

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672
958 SCOMM44: HOUSE POWER ALTERNATIVES STUDY COMM. 1979-80

EXECUTIVE SUMMARY

State energy planning and policy development involves a complex array of interrelating responsibilities crisscrossing a variety of departmental and functional areas. Resource production and management, resource disposition and utilization, in-State energy consumption, energy conservation, resource development impact assessment and assistance to communities in energy matters represent just some of a broad range of activities that the State must address in a coherent manner in order to evolve and promote an effective energy planning and policy development program.

The development of such a program, necessitating the inputs and perspectives of several disciplines within State Government, has the potential of generating overlapping or confusing areas of responsibility, conflicting or redundant activities, misallocation of limited manpower resources and, consequently, a disjointed approach to a significant State and national issue. The Governor, recognizing the potential for inefficiency in dealing with energy and energy-related matters, has directed the Division of Policy Development and Planning (DPDP) to assess the current State activities in the energy field and to recommend a course of action before existing efforts become too inextricably tied to an entrenched bureaucracy that may not be in the best interests of the State. This report, therefore, attempts to:

1. Identify the existing State statutory and programmatic responsibilities in "energy" planning and decision making;
2. Highlight areas of existing or potential overlaps, gaps and conflicts; and
3. Suggest appropriate State approaches to deal with energy and energy-related issues.

This Executive Summary can only briefly summarize some of the analyses, findings and recommendations to be found in the full report. It reflects, however, the full range of issues developed in greater detail in that report.

OBJECTIVES

In order to facilitate evaluation and to highlight specific areas of responsibilities, it becomes necessary to (1) differentiate between the components that constitute the "energy arena" and, (2) to identify those objectives that should be realized to avoid inefficient and imbalanced energy planning and resource utilization decisions. While recognizing that distinct interrelationships do exist between the various components, for the purposes of this report State energy activities involve:

1. Energy resource development and management - the administration of State programs for the production and management of Alaska's energy resources - oil, gas, coal, geothermal, fissionable material, hydroelectric;

2. Energy resource disposition - the decision making process linking the State's resource supply with decisions on resource production, sale for export and satisfaction of in-State needs;
3. In-State resource utilization - the programs to promote and use the State's energy resources for in-State industrial, commercial and residential purposes, including power consumption;
4. Energy conservation - programs to promote the efficient use of the State's finite energy resources, including research, development, and application of alternative energy sources and the development and implementation of fuels allocation, emergency preparedness and contingency programs;
5. Resource development impact assessment - the evaluation of environmental, economic and community impacts associated with energy development programs, and
6. Energy assistance - provisions of technical, financial and planning assistance to local communities in energy and electrical power matters.

These six components make up the full range of State energy and energy-related areas of involvement - from the resource "in the ground" to the ultimate use by the consumer. In order for the State to effectively address each of these areas, three conditions appear necessary:

1. Clearly defined separations of primary responsibilities - the designation of primary or "lead agency" responsibilities tends to: focus efforts specified by legislative and administrative intent; utilize available State expertise optimally; provide mechanisms for program and project continuity; facilitate implementation efforts; strengthen channels of communications, coordination and cooperation;
2. Programs and projects that are compatible with the primary responsibilities - the undertaking of programs and projects directly related to satisfying specific functional responsibilities has the advantage of minimizing the potentials for misallocation of manpower resources; overlapping activities; conflicting efforts; and
3. Inter-departmental mechanism for coordinated state-wide planning and decision-making - the establishment of a "forum" or "lead agency" whereby the interdisciplinary nature of State energy activities can be developed offers opportunities for linking the areas of primary responsibility; providing "clearinghouse" decisions on specific issues, proposals, grants and studies; conflict resolution; strengthening interagency coordination; addressing emerging national issues; formulating overall policy guidelines.

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PRIMARY RESPONSIBILITY

A review of present statutory authorities shows that energy and energy-related responsibilities rest primarily with four State agencies - Department of Natural Resources (DNR), Department of Commerce and Economic Development (CED), Department of Community and Regional Affairs (DCRA), and the Governor's Division of Policy Development and Planning (DPDP). In each of the six energy components discussed above, existing statutory provisions either: (1) clearly delegates primary responsibility to one particular agency; (2) directs, through legislative or administrative intent, a particular agency to have specific lead agency responsibilities, or, (3) provides a mechanism whereby potentially conflicting statutory or programmatic responsibilities can be mediated.

Energy Resource Development and Management

The Department of Natural Resources has broad and primary administrative, planning, regulatory and, to a certain degree, policy responsibilities related to the production and management of State-owned energy resources (including the "necessary and proper" powers of implementation). DNR is charged with the determination of what type of resource development (including hydroelectric resources) shall take place, where it shall take place and the timing of such development. DPDP is charged with providing technical assistance and policy guidance to DNR in order for that agency to satisfy its designated mandates.

Energy Resources Disposition

Responsibilities pertaining to the disposition of the State's energy resources - decisions affecting the production and storage of a resource, the sale or exchange of a resource, the availability for in-state use or export - rest primarily with DNR. Through the Alaska Royalty Oil and Gas Development Advisory Board and, to a lesser extent, through the Mineral Resources Fund Board, (both within DNR), the State has established mechanisms to facilitate the wise disposition of the State's resources. DPDP's responsibilities rest with providing technical assistance to DNR and with providing overall State policy guidelines for the disposition decisions.

In-State Utilization

Several agencies have distinct and separate responsibilities in the area of in-state resource utilization - for commercial, industrial and residential consumption. The Department of Commerce and Economic Development has overall responsibility relating to the economic development of the State. The Division of Energy and Power Development (DEPD) within CED has particular statutory responsibilities with respect to the study and promotion of in-state electric power consumption. Created within CED are a number of public authorities, boards and regulatory agencies with responsibilities relating to in-state energy resource utilization.

Both DER and DCR have particular areas of statutory authority affecting CED's mandate. DER is the administrator of all State-owned energy resources and, therefore, strategies to satisfy or encourage local or regional energy requirements would require DER commitment of a resource, the use of State land, or the right of passage over it. DCR is authorized to develop programs to broaden and diversify the economic base of rural areas. DPDP, though with no line or functional authority, has been given primary responsibility to coordinate State activities and provide policy guidance related to optimal utilization of the State's energy resources.

Energy Conservation

Existing statutory authority is weak with respect to the conservation of energy. There is, throughout the statutes, general references to conserving and promoting the State's energy resources, but these are only peripheral to the larger mandates explicitly stated - that of developing the resources and promoting their utilization. While lacking statutory weight, energy conservation was recognized as an important area of concern by the Governor in the creation, by Administrative Order, of the Division of Energy and Power Development. DER's duties and primary responsibilities, developed in response to regulations promulgated by the Federal Energy Office, include programs for fuels allocation; assisting emergency and hardship allocation requirements; informational efforts regarding energy conservation measures; and, research in the areas of energy usage, conservation and development.

Resource Development Impact Assessment

Since an assessment of the impacts associated with energy development activities (large-scale hydroelectric projects, OCS leasing and development, R/2-4, Prudhoe Bay natural gas) involve the inputs and perspectives of many State agencies, DPDP has been given the primary responsibility to ensure that the State addresses the issues comprehensively. DCR has particular responsibility (with DPDP coordination) in the assessment of the socioeconomic impacts of large-scale energy development.

Energy Assistance

The broadest responsibilities rest with DCR which has, as its primary duty, the rendering of maximum services to government at the community and regional level by providing financial, advisory, State coordinative and management assistance. Both CED and DPDP are given statutory authority to assist local communities, but these narrow responsibilities are to be carried out within the framework of DCR's overriding responsibilities.

Primary Responsibilities - Summary

A review of Alaska's statutory provisions does show that clearly delegated areas of primary responsibility in energy and energy-related matters can be identified:

Agency	Resource Development	Resource Disposition	Resource Utilization	Energy Conservation	Impact Assessment	Energy Assistance
DNR	⊗	⊗	X	-	-	-
CEC	-	-	X	*	-	X
DCRA	-	-	X	-	X	⊗
DPDP	X	X	⊗	-	⊗	X

Where:

- X - area(s) of specific statutory responsibility
- ⊗ - primary/lead agency responsibility
- - no particular statutory mandate
- * - CEC (DEPD) has been given, through administrative direction, energy conservation responsibilities

PROGRAM COMPATIBILITY

Statutory authority and administrative intent can highlight areas of primary responsibility and provide the framework for effective energy planning. It rests, however, with the actual agency programs and activities undertaken to determine how effectively and efficiently the State is addressing the issues.

Department of Natural Resources

Present energy and energy-related activities being engaged in by DNR conform to that department's statutory responsibilities and do not appear to conflict or overlap with other agency responsibilities. Efforts are concentrated in the energy "supply" area, with manpower and funds allocated to resource development and management (inventory systems, land selection and classification, administration of fuels and minerals, resources forecasting) and resource disposition (primarily through the efforts of the Royalty Oil and Gas Board).

Department of Community and Regional Affairs

DCRA activities in energy and energy-related matters are concentrated in two areas - community assistance (through the department's public information and technical, financial and planning assistance programs) and impact assessment (through DCRA's community planning and policy research and analysis programs). Close cooperation between DCRA and DPDP in the energy conservation/assistance areas have resulted in complementary activities with little substantive overlap in similar Federal programs (ERDA and CSA) engaged in by the two agencies. DCRA has been involved in advance planning for socioeconomic impact assessment of Federal OCS petroleum development actions. DPDP's responsibilities are to ensure that DCRA's socioeconomic assessment programs are consistent with and coordinated with the evaluation efforts of other State agencies.

Department of Commerce and Economic Development

In the areas of in-state power utilization (e.g. the generation of an electrical power development plan), energy conservation and in-state fuels allocations efforts, DEPD is undertaking several programs that are geared toward satisfying their statutory and administrative mandate. However, significant overlapping of responsibilities and indiscriminate duplicate and conflicting efforts exist with a number of programs and projects being conducted by DEPD relating to "energy planning and analysis" - programs and projects covering the gamut from the investigation of resource development scenarios; to developing a plan for defining the resource export market; to studying environmental, social and economic impacts of energy development; to specifying State policy options for encouraging or discouraging energy intensive industrial development; to developing options associated with the routing of the Prudhoe Bay natural gas pipeline; to assisting the FEA in their recommendations to the President on a gas pipeline route (Alaska Regional Energy Resources Planning Project, Alaska Royalty Natural Gas Market Study, Energy Intensive Industrial Development Study).

These ERDA and FEA programs fall outside the direct responsibility of DEPD. In fact, these programs (the information generated and the end-products produced) are only elements of a larger state-wide energy policy development and decision-making process and, therefore, should serve those interests rather than compete with them. Each project requires the coordinated inputs and expertise of several agencies; many of the tasks rest within different department jurisdictions; and several of the end-products are critical to other overriding State policy and decision-making responsibilities. What is required, therefore, is a mechanism whereby the State can, within the context of overall energy planning and policy development efforts, deal comprehensively with such programs or, from another perspective, see how or if such programs are in the best interests of the State.

INTERDEPARTMENTAL COORDINATION

In order to consolidate the various State components involved in energy activities into a consistent and unified effort to address energy issues and to develop a coherent overall State energy policy (as well as to minimize the potentials for overlapping or conflicting activities), DEPD must begin to exercise its statutory responsibilities. These responsibilities include:

1. Identification of State energy planning priorities;
2. Determination of which issues should be addressed comprehensively and what interdepartmental working relationships, if any, should be mobilized to address the issues (including, where applicable, the assignment of "lead agency" responsibilities);

3. Coordination and monitoring of interagency study efforts to ensure timely and satisfactory completion and consistency with overall State goals and objectives;
4. Identification and dissemination of State policies, goals and objectives (and evaluation criteria) pertinent to State energy development and utilization; and
5. Provision of policy guidelines to State energy and energy-related plans and programs being generated.

There appears to be a tendency within the Federal bureaucracy to perpetuate energy planning policies and programs that tend to define what it thinks Alaska needs and, consequently, dictating what energy research and energy development programs and projects are "best" for the State. Efforts undertaken by the State solely in response to these programs, without first determining the State's need or the priority for a study or how it fits into an overall State approach to energy planning, can become nothing more than "outside" analysis imposed on the State. Alaska's role is, then, that of a mere "consultant" to the Federal Government rather than the "lead agency" with respect to its own needs. Moreover, by undertaking "before-the-fact" studies, there is a possibility of realizing "opportunity" costs that could outweigh the direct "benefits" derived from the study. DPDP, as part of its statutory responsibilities, should act to ensure that Federal programs are responsive to State needs and that the optimal allocation of Federal and State monies takes place. DPDP should, therefore:

1. Serve as a "clearinghouse" for all potential energy and energy-related grants, proposals and funds (State and Federal);
2. Review and approve plans and proposed programs and research projects by and for State agencies, including RFP's and consultant contracts;
3. Coordinate efforts to fit, on a selective basis, Federal resources and programs to State-determined needs - on our terms, as we define them; and
4. Integrate available Federal planning assistance programs and projects into the comprehensive, interagency planning model developed above.

Many of the decisions and activities involved with DPDP's responsibilities can not and should not be made unilaterally. They require the benefit of different perspectives and a certain degree of interagency dialogue. It is recommended, therefore, that consideration be given to the formation of an informal ad hoc, but on-going, State Energy Committee chaired by DPDP (with representation from DNR, CED, DCRA, and Revenue) to, in part:

1. Provide guidance to DPDP in the exercise of its various responsibilities as enumerated above;

2. Provide policy guidance and criteria and facilitate agency inputs to the various Boards and Funds, established in the energy area, to aid in their deliberations and decision-making;
3. Determine the validity of establishing a single State Energy "Marketing" Board;
4. Evolve an "optimal energy use" scenario whereby the optimal energy resource(s) can be utilized to satisfy a particular in-state need or market or a particular geographical region;
5. Provide a forum for interagency "conflict resolution";
6. Develop both short- and long-term State energy objectives and implementation strategies to meet those objectives;
7. Provide a forum to address emerging interstate, national and international issues and Federal policies affecting the State's energy efforts;
8. Coordinate and review proposed energy and energy-related legislation;
9. Develop review procedures and provide policy guidance, standards and criteria for the Alaska Power Authority;
10. Consider the merits and limitations associated with the generation of a State Energy Plan (including the optimal regional supply/demand scenario); and
11. Translate energy planning results into a consistent set of regulatory and licensing practices.

RECOMMENDATIONS

In order to begin to develop a coordinated state-wide approach to energy and energy-related planning and policy-making, the following are suggested as specific initial actions:

1. An explicit articulation (through the Governor) of (1) areas of primary State responsibility in the energy field; (2) DDEP's role as "lead agency" in consolidating the various State efforts into a consistent and unified approach to address energy issues and to develop an overall State energy policy. This, moreover, should be in a form appropriate to guide present and future departmental activities (as well as to serve as notification for the relevant Federal agencies);
2. Strengthening of the statutory provisions with respect to energy conservation; fuels allocation/contingency planning; and research and application of alternative energy sources by modeling DDEP's statutory responsibilities to be consistent with the Administrative Order creating the Division;

3. Organize and coordinate (through DFDP) an inter-departmental effort to develop policy guidelines, standards and criteria for in-state energy intensive industrial development and energy facility siting. (Initial application will be to provide criteria for determining the feasibility of in-state use by industry of the State's Prudhoe Bay royalty oil.);
4. Develop policy guidelines, criteria and State review procedures for the Electric Power Development Plan; the Water Use Plan (water allocations for energy development), Alaska Power Authority; Pipeline Transportation Plan (DNR);
5. DFDP should assume responsibility for coordinating State efforts on the interdisciplinary ERDA Regional Energy Resources Planning Project and Energy Intensive Industrial Development Study and the FEA Alaska Royalty Natural Gas Market Study. This should include, where applicable, the setting up of an advisory board and the utilization, through Executive Order, of RSA's and/or transfer of appropriations to mobilize the optimal State/consultant efforts to complete the projects;
6. Initiate steps to organize the ad hoc State Energy Committee;
7. Initiate an investigation to determine the merits and limitations associated with having two philosophically opposing functional responsibilities - energy conservation and the promotion of electric power consumption - within the same division and within a department whose objective is to encourage energy-intensive industrial development; and
8. Expand DFDP's existing A-95 clearinghouse review responsibilities to include all energy and energy-related programs (State and Federal).

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A. INTRODUCTION

State energy planning and policy development involves a complex array of interrelating responsibilities criss-crossing a variety departmental and functional areas. Resource development and management, resource disposition and utilization, in-State energy consumption, energy conservation, resource development impact assessment, local community energy assistance are just some of a broad range of activities that the State has to address in a coherent manner in order to evolve and promote an effective energy policy and planning program. Yet the development of such a program, necessitating the inputs and perspectives of several disciplines within the State government, has the potential of generating overlapping or confusing areas of responsibility; conflicting or redundant activities; misallocation of limited manpower resources; and, consequently, a disjointed approach to a significant State and national issue.

