

SB

220

<target><bill>SB 220</bill><subject>SB
220</subject><comm>HENE26</comm></target>

CS FOR SENATE BILL NO. 220(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/10/10

Referred: Today's Calendar

Sponsor(s): SENATE RESOURCES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to energy efficiency, energy conservation, and alternative energy, to an
2 emerging energy technology fund, to the lease of state land to a public electric utility, to
3 the Alaska heating assistance program, to state energy use data, to the Southeast energy
4 fund, to nuclear energy production and facilities, to the definition of 'power project' or
5 'project' as it relates to rural and statewide energy programs and the Alaska Energy
6 Authority, and to the definition of 'alternative energy system'; establishing an Alaska
7 energy efficiency revolving loan fund; directing the Department of Transportation and
8 Public Facilities to prepare a report on the feasibility of using compressed natural gas to
9 power vehicles in the state, including vehicles owned or operated by the state, and
10 including in that study, if warranted, a pilot program proposal for powering some
11 vehicles owned or operated by the state with compressed natural gas; authorizing and
12 relating to the issuance of bonds by the Alaska Housing Finance Corporation; relating

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New Text Underlined [DELETED TEXT BRACKETED]

CSSB 220(FIN)

1 to a report regarding a municipal energy improvements financing program and to an
 2 energy report by the Office of the Governor; and providing for an effective date."

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

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

6 **SHORT TITLE.** This Act may be known as the Alaska Sustainable Energy Act.

7 * **Sec. 2.** AS 14.08.101 is amended to read:

8 **Sec. 14.08.101. Powers.** A regional school board may

9 (1) sue and be sued;

10 (2) contract with the department, the Bureau of Indian Affairs, or any
 11 other school district, agency, or regional board for the provision of services, facilities,
 12 supplies, or utilities;

13 (3) determine its own fiscal procedures, including but not limited to
 14 policies and procedures for the purchase of supplies and equipment; the regional
 15 school boards are exempt from AS 37.05 (Fiscal Procedures Act) and AS 36.30 (State
 16 Procurement Code);

17 (4) appoint, compensate, and otherwise control all school employees in
 18 accordance with this title; these employees are not subject to AS 39.25 (State
 19 Personnel Act);

20 (5) adopt regulations governing organization, policies, and procedures
 21 for the operation of the schools;

22 (6) establish, maintain, operate, discontinue, and combine schools
 23 subject to the approval of the commissioner;

24 (7) recommend to the department projects for construction,
 25 rehabilitation, and improvement of schools and education-related facilities as specified
 26 in AS 14.11.011(b), and plan, design, and construct the project when the responsibility
 27 for it is assumed under AS 14.11.020;

28 (8) by resolution adopted by a majority of all the members of the board
 29 and provided to the commissioner of the department, assume ownership of all land and
 30 buildings used in relation to the schools in the regional educational attendance area, as

1 provided for in AS 14.08.151(b);

2 (9) provide housing for rental to teachers, by leasing existing housing
3 from a local agency or individual, by entering into contractual arrangements with a
4 local agency or individual to lease housing that will be constructed by the local agency
5 or individual for that purpose, or, without using for the purpose that portion of public
6 school funding that consists of state aid provided under AS 14.17, by constructing or
7 otherwise acquiring housing that is owned and managed by the regional educational
8 attendance area for rental to teachers;

9 (10) employ a chief school administrator;

10 (11) apply for and use the proceeds of a loan from the Alaska
11 energy efficiency revolving loan fund (AS 18.56.855);

12 (12) exercise those other functions that may be necessary for the
13 proper performance of its responsibilities.

14 * Sec. 3. AS 18.45.020 is amended to read:

15 **Sec. 18.45.020. United States licenses or permits required.** A person may
16 not manufacture, construct, produce, transfer, acquire, or possess a special nuclear
17 material, by-product material, special nuclear material facility, by-product material
18 facility, production facility, or utilization facility, or act as an operator of a production
19 facility or utilization facility, wholly within the state without first obtaining a license
20 or permit for the activity in which the person proposes to engage from the Nuclear
21 Regulatory Commission if the commission requires a license or permit to be obtained
22 by persons proposing to engage in the activities.

23 * Sec. 4. AS 18.45.025(a) is amended to read:

24 (a) A person may not construct a nuclear fuel production facility, nuclear
25 utilization facility, utilization facility, reprocessing facility, or nuclear waste disposal
26 facility in the state without first obtaining a permit from the Department of
27 Environmental Conservation to construct the facility on land designated by the
28 legislature under (b) of this section.

29 * Sec. 5. AS 18.45.025(b) is amended to read:

30 (b) The legislature shall designate by law the land in the state on which a
31 nuclear fuel production facility, nuclear utilization facility, utilization facility.

1 nuclear reprocessing facility, or nuclear waste disposal facility may be located. In
 2 designating the land in the state on which

3 (1) a nuclear utilization facility or utilization facility may be
 4 located, the legislature shall act in the interest of regulating the economics of
 5 nuclear energy;

6 (2) a nuclear fuel production facility, [NUCLEAR UTILIZATION,]
 7 nuclear reprocessing facility, or nuclear waste disposal facility may be located, the
 8 legislature shall act to protect the public health and safety.

9 * Sec. 6. AS 18.45.025(c) is repealed and reenacted to read:

10 (c) The Department of Environmental Conservation shall adopt regulations
 11 governing the issuance of permits required by (a) of this section. However, a permit
 12 may not be issued until the municipality with jurisdiction over the proposed facility
 13 site has approved the permit.

14 * Sec. 7. AS 18.56.090 is amended by adding a new subsection to read:

15 (f) In furtherance of its corporate purpose, the corporation may, in cooperation
 16 with the Alaska Energy Authority, provide technical assistance to municipalities
 17 related to residential and commercial building energy codes and energy efficiency
 18 standards.

19 * Sec. 8. AS 18.56 is amended by adding a new section to read:

20 **Sec. 18.56.855. Alaska energy efficiency revolving loan fund.** (a) The
 21 Alaska energy efficiency revolving loan fund is established in the corporation to carry
 22 out the purposes of this section. The revolving loan fund consists of money or assets
 23 appropriated or transferred to the corporation for the revolving loan fund, including
 24 money and assets deposited in the revolving loan fund by the corporation and earnings
 25 on investments of money held in the revolving loan fund. The corporation may
 26 establish separate accounts in the fund. The corporation shall establish the interest
 27 rates, security provisions, and other terms of a loan made under this section taking into
 28 consideration the corporation's cost of funds and other factors the corporation
 29 considers appropriate.

30 (b) Money and other assets of the Alaska energy efficiency revolving loan
 31 fund may be used to

1 (1) make loans to regional educational attendance areas or to municipal
2 governments, including subdivisions of municipal governments, or to the state for the
3 purpose of financing energy efficiency improvements to buildings owned by regional
4 educational attendance areas, by the state, or by municipalities in the state;

5 (2) secure bonds issued by the corporation to finance the loans
6 described in (1) of this subsection;

7 (3) pay costs of administering the revolving loan fund; and

8 (4) pay the costs of administering and enforcing the terms of loans
9 made by the corporation from the revolving loan fund.

10 (c) Before a regional educational attendance area, a municipal government, or
11 a subdivision of a municipal government, may borrow money from the corporation
12 under this section, the regional educational attendance area or the municipal
13 government shall waive any sovereign immunity defense it may have available to it
14 with respect to enforcement of the terms of the loan. A regional educational
15 attendance area or a municipal government may waive sovereign immunity to comply
16 with the requirement of this subsection. The state waives any sovereign immunity
17 defense against enforcement of the terms of a loan made to the state under this section.
18 A person or corporation having a claim under this section shall bring an action in a
19 state court in Alaska that has jurisdiction over the claim.

20 (d) All regional educational attendance areas and municipal governments in
21 the state are authorized to borrow from the corporation under this section. The
22 corporation shall set out the terms of a loan to a regional educational attendance area
23 in a loan agreement or similar document. At the discretion of the corporation, a
24 borrowing by a regional educational attendance area or a municipal government under
25 this section may be effected by use of a loan agreement or similar document
26 evidencing and setting out the terms of the loan or by issuance of a bond by the
27 municipal government to the corporation. Notwithstanding a charter provision
28 requiring public sale by a regional educational attendance area or a municipality of its
29 municipal bonds or other indebtedness, a regional educational attendance area or
30 municipality may sell its bonds under this section to the corporation at a negotiated,
31 private sale. At the discretion of the corporation, the bonds or other indebtedness of

1 the municipality may be general obligations of the municipality or may be secured by
2 an identified revenue source or by a combination of the full faith and credit of the
3 municipality and an identified revenue source.

4 (e) Notwithstanding any other provision of law, to the extent that a department
5 or agency of the state is the custodian of money payable to a regional educational
6 attendance area or to a municipality, at any time after written notice to the department
7 or agency head from the corporation that the regional educational attendance area or
8 municipality is in default on the payment of principal of or interest on municipal
9 bonds or other indebtedness then held or owned by the corporation, or amounts due
10 under an agreement between the corporation and a regional educational attendance
11 area or a municipality, the department or agency shall withhold the payment of that
12 money from that regional educational attendance area or municipality and pay over the
13 money to the corporation for the purpose of paying the principal of and interest on the
14 bonds or indebtedness. The notice must be given in each instance of default. If a notice
15 is given under this subsection and under AS 44.85.170 and the default is continuing
16 under this subsection and under AS 44.85.170, the department or agency shall make
17 payment to the corporation and to the Alaska Municipal Bond Bank Authority on a
18 pro rata basis, taking into consideration the principal amount of the respective default
19 amounts.

20 (f) An authorized state officer may borrow from the corporation under this
21 section for buildings owned by the state. The superintendent of a regional educational
22 attendance area, at the direction of the regional educational attendance area school
23 board, may borrow from the corporation under this section for buildings owned by the
24 regional educational attendance area.

25 (g) In addition to other security that may be given with respect to a loan made
26 under this section, the corporation may require a deed of trust on the building that is
27 the subject of the energy efficiency loan and the real estate on which the building is
28 located. A regional educational attendance area or a municipality may grant a deed of
29 trust to the corporation as needed for this purpose. An authorized state officer may
30 grant a deed of trust to the corporation as needed for this purpose.

31 (h) The corporation shall administer the Alaska energy efficiency revolving

1 loan fund in accordance with regulations adopted by the corporation. The corporation
 2 may adopt regulations under AS 18.56.088 to carry out the purposes of this section.

3 (i) This section applies to home rule municipalities.

4 (j) In this section, "authorized state officer" means

5 (1) the commissioner of the department of the state for a building
 6 owned by the state;

7 (2) the executive director of a public corporation for a building owned
 8 by the public corporation;

9 (3) the legislative council for a building owned by the legislature;

10 (4) the administrative director of courts for a building owned by the
 11 judicial system;

12 (5) any other person designated in writing by a person listed in (1) - (4)
 13 of this subsection.

