

**State of Alaska**  
**FY2020 Governor's Operating Budget**

**Department of Commerce, Community, and Economic  
Development**  
**Alaska Energy Authority Owned Facilities**  
**Component Budget Summary**

Component: Alaska Energy Authority Owned Facilities

### Contribution to Department's Mission

Management and development of AEA owned infrastructure.

### Major Component Accomplishments in 2018

**Alaska Intertie Project:** The Alaska Energy Authority (AEA) continues to work with the Intertie Management Committee (IMC) on issues related to the operation and maintenance of the Anchorage to Fairbanks Intertie. AEA is working with the IMC to identify a logical termination point for the intertie extension that is based on the most recent generation and transmission planning scenarios of the Railbelt utilities.

**Bradley Lake Hydroelectric Project:** AEA received the West Fork Upper Battle Creek amendment from the Federal Energy Regulatory Commission (FERC) in September 2016. This project will divert the West Fork Upper Battle Creek into Bradley Lake. The diversion will increase the Bradley Lake Hydroelectric Project annual energy by approximately 37,000 megawatt hours (MWh) – enough to keep the lights on in a Homer-sized community for a year. The Battle Creek project addition includes construction of three miles of road, a concrete diversion dam, and a pipe and canal to convey the water to Bradley Lake. The estimated cost of construction in June 2016 was approximately \$44 million. AEA performed an Invitation to Bid for this project and received six bids in November 2017. The lowest response bid was \$36.5 million by Orion Marine Construction. Financing was secured in December 2017 with low cost interest subsidies available only to a government entity, which is anticipated to save approximately \$18 million over the debt payment period. The contractor mobilized to Bradley Lake Hydroelectric Project in April 2018 and started construction activities for the diversion project. The project will be completed in 2020.

**Susitna–Watana Hydroelectric Project:** AEA closed out this project and returned \$1,471,729.95 to the Alaska Housing Finance Corporation Capital Fund in FY2018.

### Key Component Challenges

**Alaska Intertie Project:** Current institutional reform efforts underway way in the Railbelt will need proactive engagement by the Authority. The intertie, and the management thereof as an integral component of the overall system, will play a significant role in whatever reforms are ultimately derived from this effort.

As the Railbelt utilities continue to work toward institutional reform, AEA—as an asset owner within the region that will be affected by any potential reform—continues to maintain a high level of engagement on the issue with dedicated staff time and resources.

### Significant Changes in Results to be Delivered in FY2020

Significant staff reductions have occurred in recent years, and the loss of technical expertise affects the delivery of energy services to the state.

### Statutory and Regulatory Authority

AS 44.83	Alaska Energy Authority
AS 37.07.020(e)	State Facilities Operations and Maintenance
3 AAC 105	Alaska Energy Authority

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

**Component:** Alaska Energy Authority Owned Facilities (2599)  
**RDU:** Alaska Energy Authority (453)

Non-Formula Component

	FY2018 Actuals	FY2019 Conference Committee	FY2019 Authorized	FY2019 Management Plan	FY2020 Governor	FY2019 Management Plan vs FY2020 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	30.0	30.0	30.0	30.0	0.0	0.0%
73000 Services	394.5	937.7	937.7	937.7	937.7	0.0	0.0%
74000 Commodities	0.7	8.0	8.0	8.0	8.0	0.0	0.0%
75000 Capital Outlay	0.3	5.0	5.0	5.0	5.0	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>395.5</b>	<b>980.7</b>	<b>980.7</b>	<b>980.7</b>	<b>980.7</b>	<b>0.0</b>	<b>0.0%</b>
<b>Fund Sources:</b>							
1107 AEA Rcpts (Other)	395.5	980.7	980.7	980.7	980.7	0.0	0.0%
<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>0.0</b>	<b>0.0%</b>
<b>Designated General (DGF)</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>Other Funds</b>	<b>395.5</b>	<b>980.7</b>	<b>980.7</b>	<b>980.7</b>	<b>980.7</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</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>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:** Alaska Energy Authority Owned Facilities (2599)

**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 FY2019 Conference Committee To FY2019 Authorized *****												
FY2019 Conference Committee	ConfCom	980.7	0.0	30.0	937.7	8.0	5.0	0.0	0.0	0	0	0
1107 AEA Rcpts		980.7										
<b>Subtotal</b>		<b>980.7</b>	<b>0.0</b>	<b>30.0</b>	<b>937.7</b>	<b>8.0</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2019 Management Plan To FY2020 Governor *****												
<b>Totals</b>		<b>980.7</b>	<b>0.0</b>	<b>30.0</b>	<b>937.7</b>	<b>8.0</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Line Item Detail (1676)**  
**Department of Commerce, Community, and Economic Development**  
**Travel**