The Governor, recognizing this potential for inefficiency in dealing with energy and energy-related matters, directed a working group to assess the current activities in Alaska in the energy field and to recommend "what should be done and by whom." Initial recommendations have been presented and almost a year has passed in which to assess the results of decisions made earlier. An opportunity exists, moreover, to re-evaluate the State's approach to energy planning before it becomes too inextricably tied to an entrenched bureaucracy that may not be in the best interests of the State.* This report builds on those previous efforts--Governor's Energy Working Group, Rural Energy Task Force, a myriad of letters, memorandums and suggestions from the different departments--and attempts to:

1. Identify the existing State statutory and programmatic responsibilities in "energy" planning and decision-making;
2. Highlight areas of existing or potential overlap, gaps and conflicts;
3. Suggest appropriate State approaches to deal with energy and energy-related issues.

* Commissioner Harris, Chairman of the Governor's Energy Working Group had indicated that, "...there could... be (a) future need... to take an overview of agency efforts and cooperation on energy matters."

B. OBJECTIVES

Before an analysis of State statutory and programmatic responsibilities in energy planning and policy making can be undertaken, it becomes necessary to: (1) differentiate the components that constitute the "energy arena," and; (2) to identify those objectives that should be met to avoid inefficient and imbalanced energy planning and resource utilization decisions. While it must be emphasized that distinct inter-relationships do exist between the various components, separation is necessary in order to facilitate evaluation and to highlight specific areas of primary responsibility. For the purposes of this report, therefore, State energy activities involve:

1. Energy resource development and management--the administration of State programs for the production and management of Alaska's energy resources: oil, gas, coal, geothermal resources, fissionable material; hydroelectric resources;
2. Energy resource disposition--the policy formulation and decision-making process linking the State's resource supply with decisions on resource production, sale for export and satisfaction of in-State needs;
3. In-State resource utilization--the programs to promote and use the State's energy resources for industrial, commercial and residential purposes including in-State power consumption;
4. Energy conservation--the efficient use of the State's finite energy resources, including research, development and application of alternative energy sources (geothermal, waste heat, solar, wind, tidal power) and the development and implementation of fuels allocation, emergency preparedness and contingency programs;
5. Resource development impact assessment--the evaluation and mitigation of the environmental, economic and community impacts associated with energy development activities;
6. Energy assistance--provision of technical, financial and planning assistance to local communities in energy and electrical power matters.

These six components make up the full range of State energy and energy-related areas of involvement--from the resource "in the ground" to the ultimate use by the consumer. In order for the State to effectively address each of these areas, three conditions appear necessary:

1. Clearly defined separations of "primary" responsibility for operational activities in each area. The designation of primary or "lead agency" responsibilities tend to: focus efforts specified by legislative and administrative intent; utilize available State expertise optimally; provide mechanisms for program and project continuity; facilitate regulatory and implementation efforts; strengthen channels of communication, coordination and cooperation;

2. Programs and projects that are compatible with the primary responsibilities. The undertaking of programs and projects, directly related to satisfying specific functional responsibilities, has the advantage of minimizing the potentials for: misallocation of manpower resources; overlapping activities; conflicting efforts;
3. Inter-departmental mechanism for coordinated State-wide planning and decision-making. The establishment of a "forum" or "lead agency" whereby the inter-disciplinary nature of State energy planning and policy making can be exercised offers opportunities for: linking the areas of primary responsibility; providing "clearinghouse" and "task force" decisions on specific issues, proposals, grants and studies; conflict resolution; strengthening inter-departmental coordination; addressing emerging national and international developments; formulating over-all policy guidelines and program evaluation criteria.

An analysis has been conducted to determine how, or if, these three objectives are presently being met through existing statutory and administrative provisions, programmatic activities of the various departments and inter-departmental coordination mechanisms.

C. PRIMARY RESPONSIBILITY

A review of present statutory authority shows that energy and energy-related responsibilities rest primarily with four State agencies-- Department of Natural Resources (DNR), Department of Commerce and Economic Development (CED), Department of Community and Regional Affairs (DCRA) and the Governor's Division of Policy Development and Planning (DPDP).^{*} In each of the six energy areas discussed above, existing statutory provisions either: (1) clearly delegates primary responsibility to one particular agency; (2) directs, through legislative or administrative intent, a particular agency to have specific lead agency responsibilities; (3) provides a mechanism whereby potentially conflicting statutory or programmatic responsibilities can be mediated.

Energy Resources Development and Management

As Table 1 shows, the Department of Natural Resources has broad administrative, planning, regulatory and to a certain degree, policy responsibilities in the areas of energy resource development and management, including the "necessary and proper" powers to implement policies. The Alaska Land Act (AS 38.05) give DNR the authority to carry out the constitutionally established (Article VIII S.1) State policy of encouraging the development of energy resources (including coal, oil shale, oil, gas, geothermal resources) by making them available for "maximum use consistent with the public interest." Section .135 of the Act establishes a permit system and procedures governing leases for mineral exploration, development and extraction on all State lands, including tide, submerged and shorelands. DNR's responsibilities include the facilitation of commercial development of mineral resources by appropriating funds for the construction of access roads (AS 19.30.020), and the compilation of data to determine the character, location and amount of all natural products of economic importance (AS 41.08.020), DNR's Division of Waters, under the State's Water Use Act (AS 46.15) has the responsibility to inform and advise the Governor on the development of the State's water resources (Water Resources Board).

As part of its implementation responsibilities under the Alaska Land Act, DNR is authorized to develop a land classification system together with a land use plan for the management and use of all surface lands in areas considered necessary and proper for future development. Before any land may be disposed, it must be classified and approved by DNR. DNR determines, therefore, what type of resource development (including hydroelectric resources) shall take place, where it shall take place and the timing of such development. The statutes and legislative intent are

^{*}The Governor's Office, through a coordinator of atomic development activities (AS 18.45), has the responsibility to institute a program to encourage the development (and utilization) of atomic energy. The responsibility is, it appears, subordinate to DNR's lead agency in energy resource development and management.

AS 41.12

TABLE I
ENERGY RESOURCES DEVELOPMENT AND MANAGEMENT
STATUTORY RESPONSIBILITIES

DNR		CED		DCRA		DPDP	
Citation	Responsibility	Citation	Responsibility	Citation	Responsibility	Citation	Responsibility
44.37.020	administer the State program for the development of natural resources.	44.33.040	cooperate with State agencies responsible for the development of natural resources.	-	-	44.19.880	provide technical assistance to the Governor in identifying long-range goals and objectives; provide assistance to State agencies in the preparation of agency plans and programs.
19.30.020	approve applications for the construction of access roads to develop mineral resources.						
27.05.010	charged with all matters affecting exploration, development and mining of the State's mineral resources.						
27.22.010	bonus fund for the discovery and extraction of new domestic mineral bearing deposits.						
31.05.030	prohibit waste of oil and gas; regulate all oil and gas operations.						
31.05.100	effectuate unitization agreements.						
38.05.135	open State lands for exploration, development and extraction of mineral deposits.						
38.05.140	encourage the greatest ultimate recovery of coal, oil, gas, oil shale, geothermal resources.						
38.05.027	enter into cooperative resource management and development agreements.						
38.05.185	determine lands from which mineral resources may be mined.						
38.05.300	classify State lands prior to development.						
41.05.090	encourage the exploration and extraction of minerals (Mineral Resources Fund Board).						
41.08.020	conduct surveys to determine potentials for metals, minerals, fuels.						
46.15.210	inform and advise the Governor on the development of the State's water resources (Water Resources Board).						

clear: DNR has broad and primary administrative, planning, regulatory, and policy responsibility related to the production and management of State-owned energy resources.* The Division of Policy Development and Planning, through its responsibilities under AS 44.19.880, is charged with providing technical assistance and policy guidance to DNR in order for that department to satisfy its designated mandates.

Energy Resources Disposition

Responsibilities pertaining to the disposition of the State's energy resources - decisions affecting the production and storage of a resource, the sale or exchange of a resource, the availability for in-State use or export - rest primarily with the Commissioner of Natural Resources (Table 2). Under the Alaska Land Act (AS 38.05), any royalty provided for may be taken in-kind rather than in value if the Commissioner determines that the taking in kind is in the best interests of the State. The Commissioner may authorize the subsurface storage of oil and gas. Oil and gas taken in-kind may not be sold or otherwise disposed of for State export until the commissioner, with the approval of the Alaska Royalty Oil and Gas Development Advisory Board (Royalty Board), determines that the royalty is surplus to both present and projected intra-State domestic and industrial needs.

The Royalty Board, part of DNR, is mandated (AS 38.06) to facilitate the wise development of Alaska's oil and gas royalty interests by providing means and procedures for sales, exchanges or other disposition of those interests in ways calculated to promote private economic growth. No sale, exchange or other disposition may be made without the Board's approval. The Board may also require conditions relating to the sale, delivery, transportation or refining and processing within the State. Table 3 describes the range of issues that the Royalty Board must consider. The Commissioner of DNR shall submit a report showing the immediate and long-range needs of the State, and an analysis of how those needs are to be met (AS 38.05.183).

Other mandated responsibilities include the Mineral Resources Fund Board (AS 41.05) which was created within DNR to administer the Mineral Resources Fund established to encourage the exploration and extraction of valuable minerals (excluding oil and gas) by providing a market for them. The Board may buy and sell minerals (including ores), locate markets for their sale and stockpile minerals. The Water Resources Board (AS 46.15), also within DNR, has the responsibility on all matters relating to the appropriation of water and on lands needed for hydroelectric projects.

*The Governor's Office, through a coordinator of atomic development activities (AS 18.45), has the responsibility to institute a program to encourage the development (and utilization) of atomic energy. The responsibility is, it appears, subordinate to DNR's lead agency role in energy resource development and management.

TABLE 2
ENERGY RESOURCES DISPOSITION
STATUTORY RESPONSIBILITIES

DNR		CED		DCRA		DPDP	
Citation	Responsibility	Citation	Responsibility	Citation	Responsibility	Citation	Responsibility
38.05.180	authorize the subsurface storage of oil and gas.	-	-	-	-	44.19.880	provide technical assistance to the Governor in identifying long-range goals and objectives; prepare and maintain a State comprehensive development plan; provide assistance to State agencies in the preparation of agency plans and programs.
38.05.182	take royalty in kind rather than in value.						
36.05.183	sale, exchange or other disposal of minerals obtained as royalty; determination of in-State oil and gas needs and surplus.						
38.05.185	determine lands from which mineral resources may be mined.						
38.05.300	classify State lands prior to development.						
38.05.035	disposal of State lands.						
38.06.010	sale, exchange or other disposition of royalty oil and gas (Royalty Oil and Gas Board).						
38.06.050	conditions relating to sale, delivery, transportation or refinishing and processing within the State.						
38.05.020	leases for pipeline purposes for transport of oil and gas.						
41.05.060	buy and sell minerals and locate markets for their sale (Mineral Resources Fund Board).						
41.05.080	stockpile minerals.						
46.15.020	coordinate plans relating to the appropriation and use of water.						
46.15.210	inform and advise the Governor on all matters relating to the use and appropriation of water and on lands needed for dams (Water Resources Board).						

Inherent in the regulatory and leasing responsibilities of DNR under the Alaska Land Act (AS 38.05), Regulation of Mining Operations (AS 38.35), Water Use Act (AS 46.15), is the ability to affect and direct both the short- and long-term disposition of natural resources as shown earlier. In the case of the potential land use implications of resource extraction (management of the subsurface estate), DNR has the authority to determine what type of resource development (including hydroelectric) shall take place, where it shall take place and the timing of such development (AS 38.05.185 and .300). It can be shown, therefore, that, as with resource development and management, DNR (with DPDP charged with providing technical assistance and policy guidance) has overriding responsibility for the disposition decisions affecting the State's energy resources.

TABLE 3
ROYALTY OIL AND GAS BOARD MANDATES

In the exercise of its powers under Section 38.06 of the Alaska statutes, the Royalty Oil and Gas Board shall consider:

- A.
 - 1. the revenue needs and project fiscal condition of the State;
 - 2. the existence and extent of present and projected local and regional needs for oil and gas products and by-products, the effect of State or Federal commodity allocation requirements which might be applicable to those products and by-products, and the priorities among competing needs;
 - 3. the desirability of localized capital investment, increased payroll, secondary development and other possible effects of the sale, exchange or other disposition of oil and gas or both;
 - 4. the projected social impacts of the transaction;
 - 5. the projected additional costs and responsibilities which could be imposed upon the State and affected political subdivisions by development related to the transaction;
 - 6. the existence of specific local or regional labor or consumption markets or both which should be met by the transaction;
 - 7. the projected positive and negative environmental effects related to the transaction; and
 - 8. the projected effect of the proposed transaction upon existing private commercial enterprise and patterns of investments.
- B. When it is economically feasible, the board may require, as a condition of the sale of oil and gas obtained by the State as royalty, that the oil or gas be refined or processed in the State and may, when it is feasible and in the best interests of the State to do so, provide for processing or refining of the oil or gas under a contract entered into by competitive bidding before the sale of the oil and gas.

In-State Utilization

To this point, discussion has primarily focused on the statutory provisions related to the "supply" side of the energy equation. In-state utilization of the State's energy resources - for commercial, industrial, residential consumption; to encourage economic development - constitutes the "demand" side. As Table 4 indicates, several agencies have key responsibilities in this area.

The Department of Commerce and Economic Development (CED) has overall responsibility relating to the economic development of the State. Under Section 44.45.020, CED shall "...encourage and promote the sound use of the natural and human resources of the State so as to assist in establishing a balanced and dynamic economy and an orderly pattern of resource development consistent with the public interest..." This shall include the formulation of continuing programs to encourage economic development and advise and recommend economic development policies to the Governor.

The Division of Energy and Power Development (DEPD) within CED, includes particular statutory responsibilities in the area of electric power promotion and utilization... "... to make an abundant supply of electric power available... and to promote and extend the use of electric power... for industrial, agricultural, commercial, residential and other purposes." (AS 44.33.030). While the statutes make reference to "electric power and energy resources" the intent (and weight) of the legislation is clear - DEPD's statutory authority rests in part with in-State electric power development, including (under AS 44.33.040): studying the State's power resources; compiling and maintaining an inventory of electric generation, transmission and distribution facilities; studying and encouraging markets for electric power; preparing a plan for electric power development; promoting rural electrification; assisting in the development of power grids and power pools; and holding public hearings in the field of power.

Created within CED are a number of public authorities, boards and regulatory agencies with responsibilities relating to in-State energy resource utilization. The Alaska Power Authority (AS 44.56) will provide means for financing, constructing and operating hydroelectric and fossil fuel power generating projects. The Alaska Public Utilities Commission (AS 41.05) regulates public utilities, including the granting of certificates of public convenience and necessity. The Alaska Pipeline Commission (AS 42.06) regulates pipeline facilities and carriers with the intent of promoting and overseeing the development of an intra-State oil and gas pipeline system adapted to the present and future needs of the State. Finally, through the Water Resources Revolving Loan Fund (AS 45.86), CED administers the program to provide loans on capital improvement projects for hydroelectric generation.

While CED has overall responsibility relating to economic development, both DNR and DCRA have particular areas of statutory authority affecting CED's mandate. The Right-of-Way Leasing Act (AS 38.35.020) gives DNR responsibilities for leasing pipelines to supply local energy needs.

TABLE 4
IN-STATE ENERGY UTILIZATION
STATUTORY RESPONSIBILITIES

DNR		CED		DCRA		NPPF	
Citation	Responsibility	Citation	Responsibility	Citation	Responsibility	Citation	Responsibility
44.37.020	administer the State program for the development of State-owned energy resources.	44.45.020	encourage and promote sound use of the State's natural resources for economic development.	44.47.130	program to broaden and diversify the economic base of rural areas.	44.19.880	provide technical assistance to the Governor in identifying long-range goals and objectives; prepare and maintain a State comprehensive development plan; provide assistance to State agencies in the preparation of agency plans and programs assist in coordinating the activities of the State agencies which have an impact on the solution of local and regional problems.
38.05.181	permits and leases for utilization of geothermal resources.	44.33.030	make an abundant supply of electric power available.				
38.35.020	leases for pipeline purposes for transport of oil and gas.	44.33.040	in-State electric power consumption planning and promotion.				
46.15.210	inform and advise the Governor on all matters relating to the use and appropriation of water and on lands needed for dams (Water Resources Board).	44.56.070	means for constructing, acquiring, financing and operating hydro-electric and fossil fuel power generating projects (Alaska Power Authority).				
		44.56.170	loans for design and construction of hydro-electric and fossil fuel power projects (Power Project Revolving Fund).				
		42.05.141	regulate public utilities; certification of public convenience and necessity (Public Utilities Commission).				
		42.06.010	promote the development of an intra-State oil and gas pipeline system (Pipeline Commission).				
		45.86.020	loans for capital improvements projects for hydro-electric generation (Water Resources Revolving Fund).				

