
20 sion and distribution facilities, including energy production,
21 transmission and distribution, and [WASTE] energy conservation
22 facilities which depend on fossil fuel, wind power, tidal, geo-
23 thermal, biomass, hydroelectric, solar or other non-nuclear energy
24 sources; and

25 (C) reconnaissance studies, preconstruction engineering,
26 design, construction, equipping, modification, and expansion of
27 potable water supply including surface storage and groundwater
28 sources and transmission of water from surface storage to existing
29 distribution systems;

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(2) to a borrower for an energy [A POWER] project if

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

(B) the party which will be responsible for the energy [POWER] project is an electric utility, regional electric authority, municipality, city, borough, regional or village corporation, village council, or nonprofit marketing cooperative; and

(C) the borrower seeking the loan demonstrates to the authority that the financing arrangement for the energy [POWER] project will reduce project financing costs below costs of comparable public energy [POWER] projects.

(c) Before making a loan from the energy [POWER] project fund, the authority shall, by regulation, specify

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

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

(3) collateral or other security required for loans;

(4) the terms and conditions of loans;

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

(6) other relevant criteria, standards or procedures.

(d) Any loan made by the authority must be made according to the standards, criteria, and procedures established by regulation under this section.

(e) Repayment of the loans shall be secured in any manner which the authority determines is feasible to assure prompt repayment under a loan agreement entered into with the borrower. The authority may make

1 an unsecured loan from the energy [POWER] project fund to a borrower
2 regulated by the Alaska Public Utilities Commission under AS 42.05 if
3 the borrower has a substantial history of repaying long-term loans and
4 the capacity to repay the loan. Under a loan agreement, repayment may
5 be deferred for 10 years or until the project for which the loan is
6 made has achieved earnings from its operations sufficient to pay the
7 loan, whichever is earlier.

8 (f) Energy [POWER] projects are subject to the following limita-
9 tions on interest and specific restrictions:

10 (1) Energy [POWER] projects for which loans are outstanding
11 from the water resources revolving loan fund (AS 45.86) on July 13,
12 1978, may receive additional financing from the energy [POWER] project
13 fund; the additional financing, if granted,

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

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

17 (C) shall be conditioned on the repayment of loan
18 principal and interest to begin on the earlier of

19 (i) the date of the start of commercial operation
20 of the project; or

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

22 (2) Loans for energy [POWER] projects

23 (A) shall be granted for a term not to exceed 50 years;
24 and

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

27 (i) a rate equal to the percentage which is the
28 average weekly yield of municipal bonds for the 12 months
29 preceding the date of the loan, as determined by the authority

1 from municipal bond yield rates reported in the 30-year
2 revenue bond index of the Weekly Bond Buyer; or

3 (ii) a rate determined by the authority which
4 allows the project to meet criteria of financial feasibility
5 established under AS 44.83.170(c).

6 (g) Loan repayments and interest earned by loans from the energy
7 [POWER] project fund shall be deposited in the state general fund.

8 (h) The legislature may forgive the repayment of a loan made from
9 the energy [POWER] project fund for a reconnaissance study or a feasi-
10 bility study when the authority finds that the energy [POWER] project
11 for which the loan was made is not feasible.

12 * Sec. 18. AS 44.83.177(a) is amended to read:

13 (a) To identify energy [POWER] project alternatives for a com-
14 munity or region, the authority shall, after consultation with other
15 state agencies and after review of information on alternative sources
16 of energy [POWER], complete a reconnaissance study for each proposed
17 new energy [POWER] project.

18 * Sec. 19. AS 44.83.177(b) is repealed and reenacted to read:

19 (b) A reconnaissance study shall

20 (1) identify the present and anticipated electrical and
21 thermal energy requirements of a community or region;

22 (2) survey all electrical and thermal energy sources avail-
23 able to the community or region and evaluate the relative economic
24 merits of alternative sources of power and heat, including energy
25 conservation;

26 (3) assess the effect of development of alternative sources
27 of power and heat on the environment so as to assure that there is no
28 adverse effect to the environment which would make the project inadvis-
29 able; and

1 (4) include public comment from residents of the community
2 and adjacent area.

3 * Sec. 20. AS 44.83.177(c)(2) is amended to read:

4 (2) standard criteria and measures for comparative analysis
5 of alternative energy [POWER] sources.

6 * Sec. 21. AS 44.83.179(c) is amended to read:

7 (c) For purposes of this section, an energy [A POWER] project is
8 approved if the reconnaissance study for the project has not been
9 disapproved by the division of budget and management within 30 days of
10 submission of the reconnaissance study for the project to it by the
11 authority.

12 * Sec. 22. AS 44.83.181(c)(7) is amended to read:

13 (7) a loan from the energy [POWER] project fund (AS 44.83.-
14 170(a)), or from the renewable resources investment fund (AS 37.11.050);
15 or

16 * Sec. 23. AS 44.83.187(a)(1) is amended to read:

17 (1) requires an appropriation from the state general fund,
18 from the energy [POWER] project fund, or from the renewable resources
19 funds; or

20 * Sec. 24. AS 44.83.195 is amended to read:

21 Sec. 44.83.195. OPERATION OF PROJECTS. (a) When a project is
22 operated by the authority, the authority shall enter into one or more
23 contracts for the sale of electrical energy [POWER] from the project.
24 A contract entered into under this section shall meet all requirements
25 of AS 44.83.090.

26 (b) If, at the expiration of a contract entered into by the
27 authority under (a) of this section, revenues earned by the authority
28 under the contract exceed expenses of the authority for the project, an
29 amount equal to the excess shall be used by the authority to reduce

1 rates or improve services to consumers served by the energy [POWER]
2 project.

3 * Sec. 25. AS 44.83.230(4) is amended to read:

4 (4) "energy [POWER] project" or "project" means a plant,
5 works, system, facility, water rights, fuel deposits or sources, and
6 real estate and personal property [OF ANY NATURE WHATSOEVER], together
7 with all facilities and appurtenances related to them or necessary for
8 the purposes of them, used or useful in electrical or thermal [POWER]
9 production limited to fossil fuel, wind power, tidal, geothermal,
10 hydroelectric, or solar energy production and waste heat utilization
11 and energy conservation and the transmission, purchase, sale, exchange
12 and interchange of electrical or thermal [POWER], and shall include any
13 interest in them, whether divided or undivided, or any right to the
14 capacity of them;

15 * Sec. 26. AS 44.83.230(7) is amended to read:

16 (7) "reconnaissance study" means a study conducted for the
17 purpose of assessing the present and future electrical and thermal
18 energy [POWER] needs of an area under AS 44.83.177;

19 * Sec. 27. AS 44.83.230(8)(A) is amended to read:

20 (A) means a study conducted for the purpose of estab-
21 lishing the economic and environmental practicality of completing
22 a proposed energy [POWER] project under AS 44.83.181;

23 * Sec. 28. AS 45.88.030 is amended by adding a new subsection to read:

24 (f) The department may not require security for a loan for
25 development of an alternative energy system.

26 * Sec. 29. AS 45.88.500(2)(B) is amended to read:

27 (B) a method of architectural design and construction
28 which

29 (i) provides for the collection, storage and use

1 of direct radiation from the sun; or

2 (ii) provides for the retention of heat by the use
3 of an amount or quality of insulation which exceeds the
4 amount or quality of insulation required by building perfor-
5 mance standards adopted by the Department of Transportation
6 and Public Facilities under AS 44.42.020(14); and

7 * Sec. 30. AS 45.89.020 is amended to read:

8 Sec. 45.89.020. REFUNDS OR GRANTS REQUIRING ENERGY AUDITS. (a)

9 The department may make refunds or grants for the purchase, construc-
10 tion, and installation of an energy conservation improvement, except
11 an energy conservation improvement listed in AS 45.89.025(d), in a res-
12 idential building if the person applying for a refund or grant demon-
13 strates, on the basis of an energy audit, that the expenditures of the
14 refund or grant for the purchase, construction or installation of the
15 energy conservation improvement would be exceeded by reduced energy
16 costs attributable to the purchase, construction or installation of the
17 energy conservation improvement [WITHIN SEVEN YEARS].

18 (b) A refund or grant made under this section may not exceed an
19 amount determined by the department by application of each of the fac-
20 tors set out in (c)(4) of this section to the base rate applicable to
21 the dwelling or residential building. The base rate is

22 (1) \$300 for a single-family dwelling; or

23 (2) \$200 for each unit in a multi-unit residential building.

24 (c) The department

25 (1) shall establish simple procedures for the payment of a
26 refund to an applicant within 30 days of submission to the department
27 of an application by the applicant, if the application is supported by
28 receipts for expenditures which comply with the results of an energy
29 audit;

1 (2) may establish procedures for the payment of a grant to
2 an applicant before the purchase, construction or installation of an
3 energy conservation improvement;

4 (3) shall prescribe a form for applying for a refund or
5 grant under this section; and

6 (4) shall determine the amount of a refund or grant payable
7 under (a) of this section by adjusting the base rate set out in (b) of
8 this section by

9 (A) a regional cost-of-living index determined by the
10 department;

11 (B) a degree day factor.

12 * Sec. 31. AS 45.89 is amended by adding a new section to read:

13 Sec. 45.89.025. REFUNDS OR GRANTS NOT REQUIRING ENERGY AUDITS.

14 (a) The department may make refunds or grants for the purchase, con-
15 struction, and installation of an energy conservation improvement
16 listed in (d) of this section in a residential building.

17 (b) A refund or grant made under this section may not exceed an
18 amount determined by the department by application of each of the fac-
19 tors set out in (c)(4) of this section to the base rate applicable to
20 the dwelling or residential building. The base rate is

21 (1) \$300 for a single-family dwelling; or

22 (2) \$200 for each unit in a multi-unit residential building.

23 (c) The department

24 (1) shall establish simple procedures for the payment of a
25 refund to an applicant within 30 days of submission to the department
26 of an application by the applicant;

27 (2) may establish procedures for the payment of a grant to
28 an applicant before the purchase, construction or installation of an
29 energy conservation improvement;

1 (3) shall prescribe a form for applying for a refund or
2 grant under this section; and

3 (4) shall determine the amount of a refund or grant payable
4 under (a) of this section by adjusting the base rate set out in (b) of
5 this section by

6 (A) a regional cost-of-living index determined by the
7 department;

8 (B) a degree day factor.

9 (d) The following energy conservation improvements qualify for a
10 refund or grant under this section:

11 (1) thermal windows and doors;

12 (2) a device for modifying flue openings designed to increase
13 the efficiency of operation of the heating system;

14 (3) an electrical or mechanical furnace ignition system
15 which replaces a gas pilot light;

16 (4) caulking and weatherstripping of doors and windows;

17 (5) insulating shades and shutters;

18 (6) water heater insulating jacket;

19 (7) shower flow reducer.

