

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

## **Department of Commerce, Community, and Economic Development Statewide Project Development, Alternative Energy and Efficiency Component Budget Summary**

Component: Statewide Project Development, Alternative Energy and Efficiency

## Contribution to Department's Mission

Assist in developing projects in Alaska that reduce and stabilize the cost of energy and decrease dependency on diesel and heating oil.

## Major Component Accomplishments in 2015

**Alternative Energy and Energy Efficiency:** The Alaska Energy Authority (AEA) has increased statewide knowledge and capacity to install effective alternative energy systems by providing outstanding technical workshops and technical assistance through the alternative energy program. One of the best examples was a cordwood operator training conducted in April 2015 in Tanana. Seventeen biomass operators from nine villages attended to receive hands-on training on operating, maintaining and maximizing the effectiveness of woody biomass cordwood heating systems.

**Renewable Energy Grant Fund Program:** The Renewable Energy Fund (REF) has funded 287 grants to assess or develop renewable energy projects state-wide. In 2014, constructed REF projects saved approximately 15 million gallons of diesel fuel equivalent, and the savings will grow to an estimated 20 million gallons per year by the end of 2015. The energy generation grows each year as more projects progress through the construction phase and become operational.

**Wind Energy:** Since 2012, Alaska's wind energy installed capacity grew from 15.3 megawatts to 63.8 megawatts. This development has been strongly supported through AEA's wind program and the Renewable Energy Fund.

**Hydroelectric Energy:** AEA's hydroelectric program monitors and manages 70 projects throughout the State. Projects range from concepts to operational. AEA recognizes that hydroelectric power is critical to meeting Alaska's renewable energy standards and provides long term benefits and energy security to Alaska communities. The hydro program is currently focused on improving efficiency and quality in development, lowering the cost of construction, and assisting with development work.

**Biomass program:** The biomass program has provided funding for many woody biomass heating systems for schools and public buildings which reduces diesel fuel use and keeps the money for fuel (wood) within the community. The program also develops many innovative tools for more effective use of biomass energy such as a Greenhouse Handbook to use excess biomass heat to grow vegetables locally.

**Emerging Energy Technology Fund:** The Emerging Energy Technology fund has funded 21 emerging energy technologies that are attempting to commercialize energy technologies that will help advance Alaska's systems. These range from flywheel testing, to River In-Stream Energy Conversion hydrokinetic device testing, to cold climate heat pump demonstrations. The program helps advance these new technologies to commercialization in Alaska by partnering with the private sector developers to advance and test technologies. The data from each project is collected and analyzed by a third party. The learnings from each project are made public to advance the knowledge of these emerging technologies and their potential applications in Alaska.

## Key Component Challenges

Declining state and federal funds for alternative energy, energy efficiency, renewable energy projects, and emerging energy technologies increases reliance on fossil fuels, which leads to energy cost instability for rural communities already facing high energy costs. Reliance on fossil fuels makes the state energy policy of 15 percent energy efficiency by 2020 and 50% renewable energy goal by 2025 difficult if not impossible to achieve.

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.

### Significant Changes in Results to be Delivered in FY2017

Reduced general funds will directly impact community outreach and technical assistance efforts. If capital projects are not appropriated, AEA's ability to carry out the mission of developing projects in Alaska that reduce and stabilize the cost of energy and decrease dependency on diesel and heating oil will be impacted.

### Statutory and Regulatory Authority

AS 42.45      Rural and Statewide Energy Programs  
AS 44.83      Alaska Energy Authority  
3 AAC 107     Grant Programs