14 * **Sec. 9.** AS 37.07.040 is amended to read:

15 **Sec. 37.07.040. Office of management and budget.** The Alaska office of
 16 management and budget shall

17 (1) assist the governor in meeting the requirements of AS 37.07.020,
 18 including the coordination and analysis of state agency goals and objectives, plans,
 19 and budget requests;

20 (2) prepare for submission to the governor an annually updated six-
 21 year capital improvements program and the proposed capital improvements budget for
 22 the coming fiscal year, the latter to include individual project justification with
 23 documentation of estimated project cost;

24 (3) develop procedures to produce the information needed for effective
 25 policy decision making, including procedures to provide for the dissemination of
 26 information about plans, programs, and budget requests to be included in the annual
 27 budget and opportunity for public review and comment during the period of budget
 28 preparation;

29 (4) assist state agencies in their statement of goals and objectives to
 30 achieve, among other things, the legislature's mission and desired results, preparation
 31 of plans, assessments of the extent to which missions and desired results have been

1 achieved, budget requests, and reporting of program performance; all documents
 2 forwarded by the office to a state agency containing instructions for the preparation of
 3 program plans and budget requests and the reporting of program performance are
 4 public information after the date they are forwarded;

5 (5) administer its responsibilities under the program execution
 6 provisions of this chapter so that the policy decisions and budget determinations of the
 7 governor and the legislature are implemented;

8 (6) provide the legislative finance division with the budget information
 9 it may request;

10 (7) provide the legislative finance division with an advance copy of the
 11 governor's budget workbooks at least seven days before the legislature convenes in a
 12 regular session;

13 (8) prepare the proposed capital improvements budget for the coming
 14 fiscal year evaluating both state and local requests from the standpoint of need, equity,
 15 and priorities of the jurisdiction; other factors such as project amounts, population,
 16 local financial match, federal funds being used for local match, municipality or
 17 unincorporated community acceptance of the facility, and all associated costs of the
 18 facility may be considered;

19 (9) for each department in the executive branch, report to the
 20 legislature by the 45th day of each regular session the amount of money appropriated
 21 to the department that is expected to lapse into the general fund at the end of the
 22 current fiscal year;

23 (10) establish and administer a state agency program performance
 24 management system involving planning, performance budgeting, performance
 25 measurement, and program evaluation; the office shall ensure that information
 26 generated under this system is useful for managing and improving the efficiency and
 27 effectiveness of agency operations;

28 (11) by January 15, list each lease-purchase agreement entered into by
 29 an agency during the immediately preceding fiscal year for the acquisition of
 30 equipment or other personal property, together with a description of the property
 31 acquired and financial details, including the purchase price, the term for payments, the

1 amount of each payment, and the amount of interest or financing charges paid;

2 (12) work with state agencies to develop a standardized
 3 methodology to collect and store energy consumption and expense data.

4 * Sec. 10. AS 38.05.810(e) is amended to read:

5 (e) The lease, sale, or other disposal of state land at appraised fair market
 6 value may be negotiated with a licensed public utility or a licensed common carrier by
 7 the director with the approval of the commissioner if the utility or carrier reasonably
 8 requires the land for the conduct of its business under its license. A lease with a
 9 licensed public utility that is an electric utility entered into under this subsection
 10 may not include, as part of the rent or other fee that is negotiated or charged, an
 11 amount that is based on or determined by a percentage of gross revenue for
 12 renewable energy produced by the electric utility.

13 * Sec. 11. AS 42.45.040 is repealed and reenacted to read:

14 **Sec. 42.45.040. Southeast energy fund.** (a) The Southeast energy fund is
 15 established as a separate fund. The fund consists of

16 (1) money appropriated to the fund by the legislature;

17 (2) money transferred to it under former AS 42.45.050;

18 (3) gifts, bequests, contributions from other sources, and federal
 19 money;

20 (4) interest earned on the fund balance; and

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

23 (b) The fund is not a dedicated fund.

24 (c) The authority may make grants from the Southeast energy fund to a
 25 municipality of the state, a joint action agency established under AS 42.45.300, or a
 26 member-owned electric cooperative established under AS 10.25, for power projects,
 27 repayment of loans, and payments on bonds for hydroelectric projects and electrical
 28 transmission lines or interties serving Southeast Alaska that are entirely owned by the
 29 grantee.

30 (d) An appropriation from the fund for a project described in (c) of this section
 31 lapses back into the fund if substantial, ongoing work on the project has not begun

1 within seven years after the effective date of the appropriation.

2 * Sec. 12. AS 42.45 is amended by adding a new section to read:

3 **Article 7A. Emerging Energy Technology Fund.**

4 **Sec. 42.45.375. Emerging energy technology fund.** (a) In order to promote
5 the expansion of energy sources available to Alaskans, the emerging energy
6 technology fund is established. The fund consists of

7 (1) money appropriated to the fund by the legislature to provide grants
8 for energy projects; and

9 (2) gifts, bequests, contributions from other sources, and federal
10 money appropriated to the fund.

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

12 (c) The fund shall be administered by the authority, but the authority may
13 contract for the investment of money appropriated to the fund but not disbursed for a
14 grant. The authority, in consultation with the advisory committee established under (f)
15 of this section, may make grants from the fund to eligible applicants for demonstration
16 projects of technologies that have a reasonable expectation to be commercially viable
17 within five years and that are designed to

18 (1) test emerging energy technologies or methods of conserving
19 energy;

20 (2) improve an existing energy technology; or

21 (3) deploy an existing technology that has not previously been
22 demonstrated in the state.

23 (d) In making grants under this section, the authority, in consultation with the
24 advisory committee established under (f) of this section, shall give priority to

25 (1) Alaska residents, associations, organizations, or institutions;

26 (2) projects that demonstrate partnership with the University of Alaska
27 or another Alaska postsecondary institution;

28 (3) projects supported by matching funds or in-kind partnerships; and

29 (4) projects with potential for widespread deployment in the state.

30 (e) In administering the fund, the authority may enter into a contract or
31 agreement with the University of Alaska to provide technical and economic review

1 and analysis for the advisory committee established under (f) of this section and data
2 acquisition and analysis of the projects awarded grants.

3 (f) An advisory committee is established and consists of seven members. Each
4 member of the committee shall have a degree in science or engineering, or equivalent
5 professional experience, and at least two years of experience working in the state.
6 Members of the committee shall be appointed by the governor to staggered three-year
7 terms. The committee consists of one representative of each of the following groups:

- 8 (1) a business or organization engaged in the renewable energy sector;
- 9 (2) a business or organization engaged in the fossil fuel energy sector;
- 10 (3) the Alaska Power Association or an Alaska electric utility;
- 11 (4) the Denali Commission established under P.L. 105-277 and
12 mentioned in a note at 42 U.S.C. 3121;
- 13 (5) the National Renewable Energy Laboratory;
- 14 (6) the Arctic Energy Office of the National Energy Technology
15 Laboratory;
- 16 (7) the Alaska Industrial Development and Export Authority.

17 (g) A member of the advisory committee appointed under (f) of this section
18 serves without compensation but is entitled to per diem and travel expenses as
19 provided in AS 39.20.180.

20 (h) If a member of the advisory committee appointed under (f)(4), (5), or (6)
21 of this section is not available to serve as a member of the committee, the governor
22 shall appoint a representative from a federal agency or department with a comparable
23 mission or purpose to the agency listed in (f)(4), (5), or (6) of this section to fill the
24 position on the committee. If a representative from a federal agency or department is
25 not available to fill the position, the governor may appoint a member from a state
26 agency or department.

27 (i) A business or organization represented by a member of the advisory
28 committee under (f) of this section is not eligible to receive a grant from the fund.

29 (j) In this section,

30 (1) "eligible applicant" means

31 (A) an electric utility holding a certificate of public

1 convenience and necessity under AS 42.05;

2 (B) an independent power producer;

3 (C) a local government, quasi-governmental entity, or other
4 governmental entity, including a tribal council or housing authority;

5 (D) a business holding an Alaska business license; or

6 (E) a nonprofit organization.

7 (2) "energy technology" means technology that promotes, enhances, or
8 expands the diversity of available energy supply sources or means of transmission,
9 increases energy efficiency, or reduces negative energy-related environmental effects;
10 "energy technology" includes technology related to renewable sources of energy,
11 conservation of energy, enabling technologies, efficient and effective use of
12 hydrocarbons, and integrated energy systems;

13 (3) "fund" means the emerging energy technology fund.

14 * Sec. 13. AS 42.45.990(4) is amended to read:

15 (4) "power project" or "project" means a plant, works, system, or
16 facility, together with related or necessary facilities and appurtenances, including a
17 divided or undivided interest in or a right to the capacity of a power project or project,
18 that is used or is useful for the purpose of

19 (A) electrical or thermal energy production [OTHER THAN
20 NUCLEAR ENERGY PRODUCTION];

21 (B) waste energy utilization and energy conservation; or

22 (C) transmission, purchase, sale, exchange, and interchange of
23 electrical or thermal energy, including district heating or interties;

24 * Sec. 14. AS 44.42.020(a) is amended to read:

25 (a) The department shall

26 (1) plan, design, construct, and maintain all state modes of
27 transportation and transportation facilities and all docks, floats, breakwaters, buildings,
28 and similar facilities;

29 (2) study existing transportation modes and facilities in the state to
30 determine how they might be improved or whether they should continue to be
31 maintained;

1 (3) study alternative means of improving transportation in the state
2 with regard to the economic costs of each alternative and its environmental and social
3 effects;

4 (4) develop a comprehensive, long-range, intermodal transportation
5 plan for the state;

6 (5) study alternatives to existing modes of transportation in urban areas
7 and develop plans to improve urban transportation;

8 (6) cooperate and coordinate with and enter into agreements with
9 federal, state, and local government agencies and private organizations and persons in
10 exercising its powers and duties;

11 (7) manage, operate, and maintain state transportation facilities and all
12 docks, floats, breakwaters, and buildings, including all state highways, vessels,
13 railroads, pipelines, airports, and aviation facilities;

14 (8) study alternative means of transportation in the state, considering
15 the economic, social, and environmental effects of each alternative;

16 (9) coordinate and develop state and regional transportation systems,
17 considering deletions, additions, and the absence of alterations;

18 (10) develop facility program plans for transportation and state
19 buildings, docks, and breakwaters required to implement the duties set out in this
20 section, including but not limited to functional performance criteria and schedules for
21 completion;

22 (11) supervise and maintain all state automotive and mechanical
23 equipment, aircraft, and vessels, except vessels and aircraft used by the Department of
24 Fish and Game or the Department of Public Safety; for state vehicles maintained by
25 the department, the department shall every five years evaluate the cost, efficiency, and
26 commercial availability of alternative fuels for automotive purposes, and the purpose
27 for which the vehicles are intended to be used, and convert vehicles to use alternative
28 fuels or purchase energy efficient vehicles [TO USE ALTERNATIVE FUELS]
29 whenever practicable; the department may participate in joint ventures with public or
30 private partners that will foster the availability of alternative fuels for all automotive
31 fuel consumers;

- 1 (12) supervise aeronautics inside the state, under AS 02.10;
- 2 (13) implement the safety and financial responsibility requirements for
- 3 air carriers under AS 02.40;
- 4 (14) inspect weights and measures;
- 5 (15) at least every four years study alternatives available to finance
- 6 transportation systems in order to provide an adequate level of funding to sustain and
- 7 improve the state's transportation system.