20 * Sec. 32. AS 45.89.030(b) is amended to read:

21 (b) A loan for the purchase, construction, and installation of an
22 energy conservation improvement under this chapter may not exceed [THE
23 LESSER OF

24 (1) AN AMOUNT, AS DETERMINED BY AN ENERGY AUDIT, WHICH IS
25 EQUAL TO THE ESTIMATED TOTAL ENERGY COST SAVING ATTRIBUTABLE TO THE
26 ENERGY CONSERVATION IMPROVEMENT AT A DATE WHICH IS 10 YEARS AFTER
27 PURCHASE, CONSTRUCTION, OR INSTALLATION OF THE ENERGY CONSERVATION
28 IMPROVEMENT; OR

29 (2)] \$5,000.

1 * Sec. 33. AS 45.89.030(g) is amended to read:

2 (g) The department may not require security for a loan under this
3 section. When a loan is made under this section, the department may
4 require the loan applicant to present copies of invoices or billings
5 for expenses which the proceeds of the loan will be used to pay.

6 * Sec. 34. AS 45.89.030 is amended by adding a new subsection to read:

7 (j) The department shall establish procedures for making an
8 advance or draw of a portion of the proceeds of a loan which has been
9 approved.

10 * Sec. 35. AS 45.89.500(4) is amended by adding new subparagraphs to
11 read:

12 (L) water heater insulating jacket;

13 (M) shower flow reducer;

14 * Sec. 36. AS 45.89.500 is amended by adding new paragraphs to read:

15 (5) "degree day" means a unit that represents one degree of
16 declination from 65 degrees in the mean outdoor temperature of a day;

17 (6) "degree day factor" means the factor determined by
18 dividing the average number of degree days for the community in which a
19 dwelling or residential building is located by the average number of
20 degree days for the state;

21 (7) "regional cost-of-living index" is an index determined
22 by calculating costs of living in the election districts of the state
23 by using the cost of living in Anchorage as a base of 1.00;

24 (8) "residential building" means a building which is used as
25 a home, dwelling or sleeping place and includes a newly constructed
26 building and a building proposed for construction as well as an exist-
27 ing structure.

28 * Sec. 37. AS 46.11.030(a) is amended by adding new paragraphs to read:

29 (4) establish procedures by which to assure prompt payment

1 for energy audits performed under (e) of this section;

2 (5) evaluate the costs and benefits of the energy audit
3 program established by this section.

4 * Sec. 38. AS 46.11.030(c) is amended to read:

5 (c) The department may contract

6 (1) with a municipality for the performance of energy audits
7 in the municipality;

8 (2) with a nonprofit development corporation or community
9 action agency for the performance of energy audits in any community
10 which the nonprofit development corporation or community action agency
11 serves.

12 * Sec. 39. AS 46.11.030(d) is amended to read:

13 (d) Unless exempted by (f) of this section, a [A] person request-
14 ing an energy audit is required to pay for the audit. The fee for an
15 audit of a one- or two-family residence is \$25 [\$10]. The fee for an
16 audit of other residences or of a commercial or industrial building
17 shall be established by regulations adopted, in accordance with the
18 Administrative Procedure Act (AS 44.62), by the commissioner of commerce
19 and economic development.

20 * Sec. 40. AS 46.11.030(e) is amended to read:

21 (e) The department shall reimburse persons performing energy
22 audits in the state for the cost, in excess of fees received, of per-
23 forming energy audits. A reimbursement under [IN] this subsection may
24 include reimbursement of an ["COST" INCLUDES] administrative cost. A
25 reimbursement under this subsection for each energy audit which the
26 person performs may not exceed \$100 for each audit, adjusted by a re-
27 gional cost-of-living index determined by the department. For pur-
28 poses of computing and applying a cost-of-living index under this sub-
29 section, a "regional cost-of-living index" is an index determined by

1 calculating costs of living in the election districts of the state by
2 using the cost of living in Anchorage as a base of 1.00.

3 * Sec. 41. AS 46.11.030 is amended by adding a new subsection to read:

4 (f) An indigent person may not be required to pay the fee re-
5 quired by (d) of this section. The department shall, by regulation,

6 (1) define "indigent person" for purposes of this section;
7 and

8 (2) prescribe an application form by which a person may
9 apply for the waiver of the fee authorized by this subsection.

10 * Sec. 42. AS 46.11.900(1)(B)(ii) is amended to read:

11 (ii) a method of architectural design and construc-
12 tion which provides for the collection, storage and use of
13 direct radiation from the sun or which provides for the re-
14 tention of heat by the use of an amount or quality of insula-
15 tion which exceeds the amount or quality of insulation re-
16 quired by building performance standards adopted by the
17 Department of Transportation and Public Facilities under
18 AS 44.42.020(14); and

19 * Sec. 43. AS 46.11.900(3) is amended to read:

20 (3) "energy audit" means a determination and written summary
21 prepared under AS 46.11.030 or sec. 215(b)(1)(A) of the National Energy
22 Conservation Policy Act (42 U.S.C. 8216(b)(1)(A)) of

23 [(A) THE ENERGY CONSUMPTION CHARACTERISTICS OF A BUILD-
24 ING, INCLUDING THE SIZE, TYPE, AND RATE OF ENERGY CONSUMPTION OF
25 MAJOR ENERGY CONSUMING SYSTEMS OF THE BUILDING AND THE CLIMATE
26 CHARACTERIZING THE REGION WHERE THE BUILDING IS LOCATED; AND

27 (B)] the energy conservation and cost savings likely to
28 result from appropriate energy-conserving maintenance and operat-
29 ing procedures and modifications, including the purchase and

1 installation of energy-related fixtures; [FOR PURPOSES OF THIS
2 SUBPARAGRAPH WHEN A FOSSIL FUEL IS THE ENERGY SOURCE, THE ENERGY
3 COST SAVINGS SHALL BE DETERMINED WITH REFERENCE TO THE PROJECTED
4 PRICE OF THAT FOSSIL FUEL OVER A 10-YEAR PERIOD;]

5 * Sec. 44. The Alaska Housing Finance Corporation may not reduce the
6 maximum loan amount for which an owner-builder is eligible under AS 18.56 if
7 a loan has been issued to an owner-builder from the alternative technology
8 and energy revolving loan fund (AS 45.88) or the residential energy conser-
9 vation fund (AS 45.89).

10 * Sec. 45. This Act takes effect July 1, 1981.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SS HB9
 Title An Act Relating To Energy
 Requested by _____ Date May 16, 1981

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)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		180.7				
200 TRAVEL		11.2				
300 CONTRACTUAL		36.5				
400 COMMODITIES		2.1				
500 EQUIPMENT		--				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		230.5				

FUNDING (Thousands of Dollars)

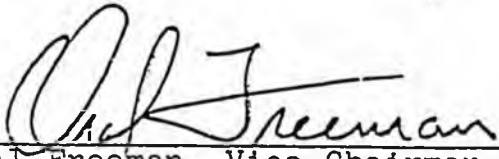
GENERAL FUND		230.5				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		5				
PART TIME						
TEMPORARY						

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

Fiscal note detail attached reflects cost to process and service loans.


 Oral Freeman, Vice-Chairman
 House Finance Committee

IV. DATE May 16, 1981 PREPARED BY _____
 AGENCY _____
 PHONE _____

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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE AMENDED

I. REQUEST
Bill/Resolution No. C.S.S.S.H.B.9
Title "An Act Relating to departments and programs of state government....."
Requested by State Affairs Committee Date 4/16/81

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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		1490.979				
200 TRAVEL		133.000				
300 CONTRACTUAL		794.330				
400 COMMODITIES		46.400				
500 EQUIPMENT		59.398				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS, ETC.		20,581.000				
TOTAL		28,105.107				

FUNDING (Thousands of Dollars)

GENERAL FUND	28,105.107				
FEDERAL FUNDS	445.600				
OTHER (Specify Fund Source)	-0-				

POSITIONS

FULL TIME	52-1/6				
PART TIME	-0-				
TEMPORARY	-0-				

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

Audits, Conservation Grants and Refunds and Low Income Conservation Assistance	Regional Offices		Regional and Local Government, Energy Management and Planning		Information Education	
100 744.647	100	467.186	100	60.834	100	218.312
200 60.000	200	56.000	200	6.000	200	11.000
300 3,991.067	300	130.600	300	1,632.300	300	40.363
400 23.000	400	15.000	400	.900	400	7.500
500 26.737	500	24.279	500	1.400	500	6.982
700 20,581.000						
TOTAL 25,426.451	TOTAL	693.065	TOTAL	1,701.434	TOTAL	284.157

IV. DATE April 21, 1981 PREPARED BY Clarissa Quinlan
AGENCY Division of Energy and Power Development
PHONE 276-0508
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE

FISCAL NOTE AMENDED

I. REQUEST

Bill/Resolution No. C.S. S.S. H.B. 9

Title "An Act relating to departments and programs of state government"

Requested by State Affairs Committee Date 4/16/81

Audits, Conservation Grants & Refunds & Low Income Energy Conservation Assistance

II. FISCAL DETAIL

Agency Affected Department 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			744.647			
200 TRAVEL			60.000			
300 CONTRACTUAL			3991.067			
400 COMMODITIES			23.000			
500 EQUIPMENT			26.737			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			20,581.00			
TOTAL			\$25,426.451			

FUNDING (Thousands of Dollars)

GENERAL FUND			25,426.451			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			22 2/3			
PART TIME						
TEMPORARY						

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

The budget presented provides sufficient support for the division to provide and administer a comprehensive program of energy audits, grants and refunds and low income energy conservation assistance.

IV. DATE April 21, 1981

PREPARED BY Clarissa Quinlan

AGENCY Division of Energy and Power Development

PHONE 276-0508

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

COMP. ENERGY CONSERVATION PROGRAM (Equipment Cont.)

(Southeast and Southcentral)

2 Typing Desks @ \$433	= \$ 866
4 Regular Desks @ \$353	= \$1,412
3 Book Cases @ \$103	= \$ 309
2 Calculators @ \$274	= \$ 548
6 Chairs @ \$177	= \$1,062
4 Side Chairs @ \$88	= \$ 352
3 Files with Locks @ \$252	= \$ 756
2 Storage Cabinets @ \$185	= \$ 370
2 Tables @ \$165	= \$ 330
1 Selectric Typewriter @ \$1,100	= \$1,100

TOTAL

\$693,065

THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE

FISCAL NOTE AMENDED

I. REQUEST

Bill/Resolution No. C.S. S.S. H.B. 9

Title "An Act relating to departments and programs of state government..."

Requested by State Affairs Committee Date 4/16/81

Comprehensive Energy Conservation Program Regional Offices

II. FISCAL DETAIL

Agency Affected Department 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			467.186			
200 TRAVEL			56.000			
300 CONTRACTUAL			130.600			
400 COMMODITIES			15.000			
500 EQUIPMENT			24.279			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			\$693.065			

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND			693.065			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME			15			
PART TIME						
TEMPORARY						

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

The budget presented provides sufficient support for the division to establish regional offices for the regional coordination and support of the Comprehensive Energy Conservation Program.