**Component:** Alaska Energy Authority Owned Facilities (2599)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
2000	Travel		0.0	30.0
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
<b>2000 Travel Detail Totals</b>			<b>0.0</b>	<b>30.0</b>
2000	In-State Employee Travel	In-State Transportation - Transportation costs for travel relating to administration, conventions and meetings, boards and commissions.	0.0	30.0

**Line Item Detail (1676)**  
**Department of Commerce, Community, and Economic Development**  
**Services**

**Component:** Alaska Energy Authority Owned Facilities (2599)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
3000	Services		394.5	937.7
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
<b>3000 Services Detail Totals</b>			<b>394.5</b>	<b>937.7</b>
3001	Financial Services	Accounting, auditing, management consulting, grantee monitoring, loan servicing and insurance related services.	0.4	1.0
3004	Telecommunications	Local, long distance, and cellular telephone charges, television, data/network, telecommunication equipment, and other wireless charges from outside vendors.	1.4	1.5
3006	Delivery Services	Freight, courier services, and postage.	0.2	1.0
3007	Advertising and Promotions	Advertising, promotions and legal notices.	0.2	1.0
3011	Other Services	Other professional services.	3.0	540.2
3038	Inter-Agency Management/Consulting	Commerce - Administrative Services (1028) Core and allocated services, including Administrative Services and Commissioner's Office support.	0.3	1.0
3038	Inter-Agency Management/Consulting	Commerce - AIDEA (1234) Alaska Industrial Development and Export Authority support.	167.0	170.0
3038	Inter-Agency Management/Consulting	Commerce - AIDEA (1234) Bradley Lake and Battle Creek Administrative Fee.	222.0	222.0

**Line Item Detail (1676)**

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

**Component:** Alaska Energy Authority Owned Facilities (2599)

<b>Line Number</b>	<b>Line Name</b>		<b>FY2018 Actuals</b>	<b>FY2019 Management Plan</b>
4000	Commodities		0.7	8.0
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2018 Actuals</b>	<b>FY2019 Management Plan</b>
<b>4000 Commodities Detail Totals</b>			<b>0.7</b>	<b>8.0</b>
4000	Business	Supplies for office, library, training, and instructional needs, including small equipment, tools and subscriptions.	0.6	7.0
4002	Household/Institutional	Cleaning, food, and other household supplies.	0.1	1.0

**Line Item Detail (1676)**

**Department of Commerce, Community, and Economic Development  
Capital Outlay**

**Component:** Alaska Energy Authority Owned Facilities (2599)

<b>Line Number</b>	<b>Line Name</b>		<b>FY2018 Actuals</b>	<b>FY2019 Management Plan</b>
5000	Capital Outlay		0.3	5.0
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2018 Actuals</b>	<b>FY2019 Management Plan</b>
<b>5000 Capital Outlay Detail Totals</b>			<b>0.3</b>	<b>5.0</b>
5004	Equipment	Equipment and furniture.	0.3	5.0

**Revenue Detail (1681)**

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

**Component:** Alaska Energy Authority Owned Facilities (2599)

<b>Revenue Type (OMB Fund Code) Revenue Source</b>	<b>Component</b>	<b>Comment</b>	<b>FY2018 Actuals</b>	<b>FY2019 Management Plan</b>
<b>5107 AEA Rcpts (1107 AEA Rcpts)</b>			<b>395.5</b>	<b>980.7</b>
5420 Alaska Energy Authority Corporate Receipts		Bradley Lake administrative fees. (AEA reporting code E2701)	200.0	980.7
5420 Alaska Energy Authority Corporate Receipts		Alaska Energy Authority Corporate Receipts.	22.0	0.0
5420 Alaska Energy Authority Corporate Receipts		Alaska Energy Authority Corporate Receipts.	74.1	0.0
5420 Alaska Energy Authority Corporate Receipts		Alaska Energy Authority Corporate Receipts.	99.4	0.0

**Inter-Agency Services (1682)**

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

**Component:** Alaska Energy Authority Owned Facilities (2599)

	FY2018 Actuals	FY2019 Management Plan
<b>Component Totals</b>	<b>389.3</b>	<b>393.0</b>
With Department of Commerce, Community, and Economic Development	389.3	393.0

Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3038 Inter-Agency Management/Consulting	Commerce - Administrative Services (1028)	Core and allocated services, including Administrative Services and Commissioner's Office support.	0.3	1.0
3038 Inter-Agency Management/Consulting	Commerce - AIDEA (1234)	Alaska Industrial Development and Export Authority support.	167.0	170.0
3038 Inter-Agency Management/Consulting	Commerce - AIDEA (1234)	Bradley Lake and Battle Creek Administrative Fee.	222.0	222.0