8 * Sec. 15. AS 44.83.990(6) is amended to read:

9 (6) "power project" or "project" means a plant, works, system, or
10 facility, together with related or necessary facilities and appurtenances, including a
11 divided or undivided interest in or a right to the capacity of a power project or project,
12 that is used or is useful for the purpose of

- 13 (A) electrical or thermal energy production [OTHER THAN
- 14 NUCLEAR ENERGY PRODUCTION];
- 15 (B) waste energy utilization and energy conservation; or
- 16 (C) transmission, purchase, sale, exchange, and interchange of
- 17 electrical or thermal energy, including district heating or interties;

18 * Sec. 16. AS 46.11.900(1) is amended to read:

19 (1) "alternative energy system"
20 (A) means a source of thermal, mechanical, or electrical energy
21 that is not dependent on oil or gas [OR A NUCLEAR FUEL] for the supply of
22 energy for space heating and cooling, refrigeration and cold storage, electrical
23 power, mechanical power, or the heating of water;

- 24 (B) includes
- 25 (i) an alternative energy property as defined by 26
- 26 U.S.C. 48(a)(3)(A); and
- 27 (ii) a method of architectural design and construction
- 28 that provides for the collection, storage, and use of direct radiation from
- 29 the sun;

30 * Sec. 17. AS 47.25.621 is amended to read:

31 Sec. 47.25.621. Alaska affordable heating [ASSISTANCE] program. (a)

1 The Alaska affordable heating [ASSISTANCE] program is established in the
 2 Department of Health and Social Services to provide expanded eligibility for Alaska
 3 residents for home heating assistance, to the extent funds are available in the Alaska
 4 affordable heating fund [APPROPRIATED BY THE LEGISLATURE FOR THAT
 5 PURPOSE].

6 (b) The Alaska affordable heating [ASSISTANCE] program established
 7 under this section is in addition to the federal low-income heating and energy
 8 assistance provided under 42 U.S.C. 8621 - 8629 (Low-Income Home Energy
 9 Assistance Act of 1981), as amended, and implementing regulations.

10 * **Sec. 18.** AS 47.25.621 is amended by adding a new subsection to read:

11 (c) The Alaska affordable heating fund is established as a separate fund to be
 12 managed by the Department of Revenue. The fund consists of appropriations made to
 13 it. Interest earned by the fund may be appropriated to it. The Department of Health and
 14 Social Services shall use money in the fund for Alaska affordable heating payments.

15 * **Sec. 19.** AS 47.25.622 is amended to read:

16 **Sec. 47.25.622. Duties.** The Department of Health and Social Services
 17 [DEPARTMENT] shall

18 (1) administer the Alaska affordable heating [ASSISTANCE]
 19 program provided under AS 47.25.621;

20 (2) adopt regulations under AS 44.62 (Administrative Procedure Act)
 21 to carry out the purpose of the program;

22 (3) coordinate payments among other heating assistance programs to
 23 avoid duplication of payments.

24 * **Sec. 20.** AS 47.25.623 is amended to read:

25 **Sec. 47.25.623. Eligibility; payment amount.** An individual is eligible for
 26 home heating assistance payments under the Alaska affordable heating
 27 [ASSISTANCE] program if the individual

28 (1) is a resident of the state;

29 (2) is physically present and resides in a home in the state when the
 30 home heating costs are incurred;

31 (3) for assistance calculated under (b) and (c) of this section, has

1 gross household income not to exceed, as a percentage of the federal poverty
2 guideline for Alaska set by the United States Department of Health and Human
3 Services and revised under 42 U.S.C. 9902(2).

4 (A) 225 percent for a determination to be made under (c)(1)
5 - (3) of this section; and

6 (B) 250 percent for a determination to be made under (c)(4)
7 of this section; and [HAS GROSS HOUSEHOLD INCOME ABOVE 150
8 PERCENT BUT THAT DOES NOT EXCEED 225 PERCENT OF THE
9 FEDERAL POVERTY GUIDELINE FOR ALASKA SET BY THE UNITED
10 STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES AND
11 REVISED UNDER 42 U.S.C. 9902(2);]

12 (4) meets other eligibility requirements specified in regulations
13 adopted under AS 47.25.622.

14 * Sec. 21. AS 47.25.623 is amended by adding new subsections to read:

15 (b) The Department of Health and Social Services shall determine the number
16 of points for each eligible individual based on the point formula used under 42 U.S.C.
17 8621 - 8629 (Low-Income Home Energy Assistance Act of 1981), as amended, and
18 implementing regulations. Except as provided in (d) of this section, the amount of the
19 Alaska affordable heating payment for an individual equals the base amount calculated
20 under (c) of this section minus the amount the individual is eligible to receive under
21 the federal low-income home energy assistance program under 42 U.S.C. 8621 - 8629,
22 as amended, and implementing regulations.

23 (c) The Department of Health and Social Services shall calculate the base
24 amount of the Alaska affordable heating payment for the individual based on points
25 determined under (b) of this section and on the average price a barrel of Alaska North
26 Slope crude oil for sale on the United States West Coast during September through
27 February of the preceding fiscal year as follows:

- 28 (1) \$130 a point when the average price is not more than \$75 a barrel;
29 (2) \$140 a point when the average price is more than \$75 and not more
30 than \$100 a barrel;
31 (3) \$150 a point when the average price is more than \$100 and not

1 more than \$150 a barrel;

2 (4) \$165 a point when the average price is more than \$150 a barrel.

3 (d) Under the program authorized by AS 47.25.621 - 47.25.626, taking into
4 consideration the gross household income rates established in (a) of this section and
5 the base amounts to be calculated under (b) and (c) of this section,

6 (1) if insufficient money is appropriated to fully fund the Alaska
7 affordable heating payments during the fiscal year, the department

8 (A) shall, for the duration of that fiscal year, suspend
9 calculation and payment under (a)(3)(B) of this section and calculate and pay
10 all eligible individuals under (a)(3)(A) of this section; and

11 (B) may, to the extent there is or may be an appropriation
12 balance surplus to the amount required to make all payments under (A) of this
13 paragraph, by regulation, establish at any time during the fiscal year a
14 prospective pro rata reduction of the payment rates that the department will
15 pay to eligible individuals under the program during that fiscal year qualifying
16 under (a)(3)(B) of this section and, thereafter, may provide for prorated
17 payments; and

18 (2) if the commissioner reasonably determines that the total of
19 appropriations from all sources during the fiscal year may exceed the amount required
20 to fully fund all applications for assistance for Alaska affordable heating payments, the
21 commissioner may expend the amount of excess money, not to exceed the total
22 amount of the appropriations, to carry out the purpose of AS 47.25.621 - 47.25.626;
23 under the authority of this paragraph, the commissioner shall distribute the estimated
24 excess money pro rata among individuals receiving assistance under this section
25 without regard to the limitations set out in the dollar value of the point formula
26 expressed in (c)(1) - (4) of this section.

27 * Sec. 22. AS 47.25.626(a) is amended to read:

28 (a) The Department of Health and Social Services [DEPARTMENT] may
29 develop a regional Alaska heating [ASSISTANCE] program for the administration of
30 AS 47.25.621 - 47.25.626 to provide home heating assistance in a uniform and cost-
31 effective manner in a region of this state if an Alaska Native organization is authorized

1 to implement a federally approved tribal family assistance plan that includes that
 2 region and has been awarded a tribal energy assistance grant for a program that
 3 includes that region under 42 U.S.C. 8623(d).

4 * Sec. 23. AS 47.25.626(b) is amended to read:

5 (b) The department may award contracts to implement a program developed
 6 under (a) of this section. A contract authorized for delivery of home heating assistance
 7 under a regional Alaska heating [ASSISTANCE] program under this section is exempt
 8 from the competitive bid requirements of AS 36.30 (State Procurement Code). Subject
 9 to appropriation, a contract under this section must be in an amount that represents a
 10 fair and equitable share of the money appropriated for the Alaska **affordable** heating
 11 [ASSISTANCE] program under AS 47.25.621 - 47.25.626 to serve the state residents
 12 specified in (a) of this section. The authority provided under this section to contract is
 13 in addition to the authority to contract in AS 47.05.015 or other law.

14 * Sec. 24. AS 47.25.626(f) is amended to read:

15 (f) If the department establishes a regional Alaska heating [ASSISTANCE]
 16 program and awards a contract to provide home heating assistance under this section,
 17 (1) a person applying for home heating assistance under AS 47.25.621
 18 - 47.25.626 in the region of the state covered by the regional Alaska heating assistance
 19 program may obtain home heating [ASSISTANCE] from the department only through
 20 the organization designated by the department to serve the region;

21 **(2) the department may require the contractor**

22 **(A) to operate and administer the contract in a manner**
 23 **consistent with the organization's federally approved energy assistance**
 24 **grant and plan; or**

25 **(B) to apply the provisions of AS 47.25.623 to determine**
 26 **eligibility for home heating assistance to a person for whom assistance**
 27 **may be paid under the contract or may allow the contractor to use other**
 28 **criteria to determine that eligibility.**

29 * Sec. 25. AS 42.45.375, enacted by sec. 12 of this Act, is repealed January 1, 2015.

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

1 OFFICE OF MANAGEMENT AND BUDGET. Not later than January 31, 2011, the
2 Office of Management and Budget shall develop a standardized methodology to collect and
3 store energy consumption and expense data as described in AS 37.07.040(12), as enacted by
4 sec. 9 of this Act.

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

7 OFFICE OF THE GOVERNOR ENERGY REPORT. Not later than January 31, 2011,
8 the governor shall submit a report to the legislature providing recommendations for how best
9 to structure state energy programs and offices to increase the coordination and efficiency of
10 the state's efforts. The report must also include an examination of existing powers and duties
11 and the structure of the Alaska Energy Authority and its board of directors, specifically
12 analyzing the relationship between the Alaska Energy Authority and the Alaska Industrial
13 Development and Export Authority.

And to develop an organizational chart energy related

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

16 USE OF COMPRESSED NATURAL GAS TO POWER VEHICLES; PILOT
17 PROGRAM; STUDY; PROPOSAL; REPORT. (a) The Department of Transportation and
18 Public Facilities shall, under the authority of AS 44.42.020(a)(3), study the feasibility of using
19 compressed natural gas to power vehicles in the state. The study must

20 (1) review existing government programs and incentives offered in Utah and
21 other North American jurisdictions that promote the use of compressed natural gas to power
22 vehicles;

23 (2) review and summarize relevant studies and investigations on existing
24 public policy incentives that encourage the use of compressed natural gas to power vehicles;

25 (3) evaluate the environmental benefits and technical merits of using
26 compressed natural gas to power vehicles;

27 (4) consider the economic, environmental, and technological advantages and
28 disadvantages of using and promoting the use of compressed natural gas to power vehicles in
29 the state; and

30 (5) if warranted by the findings of the study, set out a proposal for a pilot
31 program in the state to test the use of compressed natural gas to power vehicles owned or

1 operated by the state; the proposal must

2 (A) recommend the most cost-effective and appropriate departments
3 and geographic locations for a pilot program;

4 (B) detail how the pilot program, if successful, could be expanded to
5 provide for increased use of compressed natural gas to power vehicles owned or
6 operated by the state, as well as privately owned or operated vehicles;

7 (C) estimate the costs to the state of a pilot program in which the state
8 would purchase vehicles powered by compressed natural gas or convert existing
9 vehicles to be powered by compressed natural gas, including

10 (i) the costs of maintaining vehicles powered by compressed
11 natural gas and training maintenance personnel;

12 (ii) the costs of adapting, or encouraging the adapting of, state
13 vehicle fueling locations to provide compressed natural gas;

14 (iii) the costs of using compressed natural gas instead of diesel
15 fuel or gasoline;

16 (iv) the costs of expanding the pilot program or developing
17 additional pilot programs under (B) of this paragraph;

18 (v) other costs or savings that can be reasonably expected to
19 accompany the pilot program.

20 (b) The Department of Transportation and Public Facilities shall prepare a report
21 containing the results of the study under (a) of this section not later than January 31, 2011.
22 The department shall notify the legislature when the report is available.