The Division of Lands of DNR is the administrator of all State-owned energy resources (AS 44.37 and AS 38.05) and, therefore, strategies to satisfy or encourage local or regional energy requirements would require DNR commitment of a resource, the use of State land, or the right of passage over it. As part of its responsibilities under AS 46.15.210, DNR (through the Water Resources Board) advises the Governor on all matters relating to the use and appropriation of water, including land needed for hydroelectric projects. The Department of Community and Regional Affairs is authorized to develop programs to broaden and diversify the economic base of rural areas (AS 44.47.130).*

A review of the "letter" of the statutes may indicate a certain degree of potential overlap. The "intent" of the statutes, however, seem clear - there are distinct and separate statutory authority resting with the various agencies in different aspects of in-State resource utilization: DNR has responsibility over the resource supply available; CED's involvement rests with the promotion of economic development and electric power development; DCRA must be concerned with the rural economic base. The key element is the linkage of all three perspectives (the "supply" with the "demand") into a coherent utilization and, an associated state-wide development strategy. The statutes make provisions for this. The Division of Policy Development and Planning has the responsibility to provide technical assistance in identifying long-range goals and objectives to develop and maintain a state-wide comprehensive development plan, and to assist in coordinating the activities of State agencies which have an impact on the solution of local and regional problems (AS 44.19.880). Moreover, DPDP is charged with advising the Governor on all matters of comprehensive State planning (AS 44.19.877). DPDP, though with no line or functional authority, has been given primary responsibility to ensure coordinated State activities and provide policy guidance related to optimal utilization of the State's energy resources. A suggested mechanism for facilitating this is presented in a later section.

Energy Conservation

The efficient use of Alaska's finite energy resources, including the development and application of alternative energy sources (geothermal, waste heat, wind, solar, tidal power) is a major component of in-State resource utilization and represents a valid responsibility of the administration. Yet, existing statutory authority is weak with respect to the area of conservation of energy. There is, throughout the statutes, general references to conserving and protecting the State's energy resources (i.e., Section 31.05, Oil and Gas Conservation), but these are only peripheral to the larger mandates explicitly stated - that of developing the resources and promoting their utilization.**

*Rural Alaska is generally considered to comprise all areas of the State except for the cities of Anchorage, Fairbanks, Juneau and Ketchikan, (Report of the Urban Housing Conference, May 1975).

**DPDP, through its mandate under Sec. 44.19.880(2) (prepare and maintain a State comprehensive development plan), can be charged with providing guidance in energy conservation as an element of State development planning.

While lacking in statutory weight, energy conservation was recognized by the Governor as an important area of concern. In 1974, the Alaska Energy Allocation Assistance Office, established by Administrative Order No. 21, was created to develop the State's field emergency preparedness and contingency planning program in response to regulations promulgated by the Federal Energy Office. In September of 1976, the Governor, under Administrative Order No. 38, transferred the Office to DEC and renamed it the Division of Energy and Power Development. The responsibilities of the Office, however, remained the same. The new Division's duties and primary responsibilities are spelled out in Order No. 38:

"The Division of Energy and Power Development shall continue to employ necessary personnel to work in concert with a federally assigned Deputy Regional Director for fuels allocation ...as part of its duties, (DEPD) shall continue to be responsible for the allocation of any State 'set aside' of allocable petroleum distillate fuels in conformance with federal regulations. Its duties also include, but are not limited to, assisting emergency and hardship allocation requirements to local wholesale purchasers and end users of allocable energy fuels... (DEPD) shall...maintain an informational effort to inform the public regarding energy conservation measures. In addition, this Division shall continue research in the areas of energy usage, conservation and development." (emphasis added)

Resource Development Impact Assessment

The development and utilization of the State's energy resources have significant environmental, economic and community implications. The development of large-scale hydroelectric projects, OCS leasing and development, NPR-4, the Prudhoe Bay natural gas pipeline are just a few of the major energy activities that will be impacting the State in the near future. Since an assessment of the impacts associated with energy development activities involve the inputs and perspectives of many State agencies, DPDP has been given the primary responsibility to ensure that the State addresses the issues comprehensively (Table 5). As part of its statutory mandate, DPDP is to advise the Governor on matters of comprehensive State planning (AS 44.19.877) and, pursuant to AS 44.19.880, assist in governmental coordination and unity and, through the Governor, establish coordinating groups to deal with issues requiring inter-departmental efforts.

The Department of Community and Regional Affairs has been given particular responsibility in the assessment of the socioeconomic impacts of large-scale energy development. Under Section 44.47.050 of the Alaska statutes, DCRA is charged with coordinating activities of the State which have an impact on community and regional affairs, and to promote cooperative solutions to community and regional problems. In addition, DCRA is mandated to investigate social and economic conditions of rural areas (AS 44.47.130), and to conduct studies and carry out experimental and pilot projects "for the purpose of developing solutions to community and regional problems (AS 44.47.050). DPDP has responsibility (AS 44.19.880) to assist DCRA in coordinating the activities of State agencies which have an impact on the solution of local and regional development problems.

TABLE 5
RESOURCE DEVELOPMENT IMPACT ASSESSMENT
STATUTORY RESPONSIBILITIES

DNR		CED		DCRA		DPDP	
Citation	Responsibility	Citation	Responsibility	Citation	Responsibility	Citation	Responsibility
-	-	-	-	44.47.050	coordinate activities of State which have an impact on community and regional affairs, promote cooperative solutions to community and regional problems.	44.19.880	Governor may establish coordinating or advisory planning groups.
				44.47.130	investigate social and economic conditions.	44.19.877	advise the Governor on matters of comprehensive State planning.
				44.47.050	conducts studies to solve community and regional problems.	44.19.880	assist the Governor and DCRA in coordinating the activities of State agencies which have an impact on the solution of local and regional development problems; provide assistance to State agencies to coordinate agency programs.

Energy Assistance

The final factor in the energy equation is the provision of technical and planning assistance to local communities in energy and electrical power matters. The broadest responsibilities rest with DCRA (Table 6). The primary duty of the Department is to render maximum service to government at the community level by providing financial, advisory and management assistance. Such assistance may arise from local government requests, or it may be initiated by DCRA with the consent of the communities involved.

DCRA has the authority (AS 44.47.050) to: conduct studies and carry out experimental and pilot projects to develop solutions to community and regional problems and promote cooperative solutions to problems affecting more than one community or region; coordinate activities of the State which have an impact on community and regional affairs; supervise planning, management and other activities required for local eligibility for financial aide; and administer State and Federal programs for revenue sharing, grants and other forms of assistance. The department also provides specific planning assistance, including technical services, to facilitate urban planning in political subdivisions of the State (AS 44.47.080). DCRA has further responsibility to formulate and conduct a program of construction of basic facilities to improve health, welfare and economic security in rural areas, and to enter into agreements with other State agencies to provide surplus electrical power (AS 44.47.130).

Both the Department of Commerce and Economic Development and the Division of Policy Development and Planning are given statutory authority to assist local communities. CED, through the Power Project Revolving Fund (AS 44.56.170), provides loans for constructing, equipping and initial filling of fuel storage facilities and other energy requirements. DEPD may provide information to assist communities to improve electric service (AS 44.33.040). DPDP can, as part of its responsibilities, assist local governments in planning and coordinating their activities and assist the Governor and DCRA in coordinating the activities of State agencies which have an impact on the solution of local and regional problems (AS 44.19.880). However, DCRA's statutory authority appears to be much broader and, therefore, CED's and DPDP's narrower responsibilities with respect to assistance to local communities are to be out within the framework of DCRA's overriding responsibilities.

Primary Responsibilities-Summary/Recommendations

A review of Alaska's statutory provisions and legislative and administrative intent does show that clearly delegated primary responsibilities in energy and energy-related matters can be identified:

- DNR - broad administrative, planning, regulatory and, to a certain degree, policy authority with respect to the State's energy supply - resource production, development, management, disposition;

TABLE 6
ENERGY ASSISTANCE
STATUTORY RESPONSIBILITIES

DNR		CED		DCRA		DPDP	
Citation	Responsibility	Citation	Responsibility	Citation	Responsibility	Citation	Responsibility
-	-	44.56.170	loans for constructing, equipping and initial filling of fuel storage facilities and other energy requirements (Power Project Revolving Fund).	44.47.130	enter into agreements with other State agencies to provide surplus electrical power.	44.19.880	assist local government in planning and coordinating their activities.
		44.33.040	provide information to assist communities to improve electric service.	44.47.080	provide planning assistance to political subdivisions of the State.	44.19.880	assist the Governor and DCRA in coordinating the activities of State agencies which have an impact on the solution of local and regional problems.
				44.47.050	supervise planning, management and other activities for local eligibility for aid.		
				44.47.130	program to construct basic facilities.		
				44.47.050	administer State and/or Federal programs assistance.		
				44.47.050	conduct studies and carry out experimental and pilot projects; promote cooperative solutions.		
				44.47.050	coordinate activities of State which have an impact on community and regional affairs.		

CED - responsibilities in the areas of State economic development, in-State electric power development, energy conservation (including research and development efforts), fuels allocation/contingency planning;

DCRA - lead agency responsibilities for the provision of assistance to local communities; particular responsibilities for assessing the socio-economic impacts associated with energy development;

DPDP - technical assistance to State agencies, lead agency with respect to long-range goals, objectives and policy development and guidance, comprehensive state-wide planning, coordination of inter-agency activities.

The following recommendations are offered to better clarify areas of authority:

1. An explicit articulation of primary State responsibilities in the various energy areas in a form appropriate to guide present and future departmental activities (including analysis by the Division of Budget and Management).
2. Strengthening of the statutory provisions with respect to energy conservation, research, development and application of alternative energy sources (wind, solar, waste heat, geothermal, tidal power) and fuels allocation/contingency planning by modeling DEPD's statutory responsibilities to be consistent with the Administrative Order creating the Division.
3. Providing a mechanism to link and coordinate the individual areas of primary responsibility. (This will be developed in a later section.)

One final point must be noted. Inherent in DEPD's statutory charge is built-in institutionalized duplication. AS 44.33.060 states, in part, that the Governor or the Commissioner of CED is not prevented from "...authorizing duplicating engineering, research or similar activities conducted by other departments of the State." This appears to be contrary to the intent of most of their statutory provisions, which are specifically designated to eliminate duplication,* and with the Administrative Order creating DEPD:

"In the performance of its duties, the Division of Energy and Power Development shall not duplicate functions of other State agencies."
(Order No. 38)

It is suggested, therefore, that the statutes remain consistent and that duplication "...shall be avoided."

*Relevant examples include CED's charge (AS 44.45.020(6) and DPDP's mandate (AS 44.19.880) to "...avoid duplication."

D. PROGRAM COMPATIBILITY

Statutory authority and legislative and administrative intent can highlight areas of primary responsibility and provide the framework for effective energy planning in the State. It rests, however, with the actual agency programs and activities undertaken to determine how effectively and efficiently the State is addressing the issues. In order to minimize the potentials for overlapping activities, conflicting efforts or the misallocation of manpower, energy and energy-related State programs must be directly linked to the specific primary or lead agency responsibilities described above.

Existing departmental programmatic objectives and actual project activities were reviewed to determine compatibility with areas of responsibility and to identify present or potential interdepartmental conflicting or overlapping efforts.* Table 7 presents an overview of programs and projects being undertaken and their relationship to agency responsibilities.

Department of Natural Resources

Present energy and energy-related activities being engaged in by DNR conform to that department's statutory responsibilities. Efforts are concentrated in the energy "supply" area, with manpower and funds allocated to specific elements of resource development and management (inventory systems, land selections and classification, administration of fuels and minerals, resources forecasting) and resource disposition (primarily through the work of the Royalty Oil and Gas Board and its technical support activities). DNR does not appear to be involved in any specific energy or energy-related programs that conflict or overlap with other agency responsibilities.**

Department of Community and Regional Affairs

DCRA activities in energy and energy-related matters are concentrated in two areas: community assistance and impact assessment. Through the department's public information and technical, financial and planning assistance programs, DCRA is providing a wide variety of services to local communities including information, grants and technical assistance to construct electrification facilities and to promote energy conservation actions on the part of citizens. The programs of DEPD and DCRA may appear to be overlapping. Because of two similar Federal programs

*No attempt has been made in this study to identify or comment on intra-departmental responsibilities. It is felt that a certain degree of flexibility in allocation of manpower and task assignments within a department is valid. It might be advisable, however, to evaluate the inefficiencies inherent in too much flexibility. The Division of Budget and Management has indicated that this might be warranted.

**There has been some concern over overlapping responsibilities with respect to the allocation and use of the State's water. Cooperative working relations between DNR and the Departments of Fish and Game and Environmental Conservation, have minimized potential conflicting activities.

TABLE 7
PROGRAM AND PROJECT ACTIVITIES

ENERGY AREA	PRIMARY RESPONSIBILITY	ACTIVITIES		
		AGENCY	PROGRAM	PROJECT
Resource Development and Management	DNR	DNR	. resource inventory system	. development of a prioritized, computerized resources inventory.
			. land selections	. selection criteria, resources value portfolio, values of selection areas.
			. resources forecasting	. projection of quantity and value of fossil fuels and minerals.
			. resources management	. technical management for the administration of fuels and minerals.
		CED	. Regional Energy Resources Planning	. identification of recoverable energy resources. . preparation of optimal scenarios for resource development.
Resource Disposition	DNR	DNR	. water use planning	. state-wide water use/allocation plan.
			. Royalty Oil and Gas Board	. forecasting quantity and value of royalty oil and gas. . deliberations on specific disposition decisions.
			. State lands	. evaluation of State leases with respect to resources extraction.
			. pipelines management	. design, review and surveillance of existing and proposed pipelines
	CED	CED	. economic development	. review of companies proposing to purchase royalty oil and gas.
			. Regional Energy Resources Planning	. energy resources export development planning.
			. Royalty Gas Market Study	. identification of development opportunities associated with routing of natural gas pipeline and availability of royalty gas.
		CED	. economic development	. promote petrochemical industry, materials processing high energy-use industry.
			. economic diversification	. analyze new resource product development.
In-State Utilization	Multi-Agency	CED		electric power development plan.

Regional Energy Resources Planning	identify future energy needs and opportunities. utilization implementation technology.
Royalty Gas Market Study	industrial development potentials.
Energy Intensive Industrial Development	ranking and analysis of most-likely industries attracted to Alaska. policy options to encourage/discourage development.

Energy Conservation

CED

CED

Wind Energy Systems	demonstration projects.
Arctic Energy Systems	energy conservation construction technology.
State Energy Conservation	plan for implementing energy conservation provisions
geothermal applications.	salmon aquaculture.
Energy Conservation Advocates	information on energy conservation and winterization

CRA

Emergency Energy Conservation	winterization
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Impact Assessment

DPDP

DCRA

community planning	local and regional planning for federal OCS petroleum development.
policy research and analysis	energy facility siting alternatives. policy analysis of major actions affecting community and regional development.
Regional Energy Resources Planning	plan for assessment of environmental and socio-economic effects of alternative development scenarios
Energy Intensive Industrial Development	environmental, social and economic impacts of industrial development.

CED

Energy Assistance

DCRA

DCRA

Public Information Program	distribution of information on State and Federal activities affecting low-income people.
Technical Assistance Program	assistance to Community Action Program, including energy-related problems.
Financial Assistance Program	financial support for electrification projects. grants-in-aid.
Planning Assistance	provide planning services for local plan implementation and capital improvements decisions. provide technical guides/handbooks related to planning and management. conduct workshop and seminars.
Emergency Energy Conservation	crisis intervention.
economic diversification	assist communities in preparation of economic development priorities.
Energy Conservation Advocates	assist citizens in energy measures.

CED

(through ERDA and CSA), both State agencies are engaged in similar activities (DCRA - Emergency Energy Conservation Program, Rural Alaska CAP, weatherization, crisis intervention, consumer advocacy; DEPD - State Energy Conservation Plan, Conservation Advocates). However, DEPD and DCRA are cooperating closely and therefore plans and programs will be complementary, with little substantive overlap. For example, DEPD's Advocates project will be recruiting and training Vista-type volunteers for DCRA's weatherization efforts. Also, DEPD's winterization funds will be funneled to assist DCRA in their community-specific efforts.

