

State of Alaska FY2017 Governor's Operating Budget

Department of Commerce, Community, and Economic Development Alaska Energy Authority Rural Energy Assistance Component Budget Summary

Component: Alaska Energy Authority Rural Energy Assistance

Contribution to Department's Mission

Assist in the development of safe, reliable, and efficient energy systems throughout Alaska, which are sustainable, environmentally sound, and reduce the cost of energy in rural Alaska.

Major Component Accomplishments in 2015

Rural Power Projects: The Alaska Energy Authority (AEA) completed four rural power systems upgrades during FY2015: Yakutat electrical distribution, Atmautluak powerhouse module, Golovin switchgear upgrade, and Hughes switchgear upgrade. AEA also completed designs for four bulk fuel projects in FY2015, and three projects are under construction in FY2016.

Training: AEA's rural training program trains community operators the skills to operate their energy infrastructure, helping utilities keep their facilities code-compliant and managed sustainably. In FY2015, 50 operators completed training and received certification of completion in Bulk Fuel Operations (19 operators), Power Plant Operations (16 operators) and Advanced Power Plant Operations (15 operators).

Power Project Fund Loan Program: In 2015, AEA approved 4 PPF loans for a total amount committed of \$20,750,000. The Power Project Loan Fund provides loans to local utilities, local governments or independent power producers for the development or upgrade of power facilities.

Emergency Response: AEA provides power-related emergency response services to rural Alaskan communities as required by AS 42.45.900. Emergency community response was provided to more than 13 communities during FY2015.

Technical Assistance: AEA provided technical assistance to communities by helping to complete federal award applications, renewable energy fund applications, and by providing Power Cost Equalization program assistance.

Circuit Rider: AEA's Circuit Rider program assisted 58 eligible utilities in FY2015 by providing remote monitoring, training, technical consultation via telephone, on-site assistance, and minor repairs to their power systems.

Key Component Challenges

Without state and/or federal funds for Rural Power Systems upgrades in rural Alaska, critical energy infrastructure are not built or upgraded. Over time, communities are left with aging power systems that require frequent maintenance and/or emergency response to prevent power outages.

Without funding for bulk fuel upgrades in rural Alaska, bulk fuel tanks are not upgraded as the fuel tanks age. Over time, communities are left with aging fuel tanks that may not meet the capacity needs of the community or are at risk of leaks, contamination and failure. AEA is working with the Denali Commission to assess the current status of rural bulk fuel facilities by updating the priority deficiency list.

Staffing is a challenge for AEA in the current budget year. Funding constraints lead to difficult reduction decisions to both operating budgets and capital programs. Often the work load does not decline at the same pace as funding. Staff is asked to do more with fewer resources. Management is responding by realigning work load to resources and identifying core AEA services

The established programs have in the past, effectively leveraged federal dollars to complete projects. However reduced federal funding for energy projects in Alaska creates increased need for state funds to support construction of energy infrastructure.

Many rural communities are in need of increased management capacity. Having the infrastructure is essential, but

equally important is the ability of the local operators to operate the utilities in an efficient and sustainable manner. Local and regional engagement and participation is critical for a statewide effort of sustainable and cost effective energy solutions.

The construction of substantial infrastructure projects in communities (for example: water/sewer facilities and school upgrades and replacements) are over-taxing some of the older power systems, which results in system overload, shorter equipment life, and more frequent power outages. Without remote monitoring, technical assistance, and periodic training, performance and efficiency gains of newly upgraded powerhouses will slowly erode.

Significant Changes in Results to be Delivered in FY2017

Reduced general funds will directly impact training, community outreach and technical assistance efforts. If capital projects are not appropriated, critical energy infrastructure will not be built or upgraded.