23 * Sec. 29. The uncodified law of the State of Alaska is amended by adding a new section to
24 read:

25 BOND AUTHORIZATION AND PROVISIONS. (a) In addition to the powers in
26 AS 18.56.090, the Alaska Housing Finance Corporation may issue bonds in an amount not to
27 exceed \$250,000,000 to make loans from the energy efficiency revolving loan fund
28 established by AS 18.56.855, enacted by sec. 8 of this Act, and to finance the purposes
29 permitted by AS 18.56.855, enacted by sec. 8 of this Act. AS 18.56.110 - 18.56.190 and
30 18.56.855, enacted by sec. 8 of this Act, apply to bonds issued under this section, except that
31 bonds issued under this section are not subject to, and may not be counted against, the bond

1 issuance limitation set out in AS 18.56.110(g).

2 (b) The Alaska Housing Finance Corporation shall deposit the proceeds of bonds
3 issued under (a) of this section in the Alaska energy efficiency revolving loan fund in
4 accordance with AS 18.56.855, enacted by sec. 8 of this Act.

5 * **Sec. 30.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 MUNICIPAL ENERGY IMPROVEMENTS FINANCING PROGRAM
8 RECOMMENDATION. Not later than January 31, 2011, the Department of Revenue shall
9 submit to the legislature a report and recommendations regarding the feasibility of a
10 municipal energy improvements financing program. The report must

11 (1) address financing programs for energy efficiency and renewable energy
12 projects on residential, commercial, and industrial property through property tax assessments;
13 and

14 (2) identify the costs and benefits of a municipal energy improvements
15 financing program in the state.

16 * **Sec. 31.** The uncodified law of the State of Alaska is amended by adding a new section to
17 read:

18 TRANSITION: REGULATIONS. (a) To the extent consistent with secs. 17 - 24 of
19 this Act, regulations of the Department of Health and Social Services adopted under the
20 authority of AS 47.25.622 that are in effect on the effective date of secs. 17 - 24 of this Act
21 remain in effect until the department adopts regulations consistent with secs. 17 - 24 of this
22 Act.

23 (b) A state agency affected by this Act with the authority to adopt regulations under
24 state law may proceed to adopt regulations necessary to implement the changes made by this
25 Act. The regulations take effect in accordance with applicable state law but not before the
26 effective date of the law implemented by the regulation.

27 * **Sec. 32.** The uncodified law of the State of Alaska is amended by adding a new section to
28 read:

29 REGULATIONS: ATTORNEY INSTRUCTION. Throughout the Alaska
30 Administrative Code, the regulations attorney is instructed to change the phrase "Alaska
31 Heating Assistance Program" to "Alaska Affordable Heating Program," as appropriate, if

1 consistent with the changes made in secs. 17 - 24 of this Act.

2 * **Sec. 33.** The uncodified law of the State of Alaska is amended by adding a new section to
3 read:

4 REVISOR'S INSTRUCTIONS. (a) The revisor of statutes is instructed to change the
5 heading of art. 6 of AS 18.56 from "Energy Conservation" to "Energy Efficiency and
6 Conservation Programs."

7 (b) The revisor of statutes is instructed to change the heading of art. 4 of AS 47.25
8 from "Alaska Heating Assistance Program" to "Alaska Affordable Heating Program."

9 * **Sec. 34.** Section 31(b) of this Act takes effect immediately under AS 01.10.070(c).

ALASKA STATE LEGISLATURE

Senate Resources Committee

**Senator Bill Wielechowski,
Co-Chair Senate Resources**
State Capitol Building, Room 115
Juneau, Alaska 99801-1182
Phone (907) 465-2435
Fax (907) 465-6615
sen.bill.wielechowski@legis.state.ak.us



**Senator Lesil McGuire, Co-Chair
Senate Resources**
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592
sen.lesil.mcguire@legis.state.ak.us

SPONSOR STATEMENT

Senate Bill # 220: Alaska Sustainable Energy Act

During the summer and fall of 2010, the Senate Special Committee on Energy and Senate Resources Committee held hearings across the state on the energy challenges and opportunities facing Alaskans. Starting from the premise that Alaskans want to live and work where energy is available, reliable and affordable; we took testimony and learned firsthand about the impacts high energy costs have had on businesses, communities and families. The diverse range of ideas we received were integrated into a broad *Draft State Energy Policy and Program Recommendations* document that is available on the Alaska Senate Energy Policy Group's website: www.energy.aksenate.org

Working together as chairs of the Senate Resources Committee, we drafted the *Alaska Sustainable Energy Act* (SB 220) as an omnibus bill to address the challenges we heard from Alaskans. In addition to the omnibus energy bill, we also released a detailed list of funding recommendations that are available on the website. Where the *Alaska Sustainable Energy Act* breaks new ground, the funding recommendations are intended to build on previous efforts by the Legislature.

The *Alaska Sustainable Energy Act* starts by establishing a statewide energy policy that recognizes the importance of Alaska's fossil fuel resources but also identifies Alaska's vast renewable energy potential. With largely under-explored wind, wave and geothermal resources, Alaska can become a global leader in renewable energy. The policy also seeks to find ways to use energy more wisely and sets goals for energy efficiency. Finally, the policy states that cost-effective solutions need to be found for every community. Despite our vast distances and unique local challenges, energy is a basic need in Alaska and the foundation of our economy. Finding ways to meet the energy needs of our neighbors will make all of Alaska stronger. Therefore, we drafted the *Alaska Sustainable Energy Act* to provide the tools to move Alaska forward into a sustainable future.

Tools in the Toolbox

The *Alaska Sustainable Energy Act* includes a broad range of policy tools designed to attract investment in Alaska's energy sector and stimulate the economy. The programs in SB 220 fall into three basic categories: near-term, mid-term and long-term solutions.

Near Term Solutions: Plan and Assist

- **Energy Efficiency Revolving Loan Fund:** Senate Bill 220 creates a revolving loan program to fund energy efficiency improvements in public buildings. School districts, municipalities and state government will have access to the funds needed to upgrade their facilities. Based on what we have seen from the State's *Weatherization* and *Home Energy Rebate* programs, this fund will foster 1,500 to 2,000 jobs in the construction industry in Alaska. SB 220 authorizes the Alaska Housing Finance Corporation to issue \$250 million in bonds to capitalize this critical new loan fund.
- **Help for Alaskan Families When Fuel Prices Soar:** SB 220 links benefits from the state's Heating Assistance Program to the price of oil, providing additional assistance to low-income families when fuel prices are high, Alaskans need help the most, and the state enjoys significant surpluses. This program is a supplement to the federal Low-Income Heating Assistance Program (LIHEAP).
- **Retrofit State Buildings:** Just like a person's home, state buildings can be made more energy efficient. Currently, the State of Alaska alone (not counting schools) spends roughly \$55 million per year on heating and lighting its buildings. Energy efficiency improvements can save 20% in energy costs, which could translate to more than \$10 million in savings per year. SB 220 requires the Department of Transportation and Public Facilities to prioritize which buildings to fix first and to construct any new buildings to high efficiency standards. It also mandates that renewable energy systems be considered when constructing new public works projects.
- **Energy Policy for Alaska:** SB 220 adopts an energy policy for Alaska, including the goal to increase energy efficiency by 15% and generate 50% of the state's electricity using renewable energy sources by 2020.
- **Statewide Fuel Cooperative:** Many rural communities struggle with crippling fuel costs. SB 220 directs the Alaska Energy Authority to work with interested communities to establish a fuel coop that will facilitate bulk purchases, lowering costs especially for small communities.
- **Coordinate and Consolidate State Energy Programs:** SB 220 asks the Governor to evaluate how best to coordinate the State's energy departments and programs in order to avoid duplication of efforts. The Governor is directed to provide a plan to the legislature by November of 2010.

- **Purchase Energy Efficient Vehicles and Equipment:** SB 220 mandates that the state consider long-term energy costs when purchasing vehicles for its fleet and equipment for its operations. It also requires the state to study the feasibility of using compressed natural gas to power vehicles in Alaska.
- **Public Education Campaign:** SB 220 tasks the Alaska Energy Authority and the Alaska Housing Finance Corporation (AHFC) with educating Alaskans about low-cost ways they can cut their energy consumption and costs. Using energy more efficiently helps not only individual households, but also assists the state in containing the cost of new power generation facilities. In addition, the bill directs the AHFC to provide technical assistance to municipalities interested in adopting local energy codes.

Medium Term Solutions: Incentivize Investment

- **Renewable Energy Tax Credit:** Several states have passed renewable energy tax credits to encourage investment in renewable energy resources. SB 220 provides a refundable tax credit to investors to encourage private sector investment in Alaska's renewable energy sector.
- **Loans to Businesses for Energy Conservation Improvements:** Alaska already provides loan programs to households for energy improvements. SB 220 includes loans of up to \$50,000 for businesses to enable investments in energy efficiency. This program will help primarily small businesses get access to the capital they need to make investments that will save money and encourage economic development.
- **Nuclear Energy:** SB 220 levels the playing field for nuclear energy projects in Alaska, ensuring that as new technologies are developed, Alaska can consider them alongside other options. It also enables proponents of small-scale nuclear energy projects to apply for funding from the state's Power Project Fund.
- **Southeast Energy Fund:** SB 220 expands the purposes for which this fund may be used, providing an improved mechanism for constructing generation and transmission projects in Southeast Alaska. Many communities in the region are still powered by high-cost diesel systems, despite the region's enormous hydropower potential.

Long Term Solutions: Innovate

- **Emerging Energy Technology Fund (EETF):** With the high cost of energy in many of our communities, Alaska provides a unique opportunity for innovation. The *Alaska Sustainable Energy Act* would create a fund that would provide grants for testing energy technologies in Alaska. The EETF would foster innovation and enable Alaskans to develop solutions to our energy challenges in Alaska; creating high-tech jobs and spurring investment in our economy.

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249



Chair
Senate Special Committee on Energy
Senate Committee on World Trade,
Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

Changes to CS SB 220 (RES) in CS SB 220 (FIN)

The following changes reference the "O" version of SB 220 and are not necessarily an authoritative list of changes. The bills themselves are the best

- Section 2** establishing a state energy policy (page 2, line 9 – page 3, line 29) has been removed from the bill.
- Section 10** directing the DOT/PF to consider alternative energy when constructing a public facility (page 9, lines 10-28) has been removed.
- Section 11** requiring the DOA to consider energy efficiency when purchasing equipment (page 9, line 29 – page 10, line 2) has been removed.
- Section 14** amending AS 42.50.040 (the Southeast Energy Fund) has been changed to (1) make the department of revenue the fiduciary of the fund, (2) specify that only municipalities, joint action agencies, or member owned cooperatives can receive grants from the fund, (3) that grants may be used to finance generation or transmission projects, (4) that projects must be wholly owned by the grantee, and (5) that extending the laps date for grants from 5 to 7 years.
- Section 15** amending AS 42.45.045 (d) requiring renewable energy grant fund project to have a financial benefit that exceeds the amount of the grant funds received, has been removed.
- Section 16** amending AS 42.45.045 (m) directing the AEA to enter into contracts with experts to review renewable energy grant fund projects, has been removed.
- Section 17** amending AS 42.45 directing the AEA to facilitate a statewide fuel cooperative, has been removed.
- Section 18** adding a new section to AS 42.45.375 to establish the Emerging Energy Technology Fund has been changes by (1) narrowing the focus of the fund to demonstration projects, (2) instructing the University to provide data and analysis of projects, (3) removing the language in subsection (f) directing AEA to require a reasonable return on grants issues, (4) prohibiting advisory board members from awarding grants to themselves, (5) adding a four year sunset in new section 25 of the Senate Finance version.
- Section 20** amending AS 43.20.046 to include the renewable energy production tax credit has been removed.

