

AP/AL: Allocation **Project Type:** Energy
Category: Development
Location: Statewide **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40) **Contact:** Sara Fisher-Goad
Estimated Project Dates: 07/01/2012 - 06/30/2017 **Contact Phone:** (907)771-3000
Appropriation: Alaska Energy Authority - Energy Projects

Brief Summary and Statement of Need:

This request addresses the federally funded Rural Power Systems Upgrade (RPSU) energy project. The project contributes to the department's mission of promoting a healthy economy and strong communities by providing economic growth in the communities it serves.

Funding:	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	Total
Fed Rcpts	\$3,000,000	\$3,000,000	\$3,000,000				\$9,000,000
Gen Fund	\$10,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$45,000,000
Total:	\$13,000,000	\$10,000,000	\$10,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$54,000,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:

Refer to the funding matrix in the Energy Projects Appropriation

Project Description/Justification:

Rural Power System Upgrades (RPSU): This program concentrates on power production and delivery, including diesel powerhouse, hydroelectric, and electrical distribution. Due to high costs and limited economies of scale, most local communities cannot make the capital investments needed to meet accepted utility standards. Efficiency, reliability, safety and sustainability are primary drivers throughout the conceptual design, final design and construction process. It is not uncommon to see a 30-40 percent increase in fuel savings after a new powerhouse project is completed.

After completion of the project, the rural utility is required to employ a qualified operator to ensure that the system is properly operated and maintained. AEA provides training and technical assistance to assist the community with proper operation of the new facility.

\$112 million is the estimated need to complete the Rural Power System Upgrades for the remaining 47 communities identified on the deficiency list. This is a long standing energy program that has expanded since fiscal year 1999 with federal funding from the Denali Commission. In FY2013, AEA anticipates \$3 million in federal funds. AEA anticipates using approximately \$10 million in state funds for RPSU projects.