IV. DATE April 21, 1981

PREPARED BY Clarissa Quinlan

AGENCY Division of Energy & Power Development

PHONE 276-0508

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

STATE PROGRAM OFFICE (Cont.)

400 Supplies \$ 23,000

500 Equipment \$ 26,737

5 Typing Desks @ \$433	= \$2,165
8 Regular Desks @ \$353	= \$2,824
5 Credenzas @ \$353	= \$1,765
10 Book Cases @ \$103	= \$1,030
8 Posturetilt Chairs @ \$205	= \$1,640
5 Executive Swivel Chairs @ \$177	= \$ 885
5 Calculators @ \$274	= \$1,370
1 Programmable Calculator @ \$650	= \$ 650
15 Side Chairs @ \$88	= \$1,320
16 Filing Cabinets @ \$252	= \$4,032
4 Storage Cabinets @ \$185	= \$ 740
1 Transcriber @ \$814	= \$ 814
6 Dictaphones @ \$200	= \$1,200
4 Tables @ \$165	= \$ 660
10 Dividers @ \$300	= \$3,000
3 Regular Desks @ \$353	= \$1,059
3 Chairs @ \$177	= \$ 531
2 Calculators @ \$274	= \$ 548
2 Files with Locks @ \$252	= \$ 504

700 Grants \$20,581,000

26,270 grants/refunds @ \$300	= \$ 7,881,000
5,080 residences weatherized @ \$2,500	= \$12,700,000

TOTAL \$25,426,451

STATE PROGRAM OFFICE (Personal Serv. Cont.)

1	Personnel Technician (12A) \$1,761 x 12 mos. + 30% payroll burden	= \$27,471
** 1	Grants Administrator (17B) \$2,548 x 12 mos. + 25.5% payroll burden	= \$38,372
** 1	Energy Specialist II (18B) \$2,736 x 12 mos. + 25.5% payroll burden	= \$41,204
** 1	Accounting Technician II (14B) \$2,063 x 12 mos. + 30% payroll burden	= \$32,182

NOTE: * Existing State position not in FY'82 budget
 ** Existing federally funded positions for which no FY'82 federal money is anticipated.

200 Travel \$ 60,000

300 Contractual \$3,991,067

Printing of audit forms, homeowners and training manuals, water flow restrictors, outlet gaskets = \$ 305,000

Office expenses - space rental, copying, equipment rental, phones, etc. = \$ 136,615

Monitoring, evaluation, statistical analysis = \$ 275,000

Bill stuffers, quarterly newsletter, PSA production, newspaper ads, homeowner workshops (10 communities) = \$ 82,000

Energy auditor training and upgrading = \$ 150,000

Auditor contracts -
 5,080 audits @ \$100 = \$ 50,800
 26,210 audits @ \$60 = \$1,572,600 = \$1,623,400

Rural village and community education and technical assistance practice production = \$ 132,000

Weatherization contracts administrative costs = \$1,117,600

*** Supplemental administrative and accounting support = \$ 169,452

NOTE: *** A management study providing recommendations regarding program structure and the extent to which routine accounting functions may be contracted has been initiated. Pending results, it is possible these funds could be applied to personal services.

STATE PROGRAM OFFICE

Section 36
 CSSSHB9

100 Personal Services

\$744,647

1	Energy Specialist III (21A) \$3,318 x 12 mos. + 25.5% payroll burden	= \$49,969
1	Administrative Officer (19A) \$2,837 x 12 mos. + 25.5% payroll burden	= \$42,725
1	Systems Analyst (18A) \$2,692 x 12 mos. + 25.5% payroll burden	= \$40,541
1	Accountant Supervisor (16A) \$2,291 x 12 mos. + 25.5% payroll burden	= \$34,502
2	Energy Specialist I (16A) 2 x \$2,291 x 12 mos. + 25.5% payroll burden	= \$69,004
1	Administrative Assistant II (14A) \$1,995 x 12 mos. + 25.5% payroll burden	= \$30,044
2	Administrative Assistant I (12A) 2 x \$1,761 x 12 mos. + 25.5% payroll burden	= \$53,040
4	Clerk Typist III (08A) 4 x \$1,393 x 12 mos. + 30% payroll burden	= \$86,923
1	Clerk Typist II (07A) \$1,319 x 12 mos. + 30% payroll burden	= \$20,576
* 1	Switchboard Operator (07A) \$1,319 x 12 mos. + 30% payroll burden	= \$20,576
** 1	Energy Specialist III (21B) \$3,441 x 12 mos. + 25.5% payroll burden	= \$51,821
** 2/3	Energy Specialist III (21B) \$3,441 x 08 mos. + 25.5% payroll burden	= \$34,547
** 1	Clerk Typist III (08B) \$1,433 x 12 mos. + 30% payroll burden	= \$22,354
2	Accounting Clerk III (10A) 2 x \$1,564 x 12 mos. + 30% payroll burden	= \$48,796

COMPREHENSIVE ENERGY CONSERVATION PROGRAM
Regional Offices (Northwest/Arctic, Southwest, Interior,
Southcentral, Kodiak, Southeast)

<u>100 Personal Services</u>		<u>\$467,186</u>
5	Energy Specialist II (18) 5 x \$2,640 x 12 mos. + 25.5% payroll burden = \$198,792	
2	Energy Specialist I (16) 2 x \$2,291 x 12 mos. + 25.5% payroll burden = \$ 69,005	
** 2	Energy Specialist I (16) 2 x \$2,291 x 12 mos. + 25.5% payroll burden = \$ 69,005	
6	Clerk Typist III (08) 6 x \$1,393 x 12 mos. + 30% payroll burden = \$130,384	
<u>200 Travel</u>		<u>\$ 56,000</u>
<u>300 Contractual</u>		<u>\$130,600</u>
	Space rental, phones, copying, equipment rental	
<u>400 Supplies</u>		<u>\$ 15,000</u>
<u>500 Equipment</u>		<u>\$ 24,279</u>

(Southwest, Northwest/Arctic, Kodiak & Interior Offices)

4 Typing Desks @ \$609	= \$2,436
5 Regular Desks @ \$441	= \$2,205
5 Book Cases @ \$129	= \$ 645
4 Calculators @ \$342	= \$1,368
9 Chairs @ \$221	= \$1,989
8 Side Chairs @ \$101	= \$ 808
5 Files with Locks @ \$315	= \$1,575
4 Storage Cabinets @ \$231	= \$ 924
4 Tables @ \$206	= \$ 824
4 Selectric Typewriters @ \$1,100	= \$4,400

NOTE: ** Existing federally funded positions for which no FY'82 federal money is anticipated.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE AMENDED

I. REQUEST

Bill/Resolution No. C.S. S.S. H.B. 9
Title "An Act relating to departments and programs of the state government"
Requested by State Affairs Committee Date 4/16/81

Regional and Local Government Energy Management and Planning

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			60.834			
200 TRAVEL			6.000			
300 CONTRACTUAL			1,632.300			
400 COMMODITIES			.900			
500 EQUIPMENT			1.400			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			\$1,701.434			

FUNDING (Thousands of Dollars)

GENERAL FUND			1,701.434			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			1.5			
PART TIME						
TEMPORARY						

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

The budget presented provides sufficient support for the division to carry out the provisions of Section 36 "Comprehensive Energy Conservation Program" pertaining to energy conservation planning.

IV. DATE April 21, 1981 PREPARED BY Clarissa Q. Inlan
AGENCY Division of Energy and Power Development
PHONE 276-0508
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

REGIONAL ENERGY PLANNERS

<u>100 Personal Services</u>		<u>\$ 60,834</u>
1	Energy Specialist III (21A) \$3,318 x 12 mos. + 25.5% payroll burden	= \$49,969
1/2	Clerk Typist III (08) 1/2 x \$1,393 x 12 mos. + 30% payroll burden	= \$10,865
<u>200 Travel</u>		<u>\$ 6,000</u>
<u>300 Contractual</u>		<u>\$1,632,300</u>
	Professional service contracts within each Native region - 12 regions @ \$60,000	= \$720,000
	Included are travel costs to villages within each region	
	Training and technical assistance	= \$ 30,000
	Space rental, equipment rental, copying, printing, phones, etc.	= \$ 7,300
	One-time municipal energy management and planning grants - 35 Home Rule and First Class cities @ \$25,000	= \$875,000
<u>400 Supplies</u>		<u>\$ 900</u>
<u>500 Equipment</u>		<u>\$ 1,400</u>
	1 Regular Desk @ \$353	= \$353
	1 Swivel Chair @ \$177	= \$177
	1 Filing Cabinet @ \$252	= \$252
	1 Book Case @ \$165	= \$165
	1 Dictaphone @ \$200	= \$200
	1 Side Chair @ \$88	= \$ 88
	1 Table @ \$165	= \$165
TOTAL		<u><u>\$1,701,434</u></u>

THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE

FISCAL NOTE AMENDED

I. REQUEST

Bill/Resolution No. C.S. S.S. H.B. 9
 Title "An Act relating to departments and programs of state government."
 Requested by State Affairs Committee Date 4/16/81

Energy Information, Education and Technical Assistance

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			218.312			
200 TRAVEL			11.000			
300 CONTRACTUAL			40.363			
400 COMMODITIES			7.500			
500 EQUIPMENT			6.982			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			\$284.157			

FUNDING (Thousands of Dollars)

GENERAL FUND			284.157			
FEDERAL FUNDS			445.600			
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			13			
PART TIME						
TEMPORARY						

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

The budget presented provides sufficient support for the division to continue and expand its public energy education efforts under Section 13 "Comprehensive Energy Conservation Program."

IV. DATE April 21, 1981 PREPARED BY *Clarissa Quinlan*
 AGENCY Division of Energy and Power Development
 PHONE 276-0508
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

ENERGY INFORMATION, EDUCATION & TECHNICAL ASSISTANCE

100 Personnel Services \$218,312

- 1/2 Energy Specialist III (21A)
\$1,720 x 12 mos. + 25.5% payroll burden = \$25,910°
 - 1/2 Energy Specialist II (18A)
\$1,320 x 12 mos. + 25.5% payroll burden = \$19,879°
 - ** 1/2 Energy Specialist II (18B)
\$1,368 x 12 mos. + 25.5% payroll burden = \$20,602°
 - ** 3/4 Energy Specialist II (18F)
\$1,576 x 12 mos. + 25.5% payroll burden = \$35,613°
 - 2 & Energy Specialist I (16A)
1/2 2 x \$1,145 x 12 mos. + 25.5% payroll burden = \$34,487°
 - 1/2 Administrative Assistants (12A)
of 2 2 x \$880 x 12 mos. + 25.5% payroll burden = \$26,520°
 - ** 1/2 Clerk Typist IV (09B)
\$760 x 12 mos. + 30% payroll burden = \$11,856°
 - ** 2 & Clerk Typist III (08A)
1/2 2 x \$696 x 12 mos. + 30% payroll burden = \$21,715°
 - 1/2 Clerk Typist III (08A)
of 2 2 x \$696 x 12 mos. + 30% payroll burden = \$21,730°
- °1/2 of amount will be paid with federal funds.