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State Capitol Building, Room 125
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716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249



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- Section 21** amending AS 43.98.040 to establish a renewable energy production tax credit has been removed.
- Section 23** amending AS 44.42.067 to require DOT/PF to retrofit 25% of public facilities and setting standards for new construction, has been removed.
- Section 24** amending AS 44.83.080 to require AEA and AHFC to conduct a public education campaign, has been removed.
- Section 26-33** creating the alternative energy conservation revolving loan fund have been removed.

The following changes reference the "B" version.

- Section 10** a new section 10 was added on page 9 that refers to the contractual agreements between the state and a lessee of state land and prohibits the state from negotiating an increased lease rate based on a percentage of gross revenue.
- Section 26-28** were amended to give the OMB, the office of the governor and the department of transportation sufficient time to develop the reports required by the sections. Section 27 was amended to expand the requirements of the report examining the powers and duties and structure of the Alaska Energy Authority and Alaska Industrial Development and Export Authority.
- Section 30** a new section 30 was added directing the department of revenue to submit a report to the legislature with recommendations regarding the feasibility of a municipal energy improvements financing program.
- Section 31-32** are new sections that give the Department of Health and Social Services the authority to adopt transitional regulations, and instructs the department to replace the name "Alaska Heating Assistance Program" with "Alaska Affordable Heating Program" wherever it appears in the administrative code.

Sectional for SB 220 (version B)

Section 1 of the bill provides for the short title of the bill.

Sections 2 allows a regional school board to apply for and use the proceeds of a loan from the Alaska energy efficiency revolving loan fund.

Section 3 of the bill amends AS 18.45.020 to include the phrases "special nuclear material facility" and "by-product material facility" in order to cover more projects or activities in this section for which a license or permit may be needed from the Nuclear Regulatory Commission.

Section 4 of the bill adds the phrase "nuclear utilization facility" to AS 18.45.025(a) in order to conform with definitions listed in AS 18.45.900.

Section 5 of the bill amends AS 18.45.025(b) to state that when the legislature designates by law the land in the state on which a nuclear utilization facility or utilization facility may be located, it must act only in the interest of regulating the economics of nuclear energy.

Section 6 of the bill deletes a line of AS 18.45.025(c) that states that a permit may not be issued unless approved by the governor, leaving only a requirement for approval by the Department of Environmental Conservation and a municipality.

Section 7 of the bill provides the Alaska Housing Finance Corporation with the power to provide technical assistance to municipalities regarding energy codes and efficiency standards.

Section 8 of the bill creates an energy efficiency revolving loan fund in the Alaska Housing Finance Corporation for providing loans to regional attendance areas, municipalities, or the state for the purpose of financing energy efficiency improvements to buildings.

Section 9 of the bill requires the Office of Management and Budget to work with state agencies to develop a standardized methodology to collect and store energy consumption and expense data.

Section 10 of the bill stipulates that a state lease with an electric utility may not include a fee based on a percentage of gross revenue for renewable energy produced by the utility.

Section 11 of the bill repeals and reenacts the Southeast Energy Fund to expand the options for money going into the fund and expands the projects for which the fund may be used.

Section 12 of the bill creates the emerging energy technology fund.

Section 13 of the bill amends the definition of "power project" or "project" in AS 42.45.990(4) to delete the exclusion of nuclear energy from the definition in relation to statewide and rural energy programs.

Section 14 of the bill requires the Department of Transportation and Public Facilities to purchase energy efficient cars whenever practicable.

Section 15 of the bill amends the definition of "power project" or "project" in AS 44.83.990(6) to delete the exclusion of nuclear energy from the definition in relation to the Alaska Energy Authority.

Section 16 of the bill amends the definition of "alternative energy system" in AS 46.11.900(1) to remove the exclusion of nuclear fuel as it relates to financing of energy efficient homes and buildings.

Sections 17 - 24 converts the Alaska heating assistance program into the Alaska affordable heating program and makes substantive and conforming changes to that program.

Section 25 repeals the emerging energy technology fund is 2015.

Section 26 of the bill requires the Office of Management and Budget to work with state agencies to develop a standardized methodology to collect and store energy consumption and expense data no later than November 1, 2010.

Section 27 of the bill requires the Office of the Governor to, not later than January 31, 2011, submit a report to the legislature regarding the structuring of state energy programs.

Section 28 of the bill requires the Department of Transportation and Public Facilities to study the feasibility of using compressed natural gas to power vehicles in the state and develop a proposal for a pilot program if warranted by the study.

Section 29 of the bill authorizes the Alaska Housing Finance Corporation to issue bonds to support making loans from the energy efficiency revolving loan fund established by AS 18.56.855.

Section 30 of the bill requires the Department of revenue to submit a report to the legislature by January 31, 2011, regarding the feasibility of a municipal energy improvements financing program.

Section 31- 32 of the bill concern Department of Health and Social Service regulations for the Heating Assistance Program.

Section 33 of the bill directs the revisor of statutes to make two changes to article headings to conform with statutory changes.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSSB 220(RES)
 (S) Publish Date: 3/10/10

Identifier (file name): SB220CS(RES)-DEC-CO-3-04-10 Dept. Affected: Environmental Conservation
 Title: Energy Efficiency / Alternative Energy RDU: Administration
 Component: Office of the Commissioner
 Sponsor: Senate Resources Committee
 Requester: Senate Resources Committee Component Number: 633

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

While section 6 and section 8 of the bill amends statutes which are to be implemented by the Department of Environmental Conservation, the amendments will have no additional fiscal impact. It should be noted, however, that there is currently no budget for implementing these statutes pertaining to permitting nuclear facility sites.

Prepared by: Marit Carlson-Van Dort Phone 465-5871
 Division: Office of the Commissioner Date/Time 3/4/10 4:00 PM
 Approved by: Larry Hartig Date 3/4/2010
Commissioner

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 6
Bill Version: CSSB 220(RES)
(S) Publish Date: 3/10/10

Identifier (file name): SB220CS(RES)-DHSS-EA-03-05-10 Dept. Affected: Health & Social Services
Title: Energy Efficiency/Alternative Energy RDU: Public Assistance
Component: Energy Assistance Program
Sponsor: Senate Resources
Requester: Senate Resources Component Number: 226

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	*	*	*	*	*	

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	*	*	*	*	*

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

CSSB220 changes the name of the Alaska heating assistance program (AKHAP) to the Alaska affordable heating program (AAHP) and allows for an income eligibility limit of up to 250% of the federal poverty guidelines (FPG) when the average price of a barrel of North Slope Crude (NSC) between February and September of the preceding year exceeds \$150 per barrel. The bill also fixes the dollar value of a Community Heating Point (CHP). CHP is the key factor in determining the amount of heating assistance payments and, under this bill, the dollar value assigned to the CHP is linked to the average price of a barrel of NSC. This legislation allows payments for households receiving federal assistance from LIHEAP to be supplemented by AAHP funds to ensure payments to lowest income households is based on the same dollar per CHP value used to determine payments for the Alaska affordable heating program. It also establishes the Alaska affordable heating fund (AAHF) in the Department of Revenue (DOR) to be used by the Department of Health and Social Services (DHSS) to provide heating assistance payments to eligible households.
continued on next page

Prepared by: Ellie Fitzjarrald, Director
Division: Public Assistance

Phone 465-5847
Date/Time 3/3/10 10:51 AM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services

Date 3/5/2010

ANALYSIS CONTINUATION

Assumptions

The \$5,000.0 in the governor's FY11 proposed budget for the Alaska heating assistance program is adequate to cover the initial benefit and administrative costs for the new Alaska affordable heating program. This would require an average price of a barrel of North Slope Crude oil (NSC) in the preceding year (Feb. - Sept. 2010) below \$75, which triggers a CHP value of \$130.

In general, AAHP will be administered and operated in the same manner as AKHAP.

A fair and equitable share of the appropriation for the Alaska affordable heating fund will be distributed to tribal organizations operating a regional affordable heating program.

Eligible households with incomes at or below 150% FPG may have their LIHEAP payment augmented with funds from the Alaska affordable heating fund.

For FY10, the state's share of the federal LIHEAP block grant only allows the state to provide awards based on a Community Heating Point (CHP) value of \$115 per point to eligible households. It is assumed federal funding for FY11 and the per-point value assigned to a CHP will remain the same.

In FY11, it is estimated that the state and tribal affordable heating programs will serve 21,600 households. Approximately 19,000 will be recipient households of the LIHEAP program and 2,600 will only be beneficiaries of the affordable heating program. It is assumed that the average number of points for which a household below 150% FPG is eligible is 10. The average number of points for a household between 151% and 225% FPG is 5.

Benefit costs will increase in FY12 due to a projected caseload growth of 3%, with costs remaining relatively stable in out years if the average price of a barrel of NSC remains below \$75. However, assessing program impacts is complicated by the uncertainty in estimating program participation. The cost of heating fuel for consumers increases as the value of NSC increases. Increased consumer costs are likely to increase demand for the program's services and benefits. This is expected to be most pronounced when the value of NSC exceeds \$150 per barrel and the higher income limit is triggered. It is estimated that as many as 5,000 more households may be eligible when the income limit reaches 250% FPG.

Projections of Total Benefit Costs: The \$5,000.0 currently in the governor's FY11 approved budget for the Alaska Heating Assistance Program will be used to cover benefit and administrative costs of the initial year of the Alaska Affordable Heating Program.

The total costs for benefits in FY11 are estimated to be \$4,540.0 in state general funds as shown below.

LIHEAP (State and Tribal) households: $\$130 - \$115 = \$15 \times 10 \text{ CHP} \times 19,000 \text{ households} =$	\$2,850.0
For AAHP (State and Tribal) households: $\$130 \times 5 \text{ CHP} \times 2,600 \text{ households} =$	<u>\$1,690.0</u>
	\$4,540.0

Changing only the NSC sale price, the annual costs for benefits would be:
\$6,570.0 when a barrel of NSC sells for \$75 to \$100 per barrel (\$140 per CHP); and
\$8,600.0 when a barrel of NSC sells for \$100 to \$150 per barrel (\$150 per CHP).

When NSC exceeds \$150 per barrel, the 250% income limit and the highest \$/CHP value is triggered and as many as 5,000 additional households may become eligible for a total cost of \$15,770.0 (\$165 per CHP).

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 7
 Bill Version: CSSB 220(FIN)
 (S) Publish Date: 4/10/10

Identifier (file name): SB220CS(FIN)-CED-AIDEA-4-9-10 Dept. Affected: DCCED
 Title: Omnibus Energy Bill RDU: AIDEA
 Component: AIDEA operations
 Sponsor: Senate Resources Committee
 Requester: Senate Finance Committee Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services	276.5		276.5	276.5	276.5	276.5	276.5	276.5
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	276.5	0.0	276.5	276.5	276.5	276.5	276.5	276.5

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
-------------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts	276.5		276.5	276.5	276.5	276.5	276.5	276.5
TOTAL	276.5	0.0	276.5	276.5	276.5	276.5	276.5	276.5

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time	3.0		3	3	3	3	3
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

SB 220, titled the "Alaska Sustainable Energy Act," impacts the Alaska Industrial Development and Export Authority by increasing needed positions for Alaska Energy Authority requirements.