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

**Component:** Statewide Project Development, Alternative Energy and Efficiency (2888)  
**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	121.1	48.5	43.3	43.3	43.3	0.0	0.0%
73000 Services	6,909.6	6,668.0	8,489.9	8,489.9	6,313.0	-2,176.9	-25.6%
74000 Commodities	81.5	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	38.6	12.2	12.2	12.2	12.2	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>7,150.8</b>	<b>6,728.7</b>	<b>8,545.4</b>	<b>8,545.4</b>	<b>6,368.5</b>	<b>-2,176.9</b>	<b>-25.5%</b>
<b>Fund Sources:</b>							
1002Fed Rcpts (Fed)	271.2	41.9	41.9	41.9	41.9	0.0	0.0%
1004Gen Fund (UGF)	1,163.8	975.9	2,796.3	2,796.3	619.4	-2,176.9	-77.8%
1007I/A Rcpts (Other)	0.0	50.0	50.0	50.0	50.0	0.0	0.0%
1061CIP Rcpts (Other)	2,964.9	3,388.9	3,388.9	3,388.9	3,388.9	0.0	0.0%
1062Power Proj (DGF)	595.9	56.4	55.4	55.4	55.4	0.0	0.0%
1108Stat Desig (Other)	0.0	60.6	60.6	60.6	60.6	0.0	0.0%
1210Renew Ener (DGF)	2,155.0	2,155.0	2,152.3	2,152.3	2,152.3	0.0	0.0%
<b>Unrestricted General (UGF)</b>	<b>1,163.8</b>	<b>975.9</b>	<b>2,796.3</b>	<b>2,796.3</b>	<b>619.4</b>	<b>-2,176.9</b>	<b>-77.8%</b>
<b>Designated General (DGF)</b>	<b>2,750.9</b>	<b>2,211.4</b>	<b>2,207.7</b>	<b>2,207.7</b>	<b>2,207.7</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>2,964.9</b>	<b>3,499.5</b>	<b>3,499.5</b>	<b>3,499.5</b>	<b>3,499.5</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>271.2</b>	<b>41.9</b>	<b>41.9</b>	<b>41.9</b>	<b>41.9</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:** Statewide Project Development, Alternative Energy and Efficiency (2888)

**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 *****												
<b>FY2016 Conference Committee</b>												
	ConfCom	6,728.7	0.0	48.5	6,668.0	0.0	12.2	0.0	0.0	0	0	0
1002 Fed Rcpts		41.9										
1004 Gen Fund		975.9										
1007 I/A Rcpts		50.0										
1061 CIP Rcpts		3,388.9										
1062 Power Proj		56.4										
1108 Stat Desig		60.6										
1210 Renew Ener		2,155.0										
<b>Align Authority for Unallocated Travel Reduction</b>												
	Unalloc	-5.2	0.0	-5.2	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-1.5										
1062 Power Proj		-1.0										
1210 Renew Ener		-2.7										
Distribute FY2016 unallocated travel reduction based on prior-year actuals.												
<b>Infrastructure to Promote Affordable Energy Sec13b Ch18 SLA2014 P101 L6 (SB119) (FY14-FY17)</b>												
	CarryFwd	1,821.9	0.0	0.0	1,821.9	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		1,821.9										
(b) The sum of \$2,025,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, to plan and make recommendations to the legislature on infrastructure needed to deliver affordable energy to areas in the state that do not have direct access to a North Slope natural gas pipeline for the fiscal years ending June 30, 2014, June 30, 2015, June 30, 2016, and June 30, 2017.												
Original Appropriation: \$2,025.0												
FY2014 Expenditures: \$15.2												
FY2015 Expenditures: \$187.9												
FY2016 Carryforward: \$1,821.9												
<b>Subtotal</b>		<b>8,545.4</b>	<b>0.0</b>	<b>43.3</b>	<b>8,489.9</b>	<b>0.0</b>	<b>12.2</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>Reduce Shared Financial and Administrative Support</b>												
	Dec	-35.0	0.0	0.0	-35.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-35.0										

Support staff for the Alaska Energy Authority (AEA) and the Alaska Industrial Development and Export Authority is shared. As other agency activities are reduced, AEA will require less shared financial and administrative support.

