

State of Alaska FY2007 Governor's Operating Budget

Dept of Commerce, Community, & Economic Development Alaska Energy Authority Owned Facilities Component Budget Summary

Component: Alaska Energy Authority Owned Facilities

Contribution to Department's Mission

Provide for the operation and maintenance of existing Authority-owned projects with maximum utility control.

Core Services

AEA owns and oversees the operation and maintenance of:

- Alaska Intertie
- Bradley Lake Hydroelectric Project
- Larsen Bay Hydroelectric Project

End Results	Strategies to Achieve Results
<p>A: The AEA owned facilities will continue to transmit and generate power with maximum utility control.</p> <p><u>Target #1:</u> Transfer of AEA's railbelt assets to a unified system operator. <u>Measure #1:</u> Completion of the transfer of AEA assets.</p>	

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Monitor maintenance activities performed by utilities • Ensure FERC compliance of Bradley Lake Hydro Project • Monitor condition of the projects • Complete annual budgets for the Bradley Lake Hydro Project and the Alaska Intertie Project • Facilitate cooperation between utilities 	<ul style="list-style-type: none"> • Repair and maintenance of the Larsen Bay project • Oversight of Larsen Bay operations • Work with cannery and Larsen Bay for delivery of reliable power • Work with Larsen Bay to take responsibility for the project

FY2007 Resources Allocated to Achieve Results							
<p>FY2007 Component Budget: \$1,067,100</p>	<p>Personnel:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Full time</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="padding-left: 20px;">Part time</td> <td style="text-align: right;">0</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right; border-top: 1px solid black;">0</td> </tr> </table>	Full time	0	Part time	0	Total	0
Full time	0						
Part time	0						
Total	0						

Performance Measure Detail

A: Result - The AEA owned facilities will continue to transmit and generate power with maximum utility control.

Target #1: Transfer of AEA's railbelt assets to a unified system operator.

Measure #1: Completion of the transfer of AEA assets.

Analysis of results and challenges: The Alaska Energy Policy Task Force report recommends that energy projects should in general not be owned, operated or maintained by the State. The State should encourage Railbelt utilities to form a Unified Systems Operator (USO) open to all utilities on equal footing. The USO could accept ownership of state-owned assets to reduce bureaucracy, thereby reducing state expenses and offering utilities the benefits of long term ownership. AEA is encouraging the utilities to accept AEA's assets. The utilities indicated that they would draft an MOU to initiate transfer discussions.

Key Component Challenges

Continue working with the Intertie Operating Committee (IOC) on issues related to the operation and maintenance of the Anchorage to Fairbanks Intertie. In addition to O&M issues, AEA is coordinating with the IOC on building a new 19-mile section of transmission line from Hollywood Road to the Douglas substation in the Mat-Su Valley.

The primary challenge for the Larsen Bay Hydroelectric Project is to improve power equipment at the local cannery to allow direct power sales from the hydro project to the cannery. AEA is also working with the local government to transfer the asset.

AEA continues to work with the Project Management Committee to complete the control systems repairs at the Bradley Lake Hydroelectric Project.

Significant Changes in Results to be Delivered in FY2007

No significant changes anticipated.

Major Component Accomplishments in 2005

None.

Statutory and Regulatory Authority

AS 44.83	Alaska Energy Authority
AS 37.07.020(e)	State Facilities Operations and Maintenance
3 AAC 105	Alaska Energy Authority

Contact Information
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**Alaska Energy Authority Owned Facilities
Component Financial Summary**

All dollars shown in thousands

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	3.3	30.0	30.0
73000 Services	154.6	1,024.1	1,024.1
74000 Commodities	0.6	8.0	8.0
75000 Capital Outlay	0.0	5.0	5.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	158.5	1,067.1	1,067.1
Funding Sources:			
1107 Alaska Energy Authority Corporate Receipts	158.5	1,067.1	1,067.1
Funding Totals	158.5	1,067.1	1,067.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2005 Actuals	FY2006 Managem ent Plan	FY2007 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Alaska Energy Authority Receipts	51418	158.5	1,067.1	1,067.1
Restricted Total		158.5	1,067.1	1,067.1
Total Estimated Revenues		158.5	1,067.1	1,067.1

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor***All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	0.0	0.0	1,067.1	1,067.1
FY2007 Governor	0.0	0.0	1,067.1	1,067.1