200 Travel - \$22,000 \$ 11,000

°1/2 of amount will be paid with federal funds.

300 Contractual \$ 40,363

Space rental, copying, phones, equipment rental, etc.
= \$80,727°

Workshops and seminars, brochures, handouts, mini-grants
to communities = \$192,140*

-0-

°1/2 of amount will be paid with federal funds

NOTE: ** Existing federal positions

° 1/2 of amount will be paid with federal funds.

* Will be paid with federal funds.

ENERGY INFO., EDUCATION, TECH. ASSIST. (Cont.)

400 Supplies - \$15,000 \$ 7,500^o

^o 1/2 of amount will be paid with federal funds.

500 Equipment \$ 6,982

2 Typing Desks @ \$433	= \$ 866
5 Regular Desks @ \$353	= \$1,765
3 Book Cases @ \$103	= \$ 309
7 Chairs @ \$177	= \$1,239
4 Side Chairs @ \$88	= \$ 352
3 Files with Locks @ \$252	= \$ 756
1 Dictaphone @ \$200	= \$ 200
3 Tables @ \$165	= \$ 495
5 Dividers @ \$200	= \$1,000

TOTAL \$284,157

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 9 (Finance)
 Title An anct relating to departments and programs of state government
 Requested by _____ Date May 16, 1981

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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		398.5				
200 TRAVEL		80.0				
300 CONTRACTUAL		200.9				
400 COMMODITIES		27.5				
500 EQUIPMENT		25.5				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS, ETC.		-0-				
MISC		305.5				
TOTAL		1037.9				

FUNDING (Thousands of Dollars)

GENERAL FUND		1037.9				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		12				
PART TIME						
TEMPORARY						

This provides for twelve new positions to administer an expanded energy conservation program, including two new regional energy

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

offices in Bethel and Nome. The miscellaneous line item is for 6-month funding for existing federal positions which administer the audit and information/education program.

IV. DATE 5/16/81 PREPARED BY Oral Freeman
 AGENCY _____
 PHONE _____

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

Oral Freeman, Vice-Chairman
 House Finance Committee

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSSHB9 (State Affairs)

Title An Act Relating to Energy

Requested by _____ Date _____

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)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		253.0	278.3	306.1	336.7	370.4
200 TRAVEL		15.8	17.4	19.1	21.0	23.1
300 CONTRACTUAL		42.3	46.5	51.2	56.3	61.9
400 COMMODITIES		2.1	2.3	2.5	2.8	3.1
500 EQUIPMENT		13.6	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		326.8	344.5	378.9	416.8	458.5

FUNDING (Thousands of Dollars)

GENERAL FUND		326.8	344.5	378.9	416.8	458.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		7	7	7	7	7
PART TIME						
TEMPORARY						

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

Fiscal note detail attached reflects cost to process and service loans.

IV. DATE April 16, 1981

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

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

Fiscal Note Detail

CSSSHB 9 - An Act Relating to Energy

100 - 2	Loan Examiner III's @ \$2,837/mo. each	\$ 68.0	
1	Loan Examiner III @ #3,260/mo.	39.1	
1	Loan Examiner I/II @ \$2,455/mo.	29.5	
1	Loan Closer I @ \$1,554/mo.	18.8	
1	Documents Processing Clerk III @ 1,761/mo. (Fairb.)	21.1	
1	Accounting Technician I @ \$1,761/mo.	<u>21.1</u>	
	Total Wages	\$197.6	
	Standard Benefits (Wages x .1555)	30.7	
	Supplemental Benefits (Wages x .0613)	12.1	
	Health Insurance (Man Months x \$150)	<u>12.6</u>	
	Total Personal Services		\$253.0
200 -	Travel to Close Loans:		
	36 Trips @ \$300	\$ 10.8	
	72 Days @ \$70/day	<u>5.0</u>	15.8
300 -	Telephone and Postage	\$ 23.1	
	Printing of Applications and Advertising	7.7	
	Office Space, Anchorage (2 x \$2,700)	5.4	
	Office Space, Fairbanks (2 x \$3,067)	<u>6.1</u>	42.3
400 -	Office Supplies		
500 -	Equipment		2.1
	7 Desk @ \$330	\$ 2.3	
	5 Credenzas @ \$470	2.4	
	2 Typists Extensions @ \$455	.9	
	4 Executive Chairs @ \$190	.8	
	3 Secretarial Chairs @ \$150	.5	
	7 Sidechairs @ \$100	.7	
	7 File Cabinets @ \$325	2.3	
	7 Calculators @ \$200	1.4	
	2 Typewriters @ \$1,000	2.0	
	7 Wastebaskets @ \$25	.2	
	1 Coat Rack @ \$70	<u>.1</u>	<u>13.6</u>
	Total		\$326.8

10% Inflation for Succeeding Years

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSSSHB9 (State Affairs)
 Title An Act Relating to Energy
 Requested by _____ Date _____

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)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		253.0	278.3	306.1	336.7	370.4
200 TRAVEL		15.8	17.4	19.1	21.0	23.1
300 CONTRACTUAL		42.3	46.5	51.2	56.3	61.9
400 COMMODITIES		2.1	2.3	2.5	2.8	3.1
500 EQUIPMENT		13.6	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		326.8	344.5	378.9	416.8	458.5

FUNDING (Thousands of Dollars)

GENERAL FUND		326.8	344.5	378.9	416.8	458.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		7	7	7	7	7
PART TIME						
TEMPORARY						

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

Fiscal note detail attached reflects cost to process and service loans.

Sharon Traylor

IV. DATE April 16, 1981 PREPARED BY Sharon Traylor, Director
 AGENCY Div. of Business Loans, Dept. of Commerce & Eco. Dev.
 PHONE 465-2510
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Fiscal Note Detail

CSSSHB 9 - An Act Relating to Energy

100 - 2	Loan Examiner III's @ \$2,837/mo. each	\$ 68.0	
1	Loan Examiner III @ #3,260/mo.	39.1	
1	Loan Examiner I/II @ \$2,455/mo.	29.5	
1	Loan Closer I @ \$1,564/mo.	18.8	
1	Documents Processing Clerk III @ 1,761/mo. (Fairb.)	21.1	
1	Accounting Technician I @ \$1,761/mo.	<u>21.1</u>	
	Total Wages	\$197.6	
	Standard Benefits (Wages x .1555)	30.7	
	Supplemental Benefits (Wages x .0613)	12.1	
	Health Insurance (Man Months x \$150)	<u>12.6</u>	
	Total Personal Services		\$253.0
200 -	Travel to Close Loans:		
	36 Trips @ \$300	\$ 10.8	
	72 Days @ \$70/day	<u>5.0</u>	15.8
300 -	Telephone and Postage	\$ 23.1	
	Printing of Applications and Advertising	7.7	
	Office Space, Anchorage (2 x \$2,700)	5.4	
	Office Space, Fairbanks (2 x \$3,067)	<u>6.1</u>	42.3
400 -	Office Supplies		
500 -	Equipment		2.1
	7 Desk @ \$330	\$ 2.3	
	5 Credenzas @ \$470	2.4	
	2 Typists Extensions @ \$455	.9	
	4 Executive Chairs @ \$190	.8	
	3 Secretarial Chairs @ \$150	.5	
	7 Sidechairs @ \$100	.7	
	7 File Cabinets @ \$325	2.3	
	7 Calculators @ \$200	1.4	
	2 Typewriters @ \$1,000	2.0	
	7 Wastebaskets @ \$25	.2	
	1 Coat Rack @ \$70	<u>.1</u>	<u>13.6</u>
	Total		\$326.8

10% Inflation for Succeeding Years

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FISCAL NOTE

I. REQUEST
 Bill/Resolution No. C.S. S.S. H.B. 9 #1 Page 1 of 4
 Title "An Act relating to departments and programs of state government."
 Requested by State Affairs Committee Date 4/16/81

II. FISCAL DETAIL
 Agency Affected Department 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)

Audits, Conservation Grants & Refunds & Low Income Energy Conservation Assistance

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		739.484				
200 TRAVEL		60.				
300 CONTRACTUAL		3,391.067				
400 COMMODITIES		23.				
500 EQUIPMENT		26.56				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		20,563.				
TOTAL		\$25,403.111				

FUNDING (Thousands of Dollars)

GENERAL FUND		25,403.111				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		22 2/3				
PART TIME						
TEMPORARY						

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

The budget presented provides sufficient support for the division to provide and administer a comprehensive program of energy audits, grants and refunds and low income energy conservation assistance

IV. DATE 4-16-81 PREPARED BY Clarence M. Quinlan
 AGENCY Energy & Power Development
 PHONE 226-0508
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE PROGRAM OFFICE

Section 36
 CSSSHB9 #1 Page 2 of 4

\$ 734,484

100 Personal Services

1	Energy Specialist III (21A)	= \$49,969
	\$3,318 x 12 mos. + 25.5% payroll burden	
1	Administrative Officer (19A)	= \$42,725
	\$2,837 x 12 mos. + 25.5% payroll burden	
1	Systems Analyst (18A)	= \$40,541
	\$2,692 x 12 mos. + 25.5% payroll burden	
1	Accountant Supervisor (16A)	= \$34,502
	\$2,291 x 12 mos. + 25.5% payroll burden	
2	Energy Specialist I (16A)	= \$69,004
	2 x \$2,291 x 12 mos. + 25.5% payroll burden	
1	Administrative Assistant II (14A)	= \$30,044
	\$1,995 x 12 mos. + 25.5% payroll burden	
2	Administrative Assistant I (12A)	= \$53,040
	2 x \$1,761 x 12 mos. + 25.5% payroll burden	
4	Clerk Typist III (08A)	= \$86,923
	4 x \$1,393 x 12 mos. + 30% payroll burden	
1	Clerk Typist II (07A)	= \$20,576
	\$1,319 x 12 mos. + 30% payroll burden	
* 1	Switchboard Operator (07A)	= \$20,576
	\$1,319 x 12 mos. + 30% payroll burden	
** 1	Energy Specialist III (21B)	= \$51,821
	\$3,441 x 12 mos. + 25.5% payroll burden	
** 2/3	Energy Specialist III (21B)	= \$34,547
	\$3,441 x 8 mos. + 25.5% payroll burden	
** 1	Clerk Typist III (08B)	= \$18,305
	\$1,433 x 12 mos. + 30% payroll burden	
2	Accounting Clerk III (10A)	= \$48,796
	2 x \$1,564 x 12 mos. + 30% payroll burden	

1	Personnel Technician (12A)		
	\$1,761 x 12 mos. + 30% payroll burden	=	\$27,471
** 1	Grants Administrator (17B)		
	\$2,548 x 12 mos. + 25.5% payroll burden	=	\$38,372
** 1	Energy Specialist II (18B)		
	\$2,736 x 12 mos. + 25.5% payroll burden	=	\$41,204
** 1	Accounting Technician II (14B)		
	\$2,063 x 12 mos. + 30% payroll burden	=	\$31,068

Note: * Existing State position not in FY '82 budget
 ** Existing federally-funded positions for which no FY '82 federal money is anticipated

200 Travel \$ 60,000

300 Contractual \$ 3,991,067

Printing of audit forms, homeowners and training manuals, water flow restrictors, outlet gaskets = \$305,000

Office expenses - space rental, copying, equipment rental, phones, etc. = \$136,615

Monitoring, evaluation, statistical analysis = \$275,000

Bill stuffers, quarterly newsletter, PSA production, newspaper ads, homeowner workshops (10 communities) = \$ 82,000 +

Energy auditor training and upgrading
 5,080 audits @ \$100 = \$ 50,800
 26,210 audits @ \$ 60 = \$1,572,600 = \$1,623,400

Rural village and community education and technical assistance practice production = \$132,000 +

Weatherization contracts administrative costs = \$1,117,600

*** Supplemental administrative and accounting support = \$169,452

Note: *** A management study providing recommendations regarding program structure and the extent to which routine accounting functions may be contracted has been initiated. Pending results, it is possible these funds could be applied to personal services.