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

**Component:** Statewide Project Development, Alternative Energy and Efficiency (2888)

**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	
<b>Delete Technical Support and Community Outreach Staff</b>												
1004 Gen Fund	Dec	-200.0	0.0	0.0	-200.0	0.0	0.0	0.0	0.0	0	0	0
Delete two full-time positions that provide both project technical assistance and data analysis of projects as well as outreach to communities, energy partners, and other regional stakeholders. The technical support and outreach programs help expand statewide knowledge of AEA programs and facilitate closer communications between communities, state agencies, and vendors to identify solutions to energy issues across Alaska. Loss of these positions will result in slower response time to community inquires, a decrease in outreach and assistance to communities for completing grant program applications, and fewer staff resources to manage existing project workload. (Positions counted in AIDEA)												
<b>Delete Energy Policy &amp; Outreach Director (08-0405)</b>												
1004 Gen Fund	Dec	-120.0	0.0	0.0	-120.0	0.0	0.0	0.0	0.0	0	0	0
The Alaska Energy Authority's Energy Policy & Outreach Director (08-0405) is planning to retire in FY2016. This position provides service to both Alaska Energy Authority and Alaska Industrial Development and Export Authority. The position will not be refilled, and duties related to ongoing projects will be redistributed to existing staff. (the Position is counted in Alaska Industrial Development and Export Authority)												
<b>Reverse Infrastructure to Promote Affordable Energy Sec13b Ch18 SLA2014 P101 L6 (SB119) (FY14-FY17)</b>												
1004 Gen Fund	OTI	-1,821.9	0.0	0.0	-1,821.9	0.0	0.0	0.0	0.0	0	0	0
The sum of \$2,025,000 was appropriated from the general fund to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, to plan and make recommendations to the legislature on infrastructure needed to deliver affordable energy to areas in the state that do not have direct access to a North Slope natural gas pipeline for the fiscal years ending June 30, 2014, June 30, 2015, June 30, 2016, and June 30, 2017.												
Original Appropriation: \$2,025.0 FY2014 Expenditures: \$15.2 FY2015 Expenditures: \$187.9 FY2016 Carryforward: \$1,821.9												
<b>Totals</b>		<b>6,368.5</b>	<b>0.0</b>	<b>43.3</b>	<b>6,313.0</b>	<b>0.0</b>	<b>12.2</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:** Statewide Project Development, Alternative Energy and Efficiency (2888)  
**RDU:** Alaska Energy Authority (453)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000	Travel		121.1	43.3	43.3
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
<b>72000 Travel Detail Totals</b>			<b>121.1</b>	<b>43.3</b>	<b>43.3</b>
72110	Employee Travel (Instate)	In-State Employee Travel.	101.1	33.2	33.2
72120	Nonemployee Travel (Instate Travel)	In-state non-employee travel.	6.2	0.0	0.0
72410	Employee Travel (Out of state)	Out-of-State Employee Travel.	13.8	10.1	10.1

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

**Component:** Statewide Project Development, Alternative Energy and Efficiency (2888)  
**RDU:** Alaska Energy Authority (453)

Line Number	Line Name			FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000	Services			6,909.6	8,489.9	6,313.0
Expenditure Account	Servicing Agency	Explanation		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
<b>73000 Services Detail Totals</b>				<b>6,909.6</b>	<b>8,489.9</b>	<b>6,313.0</b>
73025	Education Services	Training, educational conferences, agency memberships, tuition, books and fees for work-related courses.		52.0	52.0	52.0
73050	Financial Services	Financial services.		38.4	38.4	38.4
73075	Legal & Judicial Svc	Legal costs		2.0	2.0	2.0
73156	Telecommunication	Local, long-distance, and cellular telephone charges, television, data/network, telecommunication equipment, and other wireless charges from outside vendors.		23.8	23.8	23.8
73225	Delivery Services	Freight, courier service, and postage.		2.7	3.4	3.8
73450	Advertising & Promos	Advertising, promotions and legal notices.		17.5	17.5	17.5
73650	Struc/Infstruct/Land	Rentals and leases.		68.9	68.9	68.9
73750	Other Services (Non IA Svcs)	Program management/consulting, economic/development, safety-related services, printing, copying, and other services.		603.7	2,183.3	346.0
73812	Legal	Law	RSA with Department of Law for legal services.	53.6	53.6	53.6
73979	Mgmt/Consulting (IA Svcs)	Administrative Services	Administrative Services.	165.7	165.7	165.7
73979	Mgmt/Consulting (IA Svcs)	AIDEA	RSA with AIDEA for personal services.	5,881.3	5,881.3	5,541.3

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

**Component:** Statewide Project Development, Alternative Energy and Efficiency (2888)  
**RDU:** Alaska Energy Authority (453)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000	Commodities		81.5	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
<b>74000 Commodities Detail Totals</b>			<b>81.5</b>	<b>0.0</b>	<b>0.0</b>
74200	Business	Supplies for office, library, training, and instructional needs, including small equipment, tools and subscriptions.	81.5	0.0	0.0

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

**Component:** Statewide Project Development, Alternative Energy and Efficiency (2888)  
**RDU:** Alaska Energy Authority (453)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
75000	Capital Outlay		38.6	12.2	12.2
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
<b>75000 Capital Outlay Detail Totals</b>			<b>38.6</b>	<b>12.2</b>	<b>12.2</b>
75700	Equipment	Information technology, communication, electronic, safety, industrial, and transportation equipment.	38.6	12.2	12.2