Under DCRA's community planning and policy research and analysis programs, the department is involved in several studies relating to policy analysis and the socioeconomic impacts associated with large-scale energy development. The Division of Community Planning has been extensively involved with coordinating State policies, plans and program activities on local OCS development with local governments. The Division has also been involved in advance planning for socioeconomic impact assessment of Federal OCS petroleum development actions. As the State continues to address the implications surrounding major development activities, DPDP must begin to exercise its responsibility of ensuring that DCRA's socioeconomic assessment programs are consistent with and coordinated with the evaluation efforts of other State agencies.

Department of Commerce and Economic Development

In the areas of in-State power utilization (e.g. the generation of an electrical power development plan), energy conservation, and fuels allocation efforts, CED (Division of Energy and Power Development) is undertaking several programs that are geared toward satisfying their statutory and administrative mandate. Moreover, DEPD is working cooperatively with several departments (notably DNR and DCRA) to minimize potential conflicts in the areas of conservation and community assistance. But, as Table 7 reveals, significant overlapping of responsibilities and duplicative and conflicting efforts exist with a number of programs and projects being conducted by DEPD relating to "energy planning and analysis." DEPD's responsibilities are specifically defined - in-State electric power development, energy conservation, fuels allocation/contingency planning. Yet, several of their programs reflect expansion into every aspect of energy activities - from the investigation of resource development scenarios, to developing a plan for defining the resource export market, to studying environmental, social and economic impacts of energy development, to specifying State policy options to encourage or discourage energy-intensive industrial development.

A review of DEPD's specific programs highlights the confusing and indiscriminate nature of the efforts being attempted. DEPD's Budget Request (BRU Code No. 08-73-6-01-04-00) gives an indication of the Division's stated intent in addressing what it feels are its programs responsibilities. In part, it states that the following questions need to be answered:

- "What are the quality and quantity of resources that are recoverable in Alaska?
- How complete of a development of natural resources is needed from Alaska for energy independence for the United States, including use in Alaska?

- .Will environmental degradation be permitted, and if so, to what degree?
- .What are the appropriate jurisdictions for environmental monitoring and enforcement?
- .What mechanisms exist or can be developed to allow an equitable sharing of the environmental costs with areas benefitting from the source?
- .Should we proceed with present technology or wait for more advanced and efficient methods?
- .Should there be strategies, enforced by appropriate regulatory agencies and/or tax and investment policies, to direct the order in which resources will be developed and how much of each will be used up?
- .What mix of energy development should be undertaken to satisfy energy needs of the State and of the United States?
- .What are the financial requirements of this development and how will they be satisfied?
- .How can information be derived and correlated which will discriminate around possible development options and give the responsible authorities a better understanding and realization of the consequences of their choices?
- .What are the cost benefits and risks associated with each option identified?
- .How much and what type of immigration should be permitted to provide the labor force for development?
- .What types of control on immigration (if any) are legal and yet capable of meeting the manpower goals necessary for development?
- .What will be the impact of the new arrivals?
- .Who is responsible for preparing for the immigration and for financing the new infrastructure?
- .How should cultural clashes be avoided or mitigated between arriving workers and those already there?
- .How can the Native population respond to change and preserve their identity?
- .What political jurisdictions will be needed to provide effective control over the new developments? How might these be set up if they do not already exist?
- .What burdens will be realized by State and local governments? What will they cost? How should they be paid for?
- .What amount of development is desirable in the State? When? Where? How?
- .What transportation corridors to support this activity should be developed? How should they be developed?"

Most significantly, DEPD states that, as part of its budget year objectives, it should:

"Provide the necessary studies, estimates, test results, demonstration projects to answer the questions enumerated (above)."

Obviously, the answers to these questions involve extensive and complex efforts by all parts of the administration. To provide a "laundry list of everything" as a rationale for a program and budget request tends to obscure the specific direction to be taken and limits the ability of the administration to, as charged by the Governor, determine "what should be done and by whom."*

To a large extent, those program objectives are reflected in the projects being undertaken, and several specific DEPD efforts have this "expansive" orientation. The Division, through a \$150,000 (\$25,800 State matching) grant from the Energy Research and Development Administration (ERDA), has initiated (Phase I) an Alaska Regional Energy Resources Planning Project. This project is intended, among other things, to:

1. identify recoverable energy resources;
2. develop alternative development options;
3. develop a plan for resource export development;
4. identify future energy needs and opportunities; and
5. develop a plan for the assessment of environmental and socio-economic effects of energy development.

DEPD has a \$50,000 grant from the Federal Energy Administration (FEA) to undertake an Alaska Royalty Natural Gas Market Study to in part identify development opportunities associated with the routing of the natural gas pipeline and the availability of royalty gas.

Through another ERDA grant (\$125,000), DEPD is involved with an Energy Intensive Industrial Development study. End-products of this effort will be to define what policy options are available to the State to encourage or discourage energy intensive industrial development and to examine the environmental, social and economic impacts associated with such industrial development.

It is clear both from the statutory provisions and administrative intent that these projects fall outside the direct responsibility of DEPD. The ERDA and FEA grants are prime examples of the interdisciplinary nature of State energy activities. Moreover, the information generated and the end-products produced are only elements of a larger state-wide energy policy development and decision-making process and, therefore, must serve those interests rather than compete with them. In fact, each project requires the coordinated inputs and expertise of several agencies; many of the tasks rest within different agency jurisdictions (see Table 7); and several of the end-products are critical to other overriding policy and decision-making responsibilities.**

*The Division of Budget and Management has expressed similar concerns.

**DEPD acknowledges this, stating in its 1976 Budget Request that a regional energy development program involves "...many differing fields of expertise, financial, engineering, environmental, and community planning to name a few."

Specific examples of how the ERDA and FEA programs, resting solely within one agency, can conflict or compete with other activities include: (1) failure to take maximum advantage of State expertise and existing data base in the energy resource and assessment areas; (2) out of synch activities with major critical efforts being undertaken by the State, most notably the deliberations of the Governor's natural gas pipeline task force and the decision-making process of the Royalty Oil and Gas Board; (3) duplicating efforts in the assessment area of similar projects and activities under both State and Federal auspices, that have been, or are being conducted (the multi-million dollar BLM/OCS effort; the BLM-Human Resources Associates study of the socioeconomic impact of the development of the Kenai oil fields; several pertinent studies commissioned by the Federal-State Land Use Planning Commission; and several major studies by the FEA, BLM, and the State regarding NPR-4; (4) conflicting efforts with the Governor's Office and other departments in determining policy options with respect to in-State industrial development.

What is required therefore, is a mechanism whereby the State can, within the context of overall energy planning and policy development efforts deal comprehensively with such programs or, from another perspective see how, or if, such programs are in the best interests of the State.

E. INTERDEPARTMENTAL COORDINATION

This report has investigated and presented specific areas of primary authority in State energy matters. It has also looked at the various programs and projects being conducted and the potential or existing conflicts inherent in those activities. The intent was not to make separation of responsibilities or program efforts too rigid - a degree of flexibility in the ability to function is valid. Difficulty and inefficiency arises, as has been shown, when there is or the potential exists for duplication of efforts, misallocation of resources (A doing what B is best equipped to do), absence of interagency coordination and cooperation. What is required is the consolidation of the various State components involved in energy activities into a consistent and unified effort for the State to address energy issues and to develop a coherent overall State energy policy - an effort that, to date, as been, at best, piecemeal.

As previously discussed, the statutes do offer a means for addressing these energy and energy-related matters. The Division of Policy Development and Planning has been given the statutory responsibility to ensure that the State's efforts (including policy development) are treated comprehensively; to augment, on a selective basis, the study areas not being addressed; to see that areas of primary responsibility are utilized efficiently to satisfy the best interests of the State; to ensure that there is consistency with overall State goals, objectives and policies; to upgrade inter-departmental coordination and cooperation in the energy field; and, most importantly, to ensure that a coherent overall State energy policy, considering all aspects ("supply" and "demand"), evolves.

DPDP must begin to exercise its responsibility to bring a degree of comprehensiveness to energy planning and policy development. This should include:

1. identification of State energy planning priorities;
2. determination of which issues should be addressed comprehensively and what interdepartmental working relationships, if any, should be mobilized to address the issues (including, where applicable, the assignment of "lead agency" responsibilities);
3. coordination and monitoring of interagency study efforts to ensure timely and satisfactory completion and consistency with overall State goals and objectives;
4. review of consultant RFP's and contracts to ensure compatibility with in-State efforts;
5. identification and dissemination of State policies, goals and objectives (and evaluation criteria) pertinent to State energy and energy-related development and utilization; and
6. provision of policy guidelines to State plans and programs being generated (i.e. Electric Development Plan, Water Use Plan - water allocations for energy development, Pipeline Transportation Plan).

There appears to be a tendency within the Federal bureaucracy to perpetuate energy planning policies and programs that tends to define what it thinks Alaska needs. This usually creates the situation of the Federal Government dictating what energy research and energy development and development-related programs and projects are "best" for the State and defining the alternatives available with respect to energy development. Efforts undertaken by the State solely in response to these programs can become nothing more than "outside" analysis imposed on the State, with Alaska's role that of a mere "consultant" to the Federal Government rather than the "lead agency" with respect to its own needs.*

By entering into these types of agreements without first determining the State's need or priority for a study or how it fits into an overall State approach to energy planning and policy development, it is possible to realize "hidden" or "opportunity" costs that may outweigh the "benefits" derived from the study. These may include resource misallocation (State matching monies or manpower misuse); the "need" to continue certain efforts even when the Federal dollars run out; premature, academic or only marginally valuable end-products; redundant or conflicting efforts with other State activities.

DPDP, as part of its statutory responsibilities, should act to ensure that Federal programs are responsive to State needs and that the optimal allocation of Federal and State monies take place.** DPDP should, therefore:

1. serve as a "clearinghouse" for all potential energy and energy-related grants, proposals and funds (State and Federal);***
2. review and approve plans and proposed programs and research projects by and for State agencies;
3. review and approve RFP's and consultant contracts;
4. coordinate efforts to fit on a selective basis, Federal resources and programs to State-determined needs - on our terms, as we define them; and
5. integrate available Federal planning assistance programs and projects into the comprehensive, interagency planning model shown above.

*The ERDA Regional Energy Planning Project states, that a "...major objective of the (proposed study) is to support ERDA's objectives of formulating and implementing a national plan for energy R&D." The Royalty Gas Market Study agreement states that the study's purpose is to, in part/ "...provide information which can be utilized (by the FEA) in making the necessary recommendations (to the President and Congress on the three competing gas pipelines.)"

**AS 44.19.880 states that DPDP is charged with, "...serving as a clearinghouse ...necessary to Federal, State or local governmental agencies in discharging their respective responsibilities or in obtaining Federal or State financial or technical assistance;...review planning within State government as may be necessary for receipt of Federal, State or other funds;...encourage...research programs that further State planning and development, and provide administrative and technical services for them."

***At present, ERDA and FEA programs are not included in the Federal A-95 review process.

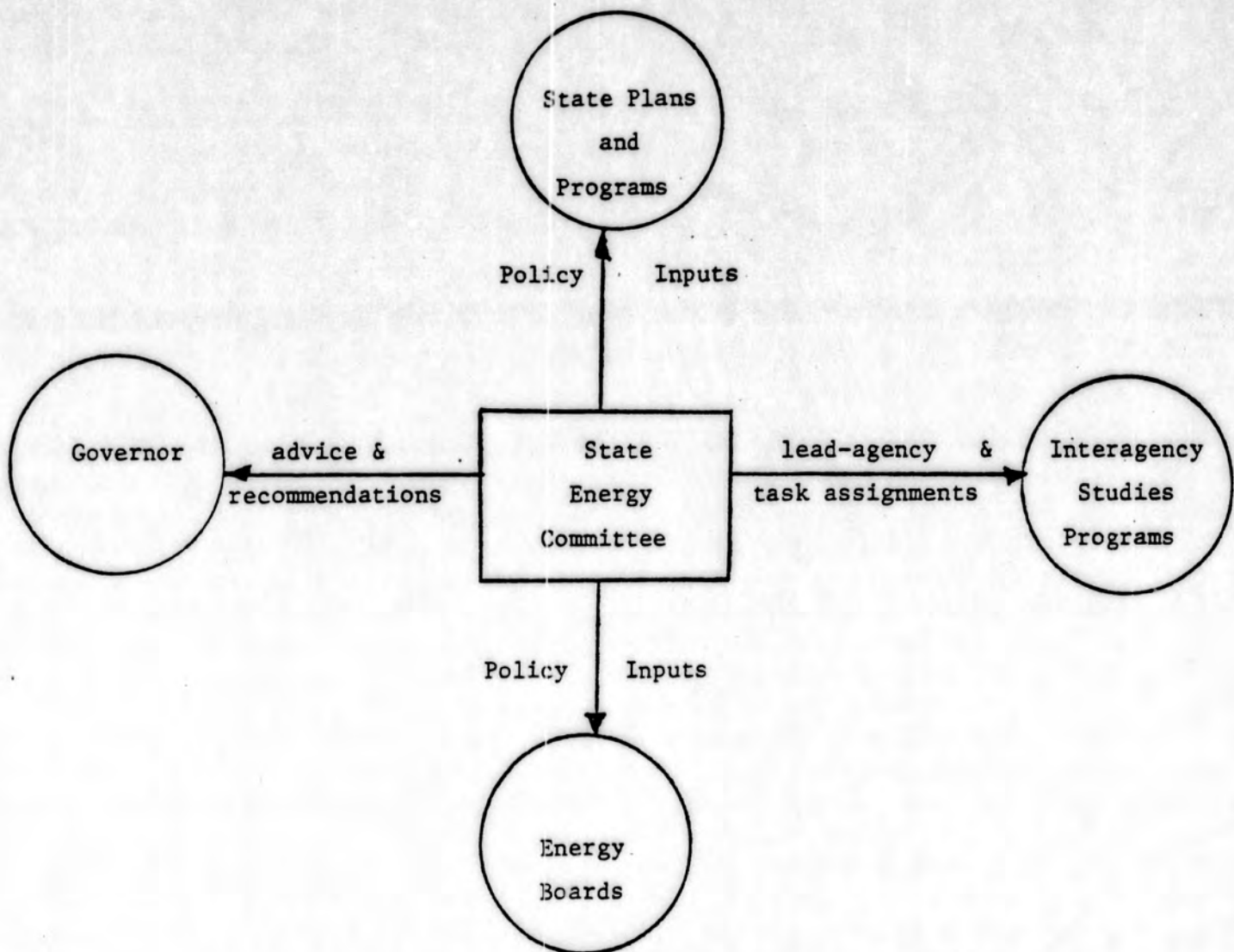
Many of the decisions and activities involved with DPDP's responsibilities cannot and should not be made unilaterally. They require the benefit of different perspectives and a certain degree of interagency dialogue. To complement DPDP's statutory authority, it is suggested that the Governor form a State Energy Committee (SEC), chaired by DPDP (with representation from DNR, CED, DCRA and Revenue) as an informal, ad hoc but on-going "forum" to provide input and guidance in the energy area. The SEC could:

1. provide guidance to DPDP in the exercise of its various responsibilities enumerated above;
2. provide policy guidance and criteria and facilitate agency inputs to the various boards and funds established in the energy area - Royalty Oil and Gas Board, Mineral Resources Fund Board, Water Resources Revolving Loan Fund - to aid in their decision-making. Evaluate their functions in order to suggest modifications, consolidation or elimination. (Consideration might be given to having one State Energy Resources Board to encourage the optimal allocation and utilization of all of the State's energy resources);
3. determine the validity of establishing a State Energy "Marketing" Board which, in effect, would "buy" all the energy resources produced and then "sell" the resources (at different prices) to satisfy state-wide objectives (Canadian model);
4. evolve an "optimal energy use" scenario whereby the proponents of different "growth" scenarios within the administration can have a functional arena in which to advocate a particular future for Alaska - a future that is closely tied to the resource development, disposition and utilization decisions that the State makes or tries to influence;
5. evolve an "optimal energy use" scenario whereby the optimal energy resource(s) can be utilized to satisfy a particular in-State need or market a particular geographical region;
6. offer a vehicle to "balance" the various energy equations - supply vs. demand; energy development and use vs. energy conservation;
7. develop both short and long-term State energy objectives and implementation strategies to realize those objectives;
8. provide a forum to address emerging interState, national and international issues and Federal policies affecting the State's energy efforts;
9. coordinate representation on inter-State committees, groups, organizations;
10. coordinate and review proposed energy and energy-related legislation;
11. develop review procedures and provide policy guidance, standards and criteria for the deliberations and decision-making of the Alaska Power Authority;
12. determine the merits and limitations associated with the development of a State Energy Plan and, if warranted, develop strategies to generate the plan (including optimal regional supply/demand scenarios);
13. translate energy planning results into a consistent set of regulatory and licensing practices; and
14. begin consideration of the merits and limitations associated with developing a formal operational State Energy Department (similar to the Minnesota Energy Agency) - a line agency with broad responsibilities to prepare and implement a State energy plan, administer energy regulations, study energy use and consumption, issue "certificates of need," fund energy research.