400 Supplies

\$ 23,000

500 Equipment

\$ 26,560

5 Typing Desks @ \$433	= \$2,165
8 Regular Desks @ \$353	= \$2,824
5 Credenzas @ \$353	= \$1,765
10 Book Cases @ \$103	= \$1,030
8 Posturetilt Chairs @ \$205	= \$1,640
5 Executive Swivel Chairs @ \$177	= \$ 885
5 Calculators @ \$274	= \$1,370
1 Programmable Calculator @ \$650	= \$ 650
15 Side Chairs @ \$88	= \$1,320
16 Filing Cabinets @ \$252	= \$4,032
4 Storage Cabinets @ \$185	= \$ 740
1 Transcriber @ \$814	= \$ 814
6 Dictaphones @ \$200	= \$1,200
4 Tables @ \$165	= \$ 660
10 Dividers @ \$300	= \$3,000
3 Regular Desks @ \$353	= \$1,059
3 Chairs @ \$177	= \$ 354
2 Calculators @ \$274	= \$ 548
2 Files with Locks @ \$252	= \$ 504

700 Grants

\$20,563,000

26,270 grants/refunds @ \$300	= \$ 7,863,000
5,080 residence weatherized @ \$2,500	= \$12,700,000

\$25,403,111

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SS-HB 9 - Relating to departments and programs of state
 Title government which are concerned with energy.
 Requested by (Reps. Rogers & Buchholdt) Date 3/23/81

II. FISCAL DETAIL
 Agency Affected Dept. of Transportation & Public Facilities
 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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

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)

No fiscal impact on this Department.

IV. DATE March 31, 1981

PREPARED BY John Bates
 AGENCY Transportation & Public Facilities
 PHONE 465-3900

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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

489

I. REQUEST C.S. S.S. H.B. 9 (SA)
 Bill/Resolution No. _____
 Title An Act relating to departments and programs of state government ...
 Requested by State Affairs Committee Date 4/16/81

II. FISCAL DETAIL
 Agency Affected Department 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)

Energy Information, Education & Technical Assistance

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		218.312				
200 TRAVEL		11.				
300 CONTRACTUAL		310.038				
400 COMMODITIES		7.5				
500 EQUIPMENT		6.982				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		\$553,832				

FUNDING (Thousands of Dollars)

GENERAL FUND		\$553,832				
FEDERAL FUNDS		\$495.487				
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		13				
PART TIME						
TEMPORARY						

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

The budget presented provides sufficient support for the division to continue and expand its public energy education efforts under Section 13 "Comprehensive Energy Conservation Program."

IV. DATE 4-16-81 PREPARED BY Chasica Puyler
 AGENCY Energy & Power Development
 PHONE 276-0508

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

ENERGY INFORMATION, EDUCATION & TECHNICAL ASSISTANCE

100 Personal Services \$ 218,312°

1/2 Energy Specialist III (21A)
\$1,720 x 12 mos. + 25.5% payroll burden = \$25,910

1/2 Energy Specialist II (18A)
\$1,320 x 12 mos. + 25.5% payroll burden = \$19,879

** 1/2 Energy Specialist II (18B)
\$1,368 x 12 mos. + 25.5% payroll burden = \$20,602

** 3/4 Energy Specialist II (18F)
\$1,576 x 12 mos. + 25.5% payroll burden = \$35,613

2 & Energy Specialist I (16A)
1/2 2 x \$1,145 x 12 mos. + 25.5% payroll burden = \$34,487

1/2 Administrative Assistants (12A)
of 2 2 x \$880 x 12 mos. + 25.5% payroll burden = \$26,520

** 1/2 Clerk Typist IV (09B)
\$760 x 12 mos. + 30% payroll burden = \$11,856

** 2 & Clerk Typist III (08A)
1/2 2 x \$696 x 12 mos. + 30% payroll burden = \$21,715

1/2 Clerk Typist III (08A)
of 2 2 x \$696 x 12 mos. + 30% payroll burden = \$21,730

°1/2 of amount will be paid with federal funds

200 Travel - \$22,000 \$ 11,000°

°1/2 of amount will be paid with federal funds

300 Contractual - \$80,727 \$ 40,363°

Space rental, copying, phones, equipment rental, etc.

Workshops and seminars, brochures, handouts, mini-grants
to communities - \$258,240

-0-

°1/2 of amount will be paid with federal funds

** Existing federal positions

\$ 269,675

400 Supplies - \$15,000 \$ 7,500°

°1/2 of amount will be paid with federal funds

500 Equipment \$ 6,982

2 Typing Desks @ \$433	= \$ 866
5 Regular Desks @ \$353	= \$1,765
3 Book Cases @ \$103	= \$ 309
7 Chairs @ \$177	= \$1,239
4 Side Chairs @ \$88	= \$ 352
3 Files with Locks @ \$252	= \$ 756
1 Dictaphone @ \$200	= \$ 200
3 Tables @ \$165	= \$ 495
5 Dividers @ \$200	= \$1,000

Total \$ 379,699

55 HB 9

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST SSHB9
 Bill/Resolution No. SSHB9
 Title An Act Relating to Departments & Programs of State Government Which are Concerned
 Requested by With Energy Date _____

II. FISCAL DETAIL Commerce and Economic Development
 Agency Affected Commerce and 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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0	0	0	0	0

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

No additional staff is required with present appropriation for loan capitalization, nor with amount requested in the capital budget. If a larger appropriation was to be made for loan capitalization, then additional staff would be required.

IV. DATE 3/23/81 PREPARED BY Sharon Traylor, Director
 AGENCY Commerce & Econ. Dev./Div. of Business Loans
 PHONE 465-2510
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

#89

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 9
 Title An Act Relating to Residential Energy Conservation
 Requested by Rogers Date February 4, 1981

II. FISCAL DETAIL

Agency Affected Department 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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		92.798	92.798			
200 TRAVEL		17.600	17.600			
300 CONTRACTUAL		2042.5	2000.			
400 COMMODITIES						
500 EQUIPMENT		.998				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		2153.896	2110.398			

FUNDING (Thousands of Dollars)

GENERAL FUND		2153.896	2110.398			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3			
PART TIME						
TEMPORARY						

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

The budget presented provides for sufficient support for the division to develop review standards and energy efficient blueprint analysis for buildings proposed for construction and the contractor to perform building design analysis of 5,000 proposed residences.

IV. DATE 2-24-81

PREPARED BY Clayton M. Pennington
 AGENCY Division of Energy & Power Development
 PHONE 276-0508

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

100 Personal Services \$92,798

1 Energy Specialist II (18 A)
\$2,640/mo. x 12 mo. plus 25.5% payroll burden \$39,758

1 Administrative Assistant I (12 A)
\$1,761/mo. x 12 mo. plus 25.5% payroll burden 26,520

1 Technician I (12 A)
\$1,761/mo. x 12 mo. plus 25.5% payroll burden 26,520

200 Travel \$17,600

Training and Education Programs
40 Trips @ \$300 12,000
80 Days Per Diem @ \$70 5,600

300 Contractual \$2,042,500

Professional Services

Workshops, materials, blueprint analysis,
audit evaluation 30,000

5,000 building blueprint analysis @ \$400 2,000,000

Other

Telephone, postage, copying, equipment rental
advertising, space rental 12,500

500 Equipment \$998

2 Desks @ \$388 776

2 Chairs @ \$66 132

1 Bookcase @ \$90 90

TOTAL \$2,153,896

COMMITTEE REPORT
SENATE

FURTHER: None

5/10/82

Date: 4/2/82

Mr. President:

The Committee on FINANCE has had CSSSHE 9(Fin) (efd failed)
energy

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

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for CS 9 (Fin) same title
 new title
- and recommends DE PAS
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

CHAIRMAN

Original sponsors: Rogers and Buchholdt

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 9 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Power Authority; and
7 providing for an effective date."

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

9 * Section 1. AS 44.83.110 is amended by adding a new subsection to read:

10 (h) If the authority decides to issue bonds secured by a capital
11 reserve fund, the bonds may not be issued until 10 days after the
12 authority has mailed notification to the State Bond Committee and the
13 Legislative Budget and Audit Committee by certified mail of its inten-
14 tion to establish a capital reserve fund to secure the bond issue. The
15 notification shall include the amount of the capital reserve fund to be
16 established, the amount of bonds proposed to be issued, and the total
17 cost of the project for which the bonds are to be issued. The notifica-
18 tion shall be accompanied by an estimate by the authority of the need to
19 withdraw money from the capital reserve fund during the term of the bond
20 issue, the amount that it may be necessary to withdraw, and the time at
21 which withdrawals are estimated to be needed. The authority shall
22 annually prepare a revised estimate, considering the same factors, and a
23 statement of all withdrawals that have occurred from the date of issuance
24 of the bonds to the end of the calendar year. The revised estimate and
25 statement shall be submitted to the State Bond Committee and the Legis-
26 lative Budget and Audit Committee by January 30 of the succeeding year.

27 * Sec. 2. AS 44.83.181(b)(1) is amended to read:

28 (1) information about the proposed project, including but not
29 limited to estimates of total project construction cos's, total project

1 operating costs, the costs of transmission systems and reserve power
2 requirements, the timing and amount of anticipated returns from the
3 completed project, a benefit-to-cost ratio, the potential effect of the
4 project on the environment of the area which will be served by the
5 project when completed, and the availability of alternative government
6 financing;

7 * Sec. 3. AS 44.83.183 is amended by adding a new subsection to read:

8 (e) The report required by (c) of this section shall include a fi-
9 nancial analysis of the proposed project of the authority that evaluates
10 proposed bond resolutions or other financial arrangements or financial
11 plans, security plans and arrangements, cost and demand uncertainties,
12 and debt volume, as they relate to the total direct and indirect indebt-
13 edness of the state. In preparing the financial analysis required by
14 this section the division of budget and management may use the services
15 of outside agencies or institutions that are not otherwise involved in
16 the project.