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

**Component:** Statewide Project Development, Alternative Energy and Efficiency (2888)  
**RDU:** Alaska Energy Authority (453)

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
68515	Unrestricted Fund				1,163.8	2,796.3	619.4
<b>Detail Information</b>							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
68515	Unrestrict Fu Source Unrestricted Fund Source.				1,163.8	2,796.3	619.4

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

**Component:** Statewide Project Development, Alternative Energy and Efficiency (2888)  
**RDU:** Alaska Energy Authority (453)

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51010	Federal Receipts				271.2	41.9	41.9
<b>Detail Information</b>							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51010	Federal Receipts				271.2	41.9	41.9
	Federal program receipts.						

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

**Component:** Statewide Project Development, Alternative Energy and Efficiency (2888)  
**RDU:** Alaska Energy Authority (453)

<b>Master Account</b>	<b>Revenue Description</b>	<b>FY2015 Actuals</b>	<b>FY2016 Management Plan</b>	<b>FY2017 Governor</b>
51015	Interagency Receipts	0.0	50.0	50.0

<b>Detail Information</b>					<b>FY2015 Actuals</b>	<b>FY2016 Management Plan</b>	<b>FY2017 Governor</b>
<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>			
51015	Interagency Receipts	Statewide			0.0	50.0	50.0
	Misc. interagency receipts received annually from various departments. Specific details are not available at this time, however the authority is needed to allow the division to provide services and assistance to communities when projects are requested from other departments.						

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

**Component:** Statewide Project Development, Alternative Energy and Efficiency (2888)  
**RDU:** Alaska Energy Authority (453)

<b>Master Account</b>	<b>Revenue Description</b>				<b>FY2015 Actuals</b>	<b>FY2016 Management Plan</b>	<b>FY2017 Governor</b>
51063	Statutory Designated Program Receipts				0.0	60.6	60.6
<b>Detail Information</b>							
<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2015 Actuals</b>	<b>FY2016 Management Plan</b>	<b>FY2017 Governor</b>
51063	Stat Desig Prog Rec Miscellaneous receipts from the private sector.				0.0	60.6	60.6

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

**Component:** Statewide Project Development, Alternative Energy and Efficiency (2888)  
**RDU:** Alaska Energy Authority (453)

Master Account	Revenue Description	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51200	Capital Improvement Project Receipts	2,964.9	3,388.9	3,388.9

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.				2,964.9	3,388.9	3,388.9

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

**Component:** Statewide Project Development, Alternative Energy and Efficiency (2888)  
**RDU:** Alaska Energy Authority (453)

Master Account	Revenue Description	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51350	Power Project Loan Fund	595.9	55.4	55.4

Detail Information					FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund			
51350	Power Project Ln Fund				595.9	55.4	55.4
	Power Project Fund AS 42.45.010.						

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

**Component:** Statewide Project Development, Alternative Energy and Efficiency (2888)  
**RDU:** Alaska Energy Authority (453)

<b>Master Account</b>	<b>Revenue Description</b>	<b>FY2015 Actuals</b>	<b>FY2016 Management Plan</b>	<b>FY2017 Governor</b>
51495	Renewable Energy Grant Fund	2,155.0	2,152.3	2,152.3

<b>Detail Information</b>					<b>FY2015 Actuals</b>	<b>FY2016 Management Plan</b>	<b>FY2017 Governor</b>
<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>			
51495	Renewable Energy Grant Fund Renewable Grant Fund Administration.				2,155.0	2,152.3	2,152.3

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

**Component:** Statewide Project Development, Alternative Energy and Efficiency (2888)  
**RDU:** Alaska Energy Authority (453)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73812	Legal	RSA with Department of Law for legal services.	Inter-dept	Law	53.6	53.6
					<b>53.6</b>	<b>53.6</b>
73979	Mgmt/Consulting (IA Svcs)	Administrative Services.	Inter-dept	Administrative Services	165.7	165.7
73979	Mgmt/Consulting (IA Svcs)	RSA with AIDEA for personal services.	Intra-dept	AIDEA	5,881.3	5,541.3
					<b>6,047.0</b>	<b>5,707.0</b>
					<b>6,100.6</b>	<b>5,760.6</b>
					<b>6,100.6</b>	<b>5,760.6</b>