Statutory and Regulatory Authority

AS 42.45 Rural and Statewide Energy Programs
3 AAC 106 Loan Programs
3 AAC 107 Grant Programs
3 AAC 160 Rural Development Assistance and Bulk Fuel Storage Facility Grant Programs

Contact Information
<p>Contact: Sara Fisher-Goad, Executive Director Phone: (907) 771-3000 Fax: (907) 771-3044 E-mail: sfishergoad@aidea.org</p>

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

Component: Alaska Energy Authority Rural Energy Assistance (2600)
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	19.1	135.3	132.0	132.0	132.0	0.0	0.0%
73000 Services	2,778.9	5,662.7	5,612.7	5,612.7	5,505.2	-107.5	-1.9%
74000 Commodities	101.9	48.0	48.0	48.0	48.0	0.0	0.0%
75000 Capital Outlay	74.7	10.0	10.0	10.0	10.0	0.0	0.0%
77000 Grants, Benefits	0.0	100.0	100.0	100.0	100.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	2,974.6	5,956.0	5,902.7	5,902.7	5,795.2	-107.5	-1.8%
Fund Sources:							
1002Fed Rcpts (Fed)	0.0	230.0	230.0	230.0	445.0	215.0	93.5%
1004Gen Fund (UGF)	1,224.1	1,787.5	1,735.5	1,735.5	1,413.0	-322.5	-18.6%
1005GF/Prgm (DGF)	0.0	100.0	100.0	100.0	100.0	0.0	0.0%
1007I/A Rcpts (Other)	0.0	123.9	123.9	123.9	123.9	0.0	0.0%
1061CIP Rcpts (Other)	1,278.3	2,567.8	2,567.8	2,567.8	2,567.8	0.0	0.0%
1062Power Proj (DGF)	457.3	996.8	995.5	995.5	995.5	0.0	0.0%
1108Stat Desig (Other)	14.9	150.0	150.0	150.0	150.0	0.0	0.0%
Unrestricted General (UGF)	1,224.1	1,787.5	1,735.5	1,735.5	1,413.0	-322.5	-18.6%
Designated General (DGF)	457.3	1,096.8	1,095.5	1,095.5	1,095.5	0.0	0.0%
Other Funds	1,293.2	2,841.7	2,841.7	2,841.7	2,841.7	0.0	0.0%
Federal Funds	0.0	230.0	230.0	230.0	445.0	215.0	93.5%
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 Rural Energy Assistance (2600)

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	5,956.0	0.0	135.3	5,662.7	48.0	10.0	100.0	0.0	0	0	0
1002 Fed Rcpts		230.0										
1004 Gen Fund		1,787.5										
1005 GF/Prgm		100.0										
1007 I/A Rcpts		123.9										
1061 CIP Rcpts		2,567.8										
1062 Power Proj		996.8										
1108 Stat Desig		150.0										
Align Authority for Unallocated Travel Reduction												
	Unalloc	-3.3	0.0	-3.3	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-2.0										
1062 Power Proj		-1.3										
Distribute FY2016 unallocated travel reduction based on prior-year actuals.												
Reduce Conference and Sponsorship Costs and Rural Outreach for Energy Programs												
	Unalloc	-50.0	0.0	0.0	-50.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-50.0										
The Alaska Energy Authority (AEA) is targeting conference and sponsorship costs as areas of reduction. There is also a planned reduction in the Rural Energy Conference that will result in less employee travel and participation in the conference. The impact of these reductions is less public presence by AEA in communities, and less public outreach and promotion of AEA rural programs resulting in rural communities less likely to be assisted by rural programs that target energy cost reduction.												
Subtotal		5,902.7	0.0	132.0	5,612.7	48.0	10.0	100.0	0.0	0	0	0
***** Changes From FY2016 Management Plan To FY2017 Governor *****												
Reduce Power Plant and Bulk Fuel Training Programs												
	Dec	-36.0	0.0	0.0	-36.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-36.0										
Proper maintenance of energy infrastructure is an essential component of delivering safe and reliable power to a community. The Alaska Energy Authority provides training opportunities for local residents to learn how to operate and maintain their energy infrastructure and to assist utilities to keep their facilities code-compliant and managed sustainably. These training opportunities are provided through Alaska Vocational Technical Center (AVTEC) in Seward via contract. Fewer trainings will be available in FY2017 and fewer community operators will be trained.												
Replace General Funds with Unbudgeted Capital Improvement Project Receipts												
	Dec	-71.5	0.0	0.0	-71.5	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-71.5										

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

Component: Alaska Energy Authority Rural Energy Assistance (2600)