Section 12 - establishing the "Emerging Energy Technology Fund" and requiring the authority to administer the fund by making grants to eligible applicants. Cost assumptions include:

Approximately \$276,518 per year to cover contract for personal services with AIDEA

Positions required: 1 Range 22 for program/project management; 1 Range 15 for finance/grant administration; 1 Range 12 for administrative support.

Prepared by: Sara Fisher-Goad, Deputy Director-Operations Phone 907-771-3012
 Division: Alaska Industrial Development and Export Authority Date/Time 4/9/10 12:00 AM
 Approved by: Emil Notti, Commissioner Date 4/9/2010
Commerce, Community and Economic Development

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 8
Bill Version: CSSB 220(FIN)
(S) Publish Date: 4/10/10

Identifier (file name): SB220CS(FIN)-CED-AEA-4-9-10 Dept. Affected: DCCED
Title: Omnibus Energy Bill RDU: Alaska Energy Authority
Component: Statewide Project Development
Sponsor: Senate Resources Committee
Requester: Senate Finance Committee Component Number: 2888

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services								
Travel	21.8		20.2	20.2	20.2	20.2	20.2	20.2
Contractual	358.5		276.5	276.5	276.5	276.5	276.5	276.5
Supplies								
Equipment	10.0							
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	390.3	0.0	296.7	296.7	296.7	296.7	296.7	296.7

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	390.3		296.7	296.7	296.7	296.7	296.7	296.7
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	390.3	0.0	296.7	296.7	296.7	296.7	296.7	296.7

Estimate of any current year (FY2010) cost: _____

POSITIONS (see AIDEA FN for details)

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

SB 220, titled the "Alaska Sustainable Energy Act," impacts the Alaska Energy Authority by:

Section 11 - repealing and reenacting the purpose of the existing Southeast Energy Fund managed by the Alaska Energy Authority. From this fund AEA could award grants to a municipality, a joint action agency, or a utility cooperative for power projects, repayment of loans, and payments on bonds for hydroelectric projects and electrical transmission lines or interties serving Southeast Alaska that are entirely owned by the grantee.

(Continued)

Prepared by: <u>Sara Fisher-Goad, Deputy Director-Operations</u>	Phone <u>907-771-3012</u>
Division: <u>Alaska Energy Authority</u>	Date/Time <u>4/9/10 12:00 AM</u>
Approved by: <u>Emil Notti, Commissioner</u>	Date <u>4/9/2010</u>
<u>Commerce, Community and Economic Development</u>	

FISCAL NOTE # 8

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 220(FIN)

ANALYSIS CONTINUATION

Currently the fund balance is zero. Depending on the capitalization, AEA would need to draft regulations and develop a process to administer grants including an allocation method for the various types of eligible projects which would bring additional expenses. Costs are unknown at this time.

Section 12 - establishing the "Emerging Energy Technology Fund" and requiring the authority to administer the fund by making grants to eligible applicants. Cost Assumptions:

Approximately **\$82,000** in one-time start up costs to develop program criteria, RFA process, review process, grant agreements, etc. (Contractual)

Approximately **\$21,840** per year to cover Advisory Committee expenses (travel - assume \$660 airfare + 120 per diem x 7 members x 4 quarterly meetings)

Approximately **\$276,518** per year to cover contract for personal services with AIDEA

Positions required: 1 Range 22 for program/project management; 1 Range 15 for finance/grant administration; 1 Range 12 for administrative support.(Contractual)

Approximately **\$10,000** (Equipment) for new staff

Section 13 - changing the definition of a power project relative to the power project fund to include nuclear production. AEA's costs are zero because there are currently no projects of this type. However, in the event viable nuclear projects are identified, annual operating costs would increase by \$365,000 for each nuclear power project that has to be managed; \$165,000 for a project manager with technical nuclear knowledge and \$200,000 for contractual advisory service in the field.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 9
Bill Version: CSSB 220(FIN)
(S) Publish Date: 4/10/10

Identifier (file name): CSSB220(FIN)-REV-MBBA-04-09-10 Dept. Affected: Revenue
Title: ENERGY EFFICIENCY/ ALTERNATIVE ENERGY RDU: AK Municipal Bond Bank Authority
Sponsor: Senate Resources Committee Component: AMBBA Operations
Requester: Senate Finance Committee Component Number: 108

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Reserve Fund								
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
Charges for services								
Reserve Fund Earnings								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

Seante Bill 220 requires that the Alaska Municipal Bond Bank Authority prepare a report annually. The AMBBA should be able to fulfill this requirement with no additional cost to operations.

Prepared by: Deven Mitchell, Debt Manager
Division: Treasury
Approved by: Ginger Blaisdell, Director
Administrative Services Division, Department of Revenue

Phone 465-3750
Date/Time 04-09-10; 6:52pm
Date 04-09-10; 6:55pm

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 10
 Bill Version: CSSB 220(FIN)
 (S) Publish Date: 4/10/10

Identifier (file name): CSSB220(FIN)-REV-AHFC-4-9-10 Dept. Affected: Revenue
 Title: ENERGY EFFICIENCY/ ALTERNATIVE ENERGY RDU: Alaska Housing Finance Corp.
 Component: Operations
 Sponsor: Senate Resources Committee
 Requester: Senate Finance Committee Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)
 CS for Senate Bill 220(FIN) includes language that will set up an energy efficiency revolving loan fund and authorize the Alaska Housing Finance Corporation to sell up to \$250 million in bonds to fund the program.

 Costs associated with the issuance of these bonds are anticipated to be covered with annual operating budget authorizations. Operational costs for issuing and monitoring these bonds will be done with existing personnel and within the authorized operating budget for FY11 and beyond.

Prepared by: Bryan Butcher, Director, Governmental Relations/Public Affairs Phone 330-8445
 Division: Alaska Housing Finance Corporation Date/Time 4/9/10 12:00 AM
 Approved by: Ginger Blaisdell, Director Date 04-09-10; 6:42pm
Administrative Services Division, Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 11
Bill Version: CSSB 220(FIN)
(S) Publish Date: 4/10/10

Identifier (file name): SB220CS(RES)-DOA-DGS-04-09-10 Dept. Affected: DOA
Title: "An act declaring a state energy policy..." RDU: Centralized Administrative Services
Component: Purchasing
Sponsor: (S) RES
Requester: (S) FIN Component Number: 81

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required		Information				
	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation will have no fiscal impact on the Department of Administration.

Prepared by: Vern Jones, Chief Procurement Officer Phone 907-465-2250
Division: General Services Date/Time 4/9/10 5:00 PM
Approved by: Kevin Brooks, Deputy Commissioner Date 4/9/2010
Department of Administration

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 12
Bill Version: CSSB 220(FIN)
(S) Publish Date: 4/10/10

Identifier CSSB220(FIN)-DOT-SPF-4-10-10 Dept. Affected: DOT&PF
Title Omnibus Energy RDU Design, Engineering & Construction
Component Statewide Public Facilities
Sponsor Senate Resources
Requester Senate Finance Component Number 2882

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required		Information				
	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
OPERATING EXPENDITURES							
Personal Services	117.8		117.8	117.8	117.8	117.8	117.8
Travel	10.0		10.0	10.0	10.0	10.0	10.0
Contractual	96.0		6.0	6.0	6.0	6.0	6.0
Supplies	9.5		1.5	1.5	1.5	1.5	1.5
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	233.3	0.0	135.3	135.3	135.3	135.3	135.3

CAPITAL EXPENDITURES

CHANGE IN REVENUES ()

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	233.3		135.3	135.3	135.3	135.3	135.3
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	233.3	0.0	135.3	135.3	135.3	135.3	135.3

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time	1.0		1	1	1	1	1
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

DOT&PF will hire an Engineer/Architect II to oversee the retrofits of public buildings done through the revolving loan program. This position will be the state's expert on energy audits, retrofits and performance contracting and will work closely with the Alaska Housing Finance Corporation on the Alaska Energy Efficiency Revolving Loan Program providing assistance with the development and management of performance contracts, reviewing loan applications and setting standards. The position will standardize the collection of energy consumption data and expenses for those state facilities owned and operated by DOT&PF.

A consultant (\$90.0 budgeted) will study the feasibility of using compressed natural gas to power state vehicles and develop a pilot project with estimated costs by the required due date of January 2011. Supply costs in FY2011 include the cost of outfitting the new position with desk, computer, phone, and general office supplies. On going contractual costs include costs for copier, fax, phone, maintenance costs, core services costs and training and professional development.

Prepared by: Mary Siroky, Legislative Liaison
Division Department of Transportation and Public Facilities
Approved by: Frank Richards, Deputy Commissioner
Department of Transportation and Public Facilities

Phone 465-4772
Date/Time 4/10/10 10:00am
Date 4/10/2010

ADOPTED

26-LS1197B.1
Chenoweth\Kane
4/11/10

AMENDMENT

OFFERED IN THE HOUSE
TO: CSSB 220(FIN)

BY REPRESENTATIVE EDGMON

- 1 Page 1, line 9:
- 2 Delete "owned or operated"
- 3 Insert "owned, operated, or paid for in whole or in part"
- 4
- 5 Page 1, line 11:
- 6 Delete "owned or operated"
- 7 Insert "owned, operated, or paid for in whole or in part"
- 8
- 9 Page 19, line 31, through page 20, line 1:
- 10 Delete "owned or operated"
- 11 Insert "owned, operated, or paid for in whole or in part"

FAILED

26-LS1197\B.2
Kane
4/11/10

AMENDMENT

OFFERED IN THE HOUSE
TO: CSSB 220(FIN)

BY REPRESENTATIVE EDGMON

1 Page 7, following line 13:

2 Insert a new bill section to read:

3 **** Sec. 9.** AS 36.30 is amended by adding a new section to read:

4 **Sec. 36.30.323. Consideration of energy efficient equipment.** When the
5 Department of Administration enters into contracts to purchase equipment that uses
6 energy, it shall give consideration to the energy efficiency of the equipment where
7 credible and objective information on efficiency levels is readily available."
8

9 Renumber the following bill sections accordingly.

10

11 Renumber internal references to bill sections in accordance with this amendment. Below are
12 all internal bill section references in this bill:

13 Page 18, line 29

14 Page 19, line 4

15 Page 20, lines 28, 29, and 30

16 Page 21, lines 4, 18, 20, and 21

17 Page 22, lines 1, 9

AMENDMENT

OFFERED IN THE HOUSE
TO: CSSB 220(FIN)

BY REPRESENTATIVE EDGMON

1 Page 14, following line 7:

2 Insert a new bill section to read:

3 **"* Sec. 15.** AS 44.42 is amended by adding a new section to read:

4 **Sec. 44.42.067. Retrofits and new construction for energy efficiency;**
5 **energy efficiency report.** (a) Not later than January 1, 2020, the department shall
6 work with other state agencies to retrofit at least 25 percent of all public facilities,
7 starting with those it determines are the least energy efficient, if the department
8 determines that retrofitting the public facilities will result in a net savings in energy
9 costs to the state within 15 years after completion of the retrofits for a public facility
10 and if funding for the retrofits is available.

11 (b) A retrofit or deferred maintenance of a public facility performed under this
12 section, to the extent feasible, shall meet or exceed the most recently published edition
13 of the ASHRAE/IESNA Standard 90.1, Energy Standard for Buildings Except for
14 Low-Rise Residential Buildings, as published by the American Society of Heating,
15 Refrigerating and Air-Conditioning Engineers.

