

State of Alaska FY2012 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.

- Alaska Energy Authority (AEA) is implementing powerhouse monitoring systems that will provide real-time, accurate fuel consumption data which should be available in FY11.
- As of August 2010, the proportion of electricity generated from renewable sources continues to be estimated at 24%. An updated estimate is expected in December 2010.

Status of Strategies to Achieve End Result

- 60% of rural power system upgrades were completed by the end of FY10, with 45 more communities to be completed.
- 4.37% delinquency rate on the \$1.6 million outstanding Bulk Fuel Revolving Loans for FY10, meeting the 5% or less.
- 54 rural residents were trained to manage and operate rural energy infrastructure and programs in FY10.
- 92% of the rural bulk fuel facilities were updated by the end of FY10. Eight communities, or 8%, remain to be completed.
- 87.5% of the 96 eligible electric utilities received Power Cost Equalization payments in FY10; decreasing from 96.5% in FY09.
- As of July 30, 2010, 83% of the Renewable Energy Fund projects were under way.

Key RDU Challenges

See components.

Significant Changes in Results to be Delivered in FY2012

See components.

Major RDU Accomplishments in 2010

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

	FY2010 Actuals				FY2011 Management Plan				FY2012 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
Formula Expenditures												
AEA Power Cost Equalization	31,655.3	0.0	0.0	31,655.3	36,300.0	0.0	0.0	36,300.0	34,340.0	0.0	0.0	34,340.0
Non-Formula Expenditures												
AEA Owned Facilities	0.0	217.4	0.0	217.4	0.0	1,067.1	0.0	1,067.1	0.0	1,067.1	0.0	1,067.1
AEA Rural Energy Operations	1,150.5	1,945.4	19.1	3,115.0	1,429.5	3,726.9	530.0	5,686.4	1,919.4	3,726.9	230.0	5,876.3
AEA Technical Assistance	100.7	0.0	0.0	100.7	100.7	0.0	0.0	100.7	100.7	0.0	0.0	100.7
Alternative Energy & Efficiency	559.2	2,123.2	0.0	2,682.4	3,245.5	410.6	41.9	3,698.0	3,151.9	410.6	41.9	3,604.4
Totals	33,465.7	4,286.0	19.1	37,770.8	41,075.7	5,204.6	571.9	46,852.2	39,512.0	5,204.6	271.9	44,988.5

Alaska Energy Authority
Summary of RDU Budget Changes by Component
From FY2011 Management Plan to FY2012 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>
FY2011 Management Plan	16,295.3	24,780.4	5,204.6	571.9	46,852.2
Adjustments which will continue current level of service:					
-AEA Rural Energy Operations	189.9	0.0	0.0	0.0	189.9
-AEA Power Cost Equalization	-12,626.4	-23,673.6	0.0	0.0	-36,300.0
-Alternative Energy & Efficiency	-2,093.6	0.0	0.0	0.0	-2,093.6
Proposed budget decreases:					
-AEA Rural Energy Operations	0.0	0.0	0.0	-300.0	-300.0
Proposed budget increases:					
-AEA Rural Energy Operations	300.0	0.0	0.0	0.0	300.0
-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	0.0	0.0	2,000.0
FY2012 Governor	14,894.6	24,617.4	5,204.6	271.9	44,988.5