

# **State of Alaska FY2017 Governor's Operating Budget**

## **Department of Commerce, Community, and Economic Development Alaska Energy Authority Owned Facilities Component Budget Summary**

Component: Alaska Energy Authority Owned Facilities

## Contribution to Department's Mission

Management and development of AEA owned infrastructure.

## Major Component Accomplishments in 2015

**Susitna–Watana Hydroelectric Project:** The Alaska Energy Authority (AEA) filed a Notice of Intent and Pre-Application Document with the Federal Energy Regulatory Commission (FERC) to begin the licensing process for the project in December 2011. The FERC approved all 58 environmental study plans in early 2013. In implementing the study plans, AEA is working closely with the Alaska Department of Fish and Game in conducting the fishery and wildlife studies. On June 3, 2014, AEA filed the Initial Study Report (ISR) for the project. The approximately 7,000 page ISR presents information collected from the first year of field studies.

The Alaska Legislature has appropriated a total of \$192.1 million for AEA to plan, design, and obtain permit of the project. On December 26, 2014 the Governor issued Administrative Order 271 suspending discretionary spending on the project. On January 8, 2015, the FERC granted AEA's request to hold the licensing process in abeyance. On July 6, 2015, the Governor's office authorized AEA to proceed with the Integrated Licensing Process (ILP) using previously appropriated funds. AEA in August 2015 requested the FERC's permission to resume the licensing efforts.

**Bradley Lake Hydroelectric Project:** The Authority is in the process of amending the FERC license by adding a new Battle Creek diversion project. This project will divert the West Fork Upper Battle Creek into Bradley Lake. The annual energy increase to Bradley Lake Hydroelectric Project would be about 37,000 megawatt hours (MWh). The Battle Creek project addition includes construction of three miles of road, a concrete diversion dam, a pipe and canal to convey the water to Bradley Lake. The estimated cost of construction provided in November 2014 was approximately \$54 million. The license amendment is anticipated to be received in 2016.

**Alaska Intertie Project:** AEA continues to work with the Intertie Management Committee on issues related to the operation and maintenance of the Anchorage to Fairbanks Intertie and necessary repairs. Anchorage Municipal Light and Power was contracted to perform the repairs and upgrades. The tower repairs are now complete. Design and construction of the new static VAR compensator is substantially complete as of June 15, 2015, with minor punch list items being complete and service warranty being negotiated. AEA will continue to work with the Railbelt utilities to extend the intertie to Lake Lorraine.

## Key Component Challenges

**Susitna–Watana Hydroelectric Project:** Project licensing has been delayed due to funding constraints.

**Bradley Lake Hydroelectric Project:** Upon receipt of a FERC license amendment, AEA will work with the railbelt utilities to develop a financing plan to construct the Battle Creek diversion project.

**Alaska Intertie Project:** As Railbelt generation has changed, upgrades to the transmission system will be needed. In support of that effort, a transmission plan has been completed for the interconnected electrical system (including the Alaska Intertie).

## Significant Changes in Results to be Delivered in FY2017

No significant changes to component.

## 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

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

**Component:** Alaska Energy Authority Owned Facilities (2599)  
**RDU:** Alaska Energy Authority (453)

Non-Formula Component

	FY2015 Actuals	FY2016 Conference Committee	FY2016 Authorized	FY2016 Management Plan	FY2017 Governor	FY2016 Management Plan vs FY2017 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	30.0	30.0	30.0	30.0	0.0	0.0%
73000 Services	224.6	938.7	938.7	938.7	938.7	0.0	0.0%
74000 Commodities	0.0	8.0	8.0	8.0	8.0	0.0	0.0%
75000 Capital Outlay	0.0	5.0	5.0	5.0	5.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>224.6</b>	<b>981.7</b>	<b>981.7</b>	<b>981.7</b>	<b>981.7</b>	<b>0.0</b>	<b>0.0%</b>
<b>Fund Sources:</b>							
1107AEA Rcpts (Other)	224.6	981.7	981.7	981.7	981.7	0.0	0.0%
<b>Unrestricted General (UGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Designated General (DGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>224.6</b>	<b>981.7</b>	<b>981.7</b>	<b>981.7</b>	<b>981.7</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>							
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 Owned Facilities (2599)  
**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 FY2016 Conference Committee To FY2016 Authorized *****												
FY2016 Conference Committee	ConfCom	981.7	0.0	30.0	938.7	8.0	5.0	0.0	0.0	0	0	0
1107 AEA Rcpts		981.7										
<b>Subtotal</b>		<b>981.7</b>	<b>0.0</b>	<b>30.0</b>	<b>938.7</b>	<b>8.0</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2016 Management Plan To FY2017 Governor *****												
<b>Totals</b>		<b>981.7</b>	<b>0.0</b>	<b>30.0</b>	<b>938.7</b>	<b>8.0</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Component:** Alaska Energy Authority Owned Facilities (2599)  
**RDU:** Alaska Energy Authority (453)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000	Travel		0.0	30.0	30.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
<b>72000 Travel Detail Totals</b>			<b>0.0</b>	<b>30.0</b>	<b>30.0</b>
72100	Instate Travel	Instate Transportation - Transportation costs for travel relating to staff travel for Bradley Lake, Larsen Bay and Alaska Intertie; board of directors' travel.	0.0	15.0	15.0
72400	Out Of State Travel	Out of State Transportation - Transportation costs for travel relating to field work, administration, and conventions and meetings.	0.0	15.0	15.0