17 * Sec. 4. AS 44.83.185(c) is amended to read:

18 (c) The legislature shall consider and must approve all proposed
19 new projects except proposed new projects that are exempt under AS 44.-
20 83.187. The legislature may approve a proposed new project only by
21 enacting law that authorizes the project and approves a maximum con-
22 struction cost for [AUTHORIZING] that project.

23 * Sec. 5. AS 44.83 is amended by adding a new section to read:

24 Sec. 44.83.186. FINAL COST ESTIMATE AND REAUTHORIZATION BY THE
25 LEGISLATURE. If a project is approved under AS 44.83.185(c), the
26 authority shall obtain a final cost estimate for the project from an
27 independent source qualified to make such an estimate. If the final
28 cost estimate does not exceed the cost estimate presented by the
29 authority to the legislature under AS 44.83.185 by more than five

1 percent, the authority may proceed with the construction of the project.
2 If the final cost estimate, adjusted for inflation, exceeds the cost
3 estimate presented by the authority to the legislature under AS 44.83.-
4 185 by more than five percent, the authority shall revise its feasibility
5 study and, if it determines that the project remains feasible, the
6 authority shall submit the revised feasibility study and the independent
7 cost estimate to the legislature. A proposed project that is returned
8 for reconsideration by the legislature under this section may not be
9 constructed unless the legislature reauthorizes it by enacting law for
10 that purpose.

11 * Sec. 6. AS 44.83.189 is amended by adding a new subsection to read:

12 (b) A contractor who has participated in the preparation of the
13 feasibility study for or in the engineering design of the project may
14 not participate in the construction management or the construction of
15 the project by the authority.

16 * Sec. 7. AS 44.83.398(c) is amended to read:

17 (c) The authority shall transmit all the money that it receives
18 under (a) [(b)] of this section to the commissioner of revenue for
19 deposit in the state general fund except for [THE] money it has pledged
20 to secure bonds in accordance with contracts with bondholders [RECEIVES
21 UNDER (b)(1)(A) AND (B) AND (b)(2)(B)(i) AND (ii), OR THE MONEY IT WOULD
22 HAVE RECEIVED UNDER (b)(1)(A) AND (B) AND (b)(2)(B)(i) AND (ii) OF THIS
23 SECTION IF THOSE ITEMS HAD BEEN USED IN PART TO ESTABLISH THE WHOLESALE
24 POWER RATE IN EFFECT AT THE TIME THE MONEY IS RECEIVED BY THE AUTHORITY].

25 * Sec. 8. AS 44.83.398(e) is amended to read:

26 (e) The legislature may, by law, annul or change the wholesale
27 power rate for sales of power that the authority adopts under (b) of
28 this section, except to the extent the authority makes an agreement with
29 bondholders to maintain or increase the wholesale power rate.

1 * Sec. 9. Section 14, ch. 118, SLA 1981 is amended to read:

2 Sec. 14. LOCATION OF TRANSMISSION SYSTEM IN DENALI STATE PARK.

3 The Alaska Power Authority may design, acquire a right-of-way for, and
4 construct a 345 KV high voltage electrical transmission system connect-
5 ing Anchorage and Fairbanks. The transmission line authorized by this
6 section shall be considered a use that is compatible with the purposes
7 of the Denali State Park within the boundaries of the Denali State Park.
8 The route of the transmission system authorized by this section may
9 [SHALL] be located within the Denali State Park in consultation with the
10 division of parks, Department of Natural Resources.

11 * Sec. 10. This Act takes effect immediately in accordance with AS 01.10.-
12 070(c).

Original sponsor: Sturgulewski

IN THE SENATE

BY THE FINANCE COMMITTEE

SCS HB 9 (fin)
~~CS FOR SENATE BILL NO. 784 (Finance)~~

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the Alaska Power Authority; and providing for an effective date."

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

* Section 1. AS 44.83.110 is amended by adding a new subsection to read:

(h) If the authority decides to issue bonds secured by a capital reserve fund, the bonds may not be issued until 10 days after the authority has mailed notification to the State Bond Committee and the Legislative Budget and Audit Committee by certified mail of its intention to establish a capital reserve fund to secure the bond issue. The notification shall include the amount of the capital reserve fund to be established, the amount of bonds proposed to be issued, and the total cost of the project for which the bonds are to be issued. The notification shall be accompanied by an estimate by the authority of the need to withdraw money from the capital reserve fund during the term of the bond issue, the amount that it may be necessary to withdraw, and the time at which withdrawals are estimated to be needed. The authority shall annually prepare a revised estimate, considering the same factors, and a statement of all withdrawals that have occurred from the date of issuance of the bonds to the end of the calendar year. The revised estimate and statement shall be submitted to the State Bond Committee and the Legislative Budget and Audit Committee by January 30 of the succeeding year.

* Sec. 2. AS 44.83.181(b)(1) is amended to read:

(1) information about the proposed project, including but not limited to estimates of total project construction costs, total project

operating costs, the costs of transmission systems and reserve power requirements, the timing and amount of anticipated returns from the completed project, a benefit-to-cost ratio, the potential effect of the project on the environment of the area which will be served by the project when completed, and the availability of alternative government financing;

* Sec. 3. AS 44.83.183 is amended by adding a new subsection to read:

(e) The report required by (c) of this section shall include a financial analysis of the proposed project of the authority that evaluates proposed bond resolutions or other financial arrangements or financial plans, security plans and arrangements, cost and demand uncertainties, and debt volume, as they relate to the total direct and indirect indebtedness of the state. In preparing the financial analysis required by this section the division of budget and management may use the services of outside agencies or institutions that are not otherwise involved in the project.

* Sec. 4. AS 44.83.185(c) is amended to read:

(c) The legislature shall consider and must approve all proposed new projects except proposed new projects that are exempt under AS 44.83.187. The legislature may approve a proposed new project only by enacting law that authorizes the project and approves a maximum construction cost for [AUTHORIZING] that project.

* Sec. 5. AS 44.83 is amended by adding a new section to read:

Sec. 44.83.186. FINAL COST ESTIMATE AND REAUTHORIZATION BY THE LEGISLATURE. If a project is approved under AS 44.83.185(c), the authority shall obtain a final cost estimate for the project from an independent source qualified to make such an estimate. If the final cost estimate does not exceed the cost estimate presented by the authority to the legislature under AS 44.83.185 by more than five

percent, the authority may proceed with the construction of the project. If the final cost estimate exceeds the cost estimate presented by the authority to the legislature under AS 44.83.185 by more than five percent, ^{adjusted for inflation,} the authority shall revise its feasibility study and, if it determines that the project remains feasible, the authority shall submit the revised feasibility study and the independent cost estimate to the legislature. A proposed project that is returned for reconsideration by the legislature under this section may not be constructed unless the legislature reauthorizes it by enacting law for that purpose.

* Sec. 6. AS 44.83.189 is amended by adding a new subsection to read:

(b) A contractor who has participated in the preparation of the feasibility study for or in the engineering design of the project may not participate in the construction management or the construction of the project by the authority.

* Sec. 7. AS 44.83.398(c) is amended to read:

(c) The authority shall transmit all the money that it receives under (a) [(b)] of this section to the commissioner of revenue for deposit in the state general fund except for [THE] money it has pledged to secure bonds in accordance with contracts with bondholders [RECEIVES UNDER (b)(1)(A) AND (B) AND (b)(2)(B)(i) AND (ii), OR THE MONEY IT WOULD HAVE RECEIVED UNDER (b)(1)(A) AND (B) AND (b)(2)(B)(i) AND (ii) OF THIS SECTION IF THOSE ITEMS HAD BEEN USED IN PART TO ESTABLISH THE WHOLESALE POWER RATE IN EFFECT AT THE TIME THE MONEY IS RECEIVED BY THE AUTHORITY]

* Sec. 8. AS 44.83.398(e) is amended to read:

(e) The legislature may, by law, annul or change the wholesale power rate for sales of power that the authority adopts under (b) of this section, except to the extent the authority makes an agreement with bondholders to maintain or increase the wholesale power rate.

* Sec. 9. Section 14, ch. 118, SLA 1981 is amended to read:

Sec. 14. LOCATION OF TRANSMISSION SYSTEM IN DENALI STATE PARK.

The Alaska Power Authority may design, acquire a right-of-way for, and construct a 345 KV high voltage electrical transmission system connecting Anchorage and Fairbanks. The transmission line authorized by this section shall be considered a use that is compatible with the purposes of the Denali State Park within the boundaries of the Denali State Park. The route of the transmission system authorized by this section may [SHALL] be located within the Denali State Park in consultation with the division of parks, Department of Natural Resources.

* Sec. 10. This Act takes effect immediately in accordance with AS 01.10.-070(c).

LEGISLATION SUMMARY

Finance Committee Amendments

In general, this bill deals with various aspects of the Alaska Power Authority's costing of projects and financing of those projects. The focus of the amendments is on greater information and accountability.

Section 1. This section states that when the APA decides to establish or pledges to establish a capital reserve fund (moral obligation of the state pledge), the State Bond Committee and the Legislative Budget and Audit Committee will be notified of such establishment and anticipated drawdowns. This information will be annually updated.

Section 2. The cost of transmission systems and reserve power requirements are added to the items calculated into the cost figure in a feasibility study.

Section 3. The Office of Budget and Management is required to analyze and report on the effect of financial arrangements for power projects, notably, on the total direct and indirect indebtedness of the state. This analysis will be added to existing financial analysis requirements performed by the Office of Budget and Management.

Section 4. The legislature is required to authorize a power project at a specific cost.

Section 5. After legislative authorization, if a cost estimate performed by an independent source exceeds the authorized cost level by more than 5%, adjusted for inflation, the Alaska Power Authority shall revise the feasibility study to determine continued feasibility and, if still feasible, return to the legislature for reauthorization of the project.

Section 6. Contractors responsible for feasibility studies or engineering design of a project may not participate in construction management.

Section 7. Amends existing law regarding the transmittal of revenue from the sale of power from power projects financed under the power development fund, deleting the existing provisions exempting certain revenues from the requirement that they be transmitted to the general fund, and adding the provision that the Alaska Power Authority shall transmit all revenues from the sale of power to the general fund, with the exception of those funds the Authority has pledged to secure bonds in accordance with contracts with bondholders.

Section 8. Amends existing law regarding the authority of the legislature to change or annul the wholesale power rate adopted by the

authority, limiting the authority to the extent that the Authority makes an agreement bondholders to maintain or increase the wholesale power rate.