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	
<p>The Alaska Energy Authority (AEA) will redirect some activities currently funded by general funds in the operating budget to capital improvement project receipts funded via unbudgeted reimbursable services agreements. Funding from capital projects will decline as projects are completed; AEA anticipates reducing operating activities that supported capital projects commensurately with the decreased capital funding.</p>												
Maintain Community Assistance Efforts with Federal Funding												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		215.0										
1004 Gen Fund		-215.0										
<p>The Alaska Energy Authority is working with the U.S. Department of Energy to secure federal funding for two positions that support community assistance efforts. If federal funding does not become available, two positions that support community assistance efforts will be deleted.</p>												
Transfer Out FY2016 One-Time Salary Reductions to Unallocated in FY2017												
	SalAdj	156.7	0.0	0.0	156.7	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		156.7										
<p>Restore UGF FY2016 Salary Increases because cuts taken in other expenditure lines.</p>												
Reverse FY2016 One-Time Unrestricted General Fund Salary Adjustments in FY2017 Budget Request												
	SalAdj	-156.7	0.0	0.0	-156.7	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-156.7										
<p>Alaska Industrial Development and Export Authority health benefit decrease reflected through a reimbursable services agreement with the Alaska Energy Authority.</p>												
<p>Alaska Industrial Development and Export Authority salary increases that are supported through a reimbursable services agreement with the Alaska Energy Authority.</p>												
Totals		5,795.2	0.0	132.0	5,505.2	48.0	10.0	100.0	0.0	0	0	0

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

Component: Alaska Energy Authority Rural Energy Assistance (2600)
RDU: Alaska Energy Authority (453)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000	Travel		19.1	132.0	132.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000 Travel Detail Totals			19.1	132.0	132.0
72110	Employee Travel (Instate)	In-State Transportation - Transportation costs for travel relating to field work, administration, conventions and meetings.	6.0	60.0	60.0
72120	Nonemployee Travel (Instate Travel)	In-state non-employee travel.	2.0	50.0	50.0
72410	Employee Travel (Out of state)	Out-of-State Transportation - Transportation costs for travel relating to field work, administration, conventions and meetings.	11.1	22.0	22.0

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

Component: Alaska Energy Authority Rural Energy Assistance (2600)
RDU: Alaska Energy Authority (453)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000	Services		2,778.9	5,612.7	5,505.2
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000 Services Detail Totals			2,778.9	5,612.7	5,505.2
73025	Education Services	Training, educational conferences, agency memberships, tuition, books and fees for work-related courses.	19.5	19.5	19.5
73050	Financial Services	Accounting, auditing, management consulting, grantee monitoring, loan servicing and insurance related services.	38.4	38.4	38.4
73156	Telecommunication	Local, long-distance, and cellular telephone charges, television, data/network, telecommunication equipment, and other wireless charges from outside vendors.	43.8	43.8	43.8
73225	Delivery Services	Freight, courier service, and postage.	2.2	2.2	2.2
73450	Advertising & Promos	Advertising, promotions and legal notices.	13.7	13.7	13.7
73525	Utilities	Electricity, heating fuel, water, sewage and waste disposal.	28.7	28.7	28.7
73650	Struc/Infstruct/Land	Structure, infrastructure and land repairs, maintenance, rentals and leases.	9.6	9.6	9.6
73750	Other Services (Non IA Svcs)	Program management/consulting, economic/development, safety-related services, printing, copying, and other services.	250.0	3,083.8	2,976.3
73812	Legal	Law			
		Legal services and fees.	51.3	51.3	51.3
73979	Mgmt/Consulting (IA Svcs)	AIDEA			
		RSA with AIDEA for personal services.	2,154.6	2,154.6	2,154.6
73979	Mgmt/Consulting (IA Svcs)	Commissioner's Office			
		Commissioner's Office and Division of Administrative Services – Management Support Services.	167.1	167.1	167.1

Line Item Detail

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

Component: Alaska Energy Authority Rural Energy Assistance (2600)

RDU: Alaska Energy Authority (453)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000	Commodities		101.9	48.0	48.0
Expenditure Account			FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
	Servicing Agency	Explanation			
74000 Commodities Detail Totals			101.9	48.0	48.0
74200	Business	Supplies for office, library, training, and instructional needs, including small equipment, tools and subscriptions.	96.4	48.0	48.0
74650	Repair/Maintenance (Commodities)	Repair and maintenance costs.	5.5	0.0	0.0

