

**State of Alaska
FY2016 Governor Amended Operating
Budget**

**Department of Commerce, Community, and Economic
Development
Alaska Energy Authority Power Cost Equalization
Component Budget Summary**

Component: Alaska Energy Authority Power Cost Equalization

Contribution to Department's Mission

Reduce the cost of electricity for residential customers and community facilities in rural Alaska.

Major Component Accomplishments in 2014

The Alaska Energy Authority (AEA) embarked on significant outreach for the Power Cost Equalization (PCE) program that included presentations during the Rural Energy Conference, Alaska Federation of Natives and a separate "PCE Summit" with key stakeholders.

AEA offered two PCE training classes for utility clerks. PCE training provides utility clerks with essential technical knowledge in order to help ensure continued participation in the program. The training is open to all participants but specifically targets non-participating utilities that require training to re-enter the program as well as participating utilities that have had a turnover in their utility clerk positions.

AEA's community assistance team also provided additional outreach, targeting communities who are not participating in PCE. Through their efforts the number of communities not receiving PCE has been reduced by half. The community assistance staff is currently working with the remaining six communities to reinstate PCE eligibility.

In 2014, Power Cost Equalization regulations were developed and adopted addressing the state or federal funding of community facilities and altering the definition of a community building from being open to the general public to being operated for the benefit of the general public.

In FY2014, PCE served 82,800 in the 192 participating communities. On June 30, 2014 PCE Endowment Fund balance was \$977,867,367. During FY2015 AEA estimates it will provide over \$41,000,000 in PCE grant payments to 192 rural communities.

Key Component Challenges

Because of high turnover rate of staff in the 87 rural utilities (representing 192 communities) participating in the PCE program, the training and assistance to the utility staff continues to be a challenge.

Significant Changes in Results to be Delivered in FY2016

No significant changes to component.

Statutory and Regulatory Authority

AS 42.45 Rural and Statewide Energy Programs
3 AAC 107 Grant Programs
3 AAC 52.600 Criteria for Determination of Power Cost Equalization

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**Alaska Energy Authority Power Cost Equalization
Component Financial Summary**

All dollars shown in thousands

	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	1.1	0.0	0.0
73000 Services	343.2	355.0	355.0
74000 Commodities	4.3	0.0	0.0
75000 Capital Outlay	2.4	0.0	0.0
77000 Grants, Benefits	41,006.0	41,000.0	41,000.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	41,357.0	41,355.0	41,355.0
Funding Sources:			
1004 General Fund Receipts	8,266.0	0.0	0.0
1169 PCE Endowment Fund	33,091.0	41,355.0	41,355.0
Funding Totals	41,357.0	41,355.0	41,355.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Unrestricted Revenues				
Unrestricted Fund	68515	8,266.0	0.0	0.0
Unrestricted Total		8,266.0	0.0	0.0
Restricted Revenues				
Power Cost Equalization Endowment Fund	51465	33,091.0	41,355.0	41,355.0
Restricted Total		33,091.0	41,355.0	41,355.0
Total Estimated Revenues		41,357.0	41,355.0	41,355.0

**Summary of Component Budget Changes
From FY2015 Management Plan to FY2016 Governor Amended**

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>
FY2015 Management Plan	0.0	41,355.0	0.0	0.0	41,355.0
One-time items:					
-Reverse Power Cost Equalization and Endowment Funding for FY2015	0.0	-41,355.0	0.0	0.0	-41,355.0
Adjustments which continue current level of service:					
-Restore Power Cost Equalization and Endowment Funding for FY2016	0.0	41,355.0	0.0	0.0	41,355.0
FY2016 Governor Amended	0.0	41,355.0	0.0	0.0	41,355.0

Component Detail All Funds
Department of Commerce, Community, and Economic Development

Component: Alaska Energy Authority Power Cost Equalization (AR29672) (2602)
RDU: Alaska Energy Authority (453)