16 (c) New construction of a public facility under this section shall meet or
17 exceed the most recently published edition of the ASHRAE/IESNA Standard 90.1,
18 Energy Standard for Buildings Except for Low-Rise Residential Buildings, as
19 published by the American Society of Heating, Refrigerating and Air-Conditioning
20 Engineers.

21 (d) Not later than January 1 of each year, the department, in consultation with
22 the Department of Administration, shall submit a report to the legislature detailing the
23 department's progress in meeting the requirements of this section to reduce state

1 energy consumption and costs and carrying out the duties listed in AS 44.42.020 as
2 they relate to energy use. The department shall include in the report an analysis of the
3 consumption and expense data recorded by the office of management and budget
4 under AS 37.07.040, comparing energy consumption levels in each year with past
5 years to determine if reductions are being achieved.

6 (e) In this section, "public facility" means a facility owned and controlled by
7 the state for government or public use that is 10,000 square feet or more and is not a
8 legislative building or court building."
9

10 Renumber the following bill sections accordingly.

11
12 Page 18, following line 29:

13 Insert a new bill section to read:

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

16 DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. Not later
17 than one year after the effective date of this Act, the Department of Transportation and Public
18 Facilities, in consultation with the Alaska Energy Authority, shall adopt and implement a
19 systematic process for prioritizing the retrofitting of state facilities for a long-term increase in
20 energy efficiency and reduction of energy costs."
21

22 Renumber internal references to bill sections in accordance with this amendment. Below are
23 all internal bill section references in this bill:

24 Page 18, line 29

25 Page 19, line 4

26 Page 20, lines 28, 29, and 30

27 Page 21, lines 4, 18, 20, and 21

28 Page 22, lines 1, 9

FAILED

26-LS1197\B.4
Kane
4/11/10

AMENDMENT

OFFERED IN THE HOUSE
TO: CSSB 220(FIN)

BY REPRESENTATIVE EDGMON

- 1 Page 14, following line 7:
2 Insert a new bill section to read:
3 "* Sec. 15. AS 44.83.080 is amended by adding a new subsection to read:
4 (b) In furtherance of its corporate purpose, the authority shall annually plan
5 and conduct, in cooperation with the Alaska Housing Finance Corporation, a public
6 education campaign to promote energy efficiency and conservation."
7
8 Renumber the following bill sections accordingly.
9
10 Renumber internal references to bill sections in accordance with this amendment. Below are
11 all internal bill section references in this bill:
12 Page 18, line 29
13 Page 19, line 4
14 Page 20, lines 28, 29, and 30
15 Page 21, lines 4, 18, 20, and 21
16 Page 22, lines 1, 9

AMENDMENT

OFFERED IN THE HOUSE
TO: CSSB 220(FIN)

BY REPRESENTATIVE EDGMON

1 Page 1, line 4, following "fund,":

2 Insert "to the alternative energy revolving loan fund,"

3
4 Page 14, following line 17:

5 Insert new bill sections to read:

6 ** Sec. 16. AS 45.88.010(a) is amended to read:

7 (a) There is established in the Department of Commerce, Community, and
8 Economic Development the alternative energy conservation revolving loan fund to
9 carry out the purposes of AS 45.88.010 - 45.88.090. Loans made under AS 45.88.010
10 - 45.88.090 are to be used

11 (1) to develop means of energy production utilizing one or more
12 alternative energy systems; and

13 (2) to purchase, construct, and install energy conservation
14 improvements in commercial buildings [ENERGY SOURCES OTHER THAN
15 FOSSIL OR NUCLEAR FUEL, INCLUDING, BUT NOT LIMITED TO,
16 WINDMILLS, WATER AND SOLAR ENERGY DEVICES].

17 * Sec. 17. AS 45.88.010 is amended by adding a new subsection to read:

18 (e) The alternative energy conservation revolving loan fund consists of

19 (1) money appropriated to the fund by the legislature;

20 (2) gifts, bequests, or contributions from other sources;

21 (3) principal and interest payments or other income earned on loans or
22 investments in the fund; and

23 (4) money chargeable to principal or interest that is collected through

1 liquidation by foreclosure or other processes on loans made under AS 45.88.010 -
2 45.88.090.

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

4 (a) The department may

5 (1) make loans for the purchase, construction, and installation, in
6 commercial buildings that are located in the state, of

7 (A) alternative energy systems; and

8 (B) energy conservation improvements;

9 (2) adopt regulations necessary to carry out the provisions of
10 AS 45.88.010 - 45.88.090, including regulations to establish reasonable fees for
11 services provided and charges for collecting the fees;

12 (3) collect the fees and collection charges established under this
13 subsection.

14 * **Sec. 19.** AS 45.88.025 is amended by adding a new section to read:

15 **Sec. 45.88.025. Eligibility.** To be eligible for a loan under AS 45.88.010 -
16 45.88.090, an applicant must

17 (1) physically reside in the state and maintain a domicile in the state
18 during 12 consecutive months before the date of application for a loan and may not
19 have

20 (A) declared or established residency in another state; or

21 (B) received residency or a benefit based on residency from
22 another state;

23 (2) be at least 51 percent owned by individuals described in (1) of this
24 section if the applicant is a corporation, joint venture, or partnership; or

25 (3) be a nonprofit organization under AS 10.20.

26 * **Sec. 20.** AS 45.88.030(a) is repealed and reenacted to read:

27 (a) A loan made under AS 45.88.010 - 45.88.090 may not exceed \$50,000. If
28 the requested loan amount exceeds \$30,000, the applicant must deliver to the
29 department a document from a financial institution stating that

30 (1) the applicant has been denied a loan for the same purpose; or

31 (2) the loan from the financial institution is contingent on the applicant

1 also receiving a loan from the fund.

2 * **Sec. 21.** AS 45.88.030(c) is amended to read:

3 (e) The rate of interest for a loan under AS 45.88.010 - 45.88.090 is the
 4 prime rate, as defined by AS 44.88.599, plus one percentage point, but may not be
 5 less than five percent a year [FOR AN ALTERNATIVE ENERGY SYSTEM IS
 6 FIVE PERCENT FOR THE FIRST \$15,000 OF THE LOAN AND 15 PERCENT
 7 FOR THE AMOUNT OF THE LOAN THAT EXCEEDS \$15,000].

8 * **Sec. 22.** AS 45.88.030 is amended by adding a new subsection to read:

9 (f) A loan under AS 45.88.010 - 45.88.090 must be secured by a mortgage or
 10 other security instrument in the real property to be improved and a lien on the
 11 improvements financed with the loan.

12 * **Sec. 23.** AS 45.88.090(a) is amended to read:

13 (a) In AS 45.88.010 - 45.88.090,

14 **(1)** "alternative energy system"

15 **(A)** [(1)] means a source of thermal, mechanical or electrical
 16 energy **that** [WHICH] is not dependent on oil or gas or a nuclear fuel for the
 17 supply of energy for space heating and cooling, refrigeration and cold storage,
 18 electrical power, mechanical power, or the heating of water;

19 **(B)** [(2)] includes

20 **(i)** [(A)] an alternative energy property as defined by 26
 21 U.S.C. 48(a)(3)(A) (Sec. 301, P.L. 95-618, Internal Revenue Code);

22 **(ii)** [(B)] a method of architectural design and
 23 construction which provides for the collection, storage, and use of
 24 direct radiation from the sun;

25 **(iii)** [(C)] a woodstove with a catalytic converter or a
 26 catalytic converter for a wood stove; [AND]

27 **(iv)** [(D)] a steam, hot water, or ducted hot air central
 28 heating system that uses wood or coal for fuel; **and**

29 **(v) a high efficiency wood pellet stove;**

30 **(C)** [(3)] does not include

31 **(i)** [(A)] a stove that uses only wood, coal, or oil for

1 fuel; or

2 (ii) [(B)] a fireplace or fireplace insert;

3 (2) "commercial building"

4 (A) means a building that is intended to be used for
5 commercial purposes;

6 (B) does not include

7 (i) a residential structure or mobile home that
8 contains one to four family housing units; or

9 (ii) individual units of condominiums or
10 cooperatives;

11 (3) "energy conservation improvement" means

12 (A) structural insulation;

13 (B) thermal windows and doors;

14 (C) a furnace replacement burner designed to achieve a
15 reduction in the amount of fuel consumed as a result of increased
16 combustion efficiency;

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

19 (E) an electrical or mechanical furnace ignition system that
20 replaces a gas pilot light;

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

22 (G) a meter that displays the cost of energy usage;

23 (H) caulking and weather stripping of doors and windows;

24 (I) insulating shades and shutters;

25 (J) air and water recuperators."

26

27 Renumber the following bill sections accordingly.

28

29 Page 18, following line 29:

30 Insert a new bill section to read:

31 "* Sec. 26. AS 45.88.010(c), 45.88.030(c), 45.88.030(d), and 45.88.040(a) are repealed."

1

2 Renumber the following bill sections accordingly.

3

4 Renumber internal references to bill sections in accordance with this amendment. Below are
5 all internal bill section references in this bill:

6 Page 18, line 29

7 Page 19, line 4

8 Page 20, lines 28, 29, and 30

9 Page 21, lines 4, 18, 20, and 21

10 Page 22, lines 1, 9

WITHDRAWN

26-LS1197B.6
Kane
4/11/10

AMENDMENT

OFFERED IN THE HOUSE
TO: CSSB 220(FIN)

BY REPRESENTATIVE EDGMON

1 Page 1, line 1, following the third occurrence of "energy":

2 Insert ", to energy consumption, energy costs, and energy efficiency standards for
3 school construction and major maintenance by the Department of Education and Early
4 Development"

5

6 Page 2, following line 6:

7 Insert a new bill section to read:

8 **** Sec. 2.** AS 14.07.020(a) is amended to read:

9 (a) The department shall

10 (1) exercise general supervision over the public schools of the state
11 except the University of Alaska;

12 (2) study the conditions and needs of the public schools of the state,
13 adopt or recommend plans, administer and evaluate grants to improve school
14 performance awarded under AS 14.03.125, and adopt regulations for the improvement
15 of the public schools;

16 (3) provide advisory and consultative services to all public school
17 governing bodies and personnel;

18 (4) prescribe by regulation a minimum course of study for the public
19 schools; the regulations must provide that, if a course in American Sign Language is
20 given, the course shall be given credit as a course in a foreign language;

21 (5) establish, in coordination with the Department of Health and Social
22 Services, a program for the continuing education of children who are held in detention
23 facilities in the state during the period of detention;

1 (6) accredit those public schools that meet accreditation standards
2 prescribed by regulation by the department; these regulations shall be adopted by the
3 department and presented to the legislature during the first 10 days of any regular
4 session, and become effective 45 days after presentation or at the end of the session,
5 whichever is earlier, unless disapproved by a resolution concurred in by a majority of
6 the members of each house;

7 (7) prescribe by regulation, after consultation with the state fire
8 marshal and the state sanitarian, standards that will assure healthful and safe
9 conditions in the public and private schools of the state, including a requirement of
10 physical examinations and immunizations in pre-elementary schools; the standards for
11 private schools may not be more stringent than those for public schools;

12 (8) exercise general supervision over pre-elementary schools that
13 receive direct state or federal funding;

14 (9) exercise general supervision over elementary and secondary
15 correspondence study programs offered by municipal school districts or regional
16 educational attendance areas; the department may also offer and make available to any
17 Alaskan through a centralized office a correspondence study program;