TABLE 8
SAMPLE STATE ENERGY OBJECTIVES

1. Assure reliability of energy supply at equitable cost for commercial, industrial and residential use within Alaska; not subject to sudden interruption or undue risk:
 - a. manipulate demand as well as supply to meet or determine future needs;
 - b. flexibility in supply and delivery system (interfuel substitution; transferability of power);
 - c. centralized energy data bank;
 - d. emergency preparedness (stockpiling, reserve producing or generating capacity);
 - e. energy conservation-voluntary and/or mandatory, and;
 - f. greater dependence on multiple, small-scale industrial power consumption and development.
2. Make maximum and optimal use of alternative energy sources:
 - a. incentives/disincentives
 - b. guarantees
 - c. regional supply-regional demand
3. Achieve the lowest cost to Alaskans for energy/in-State price protection:
 - a. State subsidies/"preferential" treatment (availability, price)
 - b. tax policies, rebates
 - c. regulation, permits, licensing, siting
 - d. State investment/ownership
 - e. public education/information
 - f. technological efficiency
 - g. net energy accounting
4. Avoid economic and regional inequities in the supply and cost of energy:
 - a. pricing differentials (users, use)
 - b. rate structures
 - c. energy stamps, credits, rebates
5. Minimize the adverse environmental and socioeconomic impacts associated with energy development and consumption:
 - a. energy facility siting legislation
 - b. regulation/permit procedures
 - c. impact funding/reimbursement arrangements
6. Maximize Alaska's use of its energy resources vis-a-vis national needs:
 - a. access to royalty oil and gas
 - b. first-person privileges to Federal mineral resources
7. Advocate energy resource development tied to State and Federal supply and demand estimates, "need" schedules, investment and capital capabilities, optimal market values; technological capabilities.

A stylized model of a State Energy Committee could take the form of:



Interdepartmental Coordination-Recommendations

In order to begin to develop a coordinated state-wide approach to energy and energy-related planning and policy making, the following are suggested as specific initial actions:

1. As with primary responsibilities, there has to be an explicit articulation (by the Governor) of DPDP's role as "lead agency" in consolidating the various State efforts involved in energy activities into a consistent and unified approach to address energy issues and to develop a coherent overall State energy policy. This should be in a form appropriate to guide present and future departmental activities;

2. Organize and coordinate (through DPDP) an interdepartmental effort to develop policy guidelines, standards and criteria for in-State energy-intensive industrial development and energy facility siting.* Initial applications will be to provide criteria and policy guidance for determining feasibility of in-State use by industry of the State's Prudhoe Bay royalty oil;
3. Develop policy guidelines, criteria and review procedures for: the Electric Power Development Plan; the Water Use Plan (water allocations for Energy development); Pipeline Transportation Plan (DNR); Alaska Power Authority;
4. To deal comprehensively and effectively with inter-departmental studies, DPDP should be responsible for coordinating State efforts on the ERDA Regional Energy Resources Planning Project and Energy Intensive Industrial Development Study and the FEA Alaska Royalty Natural Gas Market Study. This should include, where applicable, the setting up of an advisory board**and the utilization, through an Executive Order of Reimbursable Service Agreements (RSA) and/or transfer of appropriations (RP) to mobilize the optimal State/consultant efforts to complete the projects;***.
5. Notify the relevant Federal agencies that ERDA and FEA programs must be included in the Federal A-95 process;
6. Initiate steps to organize the ad hoc State Energy Committee;
7. Initiate an investigation to determine the advantages and disadvantages associated with having two philosophically opposing functional responsibilities - energy conservation and the promotion of electric power - within the same division and within a department whose objectives is to encourage energy-intensive industrial development; and
8. Expand DPDP's existing A-95 Clearinghouse review responsibilities to include all energy and energy-related programs (State and Federal).

*Energy facilities can be defined as: major power consumers; power generation facilities; utilizer's of the State's energy resources as raw materials; large pipelines and other large-scale transmission facilities. Areas of concern might include: site suitability; power needs; raw material needs; transmission/distribution/transportation systems; employment; environmental and socio-economic implications; State and local incentives/disincentives; State/local taxation; State/local lines of authority; required legislation and regulatory/permitting procedures; impact funding; public inputs/hearings.

**The original ERDA Regional Study proposal did call for an Advisory Board composed of: CED, DCRA, DPDP, DNR, Revenue plus other technical specialists.

***The Division of Budget and Management and DPDP are discussing the specifics of these arrangements. It should be noted, however, that certain changes may be constrained by Legislative Budget and Audit procedures.

STATE
of ALASKA**MEMORANDUM**TO: ☒ Ron Lehr, Director
Division of Budget & Management
Office of the Governor

DATE March 12, 1980

FILE NO:

TELEPHONE NO:

FROM: George Matz, Budget Analyst
Division of Budget & Management
Office of the GovernorSUBJECT: Departmental Responsibilities
in Energy

The purpose of this memo is to provide information requested by Bob Speed of Representative Terry Gardiner's office regarding the responsibilities of state agencies which are involved in energy issues.

As Bob mentions in his memo, virtually every agency is at least indirectly involved in some aspect of energy. Given this situation and the limited time for reply (two days) a comprehensive analysis is not possible. Also, a comprehensive analysis would be a voluminous effort and probably result in information entropy. Consequently, it is important that some structure be applied in responding to this request.

Information is being provided for only those agencies which are directly involved in some aspect of energy development, regulation, or assistance. This excludes situations where an agency may contribute to some energy project but for reasons which primarily relate to other goals and objectives (i.e. Department of Environmental Conservation participation in the Beluga Coal Project in order to assure that environmental considerations are built into the planning process). In some cases, such as the operating budget 4A's, the information includes efforts that are not directly related to energy. However, information to allocate the percentage of effort which is or is not related to energy is not presently available. Also, information on specific energy projects is provided in some cases but not for each and every state project that is underway, particularly inter-agency projects. A specific reply regarding energy projects requires a specific request. Another condition to this reply is that it only concerns State agencies, excluding the University of Alaska, federal and local agencies, and the private sector; all of which play an important and intertwining role in Alaska's energy issues.

The information provided includes:

1. Form 4A's from the FY 81 budget for components directly involved in energy.
2. BRU narratives for components directly involved in energy.
3. FY 81 capital projects which are energy related.
4. RP's for FY 80 which fund energy projects.
5. State Energy Administration, a document, though somewhat dated (July 1977), which provides some of the information requested.
6. Meeting the Challenge, which describes the Governor's energy package for FY 81.

March 12, 1980

Bob Speed's memo makes reference to a Weatherization Program in the Department of Health and Social Services (H&SS). The Weatherization Program is currently with the Department of Commerce and Economic Development, Division of Energy and Power Development. The closest thing that H&SS has to weatherization is the Energy Crisis Assistance Program (see RP #80-135 and #80-150).

In order to help organize the information provided I have listed several categories of energy related activities and listed which state agencies have a direct involvement in this activity. These are as follows, listed by component. Some components are listed in more than one category.

1. Resource Development and Planning

- . Policy Development and Planning (Governor's Office)
- . Economic Enterprise General Operations (Commerce)
- . Alaska Power Authority (Commerce)
- . Energy Administration (Commerce)
- . Coastal Energy Impact Program (C&RA)
- . Community Planning Assistance (C&RA)
- . Leasing Management (DNR)
- . Petroleum Management (DNR)
- . Oil and Gas Conservation (DNR)
- . Lease Sales (DNR)
- . Lease Sale Administration (DNR)
- . Reservoir Management (DNR)
- . Coal Development (DNR)
- . Geothermal Development (DNR)

2. Research, Development and Demonstration

- . Alaska Power Authority (Commerce)
- . Energy Administration (Commerce)
- . Office of Science & Technology (Commerce)
- . Coal Development (DNR)
- . Geothermal Development (DNR)

3. Project Financing

- . Alaska Renewable Resources Corp (Revenue)
- . Loan Fund Administration (Commerce)
- . Alaska Power Authority (Commerce)

4. Regulatory Review and Oversight

- . Alaska Public Utilities Commission (Commerce)
- . Alaska Pipeline Commission (Commerce)
- . FERC Continuation (Law)
- . Gas Pipeline Surveillance (DEC)
- . Gas Pipeline Monitoring (Fish and Game)
- . Gas Pipeline Review (DNR)
- . Royalty Oil and Gas Board (DNR)
- . Leasing Management (DNR)
- . Lease Sale Administration (DNR)

- . Royalty Income Accounting (DNR)
- . Aviation Fuel Tax (Revenue)
- . Electric & Telephone Coop Tax (Revenue)

5. Conservation

- . Energy Conservation (Commerce)
- . Energy Extension Service (Commerce)
- . Weatherization (Commerce)
- . Office of Science & Technology (Administration)
- . Facilities Planning & Research (DOT/PF)

6. Public Assistance

- . Weatherization (Commerce)
- . Division of Public Assistance RP's (H&SS)

MEMORANDUM

3242

TO: ☐ Jay S. Hammond, Governor
State of Alaska

DATE: December 10, 1979

FILE NO: RP # 80-150

TELEPHONE NO:

FROM: Ronald D. Lehr, Director
Division of Budget and Management
Office of the GovernorSUBJECT: Department of Health and Social
Services Request for Authority to
Receive and Expend \$3,080,064 in
Federal Funds in the Division
of Public Assistance for Energy
Assistance for Low Income Alaskans

The Department of Health and Social Services has requested permission to receive and expend \$3,080,064 of Federal Department of Health Education and Welfare (HEW) funds that have not previously been authorized to provide a program of assistance payments for energy-related crises to low income persons during the period extending from December 27, 1979, through September 30, 1980.

The purpose of this HEW grant is to support development, implementation, and administration of a State plan for the delivery of Energy Assistance benefits to low income residents of Alaska. Benefits provided would be assistance in paying fuel bills by direct payment to fuel and other heating energy vendors of up to \$250 per eligible family per year. In order to be eligible for benefits under this program, a household's gross income could not exceed 125% of the Federal Poverty Guidelines for Alaska. The following schedule shows the maximum household income levels that would be considered eligible for benefits:

<u>Household Size</u>	<u>Monthly Gross Income</u>	<u>Yearly Gross Income</u>
1	\$445	\$5,338
2	588	7,050
3	730	8,763
4	873	10,475
5	1,016	12,188
6	1,158	13,900

The period for determining income for eligibility purposes would be based on the average monthly income for the previous year, or, if income has terminated during the 90 day period immediately preceeding the request for assistance, the current month's income would be used to determine eligibility.

A State plan defining the program's outreach, delivery system, and eligibility appeal processes is required to be submitted to the Federal Department of Health, Education and Welfare by December 27, 1979, in order to obtain release of the benefit assistance funding to the State.

States that operate this program are eligible to use up to 10% of the total grant for administrative costs. Alaska is thus eligible for \$308,064, but the current program plan is to utilize only \$211,086 for administration purposes and to use the other \$96,978 for additional benefit payments to eligible persons. This would make \$2,868,978 available for benefit payments.

Energy Assistance Program benefits would be allocated within the five regions on the following basis.

Southeastern	13%	\$ 373,042
Southcentral	67%	1,922,602
Southwest	2%	57,392
Northern	16%	459,128
Northwest	2%	57,392

Applications within a region would be processed on the bases of first come, first served.

It is estimated that a minimum of 10,800 needy, low income households would participate in the Energy Assistance Program. The estimate is based on a maximum payment of \$250 per household, per year. Maximum payments would vary from \$200 to \$250 per household depending upon the region in which a given household resides and the primary heating energy source cost in that region.

RP # 80-135 (in the amount of \$556,000) was submitted to and approved by the Legislative Budget and Audit Committee on November 9, 1979, for an Energy Crises Assistance Program. That RP requested emergency interim funding from the federal Community Services Administration for energy assistance. Although RP # 80-135 and this current request are for the same type of program, the two will have to be managed separately because the Federal Department of Health, Education and Welfare rules require separate accountability, eligibility criteria, and administrative procedures.

Federal regulations state that this is a single year appropriation remaining in effect until September 30, 1980. The Department has requested authority to expend these funds during the course of FY 80 and FY 81. The receipt and expenditure of the requested fund would not obligate the State to spend additional general funds in the future. It is anticipated by HEW that the Energy Assistance Program will be funded by Congress thru September 30, 1982 by future appropriations.

These funds will be restricted pending receipt of a signed federal contract.

Your approval is recommended.

Ronald D. Lehr
Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this ____ day of ____, 1979.

Jay S. Hammond, Governor
State of Alaska

Legislative Budget and Audit Committee
Date: _____

Seave

Jay S. Hammond, Governor
State of Alaska

December 10, 1979

RP 80-149

Ronald D. Lehr, Director
Division of Budget & Management
Office of the Governor

Department of Commerce and
Economic Development Request
to Receive and Expend \$171,609
in Federal Funds

The Department of Commerce and Economic Development, Division of Energy and Power Development, requests authority to receive and expend \$171,609 of federal funds from the Western Interstate Energy Board within the Department of Energy. These funds were previously authorized by RP 79-34 (attached) but lapsed. Although the funds should have been continuing, this was not requested. The authorization of RP 79-34 was for \$186,244 of which \$14,635 was expended in FY 79. In addition to this, the Division has expended \$11,814 in FY 80 for personal services because they thought RP 79-34's authorization extended into FY 80.

As indicated in RP 79-34, the requested federal funds will be used to plan, develop, and promote the use of solar, wind, and small hydroelectric energy in Alaska. Recently the Department of Energy awarded the State \$72,000 to support these activities. The balance, \$99,609, will be restricted pending receipt of additional federal awards. Also, it requested that any unexpended FY 80 balance be carried forward into FY 81.

Your approval is recommended.

RL/GM/spe

R D L

Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 12 day of Dec., 1979

Jay S. Hammond

Jay S. Hammond, Governor
State of Alaska

Frank R. ...

Legislative Budget & Audit Committee
Date: 11/15/79

Sease

Jay S. Hammond, Governor
State of Alaska

November 19, 1979

RP # 80-138

Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Department of Commerce and
Economic Development Request
to Receive \$35,000 and Expend
\$31,760 from the U.S. Department
of Energy

The Department of Commerce and Economic Development, Division of Energy and Power Development, requests authorization to receive \$35,000 and expend \$31,760 in funds from the U.S. Department of Energy (DOE) Appropriate Technology Small Grants Program. Included in the \$35,000 is \$3,240 to be used for indirect costs which will be deposited in the General Fund.

With this grant, the Division will be able to take an active role in the promotion, review and selection of alternative technology proposals, thus assuring a greater response from Alaskans and a greater percentage of the awards.

The Appropriate Technology Small Grants Program offers grants (not to exceed \$50,000 per project) to individuals, local non-profit organizations, state and local agencies, Native organization and small businesses. The purpose of the grants is to develop energy related appropriate technologies which are small in scale, energy efficient, simple to install and maintain, and consistent with local needs. Specific categories for funding include: 1) concept development studies; 2) development projects; and 3) demonstration projects.

In the first year of the program, initiated last fall, Alaska submitted 278 proposals and had the highest per capita response for all of the 50 states that participated. This resulted in 14 grants to individuals totaling \$151,000 which was the largest grant funding among the states in Region X. These funds went directly to the private sector and should result in lower energy costs. Since Alaskan interest in this program remains strong and many acceptable proposals were not funded, the second year should also result in a large number of proposals from all regions of the State. It is anticipated that Alaskans will receive at least \$250,000 in grant funds.

The Division actively participated in the first year (RP #79-103) by widely publicizing the program and coordinating the state review which evaluated and prioritized Alaskan grant proposals. Because of this participation, DOE requests that the Division accept funding for a more active role in the second year of grants. Activities to be carried out by the Division include program publicity, assistance in completing proposals, and administrative tasks pertinent to the review and processing of proposals. DOE funds will be used for personal services, contractual services (proposal reviewers), and commodities.

November 19, 1979

The program is scheduled to begin December 1, 1979 and continue into FY 81. Consequently, it is requested that these funds be continuing. These funds will be restricted pending receipt of written notification of the award.

Your approval is recommended.

RDL/GH/nls



Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 19 day of Nov., 1979.



