

## Component Detail (1077)

### Department of Commerce, Community, and Economic Development

**Component:** Alaska Energy Authority Power Cost Equalization (2602)

Formula Component

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

IRIS AP Type: DA26

	FY2018 Actuals (15158)	FY2019 Conference Committee (14954)	FY2019 Authorized (14962)	FY2019 Management Plan (14994)	FY2020 Governor (15610)	FY2020 Governor Amended (15636)	FY2020 Governor vs FY2020 Governor Amended		
1000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
2000 Travel	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
3000 Services	353.4	355.0	355.0	355.0	355.0	355.0	0.0	0.0	0.0%
4000 Commodities	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
5000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
7000 Grants, Benefits	26,195.8	32,000.0	32,000.0	32,000.0	32,000.0	32,000.0	0.0	0.0	0.0%
8000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>26,550.8</b>	<b>32,355.0</b>	<b>32,355.0</b>	<b>32,355.0</b>	<b>32,355.0</b>	<b>32,355.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b><u>Funding Sources:</u></b>									
1004 Gen Fund (UGF)	0.0	0.0	0.0	0.0	0.0	32,355.0	32,355.0	100.0%	
1169 PCE Endow (DGF)	26,550.8	32,355.0	32,355.0	32,355.0	32,355.0	0.0	-32,355.0	-100.0%	
<b><u>Funding Totals:</u></b>									
<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>32,355.0</b>	<b>32,355.0</b>	<b>100.0%</b>	
<b>Designated General (DGF)</b>	<b>26,550.8</b>	<b>32,355.0</b>	<b>32,355.0</b>	<b>32,355.0</b>	<b>32,355.0</b>	<b>0.0</b>	<b>-32,355.0</b>	<b>-100.0%</b>	
<b>Other</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>0.0%</b>	
<b>Federal</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>0.0%</b>	
<b><u>Positions:</u></b>									
Permanent Full Time	0	0	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0	0	0.0%

**Change Record Detail - Multiple Scenarios with Descriptions (294)**  
**Department of Commerce, Community, and Economic Development**

**Component:** Alaska Energy Authority Power Cost Equalization (2602)  
**RDU:** Alaska Energy Authority (453)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	PFT	Positions PPT	NP
***** Changes From FY2019 Conference Committee To FY2019 Authorized *****												
<b>Power Cost Equalization Sec11f Ch17 SLA2018 P73 L12 (HB286)</b>												
(Language)	ConfC(L)	32,355.0	0.0	0.0	355.0	0.0	0.0	32,000.0	0.0	0	0	0
1169 PCE Endow		32,355.0										
<p>(f) The amount necessary, estimated to be \$32,355,000, not to exceed the amount determined under AS 42.45.085(a), is appropriated from the power cost equalization endowment fund (AS 42.45.070(a)) to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, power cost equalization allocation, for the fiscal year ending June 30, 2019.</p>												
<b>Subtotal</b>		<b>32,355.0</b>	<b>0.0</b>	<b>0.0</b>	<b>355.0</b>	<b>0.0</b>	<b>0.0</b>	<b>32,000.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2019 Management Plan To FY2020 Governor Amended *****												
<b>Reverse Power Cost Equalization and Endowment Funding for FY2019</b>												
(Language)	OTI	-32,355.0	0.0	0.0	-355.0	0.0	0.0	-32,000.0	0.0	0	0	0
1169 PCE Endow		-32,355.0										
Reverse language section appropriation made in SLA2018.												
<b>Restore Power Cost Equalization and Endowment Funding for FY2020</b>												
(Language)	IncM	32,355.0	0.0	0.0	355.0	0.0	0.0	32,000.0	0.0	0	0	0
1004 Gen Fund		32,355.0										
<p>The Power Cost Equalization (PCE) program provides economic assistance to communities and residents in rural areas, where the cost of electricity can be three to five times higher than for customers in more urban areas of the state. The program was created to equalize power cost per kilowatt-hour (kWh) statewide at a cost close to or equal to the mean of the cost per kWh in Anchorage, Fairbanks, and Juneau. PCE is a core element underlying the financial viability of centralized power generation in rural communities.</p> <p>Under Alaska Statutes 42.45.100-170, the Regulatory Commission of Alaska determines if a utility is eligible to participate in the program and calculates the amount of PCE per kWh payable to the utility. The Alaska Energy Authority determines eligibility of community facilities and residential customers and authorizes reimbursement to the electric utility for the PCE credits extended to customers.</p> <p>Power Cost Equalization program payments are expected to remain stable in FY2020. Program costs are also impacted by the "PCE floor" calculated by the RCA. In FY2017, because of increases in the cost of power in urban Alaska, the PCE floor was raised, reducing the number of communities eligible for residential reimbursement and lowering the overall cost of the program. At this time, AEA does not expect the program payments to exceed \$32 million in FY2020. However, changing factors can cause this estimate to be higher or lower than actual costs.</p> <p>In FY2020, Power Cost Equalization payments and associated program management will be funded by general funds.</p>												
<b>Totals</b>		<b>32,355.0</b>	<b>0.0</b>	<b>0.0</b>	<b>355.0</b>	<b>0.0</b>	<b>0.0</b>	<b>32,000.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>