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

**Component:** Alaska Energy Authority Owned Facilities (2599)  
**RDU:** Alaska Energy Authority (453)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000	Services		224.6	938.7	938.7
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
<b>73000 Services Detail Totals</b>			<b>224.6</b>	<b>938.7</b>	<b>938.7</b>
73750	Other Services (Non IA Svcs)	Program management/consulting, economic/development, safety-related services, printing, copying, and other services.	0.0	714.1	714.1
73979	Mgmt/Consulting (IA Svcs)	AIDEA Reimburse AIDEA Component for AIDEA staff performing AEA functions.	24.6	24.6	24.6
73979	Mgmt/Consulting (IA Svcs)	AIDEA Alaska Industrial Development and Export Authority (AIDEA) - Management support services.	200.0	200.0	200.0

**Line Item Detail**

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

**Component:** Alaska Energy Authority Owned Facilities (2599)

**RDU:** Alaska Energy Authority (453)

<b>Line Number</b>	<b>Line Name</b>		<b>FY2015 Actuals</b>	<b>FY2016 Management Plan</b>	<b>FY2017 Governor</b>
74000	Commodities		0.0	8.0	8.0
<b>Expenditure Account</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2015 Actuals</b>	<b>FY2016 Management Plan</b>	<b>FY2017 Governor</b>
		<b>74000 Commodities Detail Totals</b>	<b>0.0</b>	<b>8.0</b>	<b>8.0</b>
74480	Household & Instit.	Cleaning and other household supplies.	0.0	8.0	8.0

**Line Item Detail**  
**Department of Commerce, Community, and Economic Development**  
**Capital Outlay**

**Component:** Alaska Energy Authority Owned Facilities (2599)  
**RDU:** Alaska Energy Authority (453)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
75000	Capital Outlay		0.0	5.0	5.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
<b>75000 Capital Outlay Detail Totals</b>			<b>0.0</b>	<b>5.0</b>	<b>5.0</b>
75700	Equipment	Information technology, communication, electronic, safety, industrial, and transportation equipment.	0.0	5.0	5.0

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

**Component:** Alaska Energy Authority Owned Facilities (2599)  
**RDU:** Alaska Energy Authority (453)

Master Account	Revenue Description	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51418	Alaska Energy Authority Receipts	224.6	981.7	981.7

Detail Information					FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund			
51418	AK Energy Auth Rec				224.6	981.7	981.7
	Reimbursements received from the participating utilities for the cost of administrative services provided by AEA pursuant to the Power Sales Agreements and Intertie Operating Agreement for various AEA-owned projects, including:						
	<ul style="list-style-type: none"> <li>&gt; Bradley Lake Hydroelectric</li> <li>&gt; Alaska Intertie</li> <li>&gt; Larsen Bay Hydroelectric</li> </ul>						

**Interagency Services**  
**Department of Commerce, Community, and Economic Development**

**Component:** Alaska Energy Authority Owned Facilities (2599)  
**RDU:** Alaska Energy Authority (453)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor	
73979	Mgmt/Consulting (IA Svcs)	Reimburse AIDEA Component for AIDEA staff performing AEA functions.	Intra-dept	AIDEA	24.6	24.6	24.6
73979	Mgmt/Consulting (IA Svcs)	Alaska Industrial Development and Export Authority (AIDEA) - Management support services.	Intra-dept	AIDEA	200.0	200.0	200.0
<b>73979 Mgmt/Consulting (IA Svcs) subtotal:</b>				<b>224.6</b>	<b>224.6</b>	<b>224.6</b>	
<b>Alaska Energy Authority Owned Facilities total:</b>				<b>224.6</b>	<b>224.6</b>	<b>224.6</b>	
<b>Grand Total:</b>				<b>224.6</b>	<b>224.6</b>	<b>224.6</b>	