Section 9. Amends existing law authorizing the Alaska Power Authority to construct a Fairbanks-Anchorage intertie, and stating that the intertie is a compatible use within the Denali State Park, removing the requirement that the intertie be located within the Denali State Park, while allowing it to be so located.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 9 (Finance)
 Title An act relating to departments and programs of state government
 Requested by _____ Date May 16, 1981

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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		398.5				
200 TRAVEL		80.0				
300 CONTRACTUAL		200.9				
400 COMMODITIES		27.5				
500 EQUIPMENT		25.5				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS, ETC.		-0-				
MISC		305.5				
TOTAL		1037.9				

FUNDING (Thousands of Dollars)

GENERAL FUND		1037.9				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

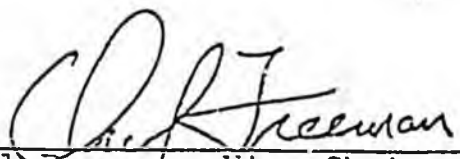
POSITIONS

FULL TIME		12				
PART TIME						
TEMPORARY						

This provides for twelve new positions to administer an expanded energy conservation program, including two new regional energy

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

offices in Bethel and Nome. The miscellaneous line item is for 6-month funding for existing federal positions which administer the audit and information/education program.


 Oral Freeman, Vice-Chairman
 House Finance Committee

IV. DATE 5/16/81 PREPARED BY _____

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

AGENCY _____
 PHONE _____

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SS HB9
 Title An Act Relating To Energy
 Requested by _____ Date May 16, 1981

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)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		180.7				
200 TRAVEL		11.2				
300 CONTRACTUAL		36.5				
400 COMMODITIES		2.1				
500 EQUIPMENT		--				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		230.5				

FUNDING (Thousands of Dollars)

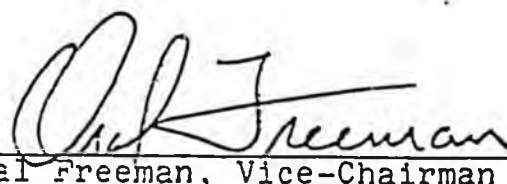
	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		230.5				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		5				
PART TIME						
TEMPORARY						

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

Fiscal note detail attached reflects cost to process and service loans.


 Oral Freeman, Vice-Chairman
 House Finance Committee

IV. DATE May 16, 1981 PREPARED BY _____
 AGENCY _____
 PHONE _____

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

Original sponsors: Rogers and Buchholdt

Offered: 5/18/81
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 9 (Finance) (efd failed)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to energy."

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

8 * Section 1. AS 37.12.125(6) is amended to read:

9 (6) "renewable resource" means

10 (A) non-human living organisms;

11 (B) natural components of the environment, including
12 the air, land, and water; [AND]

13 (C) energy systems which are naturally recurring or
14 replenished; and

15 (D) energy conservation technologies and recyclable
16 wastes.

17 * Sec. 2. AS 43.20.037(d)(1)(B)(ii) is amended to read:

18 (ii) a method of architectural design and construc-
19 tion which provides for the collection, storage and use of
20 direct radiation from the sun or which provides for the re-
21 retention of heat by the use of an amount or quality of insula-
22 tion which exceeds the amount or quality of insulation re-
23 quired by building performance standards adopted by the
24 Alaska Energy Center under AS 46.12.120; and

25 * Sec. 3. AS 44.21.020 is amended by adding a new paragraph to read:

26 (13) adopt regulations to implement the energy conservation
27 procurement policy set out in AS 46.11.070.

28 * Sec. 4. AS 44.33.040(17)(B) is amended to read:

29 (B) make grants for recipients eligible for [TO MATCH]

1 * Sec. 9. AS 44.83.177(b) is repealed and reenacted to read:

2 (b) A reconnaissance study shall

3 (1) identify the present and anticipated electrical and
4 thermal energy requirements of a community or region;

5 (2) survey all electrical and thermal energy sources avail-
6 able to the community or region and evaluate the relative economic
7 merits of alternative sources of power and heat, including energy
8 conservation;

9 (3) assess the effect of development of alternative sources
10 of power and heat on the environment so as to assure that there is no
11 adverse effect to the environment which would make the project inadvis-
12 able; and

13 (4) include public comment from residents of the community
14 and adjacent area.

15 * Sec. 10. AS 44.83.177(c)(2) is amended to read:

16 (2) standard criteria and measures for comparative analysis
17 of alternative energy [POWER] sources.

18 * Sec. 11. AS 44.83.230(4) is amended to read:

19 (4) "power project" or "project" means a plant, works,
20 system, facility, water rights, fuel deposits or sources, and real
21 estate and personal property [OF ANY NATURE WHATSOEVER], together with
22 all facilities and appurtenances related to them or necessary for the
23 purposes of them, used or useful in electrical or thermal [POWER]
24 production limited to fossil fuel, wind power, tidal, geothermal,
25 hydroelectric, or solar energy production and waste energy utilization
26 and energy conservation and the transmission, purchase, sale, exchange
27 and interchange of electrical or thermal energy [POWER], and shall
28 include any interest in them, whether divided or undivided, or any
29 right to the capacity of them;

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Original sponsors: Rogers and Buchholdt

Offered: 5/18/81
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 9 (Finance) (efd failed)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to energy."

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

8 * Section 1. AS 37.12.125(6) is amended to read:

9 (6) "renewable resource" means

10 (A) non-human living organisms;

11 (B) natural components of the environment, including
12 the air, land, and water; [AND]

13 (C) energy systems which are naturally recurring or
14 replenished; and

15 (D) energy conservation technologies and recyclable
16 wastes.

17 * Sec. 2. AS 43.20.037(d)(1)(B)(ii) is amended to read:

18 (ii) a method of architectural design and construc-
19 tion which provides for the collection, storage and use of
20 direct radiation from the sun or which provides for the re-
21 tention of heat by the use of an amount or quality of insula-
22 tion which exceeds the amount or quality of insulation re-
23 quired by building performance standards adopted by the
24 Alaska Energy Center under AS 46.12.120; and

25 * Sec. 3. AS 44.21.020 is amended by adding a new paragraph to read:

26 (13) adopt regulations to implement the energy conservation
27 procurement policy set out in AS 46.11.070.

28 * Sec. 4. AS 44.33.040(17)(B) is amended to read:

29 (B) make grants for recipients eligible for [TO MATCH]

1 grants from [MADE BY] the United States Department of Energy under
2 the appropriate technology small grants program for Alaska autho-
3 rized by Title I of the Department of Energy Appropriation Authori-
4 zation Act of 1977, P.L. 95-39 (42 U.S.C. 5907a) and 10 C.F.R. 470.

5 * Sec. 5. AS 44.47.140 is amended to read:

6 Sec. 44.47.140. LIMITATIONS. A program of the department under
7 AS 44.47.130 in a rural area may not exceed \$40,000 in [A] cost a year,
8 except that a grant of not more than \$100,000 [\$60,000] may be made
9 under AS 44.47.145 for a bulk fuel storage facility.

10 * Sec. 6. AS 44.47.145(b) is amended to read:

11 (b) Grants made under this section for the acquisition and in-
12 stallation of a bulk fuel storage facility may not exceed \$100,000
13 [\$60,000] per community.

14 * Sec. 7. AS 44.83.070 is amended to read:

15 Sec 44.83.070. PURPOSE OF THE AUTHORITY. The purpose of the
16 authority is to promote, develop and advance the general prosperity and
17 economic welfare of the people of Alaska by providing a means of con-
18 structing, acquiring, financing and operating

19 (1) power projects [PRODUCTION FACILITIES] limited to fossil
20 fuel, wind power, tidal, geothermal, hydroelectric, or solar energy
21 production; and

22 (2) facilities which recover and use waste energy [CONSERVA-
23 TION FACILITIES].

24 * Sec. 8. AS 44.83.177(a) is amended to read:

25 (a) To identify power project alternatives and energy consumption
26 patterns and needs for a community or region, the authority shall,
27 after consultation with other state agencies and after review of in-
28 formation on alternative sources of energy [POWER], complete a recon-
29 naissance study for each proposed new power project.

1 * Sec. 9. AS 44.83.177(b) is repealed and reenacted to read:

2 (b) A reconnaissance study shall

3 (1) identify the present and anticipated electrical and
4 thermal energy requirements of a community or region;

5 (2) survey all electrical and thermal energy sources avail-
6 able to the community or region and evaluate the relative economic
7 merits of alternative sources of power and heat, including energy
8 conservation;

9 (3) assess the effect of development of alternative sources
10 of power and heat on the environment so as to assure that there is no
11 adverse effect to the environment which would make the project inadvis-
12 able; and

13 (4) include public comment from residents of the community
14 and adjacent area.

15 * Sec. 10. AS 44.83.177(c)(2) is amended to read:

16 (2) standard criteria and measures for comparative analysis
17 of alternative energy [POWER] sources.

18 * Sec. 11. AS 44.83.230(4) is amended to read:

19 (4) "power project" or "project" means a plant, works,
20 system, facility, water rights, fuel deposits or sources, and real
21 estate and personal property [OF ANY NATURE WHATSOEVER], together with
22 all facilities and appurtenances related to them or necessary for the
23 purposes of them, used or useful in electrical or thermal [POWER]
24 production limited to fossil fuel, wind power, tidal, geothermal,
25 hydroelectric, or solar energy production and waste energy utilization
26 and energy conservation and the transmission, purchase, sale, exchange
27 and interchange of electrical or thermal energy [POWER], and shall
28 include any interest in them, whether divided or undivided, or any
29 right to the capacity of them;

1 * Sec. 12. AS 44.83.230(7) is amended to read:

2 (7) "reconnaissance study" means a study conducted for the
3 purpose of assessing the present and future electrical and thermal
4 energy [POWER] needs of an area under AS 44.83.177;

5 * Sec. 13. AS 46.11.030(a)(1) is amended to read:

6 (1) establish criteria for the performance of energy audits
7 of commercial and industrial buildings, cultural facilities, and
8 public buildings located in the state;

9 * Sec. 14. AS 46.11.030(c) is amended to read:

10 (c) The department may contract

11 (1) with a municipality for the performance of energy audits
12 in the municipality;

13 (2) with a nonprofit corporation for the performance of
14 energy audits in any community which the nonprofit corporation serves;

15 (3) with a public or private electric utility for the per-
16 formance of energy audits.

17 * Sec. 15. AS 46.11 is amended by adding new sections to read:

18 Sec. 46.11.032. CLASSIFICATION OF AUDITS. In establishing stan-
19 dards for energy audits of residences under AS 46.11.030(a), the depart-
20 ment shall provide criteria for performance of

21 (1) abbreviated audits that

22 (A) identify the energy conservation improvements
23 defined in AS 46.13.190(4) which are appropriate to the residence;

24 (B) identify other low-cost improvements which a resi-
25 dent may make to conserve energy;

26 (C) advise the resident of possible conservation prac-
27 tices; and

28 (D) recommend areas to be analyzed in a detailed energy
29 audit;

1 (2) detailed audits that

2 (A) analyze building characteristics;

3 (B) evaluate the applicability of structural retrofit,
4 upgrading, and the replacement of energy systems with alternative
5 energy systems;

6 (C) recommend appropriate alternative energy systems
7 for the residence; and

8 (D) provide to the resident an estimate of the costs to
9 implement the recommended measures, and an estimate of the time in
10 which the estimated cost of the energy saved by implementation of
11 the recommended measures exceeds the cost of implementing the
12 recommended measures.