Jay S. Hammond, Governor
State of Alaska



Legislative Budget and Audit Committee
Date: 11/19/79

Surge

Jay S. Hammond, Governor
State of Alaska

September 25, 1979

RP 80-87

Ron Lehr, Director
Division of Budget & Management
Office of the Governor

Department of Commerce
and Economic Development
Request to Receive and
Expend \$138,431 in Federal
Funds for the Weatherization
Program.

The Department of Commerce and Economic Development, Division of Energy and Power Development, requests approval to receive and expend \$138,431 in federal funds for continuation of Alaska's Weatherization Program. The purpose of the Weatherization Program is to help low income people cope with rising energy costs by providing insulation, storm windows, and taking other energy conservation measures which reduce heat loss in homes.

The F.C.C. FY 80 authorization for this program is \$1,227,700, federal funds (see attachment for details). This request adds \$138,431 to that authorization from two sources of federal funds, the Department of Energy (DOE) and the Community Services Administration (CSA). The U.S. Department of Energy (DOE) grant adds \$29,432 to the current Weatherization Program. These funds will be used to provide additional training and technical assistance to the staff and project supervisors of subgrantees to the Weatherization Program. The \$108,995 CSA funds represents the lapsed amount of an FY 79 appropriation to the Department of Community and Regional Affairs, Division of Community and Rural Development. These CSA funds are still available and may be used for administrative support of the State's FY 80 Weatherization Program.

The Department of Commerce and Economic Development requests authorization to receive and expend these funds instead of the Department of Community and Regional Affairs, because effective October 1, 1979, the Weatherization Program will be transferred, by Administrative Order, from Community and Regional Affairs to Commerce.

In addition to the administrative funds available under the CSA Weatherization funding, the DOE Weatherization funds can be used for administration (limited to five percent State and five percent subgrantee), training and technical assistance to staff and subgrantees, program support (wages for construction site supervisor, transportation of materials, tools, etc.) and the purchase of weatherization materials such as insulation, storm windows, caulking, weatherstripping, etc.

To illustrate the planned activities for FY 80 a copy of the recently approved plan required for DOE funding is enclosed. The plan includes a summary of past Weatherization funds and the number of homes weatherized since the inception of the Weatherization Program. Additionally, the plan indicates that 660

September 25, 1979

homes are expected to be weatherized during State fiscal year 1980. The Department will contract with municipalities and non-profit organizations to operate the program. The plan further explains that the services will be provided on a Statewide basis.

There is no obligation to expend General Funds as a result of receipt of these Federal Weatherization dollars. There is no match requirement for the Weatherization Program and the Program is not statutorily mandated. It is expected, considering the national importance currently being placed on energy conservation, that the Federal funding for this program is long term and will in all probability increase to about two million dollars during FY 81. The Department has included this program in its FY 81 budget. Enclosed is documentation from both DOE and CSA approving funding award of the requested funds.

The Department expects an extension of the DOE grant to September 30, 1980; hence authority is requested to carry forward the unexpended balance into FY 81.

Also, note that use of the CSA funds is conditional to the findings of an audit (verification of unexpended balance) to be completed by December 30, 1979. The \$108,999 CSA funds will be restricted pending the result of that audit.

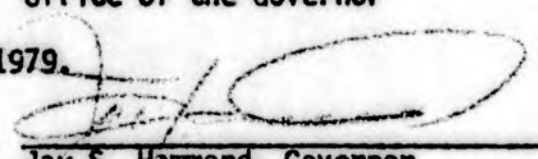
Your approval is recommended.

RL/GM/spe

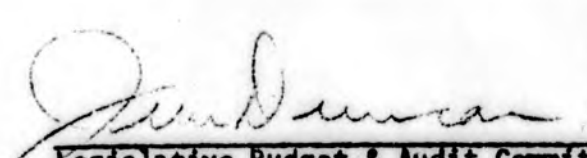


Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 27 day of Sept., 1979.



Jay S. Hammond, Governor
State of Alaska



Legislative Budget & Audit Committee
Date: 10/1/79

Lehr
Jay S. Hammond, Governor
State of Alaska

September 24, 1979

RP #80-73

Ron Lehr, Director
Division of Budget and Management
Office of the Governor

Department of Commerce and Economic
Development Request to Receive
\$11,078 and Expend \$9,600 from
the U.S. Department of Energy

The Department of Commerce and Economic Development, Division of Energy and Power Development, requests approval to receive \$11,078 and expend \$9,600 in federal funds for an Alaska Wind Anemometer Loan Program. This grant is being made available to the State through the U.S. Department of Energy. The remaining \$1,478 will be received as unrestricted revenue for indirect costs. No match of State or local funds is required.

The primary objectives of this project are to enhance Alaska's interest in wind energy, speed the process of commercialization of wind generators as an alternative energy source and collect site specific wind data. The anemometers will be loaned to various individuals who have a demonstrable commitment to install the device, maintain proper records and care for the equipment for a period of one year. The reading from the wind measuring devices will be recorded on a data sheet which will be sent monthly to the Arctic Environmental Information Center. At the end of the year, an analysis will be made that provides the average watts/square meter at the site.

The funds will be used to purchase ten wind measuring devices. The devices will include digital readouts with battery packs, mast, mounting plate, tower and guy wire assemblies. Grant monies provide the contractual services and commodities necessary to the completion of the project. Contract management will be provided by currently employed State personnel.

This Division has received verbal approval of the program on August 29, 1979 by the Department of Energy's Office of Consumer Affairs. Funds will be restricted pending receipt of a signed contract.

This proposed project is scheduled to begin October 1, 1979, and continue through FY 81. Since this performance period will extend beyond FY 80, approval is required to designate these receipts as continuing funds.

Jay S. Hammond, Governor
State of Alaska

September 24, 1979

RP #80-72

Ron Lehr, Director
Division of Budget and Management
Office of the Governor

Alaska Power Authority Request to
Receive and Expend \$12,600 from
the Kodiak Electric Association

The Alaska Power Authority requests authority to receive and expend \$12,600 from the Kodiak Electric Association for the continuation of a stream gauging program on the Kizhuyah River. The purpose of this program is to provide water quality data requested by the Federal Energy Regulatory Commission for the Terror Lake hydroelectric project license application.

The gaging program will perform discharge measurements, water quality and sediment sampling at selected locations. A laboratory analysis of the water and sediment samples will determine major chemical and physical characteristics such as dissolved gases, irons, nutrients, temperature, velocities and turbidities.

The Authority has a cooperative agreement, signed June 21, 1979, with the U.S. Geological Survey to perform this gauging program. The program was initiated on July 1, 1979 and will continue to June 30, 1980.

The Kodiak Electric Association has issued a check to the Authority for \$12,600 for this project.

Your approval is recommended.

RL/GM/nls

Ron Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 24 day of Sept., 1979.

Jay S. Hammond, Governor
State of Alaska

Legislative Budget and Audit Committee
Date: 10/9/79

September 24, 1979

Your approval is recommended.

RL/GH/nls

R. Lehr
Ron Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 27 day of Sept, 1979.

J. S. Hammond
Jay S. Hammond, Governor
State of Alaska

Legislative Budget and Audit Committee
Date: 10/9/79

MEMORANDUM

TO: ☐

Jay S. Hammond, Governor
State of Alaska

DATE:

November 7, 1979

FILE NO:

RP 80-135

TELEPHONE NO:

FROM:

Ronald D. Lehr, Director
Division of Budget & Management
Office of the Governor

SUBJECT:

Energy Assistance

The Department of Health and Social Services has requested permission to receive and expend \$556,064 of funds not previously authorized from the Federal Energy Crisis Assistance Program through the Community Service Administration (CSA). The funds would be used for program planning implementation, administration, and benefits for poor and near poor Alaskans who need assistance to help meet increased fuel costs this winter.

The Department of Health and Social Services has been designated by the Governor as the agency to administer the Energy Crisis Assistance Program (ECAP). This program is proposed to be divided into two components, rural and urban.

Eligibility under the initial urban benefits program would be based on a households gross income (determined by reviewing the prior period over not more than 12 months or less than 90 days). Households with incomes of

\$ 5,339 per year for 1 person
7,050 per year for 2 persons
8,763 per year for 3 persons
10,475 per year for 4 persons

at or below 125% of the CSA Poverty Guidelines and households whose heads receive SSI benefits would be eligible for assistance. Elderly persons meeting the income criteria would be given priority consideration. They would be given particular encouragement to apply for assistance. The urban program would provide payment, up to a maximum limit, directly to fuel vendors for fuel bills of eligible low income persons. The maximum cumulative benefit paid to any eligible household would not exceed the following amounts during the period extending from program startup until September 30, 1980:

Northwest Region	\$ 400.00
Southeast Region	350.00
Southcentral Region	300.00
Northern Region	300.00
Southwest Region	375.00

Urban residents could apply for assistance at any one of the 20 local public assistance offices or mail applications directly to Juneau for eligibility determination. Applicants would receive a notice of eligibility certification within thirty days. As it is anticipated that there will be more applicants

November 7, 1979

than can be served, the number of applicants and fund availability will impact certification. The Public Assistance Central Office would notify fuel vendors of the amount of credit being extended to each person and the limitations on the credit's use (not for hookups or back bills). The vendor would deliver fuel, reduce direct bills to the individual until the certification amount was used up and send the invoice to the Department of Health and Social Services. Fuel vendors would not be required to participate in this program but there may be an incentive for them to do so as it would insure payment. Numerous vendors have already expressed interest in participation.

As proposed, the rural component of the program would operate under fundamentally different rules. The rural program would benefit persons of all income categories because it would provide an offset of the cost of the air transportation of fuel for an entire community. The Governor has requested a waiver that would enable continuation of the existing Rural Cap "rural" fuel transportation loan/grant program providing financial help to communities of less than 2,000 in population. The program does not provide assistance for small communities which use electric heat thus incurring no transportation costs. However, in the event that it is found that there are communities under 2,000 in population who are not being served by the rural component, those communities would be served by the criteria set forth in the urban component.

If this rural fuel transportation waiver is not approved by CSA both the rural and urban programs would be operated within the structure of the urban program utilizing the eligibility offices throughout the State and providing assistance statewide to eligible individuals rather than to communities. The CSA started reviewing the State's plans on November 5, and has yet to notify the State of its decision regarding the acceptability of those plans.

The total grant award from CSA is \$556,064. Planned expenditures by major purpose are as follows:

<u>Amount</u>	<u>Major Purpose</u>
\$ 100,000	State program planning, implementation and administration (maximum of \$15,000 for planning)*
410,458	Benefits to clients**
45,606	Administration (\$30,808 Rural Cap, \$14,798 Urban)**
\$ 556,064	TOTAL

* Federal Fiscal Year 79 funds

** Federal Fiscal Year 80 funds

The State plan for the \$410,458 benefits program is attached (attachment D). It details proposed service delivery, amounts by region, of financial assistance, and the limits of assistance.

The \$100,000 was earmarked by the federal Community Services Administration for initial State program planning and implementation purposes only (see attachment I). Approximately \$8,000 has already been spent out of existing author-

November 7, 1979

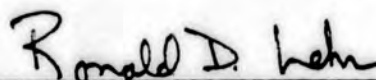
izations for planning activities associated with developing the required State plan proposal. These expenditures would be charged against this grant if its receipt is approved. An additional 10% (\$45,606) of the benefits grants is to be allocated for administrative costs for the rural and urban components. The outreach portion of the program will contact related agencies, vendors, and persons who may be eligible.

No overhead cost recovery beyond the \$100,000 for program planning and implementation and the \$45,606 allowance for Administration which is available under the terms of this federal grant.

At this time it is anticipated that the U.S. Congress will pass legislation establishing a long-term plan for Low Income Energy Assistance for additional nationwide benefits through the Social Security Income (\$1.5 billion) and Aid to Families with Dependent Children (\$3.5 billion) programs for distribution beginning January 1980 and extending to September 30, 1983. Although figures are not yet fixed, it appears that Alaska's portion of the AFDC program through HEW would be \$2,500,000. The administrative mechanism which would be established under authority of this RP would already be in place before January and able to immediately implement any additional benefit program designed to provide additional fuel cost assistance this winter. It has not been determined whether the total \$2,500,000 mentioned above would be available solely for use this year or would be spread out over the additional fiscal years. These funds will be discussed in a separate RP when and if they actually become available.

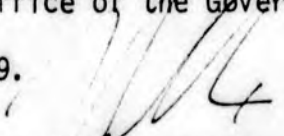
The Department of Health and Social Services is requesting permission to carry forward any unexpended portion of the \$556,064 into FY 81.

Your approval is requested.

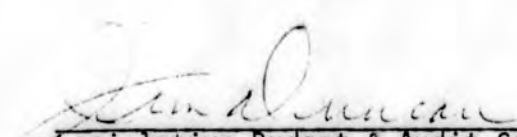


Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this _____ day of _____, 1979.



Jay S. Hammond, Governor
State of Alaska
by: Terry Miller, Lt. Governor



Legislative Budget & Audit Committee
Date: 11/9/79

Steve
Jay S. Hammond, Governor
State of Alaska

October 29, 1979

RP 80-117

Ronald D. Lehr, Director
Division of Budget & Management
Office of the Governor

Office of the Governor
Request to Receive and
Expend \$193,400 Federal
Funds

The Office of the Governor, Division of Policy Development and Planning, Office of Coastal Management (OCM), requests authority to receive and expend \$193,400 federal funds from the Office of Coastal Zone Management (OCZM), National Oceanic and Atmospheric Administration. Funds will be used to initiate involvement of local communities within the unorganized borough in coastal management planning (\$133,400) and to determine the optimum sites for two energy facilities (\$60,000).

These funds represent the difference between OCM's FY 80 budget request for federal funds in the CZM Administration component (\$4540.0) and the amount appropriated by the legislature (\$4346.6). The legislative budget cut was a result of last session's general reduction program. Receipt of these funds was approved by the federal OCZM in the Alaska Coastal Management Program's first year 306 grant application dated July, 1979.

To date, coastal management planning has been concentrated on areas served by municipalities; planning in the unorganized borough has been minimal. Of the requested funds \$123,400 will be utilized as follows:

- (a) To determine the areas in the unorganized borough in which there are development projects pending or projected;
- (b) Once these areas and the respective communities within them are identified, community leaders will be contacted to inform them of the advantages of planning for the projected development and how planning funds may be obtained.

It is anticipated that at least 15 to 20 rural communities will be identified and involved in the above process. These tasks will be completed by budgeted personnel within OCM and consultant contracts, primarily with non-profit native organizations.

If rural communities in the unorganized borough desire to obtain planning funds from OCM as a result of the aforementioned process, two elections must be held:

- (a) The first election would establish a Coastal Resource District comprising several rural communities;
- (b) Once a Coastal Resource District has been formed, an election will be held to elect members of the respective Coastal Resource Board.

October 29, 1979

To assist in this effort, \$10,000 of the requested funds will be transferred to the Department of Community and Regional Affairs through an RSA. DCRA will subsequently transfer these funds to local communities holding the aforementioned elections for the purpose of informing the affected electorate of the substance of the upcoming election. The majority of these funds will be expended by the local community for the printing of informational material and for travel to outlying areas which will participate in the election.

Of the requested funds, an additional \$60,000 will be used to determine the optimum sites for energy facilities in the Beaufort Sea and Norton Sound areas. The purpose of the energy facilities siting plans is to recommend the best location for facilities related to energy development, such as tanker terminals, processing plants, product storage, etc. The optimum site would be one which balances economic considerations with minimal effect on the surrounding ecosystem.

Of this \$60,000, approximately \$20,000 will be used to complete an energy facility siting plan in the Beaufort Sea. The majority of the background information for this study has been compiled and the requested funds will be used to complete a summary report and recommendation by June, 1980.

The remaining \$40,000 will be used to initiate a study in the Norton Sound area, where an oil and gas lease sale is presently scheduled for 1982. These funds would support the first phase of the Norton Sound study which will be completed by June, 1980. Further study of this area may be required in subsequent years.

Your approval is requested.

RL/SS/spe



Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 3 day of Oct., 1979.



Jay S. Hammond, Governor
State of Alaska



Legislative Budget & Audit Committee
Date: 11/9/79

George

Jay S. Hammond, Governor
State of Alaska

September 20, 1979

RP 80-76

Ron Lehr, Director
Division of Budget & Management
Office of the Governor

Department of Commerce and
Economic Development Requests
to Receive \$40,000 and Expend
\$36,300 from the U. S.
Department of Energy

The Division of Energy and Power Development requests approval to receive \$40,000 and expend \$36,300 in U.S. Department of Energy funds to plan and produce an Energy Management and Production Trade Exposition. The remaining \$3,700 will be received as unrestricted revenue for indirect costs. No state funds are required as this program does not require matching funds.

