

Front Section: Electrical Emergencies

FY2001 Request: \$350,000

Reference No: 32590

AP/AL: Appropriation

Project Type: Health and Safety

Category: Health/Human Services

Location: Statewide

Contact: D. Randy Simmons

House District: Statewide (HD 1-40)

Contact Phone: (907)269-3000

Estimated Project Dates: 07/01/2000 - 06/30/2005

Brief Summary and Statement of Need:

Grants or contracts to correct problems in rural electric systems that are or could become a threat to life, health and safety in rural Alaska.

Funding:	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>Total</u>
Rural Elec	\$350,000						\$350,000
Total:	\$350,000	\$0	\$0	\$0	\$0	\$0	\$350,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input 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

Additional Information / Prior Funding History:

Project Description/Justification:

The Electrical Emergencies Program covers multiple projects, depending on the number of occurrences and on the amount of funds available to respond to emergencies. AS 42.45.400 requires, among other things, that catastrophe prevention programs be in place to assist rural electric utilities.

The program provides funds and technical support when a community has lost the ability to generate or transmit power to its customers and the condition is a threat to life, health, and property in the community. Emergencies of this type result in loss of communications, lighting and the operation of refrigeration systems, washeterias, water and sewer systems, etc. During winter months, water and sewer systems are subject to freezing and bursting, and public facilities will have to close due to lack of heating, etc. Based on past experience, out of the 80 small independent utilities in the state, assistance is provided to 7 or 8 utilities per year.

AEA attempts to obtain community contributions for the repairs, however, a match is not mandated. Many small communities usually served by the program do not enjoy an economic base that would permit costly repairs, nor can they obtain third-party financing.

AEA contracts the emergency repairs work to the private sector, while the AEA retains oversight and is responsible for making sure the problem is corrected. Contractor(s) travel to the site, providing technical assistance and procuring replacement parts/equipment (generators, transformers, switches, gauges, meters, etc.) from appropriate vendors as necessary. The appropriation covers the cost of contractors or local labor contracted work and/or procurement of materials.

By definition, emergencies are unpredictable and may result at any time from failure of very old equipment, from human error, or from extremes in weather conditions. The repair costs are also unpredictable. Each emergency is priced by itself utilizing standard construction procedures for immediate repairs and then repairs to insure permanent performance. In

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cases where major expenditures would be required, the system is repaired to perform at least through the winter months while AEA assists the community in obtaining funding for permanent replacements.

The operating costs of the local power plant are the responsibility of the local utility/community and not the State. However, AEA makes sure that the repairs are made to insure efficiency, safety and reliability of the systems.

Existing staff positions are assigned to address and resolve emergencies as they occur, as well provide oversight of construction projects. A portion of this appropriation will be used for funding staff positions required to continue AEA's emergency response and repair efforts in FY2001.