

AP/AL: Appropriation **Project Type:** Energy
Category: Development
Location: Statewide **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40) **Contact:** Sara Fisher-Goad
Estimated Project Dates: 07/01/2014 - 06/30/2019 **Contact Phone:** (907)771-3000

Brief Summary and Statement of Need:

Electric utility systems are part of the basic infrastructure of rural communities. The power plant and distribution systems in rural communities may not meet accepted utility standards for safety, reliability, and environmental protections. Due to high costs and limited economies of scale, most local communities cannot make the capital investments needed to meet accepted utility standards.

Funding:	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Total
Fed Rcpts	\$1,120,000	\$2,000,000					\$3,120,000
Gen Fund	\$4,000,000	\$10,200,000	\$12,600,000	\$12,600,000	\$12,600,000	\$12,600,000	\$64,600,000
Total:	\$5,120,000	\$12,200,000	\$12,600,000	\$12,600,000	\$12,600,000	\$12,600,000	\$67,720,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Sec1 Ch16 SLA2013 P4 L18 SB18 \$10,800,000
 Sec1 Ch17 SLA2012 P6 L13 SB160 \$13,000,000
 Sec4 Ch5 SLA2011 P127 L21 SB46 \$10,000,000
 Sec7 Ch43 SLA2010 P20 L29 SB230 \$9,000,000

Project Description/Justification:

Rural Power Systems Upgrade (RPSU): This program concentrates on power production and delivery, including diesel powerhouse, heat recovery, and electrical distribution. Efficiency, reliability, safety and sustainability are primary drivers throughout the conceptual design, final design and construction process. It is not uncommon to see a 30-40 percent increase in fuel savings after a new powerhouse project is completed.

After completion of the project, the rural utility is required to employ a qualified operator to ensure that the system is properly operated and maintained. Alaska Energy Authority (AEA) provides training and technical assistance to assist communities with proper operation of new facilities.

This program began in 1997 and has expanded since FY1999 with federal funding from the Denali Commission. Federal funds are declining and state funds are needed to continue funding this program.

FY2015 RPSU scheduled projects:

Community	General Funds	Federal Denali Commission	Other State GF	Total
Nunam Iqua*	800,000	760,000	1,640,000	3,200,000
Kake	3,200,000	360,000	-	3,560,000
Total	\$4,000,000	\$1,120,000	\$1,640,000	\$6,760,000

*Nunam Iqua has received partial funding of \$1.64 million in general funds from a Denali Commission Federal-State Partnership appropriation (SLA2010 CH43 Sec 7 P 19 L 30-32).