This grant comes from year-end monies made available from the Department of Energy for special and noteworthy projects. The 1979 Energy Management Trade Exposition is a production developed by a group of individuals working in the energy field, organized as a private, nonprofit corporation called the Alaska Canadian Energy Information Network Corporation, in coordination with three cosponsors: the Division of Energy and Power Development, the Anchorage Chamber of Commerce and the Alaska Journal of Commerce. Scheduled for October 14 through 17, the Expo will include exhibits and displays by national and local companies and agencies involved in energy extraction, conversion, transmission and use. There will be twenty-four (24) specialized seminars and technical papers covering the issues involved in production and management of energy in Alaska.

This program will be a major source of technical information and is expected to provide a compendium of state-of-the-art energy technology for the business, industrial and government sectors in Alaska. Numerous professional societies and associations, including Alaska General Contractors, Alaska Chapter of ASHRAE, Alaska Miners Association, and several professional engineers' organizations, have endorsed this exposition.

Verbal approval by the granting agency was received on September 14, 1979, by the Department of Energy. All formal aspects of the granting process will be completed and monies awarded by October 1, 1979. Funds will be restricted pending receipt of a signed contract.

Your approval is recommended.

RL/GM/spe

September 20, 1979

B. D. I.
Ronald D. Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 27 day of Sept., 1979.

Jay S. Hammond
Jay S. Hammond, Governor
State of Alaska

James Duncan
Legislative Budget & Audit Committee
Date: 10/1/79

George
Jay S. Hammond, Governor
State of Alaska

September 24, 1979

RP #80-74

Ron Lehr, Director
Division of Budget and Management
Office of the Governor

Department of Commerce and Economic
Development Request to Receive \$25,050
and Expend \$23,500 from the U.S. De-
partment of Energy

The Department of Commerce and Economic Development, Division of Energy and Power Development requests approval to receive \$25,050 in additional federal funds to supplement the federally funded Alaska Interagency Geothermal Grant. The Division will expend \$23,500 and \$1,550 will be credited to the general fund as indirect costs. The original grant appropriation was approved May 23, 1979 for \$100,000 (RP #79-230).

These additional funds will support the original grant with staff funding for existing positions at the Division of Energy and Power Development (DEPD) and field research activities by the State Division of Geological and Geophysical Surveys (DGGS).

The end product of the work associated with this additional funding will be an overall design and work plan for development of a combination electrical and district heating system for the town of Unalaska. The selection of this site is the direct result of effort funded by the original grant. The area has known hot springs and an existing need for expanded energy facilities which generate heat and electricity.

It is also requested that any unexpended funds be carried forward into FY 81. These funds will be restricted pending receipt of a signed contract.

Your approval is recommended.

RL/GH/nls

Ron Lehr, Director
Division of Budget and Management
Office of the Governor

Approved this 27 day of Sept, 1979.

Jay S. Hammond
Jay S. Hammond, Governor
State of Alaska

[Signature]
Legislative Budget and Audit Committee
Date: 10/1/79

J. S. Hammond
Jay S. Hammond, Governor
State of Alaska

September 17, 1979

RP #80-58

Ronald B. Lind, Director
Division of Budget and Management
Office of the Governor

Department of Commerce and Economic
Development Request to Receive \$199,864
and Expend \$195,160 from the U.S.
Department of Energy.

Approval is requested to receive \$199,864 and expend \$195,160 from the U.S. Department of Energy (DOE) in order to assess the potential of peat in Alaska as an energy source.

Alaska is one of six states which will be participating in this first phase of DOE's assessment of peat as an energy resource. Specific objectives for this phase are to:

1. Determine the extent and characteristics of the State's peat resource.
2. Identify the appropriate technology and applications for energy recovery and industrial use of the peat.
3. Demonstrate the applicability of commercial systems for utilizing peat.

Following completion of this work, it will be known whether the use of peat as an alternative energy resource is realistic, particularly in rural communities. If it appears so, there will be follow up work which includes environmental, economic and social implications of mining, reclamation, etc. As a final phase, Alaska could be considered for a peat demonstration project.

Of the \$199,864 in federal receipts, \$4,704 will be received by the State General Fund as unrestricted revenue for indirect costs. No match of state or local funds are required.

Since the performance period for this assessment will take approximately 18 months and extend into FY 81, approval is requested to designate these receipts as continuing funds. Funds will be restricted pending a signed contract from DOE.

Your approval is recommended.
REL/CN/nls

R. Lind
Ronald B. Lind, Director
Division of Budget and Management
Office of the Governor

Approved this 1 day of Sept, 1979

J. S. Hammond
Jay S. Hammond, Governor
State of Alaska

Legislative Budget and Audit Committee
Date: 10/19/79

BRU NARRATIVE

CATEGORY Development

BRU Energy & Power Development

AGENCY Commerce & Economic Development

Despite the uncertainty as to the causes, the fact remains that the energy crisis facing the nation is real. Every citizen is affected by the situation primarily in the ever increasing cost of energy we use. It is reflected by the fact that last year fuel prices rose as much as 50% in some locations. It is not unlikely that the fuel shortages, that have been taking place in the rest of the country, will be experienced in Alaska in the near future.

In order to address these problems the Division of Energy and Power Development has been mandated to assure the availability of power and energy for present and future Alaskan needs and to promote its efficient use. The eventual goal will be to assure that Alaska will become energy self-sufficient through the development of alternate, particularly renewable, energy resources by assuring a guaranteed supply of petroleum fuels with an emphasis on increasing in-State refining capacities. Areas of responsibilities of the Division include:

Planning & Analysis - The Division has prepared the first Alaska Power Development Plan, the first statewide energy resource assessment and, in its FY '81 budget, is requesting the funds to prepare the first comprehensive energy-development plan.

Research and Development - The Division is conducting the necessary research and demonstration to develop the State's future energy sources. Demonstration projects include a geothermal demonstration project at Pilgrim Hot Springs, Single Wire Ground Return demonstration, wind demonstration projects such as in the village of New-Whalen and a Wind Anemometer Loan Program.

Energy Management - The Division is responsible for fuel set-aside, coordinating the responses in meeting village energy shortages and now, under Federal mandate, is responsible for preparing State Gasoline Rationing and Energy Emergency Contingency plans.

Energy Conservation and Outreach - The Division is undertaking an active statewide conservation program which includes energy audits, public involvement, education. It has also established an outreach program with the goal of connecting energy users to practical energy saving opportunities and assisting energy-related businesses. The vehicles for this program include the Energy Extension Service and the Alaska Solar Office.

Major changes that are expected in FY '81 include the addition of a rural energy program, the first Alaska Energy Development Plan, and the Division's administration of the 100% Federally funded weatherization program.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

13:10

1/28/80

CATEGORY: DEVELOPMENT

PROGRAM: ENERGY & POWER DEVELOPMENT

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
ENERGY ADMINISTRATION	299.2	132.2	298.2	497.0		513.7					
ENERGY CONSERVATION	330.0		328.3	456.5		463.7					
ENERGY EXTENSION SERVICE	296.7	225.2	320.0	413.9		419.6					
WEATHERIZATION		138.4	2480.0	2480.0		2488.0					
** TOTAL	925.9	495.8	3426.5	3847.4		3890.0					
** CHANGE VERSUS FY80 ATH				315.5%	-100.0%	320.1%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	515.9	132.2	655.1	748.4		791.0					
TRAVEL	38.4	66.8	71.4	103.9		103.9					
CONTRACTUAL	344.5	235.7	426.9	702.2		702.2					
COMMODITIES	6.3	6.6	12.7	21.0		21.0					
EQUIPMENT	2.8	25.1	.9	12.4		12.4					
GRANTS, CLMS		29.4	2259.5	2259.5		2259.5					
MISC.	18.0										
FUNDING SOURCE											
FED. RECEIPT	626.7	495.8	3128.3	3224.6		3250.5					
G. F. MATCH				125.8		125.8					
GENERAL FUND	299.2		298.2	497.0		513.7					
** GENERAL FUND CHANGE VS. FY80 ATH				66.1%	-100.0%	71.6%	-100.0%	-100.0%	-100.0%		
POSITIONS											
FULL-TIME	17.0	2.0	23.0	29.7		29.7					
PART-TIME				2.0		2.0					
MAN-MONTHS	204.0	27.0	252.0	344.0		344.0					

08-08-05-01-00 (08-73-7-10-01-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:11

1/28/80

CATEGORY: DEVELOPMENT

PROGRAM:

ENERGY & POWER DEVELOPMENT

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

SUB-PROGRAM: ENERGY ADMINISTRATION

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	265.5	229.3	59.6	59.6	234.8	300.7		317.4					
02 TRAVEL	11.4	14.4	5.6	5.6	14.4	29.9		29.9					
03 CONTRACTUAL	93.8	52.4	52.9	52.9	44.5	159.7		159.7					
04 COMMODITIES	2.8	3.1	4.4	4.4	3.9	5.6		5.6					
05 EQUIPMENT	.2		9.7	9.7	.6	1.1		1.1					
06 LANDS/BLDGs													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	373.7	299.2	132.2	132.2	298.2	497.0		513.7					
09 I-A TRANSFER					.9	.9		.9					
10 FED. RECEIPT			132.2	132.2									
11 G. F. MATCH													
12 GENERAL FUND	373.7	299.2			298.2	497.0		513.7					
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	7.0	7.0	2.0	2.0	7.0	8.0		8.0					
16 PART-TIME						2.0		2.0					
17 TEMPORARY													
18 MAN-MONTHS	84.0	84.0	27.0	27.0	84.0	108.0		108.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 PROGRAM COORDINATOR	ANCHORAGE	FULL	1	39.5	81.3	120.8		120.8		1				
2 CLERK/TYPIST III	ANCHORAGE	PART	1	9.3		9.3		9.3		1				
3 ENERGY SPECIALIST	ANCHORAGE	PART	1	17.1	53.3	70.4		70.4		1				
** NEW POSITION TOTALS			3	65.9	134.6	200.5		200.5		3				

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

REVISED PROGRAMS: 80-73 \$9.6, 80-74 \$23.5, 80-76 \$36.3, 80-77 \$62.8.

08-08-05-02-00 (08-71-7-03-22-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:11

1/28/80

CATEGORY: DEVELOPMENT
 AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

PROGRAM: ENERGY & POWER DEVELOPMENT
 SUB-PROGRAM: ENERGY CONSERVATION

EXPENDITURES & FUNDING	F I S C A L Y E A R 1 9 8 1												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	227.4	200.1			203.1	203.1		215.3					
02 TRAVEL	16.6	15.0			15.0	26.0		26.0					
03 CONTRACTUAL	158.3	111.6			106.9	211.3		211.3					
04 COMMODITIES	4.1	2.4			3.3	9.9		9.9					
05 EQUIPMENT	1.8	.9				6.2		6.2					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	408.2	330.0			328.3	456.5		468.7					
09 I-A TRANSFER													
10 FED. RECEIPT		330.0			328.3	330.7		342.9					
11 G. F. MATCH						125.8		125.8					
12 GENERAL FUND	408.2												
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	7.0	7.0			7.0	7.0		7.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	84.0	84.0			84.0	84.0		84.0					

08-08-05-03-00 (08-71-7-03-36-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:11

1/28/80

CATEGORY: DEVELOPMENT

PROGRAM:

ENERGY & POWER DEVELOPMENT

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

SUB-PROGRAM:

ENERGY EXTENSION SERVICE

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.		86.5	1.8	1.8	80.8	108.2		113.9					
02 TRAVEL		9.0	61.2	61.2	12.0	18.0		18.0					
03 CONTRACTUAL		180.5	144.6	144.6	223.2	278.9		278.9					
04 COMMODITI S		.8	2.2	2.2	4.0	4.0		4.0					
05 EQUIPMENT		1.9	15.4	15.4		4.8		4.8					
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.		18.0											
** TOTAL EXPEND		296.7	225.2	225.2	320.0	413.9		419.6					
09 I-A TRANSFER		3.0			10.0	10.0		10.0					
10 FED. RECEIPT		296.7	225.2	225.2	320.0	413.9		419.6					
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME		3.0			3.0	3.7		3.7					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS		36.0			36.0	44.0		44.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B	COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 ENERGY ASSISTANT	BETHEL	FULL	1		14.6		14.6	14.6			1				
2 ENERGY ASSISTANT	FAIRBANKS	FULL	1		12.8		12.8	12.8			1				
** NEW POSITION TOTALS			2		27.4		27.4	27.4			2				

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

REVISED PROGRAMS: 80-58 \$195.2, 80-75 \$30.0.

08-08-05-04-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:11

1/23/80

CATEGORY: DEVELOPMENT

PROGRAM: ENERGY & POWER DEVELOPMENT

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

SUB-PROGRAM: WEATHERIZATION

FISCAL YEAR 1981

EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.			70.3	70.8	136.4	136.4		144.4					
02 TRAVEL					30.0	30.0		30.0					
03 CONTRACTUAL			38.2	38.2	52.3	52.3		52.3					
04 COMMODITIES					1.5	1.5		1.5					
05 EQUIPMENT					.3	.3		.3					
06 LANDS/BLDGS													
07 GRANTS, CLMS			29.4	29.4	2259.5	2259.5		2259.5					
08 MISC.													
** TOTAL EXPEND			138.4	138.4	2480.0	2480.0		2488.0					
09 I-A TRANSFER													
10 FED. RECEIPT			138.4	138.4	2480.0	2480.0		2488.0					
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME					6.0	11.0		11.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS					48.0	108.0		108.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 ACCOUNTING TECHNICIAN III	ANCHORAGE	FULL	1	29.2	5.9	35.1	35.1			1				
2 CLERK TYPIST III	ANCHORAGE	FULL	1	17.9	2.0	19.9		19.9		1				
3 PROJECT ASSISTANT	ANCHORAGE	FULL	1	29.2	8.9	38.1	38.1			1				
4 ENERGY ASSISTANT	BETHEL	FULL	1	14.6	7.4	22.0	22.0			1				
5 ENERGY ASSISTANT	FAIRBANKS	FULL	1	12.8	7.4	20.2	20.2			1				
** NEW POSITION TOTALS			5	103.7	31.6	135.3	115.4	19.9		5				

BRU NARRATIVE

CATEGORY GENERAL GOVERNMENT

BRU FACILITIES PLANNING & RESEARCH

AGENCY TRANSPORTATION AND PUBLIC FACILITIES

Transportation and public facility development concerns itself with mass systems with broad ramifications and extended implications. These facilities shape our communities and commit people to individual habit patterns which impact their cultural lifestyles. Experience has proven that as transportation facilities and other public projects develop, so follows the shape of the region or state. Alaska, with its pristine and uncluttered geography and delicate native cultures has the opportunity to examine the implications of development and physical change. This Agency's response has been an integrated modal and public facility planning process carefully designed to view regional areas, the people and their cultural heritage and address the sensitive balance of need versus impact.

The primary purpose of the Planning and Research Unit is to provide the service of professional planning to other executive agencies in the area of public facilities, intermodal transportation planning in all areas of the state, and research support for all program disciplines. The project-specific Annual Work Program evolves incrementally from public input, staff technology and administrative direction, structures and codifies the goals and policy directives of the planning and research program. Statewide projects address those issues which require a broad overview with local emphasis, e.g.: State-Federal transportation planning, and the statewide condition survey. Regional planning projects are specific to each region, e.g.: The Western Arctic Transportation Study. Local planning deals with strictly local matters, e.g.: Emergency projects and the Fairbanks Metropolitan Area Transportation System.

The facilities planning program provides assistance to the executive agencies as they develop and implement capital improvement program requests. It operates the Life Cycle Cost System to insure adequate planning for design and construction and develops and maintains the project scheduling system to assist in the development of the State facilities plan and inventory survey.

The transportation planning projects, largely funded from Federal Highway receipts, are also prioritized and scheduled in the Unit's Annual Work Program. These projects set in motion the transportation goals and objectives of this Department. Primary, in the overall objectives, is the State transportation plan which will be realized through the implementation of the respective regional studies currently underway at this time. Through this process, it will be possible to make all transportation facilities cost effective and prioritized on a regional and statewide basis.