13 Sec. 46.11.034. FEES AND PAYMENTS FOR ENERGY AUDIT. (a) The fee
14 for an energy audit may not be set by the state.

15 (b) The department shall reimburse a person who performs an
16 abbreviated energy audit of a residence in the state. The reimburse-
17 ment for the energy audit may not exceed the lesser of the cost of the
18 audit or \$50 adjusted by a regional cost-of-living and inflation index
19 determined by the department.

20 (c) For purposes of this section, a regional cost-of-living index
21 is determined by calculating the cost of living in each region of the
22 state by using the annually adjusted cost of living in Anchorage as a
23 base of 1.00.

24 * Sec. 16. AS 46.11 is amended by adding a new section to read:

25 Sec. 46.11.070. ENERGY CONSERVATION PROCUREMENT POLICY REGULA-
26 TIONS. (a) By July 1, 1982, the commissioner of administration shall
27 adopt regulations to implement a procurement policy applicable to state
28 agencies. The regulations adopted shall be reasonably necessary to
29 promote energy conservation in the acquisition and use of equipment,

1 materials, and supplies, and shall include, but are not limited to,

2 (1) procedures to determine life cycle costs of equipment,
3 based on acquisition costs, the cost of operating the equipment during
4 its anticipated useful life, maintenance costs of equipment during its
5 anticipated useful life, and the anticipated resale or salvage value of
6 the equipment; and

7 (2) minimum standards of energy efficiency of equipment,
8 based on applicable federal energy efficiency standards and average
9 fleet fuel economy for automobiles.

10 (b) The regulations adopted by the commissioner of administration
11 shall include bid procedures applicable to the acquisition of equip-
12 ment, materials, and supplies by state agencies by which the state
13 agency may evaluate compliance of a bid with the provisions of (a) of
14 this section before making a bid award.

15 (c) The commissioner of administration may not adopt regulations
16 under this section until the director of the Alaska Energy Center
17 (AS 46.12) and the director of the division of energy and power develop-
18 ment in the Department of Commerce and Economic Development are allowed
19 to review and comment on the regulations.

20 (d) The commissioner of administration may assist state agencies
21 in complying with regulations adopted under this section.

22 (e) By the 10th day of each regular session of the legislature,
23 the commissioner of administration shall submit a report to the legis-
24 lature on the regulations adopted under this section, and on compliance
25 with the regulations by state agencies. The report shall contain

26 (1) the actual energy costs and the energy conserved as a
27 result of compliance by state agencies with the regulations adopted
28 under this section; and

29 (2) the estimated energy costs and estimated energy which

1 may be conserved as a result of compliance by state agencies with the
2 regulations adopted under this section.

3 * Sec. 17. AS 37.25.030 is amended by adding a new subsection to read:

4 (b) The commissioner of administration shall

5 (1) require bids submitted under this section to contain
6 information about the life cycle costs and energy efficiency standards
7 of equipment, if the bid involves energy-consuming equipment;

8 (2) condition acceptance of a bid submitted under this
9 section on compliance by the bidder with bid regulations adopted under
10 AS 46.11.070.

11 * Sec. 18. AS 46.11.900(1)(B)(ii) is amended to read:

12 (ii) a method of architectural design and construc-
13 tion which provides for the collection, storage and use of
14 direct radiation from the sun or which provides for the re-
15 tention of heat by the use of an amount or quality of insula-
16 tion which exceeds the amount or quality of insulation re-
17 quired by building performance standards adopted by the
18 Alaska Energy Center under AS 46.12; and

19 * Sec. 19. AS 46.11.900(3) is amended to read:

20 (3) "energy audit" means a determination and written summary
21 prepared under AS 46.11.030 or sec. 215(b)(1)(A) of the National Energy
22 Conservation Policy Act (42 U.S.C. 8216(b)(1)(A)) of

23 [(A) THE ENERGY CONSUMPTION CHARACTERISTICS OF A BUILD-
24 ING, INCLUDING THE SIZE, TYPE, AND RATE OF ENERGY CONSUMPTION OF
25 MAJOR ENERGY CONSUMING SYSTEMS OF THE BUILDING AND THE CLIMATE
26 CHARACTERIZING THE REGION WHERE THE BUILDING IS LOCATED; AND

27 (B)] the energy [CONSERVATION AND COST] savings likely
28 to result from appropriate energy-conserving maintenance and
29 operating procedures and modifications, including the purchase and

1 installation of energy-related fixtures; [FOR PURPOSES OF THIS
2 SUBPARAGRAPH WHEN A FOSSIL FUEL IS THE ENERGY SOURCE, THE ENERGY
3 COST SAVINGS SHALL BE DETERMINED WITH REFERENCE TO THE PROJECTED
4 PRICE OF THAT FOSSIL FUEL OVER A 10-YEAR PERIOD;]

5 * Sec. 20. AS 46.11.900 is amended by adding a new paragraph to read:

6 (10) "cultural facility" means a structure or complex the
7 principal purpose of which is to serve the visual and performing ar . ,
8 including but not limited to a theatre, concert hall or gallery, or to
9 serve as the repository of the historical or contemporary heritage of
10 the community and its people, and which also may be used for compatible
11 activities, including but not limited to, activities relating to educa-
12 tion, community meetings, tourism, and visitor information.

13 * Sec. 21. AS 46.12.120 is amended by adding a new paragraph to read:

14 (6) adopt building energy performance standards for
15 (A) public facilities of the state; and
16 (B) residences, commercial and industrial buildings,
17 and other privately owned buildings in the state for which alterna-
18 tive energy system and energy conservation improvement loans may
19 be made under AS 46.13 or for which an energy conservation credit
20 is sought under AS 43.20.037.

21 * Sec. 22. AS 46 is amended by adding a new chapter to read:

22 CHAPTER 13. ENERGY CONSERVATION AND DEVELOPMENT.

23 ARTICLE 1. ALTERNATIVE TECHNOLOGY AND

24 ENERGY CONSERVATION LOANS.

25 Sec. 46.13.010. LOAN FUND ESTABLISHED. There is established in
26 the Department of Commerce and Economic Development the alternative
27 technology and energy conservation loan fund to carry out the purposes
28 of AS 46.13.010 - 46.13.099. A loan made under AS 46.13.010 - 46.13.099
29 may be used

1 (1) to develop energy production and conservation systems
2 using energy sources other than fossil or nuclear fuel, including but
3 not limited to, windmills, water, and solar energy devices;

4 (2) to develop and implement methods of energy production,
5 waste disposal, recycling, food production, transportation, building
6 design, and industrial enterprise which may be more efficient, less
7 costly, and less energy intensive than those methods presently used and
8 which are appropriate to the Alaska environment;

9 (3) to purchase, construct, or install an energy conserva-
10 tion improvement or an alternative energy system which is likely to
11 result in energy conservation or energy cost savings

12 (A) in a residential or commercial building;

13 (B) in a building owned by a corporation organized
14 under AS 10.20; or

15 (C) as part of an agricultural or industrial process.

16 Sec. 46.13.020. POWERS AND DUTIES OF THE DEPARTMENT. The depart-
17 ment may make loans

18 (1) for the purchase, construction, installation, and pro-
19 duction of

20 (A) alternative energy systems;

21 (B) energy conservation improvements; and

22 (2) for the development, implementation, and production of
23 more efficient, less costly, less energy intensive, and more appropri-
24 ate technologies.

25 Sec. 46.13.030. AUDITS. A loan may not be made under AS 46.-
26 13.010 - 46.13.099 for an alternative energy system or energy conserva-
27 tion improvement unless a detailed energy audit of the building has
28 been completed as provided in AS 46.11.032.

29 Sec. 46.13.040. LOAN TERMS. (a) A loan for the purchase, con-

1 struction, or installation of an alternative energy system or an energy
2 conservation improvement under AS 46.13.010 - 46.13.099 may be made
3 only for an alternative energy system or energy conservation improve-
4 ment which has been recommended in a detailed energy audit as a measure
5 which is likely to result in energy conservation or energy cost savings.

6 (b) A loan for the development of an alternative energy system or
7 for an energy conservation improvement

8 (1) may include the cost of the detailed audit of the build-
9 ing; and

10 (2) may not exceed the lesser of

11 (A) the cost of the alternative energy system or the
12 energy conservation improvement and the amount included under (1)
13 of this subsection; or

14 (B) \$100,000.

15 (c) The duration for repayment of a loan may not exceed 75 percent
16 of the estimated useful life of the alternative energy system or energy
17 conservation improvement, as determined by the department.

18 (d) All payments of principal and interest on a loan made under
19 AS 46.13.010 - 46.13.099 shall be paid by the department to the Depart-
20 ment of Revenue for deposit into the general fund.

21 (e) The rate of interest on a loan made under AS 46.13.010 -
22 46.13.099

23 (1) is five percent, if the loan is made before January 1,
24 1984;

25 (2) equals the percentage of the average weekly yield of
26 municipal bonds for the 12 months preceding the loan, as determined by
27 the commissioner of commerce and economic development from municipal
28 bond yield rates reported in the 30-year revenue index of the Weekly
29 Bond Buyer, for a loan made after December 31, 1983.

1 (f) The department may require security for a loan under this
2 section. If the amount of a loan is less than \$10,000, the department
3 may not require security in the form of a deed of trust. When a loan
4 is made under this section, the department may require the loan appli-
5 cant to present copies of invoices or billings for expenses which the
6 proceeds of the loan will be used to pay.

7 Sec. 46.13.050. LIMITATIONS ON LOANS. A loan for an alternative
8 energy system or energy conservation improvement which uses wood as its
9 principal fuel may not be used by the borrower for structural changes
10 in a building. Not more than one-third of the amount loaned for an
11 alternative energy system or energy conservation improvement which uses
12 wood as its principal fuel may be used for costs of installation of the
13 system or improvement.

14 Sec. 46.13.060. LOAN ADVANCES. The department shall establish
15 procedures for the payment of an advance of a portion of the proceeds
16 of a loan by an applicant before the purchase and construction or
17 installation of an energy conservation improvement or an alternative
18 energy system.

19 Sec. 46.13.070. REGULATIONS. The department shall adopt regula-
20 tions necessary to carry out the provisions of AS 46.13.010 - 46.13.099.

21 Sec. 46.13.099. DEFINITIONS. In AS 46.13.010 - 46.13.099,
22 "alternative energy system"

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

27 (2) includes

28 (A) an alternative energy property as defined by
29 sec. 48(1)(3)(A) of the Internal Revenue Code (26 U.S.C. sec. 48-