18 (10) accredit private schools that request accreditation and that meet
19 accreditation standards prescribed by regulation by the department; nothing in this
20 paragraph authorizes the department to require religious or other private schools to be
21 licensed;

22 (11) review plans for construction of new public elementary and
23 secondary schools and for additions to and major rehabilitation of existing public
24 elementary and secondary schools and, in accordance with regulations adopted by the
25 department, determine and approve the extent of eligibility for state aid of a school
26 construction or major maintenance project; for the purposes of this paragraph, "plans"
27 include educational specifications, schematic designs, **projected energy consumption**
28 **and costs**, and final contract documents;

29 (12) provide educational opportunities in the areas of vocational
30 education and training, and basic education to individuals over 16 years of age who
31 are no longer attending school;

1 (13) administer the grants awarded under AS 14.11;

2 (14) establish, in coordination with the Department of Public Safety, a
3 school bus driver training course;

4 (15) require the reporting of information relating to school disciplinary
5 and safety programs under AS 14.33.120 and of incidents of disruptive or violent
6 behavior;

7 (16) establish by regulation criteria, based on low student performance,
8 under which the department may intervene in a school district to improve instructional
9 practices, as described in AS 14.07.030(14) or (15); the regulations must include

10 (A) a notice provision that alerts the district to the deficiencies
11 and the instructional practice changes proposed by the department;

12 (B) an end date for departmental intervention, as described in
13 AS 14.07.030(14)(A) and (B) and (15), after the district demonstrates three
14 consecutive years of improvement consisting of not less than two percent
15 increases in student proficiency on standards-based assessments in math,
16 reading, and writing as provided in AS 14.03.123(f)(2)(A); and

17 (C) a process for districts to petition the department for
18 continuing or discontinuing the department's intervention;

19 (17) notify the legislative committees having jurisdiction over
20 education before intervening in a school district under AS 14.07.030(14) or redirecting
21 public school funding under AS 14.07.030(15);

22 **(18) adopt regulations that set standards for energy efficiency for**
23 **school construction and major maintenance to provide energy efficiency benefits**
24 **for all school locations in the state and that address energy efficiency in design**
25 **and energy systems that minimize long-term energy and operating costs."**

26

27 Renumber the following bill sections accordingly.

28

29 Conform internal references to bill sections in accordance with this amendment. Below are all
30 internal bill section references in this bill:

31 Page 18, line 29

- 1 Page 19, line 4
- 2 Page 20, lines 1, 2, and 3
- 3 Page 21, lines 4, 18, 20, and 21
- 4 Page 22, lines 1 and 9

AMENDMENT

OFFERED IN THE HOUSE
TO: CSSB 220(FIN)

BY REPRESENTATIVE EDGMON

1 Page 3, following line 13:

2 Insert a new bill section to read:

3 **** Sec. 3. AS 14.40.170(b) is amended to read:**

4 (b) The Board of Regents may

5 (1) adopt reasonable rules, orders, and plans with reasonable penalties
6 for the good government of the university and for the regulation of the Board of
7 Regents;

8 (2) determine and regulate the course of instruction in the university
9 with the advice of the president;

10 (3) set student tuition and fees;

11 (4) receive university receipts and, subject to legislative appropriation,
12 expend university receipts in accordance with AS 37.07 (Executive Budget Act);

13 **(5) apply for and use the proceeds of a loan from the Alaska**
14 **energy efficiency revolving loan fund (AS 18.56.855).**

15

16 Renumber the following bill sections accordingly.

17

18 Page 5, line 2, following the second occurrence of "governments,":

19 Insert ", to the University of Alaska,"

20

21 Page 5, line 4, following "areas,":

22 Insert "by the University of Alaska,"

23

1 Page 5, line 10, following "area,":

2 Insert "the University of Alaska,"

3

4 Page 5, line 12, following "area":

5 Insert ", the University of Alaska,"

6

7 Page 5, line 15, following "area,":

8 Insert ", the University of Alaska,"

9

10 Page 5, line 21, following "state":

11 Insert "and the University of Alaska"

12

13 Page 5, line 24, following "area":

14 Insert ", the University of Alaska,"

15

16 Page 6, line 6, following "area,":

17 Insert ", to the University of Alaska"

18

19 Page 6, line 7, following "area,":

20 Insert ", the University of Alaska,"

21

22 Page 6, line 11, following "area,":

23 Insert ", the University of Alaska,"

24

25 Page 6, line 12, following "area,":

26 Insert ", the University of Alaska,"

27

28 Page 6, line 24, following "area.":

29 Insert "the president of the University of Alaska, or the director of the Board of
30 Regents, may borrow from the corporation under this section for buildings owned by the
31 University of Alaska."

1 Page 6, line 28, following "area":

2 Insert ", the University of Alaska,"

3

4 Renumber internal references to bill sections in accordance with this amendment. Below are
5 all internal bill section references in this bill:

6 Page 18, line 29

7 Page 19, line 4

8 Page 20, lines 28, 29, and 30

9 Page 21, lines 4, 18, 20, and 21

10 Page 22, lines 1, 9

AMENDMENT

OFFERED IN THE HOUSE
TO: CSSB 220(FIN)

BY REPRESENTATIVE EDGMON

1 Page 1, line 2, following "utility,":

2 Insert "to an exemption from taxation by a municipality of certain residential
3 renewable energy systems,"
4

5 Page 7, following line 13:

6 Insert a new bill section to read:

7 **"* Sec. 9.** AS 29.45.050(b) is amended to read:

8 (b) A municipality may by ordinance

9 (1) classify and exempt from taxation

10 (A) the property of an organization not organized for business
11 or profit-making purposes and used exclusively for community purposes if the
12 income derived from rental of that property does not exceed the actual cost to
13 the owner of the use by the renter;

14 (B) historic sites, buildings, and monuments;

15 (C) land of a nonprofit organization used for agricultural
16 purposes if rights to subdivide the land are conveyed to the state and the
17 conveyance includes a covenant restricting use of the land to agricultural
18 purposes only; rights conveyed to the state under this subparagraph may be
19 conveyed by the state only in accordance with AS 38.05.069(c);

20 (D) all or any portion of private ownership interests in property
21 that, based upon a written agreement with the University of Alaska, is used
22 exclusively for student housing for the University of Alaska; property may be
23 exempted from taxation under this subparagraph for no longer than 30 years

1 unless the exemption is specifically extended by ordinance adopted within the
2 six months before the expiration of that period;

3 **(E) a residential renewable energy system that is used to**
4 **develop means of energy production using energy sources other than fossil**
5 **or nuclear fuel, including windmills and water and solar energy devices**
6 **located in the municipality;**

7 (2) classify as to type and exempt or partially exempt some or all types
8 of personal property from ad valorem taxes."
9

10 Renumber the following bill sections accordingly.

11
12 Renumber internal references to bill sections in accordance with this amendment. Below are
13 all internal bill section references in this bill:

14 Page 18, line 29

15 Page 19, line 4

16 Page 20, lines 28, 29, and 30

17 Page 21, lines 4, 18, 20, and 21

18 Page 22, lines 1, 9



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- SHAKTOOLIK
- SHISHMARUP
- SOLOMON
- STEBBINS
- ST MICHAEL
- TELLER
- UNALAKLEET
- WALIS
- WHITE MOUNTAIN

March 24, 2010

Senate Finance Committee
 Honorable Co-Chair Senator Burt Stedman
 Honorable Co-Chair Senator Lyman Hoffman
 Alaska State Capitol
 Juneau AK, 99801-1182

RE: - CSSB220(RES) Sec 15(d)(1) Pg 12, Ln 21 - Renewable Energy project preference

Honorable Senate Finance Committee:

Kawerak, Inc. is a regional Native non-profit organization providing services to 15 Native Villages in the Bering Strait Region. Energy consumes from 40-60% of per-capita income in these small remote communities. The Renewable Energy Grant Fund offers hope for some long term relief. Please think carefully about proposed changes in the project ranking method.

We oppose the proposed amendment to AS 42.45.045(d) found in Section 15 of CSSB220(RES) that would give Renewable Energy Grant preference to "projects that are likely to have financial benefit that exceeds the amount of grant funds received" because it would divert renewable energy grant funding away from small isolated rural communities, where it is needed most, and into regional hubs and big cities. Financial analysis is bound to favor places where construction costs are low and projects can capture economies of scale.

We recommend the Renewable Energy Grant Fund AS 42.45.045(d) continue to give preference "to projects that serve any area in which the average cost of energy to each resident of the area exceeds the average cost to each resident of other areas of the state."

Respectfully,

Loretta Bullard, President, Kawerak Inc

- CC: Honorable Co-Chair Senator Bart Stedman, Room 516
- CC: Honorable Co-Chair Senator Lyman Hoffman, Room 518
- CC: Honorable Senator Donald Olson, Room 508

Denali Commission Emerging Energy Technology Grant: Final Project Descriptions

Alaska Sealife Center: Seawater Heat Pump Demonstration Project

The Alaska SeaLife Center's overall goal for this project is to demonstrate a heat pump system that will "lift" latent heat from raw seawater and transfer the energy into building heat.

Cordova Electric Cooperative: Psychrophiles for Generating Heating Gas

This research and application project will deploy the use of psychrophiles (cold loving microbes) to improve efficiency in biogas digestors for generating cooking and heating gas for Alaskan households. The first phase will compare the efficiencies of mesophiles (conventional digester microbes) and psychrophiles on common household and rural Alaska feedstock at various temperatures. The second phase will deploy digester(s) in practical household scale project(s) to operate appliance and an electrical generator to evaluate feasibility and sustainability in an applied setting for widespread use in Alaska.

Kotzebue Electric Association: Feasibility of Solar Hot Water Systems

Assess the feasibility of solar hot water heating systems on residential units in the NANA region.

Kotzebue Electric Association: Flow Battery Energy Storage Systems

Analyze and demonstrate flow battery systems and their potential for energy storage in rural wind systems.

Kotzebue Electric Association: Wales Diesel-Off High Penetration Wind System

Retrofit the Wales Wind-Diesel Hybrid Power System by adding remote web access monitoring and control systems, getting the two Entegriy turbines back online and allowing for increased data logging capabilities and developing long term operations and maintenance strategies for replicating diesel-off configurations in other communities. Kotzebue Electric Association's overall goal for this project is to demonstrate diesel-off configuration for a remote wind-diesel hybrid power system through the retrofit of existing equipment and controls.

Ocean Renewable Power Corporation: Nenana Hydrokinetic Turbine

Build, install and test the RivGen™ Power System, a hydrokinetic energy unit, at the Nenana hydrokinetic test bed, and analyze resource and technology results.

Sealaska Corporation: Commercial Scale Wood Pellet Fired Boiler

This project will convert Sealaska's corporate headquarters building from a diesel fired boiler to a wood pellet fired boiler. The overall goal of this project is to demonstrate that wood heat can be cost effective and feasible for larger commercial, industrial, and municipal buildings, and has the potential to effect demand for Southeast Alaska second growth wood fiber.

Tanana Chiefs Conference: Organic Rankine Cycle Heat Recovery System

Tanana Chiefs Conference's goal for this project is to demonstrate the potential improved fuel efficiency of the diesel power plant in a village in the TCC region through the use of an Organic Rankine Cycle (ORC) system for heat recovery from engine jacket water and exhaust.

University of Alaska Fairbanks, WiDAC: High Penetration Hybrid Power System

The Wind Diesel Application Center will analyze state of the art power electronics to assess options for wind-diesel hybrid power systems to operate in a diesel-off mode.