The research projects, scheduled and prioritized in the Annual Work Program, Part II, are designed to support the public facilities and transportation projects of this Department. With special emphasis on energy and new modal alternatives, this program is proving to be invaluable to the overall planning program.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

08:10

1/23/80

CATEGORY: GENERAL GOVERNMENT
 AGENCY: DEPARTMENT OF TRANSPORTATION

PROGRAM: FACILITIES PLANNING & RESEARCH

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
TRANSPORTATION PLANNING	550.6										
OFFICE OF DEPUTY COMMISSIONER	122.1										
PROCUREMENT POLICY	2374.5		83.8								
RESEARCH & DEVELOPMENT	120.8		2.2								
ADMIN & SUPPORT			450.2	459.3		479.7					
CENTRAL REGION			456.5	456.5		481.1					
SOUTHEAST REGION			712.5	712.5		750.9					
INTERIOR REGION			312.5	320.0		334.8					
CIP POSITION CONVERSION				3957.9							
CIP POSITION CONVERSION-ADMIN						1015.7					
CIP POSITION CONVERSION-CENTRA						1018.5					
CIP POSITION CONVERSION-SE						1261.4					
CIP POSITION CONVERSION-INTERI						842.5					
** TOTAL	3168.0		2017.7	5906.2		6184.6					
** CHANGE VERSUS FY80 ATH				86.4%	-100.0%	95.2%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	1599.7		1645.8	5304.4		5584.3					
TRAVEL	107.0		110.4	117.7		117.7					
CONTRACTUAL	1438.4		237.9	432.6		432.5					
COMMODITIES	22.9		23.6	50.4		40.0					
EQUIPMENT				1.1		1.1					
FUNDING SOURCE											
G. F. MATCH			712.5	712.5		750.9					
GENERAL FUND	3109.0		1305.2	5193.7		5433.7					
OTHER FUNDS	59.0										
** GENERAL FUND CHANGE VS. FY80 ATH				67.0%	-100.0%	74.7%	-100.0%	-100.0%	-100.0%		
POSITIONS											
FULL-TIME	40.0		41.0	145.0		145.0					
MAN-MONTHS	480.0		492.0	1740.0		1740.0					

BRU NARRATIVE

CATEGORY DEVELOPMENT

BRU COMMUNITY PLANNING SERVICES

AGENCY COMMUNITY & REGIONAL AFFAIRS

The Community Planning Services BRU seeks to increase the capability of local governments and citizens to develop and implement community policies and programs which best satisfy State, local, and citizen goals for community development.

The Division of Community Planning prepares analyses of relevant State/federal legislation and programs as they pertain to the development options and needs of the State and its communities. These analyses serve as a basis for policy-making and decisions on State, regional, and local development choices. Major issue areas are State and federal petroleum development, gas pipeline construction, bottomfish, coastal management, housing, State and municipal land selection and disposal, community development and management programs, and implementation of the Alaska Native Claims Settlement Act.

The Division's planning staff serve as consultants to city and borough governments. They provide professional planning assistance on routine tasks such as subdivision plat review, facility site determination and the preparation of planning/development grant applications. The planners also interpret State and Federal legislation/regulations to the municipal councils and planning commissions, and assist them in the drafting and implementation of local planning ordinances.

Beginning July 1, 1980, the Division will receive and manage all HUD 701 funds allocated to the State. During FY '81 a staff of five will be added to the Division to implement the Bottomfish Community Development Program.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

13:13

1/28/80

CATEGORY: DEVELOPMENT

AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: COMMUNITY PLANNING SERVICES

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV AMD	GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
COMMUNITY PLANNING ASSISTANCE	5852.5		4012.3	4762.8		4799.7					
HUD 701	300.0										
** TOTAL	6152.5		4012.3	4762.8		4799.7					
** CHANGE VERSUS FY80 ATH				-22.5%	-100.0%	-21.9%	-100.0%	-100.0%	-100.0%		
OBJECT DESCRIPTION											
PERS. SERV.	723.3		707.5	985.0		1045.3					
TRAVEL	57.0		97.5	127.0		127.0					
CONTRACTUAL	3775.2		2195.8	2629.9		2606.5					
COMMODITIES	7.7		8.2	10.7		10.7					
EQUIPMENT				6.9		6.9					
LANDS/BLDGS	3.2		3.3	3.3		3.3					
GRANTS, CLMS	1586.1		1000.0	1000.0		1000.0					
FUNDING SOURCE											
FED. RECEIPT	1924.3		1341.7	1621.2		1624.9					
G. F. MATCH	167.5		158.6	254.6		254.6					
GENERAL FUND	304.0		253.7	253.7		271.7					
OTHER FUNDS	3756.7		2258.3	2633.3		2648.5					
** GENERAL FUND CHANGE VS. FY80 ATH				-16.5%	-100.0%	-10.6%	-100.0%	-100.0%	-100.0%		
POSITIONS											
FULL-TIME	21.0		21.0	30.0		30.0					
PART-TIME	1.0		1.0	1.0		1.0					
MAN-MONTHS	258.0		258.0	366.0		366.0					

08-18-03-01-00 (21-72-6-07-01-05)

STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

13:13

1/28/80

CATEGORY: DEVELOPMENT
 AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

PROGRAM: COMMUNITY PLANNING SERVICES
 SUB-PROGRAM: COMMUNITY PLANNING ASSISTANCE

FISCAL YEAR 1981

EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	594.9	723.3			707.5	985.0		1045.3					
02 TRAVEL	68.6	57.0			97.5	127.0		127.0					
03 CONTRACTUAL	634.9	3475.2			2195.8	2629.9		2606.5					
04 COMMODITIES	6.2	7.7			8.2	10.7		10.7					
05 EQUIPMENT	1.2					6.9		6.9					
06 LANDS/BLDGS	3.0	3.2			3.3	3.3		3.3					
07 GRANTS, CLMS	788.1	1586.1			1000.0	1000.0		1000.0					
08 MISC.													
** TOTAL EXPEND	2096.9	5852.5			4012.3	4762.8		4799.7					
09 I-A TRANSFER													
10 FED. RECEIPT	853.7	1624.3			1341.7	1621.2		1624.9					
11 G. F. MATCH	146.9	167.5			158.6	254.6		254.6					
12 GENERAL FUND	231.3	304.0			253.7	253.7		271.7					
13 PGM RECEIPTS													
14 OTHER FUNDS	865.0	3756.7			2258.3	2633.3		2648.5					
15 FULL-TIME	21.0	21.0			21.0	30.0		30.0					
16 PART-TIME	1.0	1.0			1.0	1.0		1.0					
17 TEMPORARY													
18 MAN-MONTHS	258.0	258.0			258.0	366.0		366.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 PLANNER V	ANCHORAGE	FULL	1	39.2	9.0	48.2	32.1	16.1		1				
2 ACCOUNTING CLERK III	JUNEAU	FULL	1	19.8	3.5	23.3	15.5	7.8		1				
3 CLERK TYPIST III	JUNEAU	FULL	1	17.6	6.9	24.5	16.3	8.2		1				
4 PLANNER VI	JUNEAU	FULL	1	41.9	8.9	50.8			50.8	1				
5 PUBLIC FACILITIES PLANNER I	JUNEAU	FULL	1	38.3	9.6	47.9			47.9	1				
6 MUNICIPAL FINANCE ANALYST	JUNEAU	FULL	1	38.3	9.9	48.2			48.2	1				
7 RESEARCH ANALYST III	JUNEAU	FULL	1	33.3	9.6	42.9			42.9	1				
8 PLANNER III	JUNEAU	FULL	1	31.0	9.6	40.6			40.6	1				
9 CLERK TYPIST III	JUNEAU	FULL	1	18.1	4.6	22.7			22.7	1				
** NEW POSITION TOTALS			9	277.5	71.6	349.1	63.9	32.1	253.1	9				

BRU NARRATIVE

CATEGORY Development

BRU Local Government Assistance

AGENCY Community & Regional Affairs

This BRU is designed to implement the Governor's policy theme "to develop and support viable local governmental units". The Local Government Assistance Division (LGAD) assists local governments and citizens of the State in increasing their ability to develop and administer local policies and programs which satisfy the service needs of the citizens of the community and in turn meet the goals of the State.

Over 70% of the local governments have difficulty in providing even minimal levels of service to their residents due to the lack of a local tax base, high unemployment, high turnover in city jobs, and lack of knowledge in local government administration. Rising utility and fuel costs compound these problems and make viable local government virtually impossible in most of these cities.

The objective of this BRU is to provide training and assistance to all incorporated communities desiring and needing it. Professional personnel train and give assistance to local government officials to help them better cope with the many problems they face. This assistance is provided on two basic levels. First, training and assistance in the basics of local government administration is provided to most second class cities and a few first class cities. These cities do not have professional city managers or administrators and high turnover in the administrative positions creates a need for this type of help. Second, assistance and training is provided to property tax jurisdictions in the State (boroughs, home rule, and most first class cities) through the State Assessor and his staff. This assistance is provided to help increase the uniformity and equitability of the property tax as a local revenue source.

During FY 79 and FY 80 the LGAD has increased the number of training and reference publications produced to help all local governments do a better job. Reorganization has eliminated one division within the Department of Community and Regional Affairs and many of the programs and personnel that dealt with communities have been absorbed into LGAD and this BRU. This reorganization should allow LGAD to approach local problems in a more comprehensive, coherent, and cost effective manner. Finally, during FY 79 and FY 80 this BRU has strengthened its rural field offices in Bethel and Nome by adding one professional position to each office. This will offer best service to these "bush" areas and make the myriad of assistance programs offered by LGAD more accessible.

In FY 81 this BRU will continue to implement the benefits of reorganization and expanded rural field offices. The number of training sessions planned will be substantially increased and the number of communities receiving assistance on a continuing basis will be more than doubled.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

13:12

1/28/80

CATEGORY: DEVELOPMENT

PROGRAM: LOCAL GOVERNMENT ASSISTANCE

AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

COMPONENT DESCRIPTION	FY80 ATH	FY80 SUP	CONT	REQUEST	GOV AND GOVERNOR	HOUSE	SENATE	F.C.C.	BILLS	LEG.REC.
TRAINING, DEVELOPMENT & RDA	488.9		707.7	707.7	740.9					
STATE ASSESSOR	235.9		246.3	271.3	283.8					
LOCAL BOUNDARY COMMISSION	86.0		88.1	88.1	91.7					
REVENUE SHARING ADMINISTRATION	72.5		70.2	70.2	73.7					
COAST ENERGY IMPACT PROGRAM	376.9		582.3	582.3	585.2					
ADMINISTRATION	598.5									
** TOTAL	1858.7		1694.6	1719.6	1775.3					
** CHANGE VERSUS FY80 ATH				-7.4%	-100.0%	-4.4%	-100.0%	-100.0%	-100.0%	
OBJECT DESCRIPTION										
PERS. SERV.	1179.8		897.2	897.2	952.9					
TRAVEL	180.9		120.3	120.3	120.3					
CONTRACTUAL	182.3		157.3	157.3	157.3					
COMMODITIES	14.9		12.5	12.5	12.5					
EQUIPMENT	2.1		4.1	29.1	29.1					
LANDS/BLDGS	4.0		3.2	3.2	3.2					
GRANTS, CLMS	294.7		500.0	500.0	500.0					
FUNDING SOURCE										
FED. RECEIPT	660.9		582.3	582.3	585.2					
G. F. MATCH	71.0									
GENERAL FUND	1126.8		1112.3	1137.3	1190.1					
** GENERAL FUND CHANGE VS. FY80 ATH				0.9%	-100.0%	5.6%	-100.0%	-100.0%	-100.0%	
POSITIONS										
FULL-TIME	34.0		25.0	25.0	25.0					
PART-TIME	7.0		9.6	9.6	9.6					
MAN-MONTHS	450.0		357.6	357.6	357.6					

08-18-02-06-00 (21-72-3-07-01-06)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

13:13

1/28/80

CATEGORY: DEVELOPMENT

PROGRAM:

LOCAL GOVERNMENT ASSISTANCE

AGENCY: DEPARTMENT OF COMMUNITY & REGIONAL AFFAIRS

SUB-PROGRAM:

COAST ENERGY IMPACT PROGRAM

FISCAL YEAR 1981

EXPENDITURES & FUNDING	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	41.1	54.8			47.8	47.8		50.7					
02 TRAVEL	13.9	14.4			15.5	15.5		15.5					
03 CONTRACTUAL	9.0	12.4			18.4	18.4		18.4					
04 COMMODITIES	.2	.6			.6	.6		.6					
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS	521.0	294.7			500.0	500.0		500.0					
08 MISC.-													
** TOTAL EXPEND	585.2	376.9			582.3	582.3		585.2					
09 I-A TRANSFER													
10 FED. RECEIPT	585.2	376.9			582.3	582.3		585.2					
11 G. F. MATCH													
12 GENERAL FUND													
13 PGM RECEIPTS													
14 OTHER FUNDS													
15 FULL-TIME	2.0	2.0			2.0	2.0		2.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	24.0	24.0			24.0	24.0		24.0					

10-01-01-10-00 (01-91-6-01-02-01)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

08:08

1/23/80

CATEGORY: GENERAL GOVERNMENT
AGENCY: OFFICE OF THE GOVERNORPROGRAM: EXECUTIVE OPERATIONS
SUB-PROGRAM: POLICY DEVELOPMENT & PLANNING

EXPENDITURES & FUNDING	FISCAL YEAR 1981												
	(01) FY79 ACT	(02) FY80 ATH	(03) FY80 RP	(04) FY80 SUP	(05) CONT	(06) REQUEST	(07) GOV AMD	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) F.C.C.	(12) BILLS	(13) LEG.REC.
01 PERS. SERV.	784.6	644.2	63.5	63.5	693.6	780.8		788.2					
02 TRAVEL	76.1	39.9	1.5	1.5	43.4	51.1		51.1					
03 CONTRACTUAL	460.1	425.8	10.0	10.0	466.1	569.9		569.9					
04 COMMODITIES	6.1	8.4			9.7	11.1		11.1					
05 EQUIPMENT	2.4					2.5		2.5					
06 LANDS/BLDGS					69.9	69.9		69.9					
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	1329.3	1118.3	75.0	75.0	1282.7	1485.3		1492.7					
09 I-A TRANSFER	26.4												
10 FED. RECEIPT	273.3	415.0											
11 G. F. MATCH	110.8	137.5											
12 GENERAL FUND	547.3	390.8			1182.7	1385.3		1392.7					
13 PGM RECEIPTS													
14 OTHER FUNDS	397.9	175.0	75.0	75.0	100.0	100.0		100.0					
15 FULL-TIME	21.0	20.0	3.0	3.0	21.0	24.0		24.0					
16 PART-TIME													
17 TEMPORARY													
18 MAN-MONTHS	252.0	240.0	36.0	36.0	252.0	288.0		288.0					

NEW POSITIONS

TITLE	LOCATION	TYPE	REQ	S&B COST	OTH.COST	TOT.COST	FED.FUND	GEN.FUND	OTH.FUND	GV	HS	SN	FC	FN
1 POLICY AND PROGRAM MANAGER I	JUNEAU	FULL	1	36.4	4.9	41.3		41.3		1				
2 MANAGEMENT ANALYST III	JUNEAU	FULL	1	31.6	6.2	37.8		37.8		1				
3 SECRETARY I	JUNEAU	FULL	1	19.2	4.3	23.5		23.5		1				
** NEW POSITION TOTALS			3	87.2	15.4	102.6		102.6		3				

REVISED PROGRAMS, GOVERNOR AMENDMENTS, SUPPLEMENTAL & SPECIAL APPROPRIATIONS AND FISCAL NOTES...

REVISED PROGRAMS: 80-168 \$75.0.

BRU NARRATIVE

CATEGORY General Government
AGENCY Administration

BRU Alaska Council on Science
and Technology

The Alaska Council on Science and Technology was created by statute to: 1) bring science and technology close to the public and; 2) foster communication between executive and legislative branches and the Alaskan scientific community.

An ancillary responsibility assigned to the Council by the legislature in 1979 was the administration of the Northern Technology Grants Program.

The Council has met with science organizations of stature on the state, national and international level to determine in which areas research funding should be directed. Views from the legislature and the state agencies were also solicited. Reports summarizing these findings will be available early in 1980. On an informal basis the Council also provides advice and proposal review to legislative committees and state agencies.

Through its Northern Technology Grants Program, the Council is, without red tape, bringing science and technology closer to the citizens of Alaska. Innovative ideas are funded, tested, and the results transferred to the public sector as soon as possible. To avoid duplication, the Council has been working with state organizations which have similar responsibilities such as the Alaska Renewable Resources Corporation, the Division of Energy and Power Development and institutes of the University of Alaska.

FY 81

To carry its research needs process one step further in FY 81, the Council is proposing not only to identify research needs for state policy makers, but to analyze selected issues and present recommendations for action to the Governor and legislature.

Because of the overwhelming response to last year's program, FY 81 will bring an expansion to the Northern Technology Grants Program as well. However, no additional funds for administration are requested. The only increase in this area is for additional grant monies to be awarded to individuals with innovative ideas in technology.