

# **State of Alaska FY2013 Governor's Operating Budget**

**Department of Commerce, Community, and Economic  
Development  
Alaska Energy Authority  
Results Delivery Unit Budget Summary**

## Alaska Energy Authority Results Delivery Unit

### Contribution to Department's Mission

Reduce the cost of energy in Alaska.

### Core Services

- Operation and maintenance of existing authority-owned projects with maximum utility control
- Development, design and construction of sustainable, safe, reliable, efficient and environmentally sound energy systems in Alaska
- Power Cost Equalization program
- Power Project and Bulk Fuel Revolving Loan programs
- Training, technical assistance and emergency response to rural utilities

### Results at a Glance

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

#### End Result A: The unit cost of energy in Alaska is reduced.

Target #1: Diesel fuel consumption in rural Alaska is reduced.

Status #1: Alaska Energy Authority (AEA) is implementing powerhouse monitoring systems that provide real-time, accurate fuel consumption data. Information from these systems indicates up to 25 percent fuel savings for utilities that participate in AEA's Rural Power System Upgrades program.

Target #2: By 2025, 50 percent of electricity generation is from renewable sources.

Status #2: In calendar year 2010, the proportion of total net utility electrical energy generation by renewable sources in Alaska is estimated at 23 percent, an increase of four percent from calendar year 2008. Most of this growth is due to an increase in hydropower.

#### Strategy A1: Upgrade rural powerhouses to increase diesel efficiency.

Target #1: 100 percent of communities needing rural power system upgrades (RPSU) receives them.

Status #1: 55 percent of rural power system upgrades were completed by the end of FY2011, with 41 more communities to be completed.

#### Strategy A2: Manage the Bulk Fuel Revolving Loan Fund to maximize the amount available to eligible communities.

Target #1: Five percent or less delinquency rate (over 90 days).

Status #1: 4.44 percent delinquency rate on the \$1.55 million outstanding Bulk Fuel Revolving Loans for FY2011, meeting the five percent or less.

#### Strategy A3: Train rural residents to manage and operate rural energy infrastructure and programs.

Target #1: 100 rural residents trained annually to manage and operate rural energy infrastructure and programs.

Status #1: 47 rural residents were trained to manage and operate rural energy infrastructure and programs in FY2011.

#### Strategy A4: Reduce the number of Bulk Fuel (BF) non-code compliant facilities.

Target #1: 100 percent of deficiency list projects completed.

Status #1: 92 percent of the rural bulk fuel facilities were updated by the end of FY2011. Five communities, or 8 percent, remain to be completed.

#### Strategy A5: Manage PCE program to reduce kWh cost in eligible communities.

Target #1: 100 percent eligible electric utilities receive Power Cost Equalization payments.

Status #1: 87 percent of the 97 eligible electric utilities received Power Cost Equalization payments in FY2011; decreasing from 87.5 percent in FY2010.

**Strategy A6: Manage Renewable Energy Fund project application process, project evaluations, recommendations, completion of grant agreements and disbursement of funds to grantees.**

Target #1: 100 percent of Renewable Energy Fund projects are under way.

Status #1: As of October 28, 2011, 82 percent of the Renewable Energy Fund projects were under way.

**Key RDU Challenges**

See components.

**Significant Changes in Results to be Delivered in FY2013**

See components.

**Major RDU Accomplishments in 2011**

See components and Alaska Energy Authority (AEA) capital requests.

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**Alaska Energy Authority  
RDU Financial Summary by Component**

*All dollars shown in thousands*

	FY2011 Actuals				FY2012 Management Plan				FY2013 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
<b>Formula Expenditures</b>												
AEA Power Cost Equalization	32,588.2	0.0	0.0	32,588.2	34,340.0	0.0	0.0	34,340.0	38,190.0	0.0	0.0	38,190.0
<b>Non-Formula Expenditures</b>												
AEA Owned Facilities	0.0	272.0	0.0	272.0	0.0	1,067.1	0.0	1,067.1	0.0	1,067.1	0.0	1,067.1
AEA Rural Energy Operations	1,317.9	1,746.5	0.0	3,064.4	1,919.4	3,726.9	230.0	5,876.3	2,097.5	3,726.9	230.0	6,054.4
AEA Technical Assistance	100.7	0.0	0.0	100.7	100.7	0.0	0.0	100.7	100.7	170.0	0.0	270.7
Alternative Energy & Efficiency	2,486.0	1,303.3	0.0	3,789.3	3,151.9	2,173.6	783.5	6,109.0	3,182.1	2,601.3	41.9	5,825.3
<b>Totals</b>	<b>36,492.8</b>	<b>3,321.8</b>	<b>0.0</b>	<b>39,814.6</b>	<b>39,512.0</b>	<b>6,967.6</b>	<b>1,013.5</b>	<b>47,493.1</b>	<b>43,570.3</b>	<b>7,565.3</b>	<b>271.9</b>	<b>51,407.5</b>

**Alaska Energy Authority**  
**Summary of RDU Budget Changes by Component**  
**From FY2012 Management Plan to FY2013 Governor**

*All dollars shown in thousands*

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
<b>FY2012 Management Plan</b>	<b>14,894.6</b>	<b>24,617.4</b>	<b>6,967.6</b>	<b>1,013.5</b>	<b>47,493.1</b>
<b>Adjustments which will continue current level of service:</b>					
-AEA Rural Energy Operations	178.1	0.0	0.0	0.0	178.1
-AEA Power Cost Equalization	-10,829.4	-23,510.6	0.0	0.0	-34,340.0
-Alternative Energy & Efficiency	-2,000.0	0.0	-344.5	-741.6	-3,086.1
<b>Proposed budget increases:</b>					
-AEA Technical Assistance	0.0	0.0	170.0	0.0	170.0
-AEA Power Cost Equalization	15,314.2	22,875.8	0.0	0.0	38,190.0
-Alternative Energy & Efficiency	2,030.2	0.0	772.2	0.0	2,802.4
<b>FY2013 Governor</b>	<b>19,587.7</b>	<b>23,982.6</b>	<b>7,565.3</b>	<b>271.9</b>	<b>51,407.5</b>