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

Component: Alaska Energy Authority Rural Energy Assistance (2600)
RDU: Alaska Energy Authority (453)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
75000	Capital Outlay		74.7	10.0	10.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
75000 Capital Outlay Detail Totals			74.7	10.0	10.0
75700	Equipment	Information technology, communication, electronic, safety, industrial, and transportation equipment.	74.7	10.0	10.0

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

Component: Alaska Energy Authority Rural Energy Assistance (2600)
RDU: Alaska Energy Authority (453)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
77000	Grants, Benefits		0.0	100.0	100.0
			FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
Expenditure Account	Servicing Agency	Explanation			
77000 Grants, Benefits Detail Totals			0.0	100.0	100.0
77110	Grants	Grants for Bulk Fuel Tank, Power Plant, Hydroelectric and Spill Response Training.	0.0	100.0	100.0

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

Component: Alaska Energy Authority Rural Energy Assistance (2600)
RDU: Alaska Energy Authority (453)

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
68515	Unrestricted Fund				1,224.1	1,735.5	1,413.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
68515	Unrestrict Fu Source General fund receipts.				1,224.1	1,735.5	1,413.0

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

Component: Alaska Energy Authority Rural Energy Assistance (2600)
RDU: Alaska Energy Authority (453)

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51010	Federal Receipts				0.0	230.0	445.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51010	Federal Receipts				0.0	230.0	445.0
	Miscellaneous federal receipts						

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

Component: Alaska Energy Authority Rural Energy Assistance (2600)
RDU: Alaska Energy Authority (453)

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51015	Interagency Receipts				0.0	123.9	123.9
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51015	Interagency Receipts				0.0	123.9	123.9
	Emergency generators on-going operations and maintenance costs.						

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

Component: Alaska Energy Authority Rural Energy Assistance (2600)
RDU: Alaska Energy Authority (453)

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51060	General Fund Program Receipts				0.0	100.0	100.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51060	GF Program Receipts Conference receipts.				0.0	100.0	100.0

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

Component: Alaska Energy Authority Rural Energy Assistance (2600)
RDU: Alaska Energy Authority (453)

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51063	Statutory Designated Program Receipts				14.9	150.0	150.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51063	Stat Desig Prog Rec Miscellaneous receipts from the private sector.				14.9	150.0	150.0

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

Component: Alaska Energy Authority Rural Energy Assistance (2600)
RDU: Alaska Energy Authority (453)

Master Account	Revenue Description	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51200	Capital Improvement Project Receipts	1,278.3	2,567.8	2,567.8

Detail Information					FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund			
51200	Cap Improv Proj Rec Capital project receipts.				1,278.3	2,567.8	2,567.8

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

Component: Alaska Energy Authority Rural Energy Assistance (2600)
RDU: Alaska Energy Authority (453)

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51350	Power Project Loan Fund				457.3	995.5	995.5
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51350	Power Project Ln Fund				457.3	995.5	995.5
	Power Project Fund AS 42.45.010						

Interagency Services
Department of Commerce, Community, and Economic Development

Component: Alaska Energy Authority Rural Energy Assistance (2600)
RDU: Alaska Energy Authority (453)

Expenditure Account		Service Description	Service Type	Servicing Agency	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73812	Legal	Legal services and fees.	Inter-dept	Law	51.3	51.3	51.3
73812 Legal subtotal:					51.3	51.3	51.3
73979	Mgmt/Consulting (IA Svcs)	RSA with AIDEA for personal services.	Intra-dept	AIDEA	2,154.6	2,154.6	2,154.6
73979	Mgmt/Consulting (IA Svcs)	Commissioner's Office and Division of Administrative Services – Management Support Services.	Intra-dept	Commissioner's Office	167.1	167.1	167.1
73979 Mgmt/Consulting (IA Svcs) subtotal:					2,321.7	2,321.7	2,321.7
Alaska Energy Authority Rural Energy Assistance total:					2,373.0	2,373.0	2,373.0
Grand Total:					2,373.0	2,373.0	2,373.0