	FY2014 Actuals	FY2015 Conference Committee	FY2015 Authorized	FY2015 Management Plan	FY2016 Governor Amended	FY2015 Management Plan vs FY2016 Governor Amended	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	1.1	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	343.2	355.0	355.0	355.0	355.0	0.0	0.0%
74000 Commodities	4.3	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	2.4	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	41,006.0	41,000.0	41,000.0	41,000.0	41,000.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	41,357.0	41,355.0	41,355.0	41,355.0	41,355.0	0.0	0.0%
Fund Sources:							
1004Gen Fund (UGF)	8,266.0	0.0	0.0	0.0	0.0	0.0	0.0%
1169PCE Endow (DGF)	33,091.0	41,355.0	41,355.0	41,355.0	41,355.0	0.0	0.0%
Unrestricted General (UGF)	8,266.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	33,091.0	41,355.0	41,355.0	41,355.0	41,355.0	0.0	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Commerce, Community, and Economic Development

Component: Alaska Energy Authority Power Cost Equalization (2602)

RDU: Alaska Energy Authority (453)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2015 Conference Committee To FY2015 Authorized *****												
Estimated Power Cost Equalization Endowment Payments Sec15f Ch16 SLA2014 P74 L29 (HB266)												
1169 PCE Endow	IncM	41,355.0	0.0	0.0	355.0	0.0	0.0	41,000.0	0.0	0	0	0
		41,355.0										
The amount necessary, estimated to be \$41,355,000, not to exceed the amount determined under AS 42.45.085(a), is appropriated from the power cost equalization endowment fund (AS 42.45.070(a)) to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, power cost equalization allocation, for the fiscal year ending June 30, 2015.												
Estimated Power Cost Equalization and Endowment Payments for FY2015 Sec15g Ch16 SLA2014 P75 L3 (HB266)												
	Language	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
(g) If the amount appropriated in (f) of this section is not sufficient to pay power cost equalization program costs without proration, the amount necessary to pay power cost equalization program costs without proration, estimated to be \$0, is appropriated from the general fund to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, power cost equalization allocation, for the fiscal year ending June 30, 2015.												
Subtotal		41,355.0	0.0	0.0	355.0	0.0	0.0	41,000.0	0.0	0	0	0
***** Changes From FY2015 Authorized To FY2015 Management Plan *****												
Subtotal		41,355.0	0.0	0.0	355.0	0.0	0.0	41,000.0	0.0	0	0	0
***** Changes From FY2015 Management Plan To FY2016 Governor Amended *****												
Reverse Power Cost Equalization and Endowment Funding for FY2015												
1169 PCE Endow	OTI	-41,355.0	0.0	0.0	-355.0	0.0	0.0	-41,000.0	0.0	0	0	0
		-41,355.0										
Reverse Ch 16 SLA 2014 section 15 (f-g).												
Restore Power Cost Equalization and Endowment Funding for FY2016												
1169 PCE Endow	IncM	41,355.0	0.0	0.0	355.0	0.0	0.0	41,000.0	0.0	0	0	0
		41,355.0										

The amount necessary, estimated to be \$41,355,000, and not to exceed \$44,248,400, is appropriated from the power cost equalization endowment fund (AS 42.45.070(a)) to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, power cost equalization allocation, for the fiscal year ending June 30, 2016.

If the amount appropriated in (f) of this section is not sufficient to pay power cost equalization program costs without proration, the amount necessary to pay power cost equalization program costs without proration, estimated to be 0, is appropriated from the general fund to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, power cost equalization allocation, for the fiscal year ending June 30, 2016.

Change Record Detail - Multiple Scenarios with Descriptions
Department of Commerce, Community, and Economic Development

Component: Alaska Energy Authority Power Cost Equalization (2602)

RDU: Alaska Energy Authority (453)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
	Totals	41,355.0	0.0	0.0	355.0	0.0	0.0	41,000.0	0.0	0	0	0

Line Item Detail
Department of Commerce, Community, and Economic Development
Travel

Component: Alaska Energy Authority Power Cost Equalization (2602)
RDU: Alaska Energy Authority (453)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
72000	Travel		1.1	0.0	0.0
Expenditure Account			FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
	Servicing Agency	Explanation			
72000 Travel Detail Totals			1.1	0.0	0.0
72100	Instate Travel	Administrative travel costs.	1.1	0.0	0.0

Line Item Detail
Department of Commerce, Community, and Economic Development
Services

Component: Alaska Energy Authority Power Cost Equalization (2602)

RDU: Alaska Energy Authority (453)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended	
73000	Services		343.2	355.0	355.0	
Expenditure Account						
	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended	
73000 Services Detail Totals			343.2	355.0	355.0	
73025	Education Services	Education services.	2.4	0.0	0.0	
73156	Telecommunication	Telecommunications.	0.1	0.0	0.0	
73450	Advertising & Promos	Advertising and promotions.	2.8	0.0	0.0	
73812	Legal	Law	RSA with the Department of Law for legal services.	5.8	0.0	0.0
73979	Mgmt/Consulting (IA Svcs)	AIDEA	Alaska Industrial Development and Export Association (AIDEA) - Management support services.	190.5	195.0	195.0
73979	Mgmt/Consulting (IA Svcs)	Reg Comm of AK	Regulatory Commission of Alaska.	141.6	160.0	160.0

Line Item Detail

**Department of Commerce, Community, and Economic Development
Commodities**

Component: Alaska Energy Authority Power Cost Equalization (2602)
RDU: Alaska Energy Authority (453)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
74000	Commodities		4.3	0.0	0.0
Expenditure Account			FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
	Servicing Agency	Explanation			
			74000 Commodities Detail Totals	4.3	0.0
74200	Business	Supplies.	4.3	0.0	0.0

Line Item Detail

**Department of Commerce, Community, and Economic Development
Capital Outlay**

Component: Alaska Energy Authority Power Cost Equalization (2602)
RDU: Alaska Energy Authority (453)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
75000	Capital Outlay		2.4	0.0	0.0
Expenditure Account			FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
	Servicing Agency	Explanation			
			75000 Capital Outlay Detail Totals	2.4	0.0
75700	Equipment	Equipment.	2.4	0.0	0.0

Line Item Detail
Department of Commerce, Community, and Economic Development
Grants, Benefits

Component: Alaska Energy Authority Power Cost Equalization (2602)
RDU: Alaska Energy Authority (453)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
77000	Grants, Benefits		41,006.0	41,000.0	41,000.0
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
77000 Grants, Benefits Detail Totals			41,006.0	41,000.0	41,000.0
77110	Grants	Power Cost Equalization Program grants (AS 42.45.110)	41,006.0	41,000.0	41,000.0

Unrestricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Alaska Energy Authority Power Cost Equalization (2602)
RDU: Alaska Energy Authority (453)

Master Account	Revenue Description				FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
68515	Unrestricted Fund				8,266.0	0.0	0.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
68515	Unrestrict Fu Source				8,266.0	0.0	0.0
	Unrestricted Fund Source						

Restricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Alaska Energy Authority Power Cost Equalization (2602)
RDU: Alaska Energy Authority (453)

Master Account	Revenue Description				FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51465	Power Cost Equalization Endowment Fund				33,091.0	41,355.0	41,355.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51465	Power Cost Equalization Endowment Fund Endowment fund (AS 42.45.070).				33,091.0	41,355.0	41,355.0

Interagency Services
Department of Commerce, Community, and Economic Development

Component: Alaska Energy Authority Power Cost Equalization (2602)
RDU: Alaska Energy Authority (453)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73812	Legal	RSA with the Department of Law for legal services.	Inter-dept	Law	5.8	0.0
					73812 Legal subtotal:	0.0
73979	Mgmt/Consulting (IA Svcs)	Alaska Industrial Development and Export Association (AIDEA) - Management support services.	Intra-dept	AIDEA	190.5	195.0
73979	Mgmt/Consulting (IA Svcs)	Regulatory Commission of Alaska.	Inter-dept	Reg Comm of AK	141.6	160.0
					73979 Mgmt/Consulting (IA Svcs) subtotal:	355.0
					Alaska Energy Authority Power Cost Equalization total:	355.0
					Grand Total:	355.0