

# **State of Alaska FY2023 Governor's Operating Budget**

## **Department of Commerce, Community, and Economic Development Alaska Energy Authority Power Cost Equalization Component Budget Summary**

Component: Alaska Energy Authority Power Cost Equalization

### Contribution to Department's Mission

Reduce the cost of electricity for residential customers and community facilities in rural Alaska.

### Major Component Accomplishments in 2021

AEA administers the Power Cost Equalization (PCE) program, which serves approximately 82,000 Alaskans in communities that are largely reliant on diesel fuel for power generation. In FY2021, 192 eligible communities actively participated in the PCE program.

**PCE Clerk Training:** AEA trains PCE utility clerks on essential technical knowledge to help ensure continued participation in the PCE program and accuracy of reporting so that utility monthly reports are filed regularly and disbursement can be made routinely. PCE training is open to all eligible PCE community utilities, but specifically targets utilities that require training to re-enter the program.

**PCE Program Costs:** AEA anticipates payments to participating communities will exceed \$30 million in FY2021.

**PCE Reporting Portal:** To improve payment processing times and simplify reporting, AEA developed a simple, largely self-guided Web-based filing portal. This portal is in use today by many communities and others will be trained over this year. It will become the principal means for making PCE filings within the next year. The Portal enables utilities to submit monthly reports directly by use of an online form. The benefits of the portal include easier submission of the PCE reports, savings on postage, faster turnaround for payment, and convenient access to historic utility monthly reports in digital form.

**PCE Technical Assistance:** AEA continues to assist communities with community facility eligibility determination requests for PCE. This work ensures that eligible community facilities receive the benefits of reduced electrical costs through the PCE program. AEA staff assisted communities daily with their PCE filings, and with questions throughout the year. AEA is currently training utility staff on how to use the portal with plans to have 100 percent participation by the end of FY2022.

### Key Component Challenges

As a result of the high staff turnover rate in rural utilities, training and assistance to utility staff continues to be a challenge.

### Significant Changes in Results to be Delivered in FY2023

No significant changes to the Power Cost Equalization program are anticipated.

### Statutory and Regulatory Authority

AS 42.45 Rural and Statewide Energy Programs  
3 AAC 107 Grant Programs  
3 AAC 52.600 Criteria for Determination of Power Cost Equalization

**Contact Information**

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

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

Formula Component

	FY2021 Actuals	FY2022 Conference Committee	FY2022 Authorized	FY2022 Management Plan	FY2023 Governor	FY2022 Management Plan vs FY2023 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	355.0	355.0	355.0	355.0	355.0	0.0	0.0%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	26,138.7	32,000.0	32,000.0	32,000.0	32,000.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>26,493.7</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>Fund Sources:</b>							
1169 PCE Endow (DGF)	26,493.7	32,355.0	32,355.0	32,355.0	32,355.0	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>26,493.7</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>Other 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>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 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	Positions		NP
										PFT	PPT	
<b>***** Changes From FY2022 Conference Committee To FY2022 Authorized *****</b>												
<b>FY2022 Alaska Energy Authority Power Cost Equalization and Allocation Sec57d Ch1 SSSLA2021 P140 L21 (HB69)</b>												
1169 PCE Endow	ConfC(L)	32,355.0	0.0	0.0	355.0	0.0	0.0	32,000.0	0.0	0	0	0
The amount necessary for the purposes specified in AS 42.45.085(a), estimated to be \$32,355,000, not to exceed the amount determined under AS 42.45.080(c)(1), 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, 2022.												
<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>
<b>***** Changes From FY2022 Management Plan To FY2023 Governor *****</b>												
<b>Reverse FY2022 Alaska Energy Authority Power Cost Equalization and Allocation Sec57d Ch1 SSSLA2021 P140 L21 (HB69)</b>												
1169 PCE Endow	OTI	-32,355.0	0.0	0.0	-355.0	0.0	0.0	-32,000.0	0.0	0	0	0
Reverse FY2022 language appropriation.												
<b>FY2023 Alaska Energy Authority Power Cost Equalization and Allocation</b>												
1169 PCE Endow	IncM	32,355.0	0.0	0.0	355.0	0.0	0.0	32,000.0	0.0	0	0	0
The amount necessary for the purposes specified in AS 42.45.085(a), estimated to be \$32,355,000, not to exceed the amount determined under AS 42.45.080(c)(1), 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, 2023.												
<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>

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

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

Line Number	Line Name		FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
3000	Services		355.0	355.0	355.0
Object Class	Servicing Agency	Explanation	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
<b>3000 Services Detail Totals</b>			<b>355.0</b>	<b>355.0</b>	<b>355.0</b>
3007	Advertising and Promotions	Advertising, promotions and legal notices.	0.6	0.0	0.0
3011	Other Services	Other professional services.	122.7	113.0	113.0
3024	Inter-Agency Legal	Law - Department-wide Legal services.	0.0	2.0	2.0
3038	Inter-Agency Management/Consulting	Commerce - AIDEA (1234) Alaska Industrial Development and Export Authority support.	231.7	240.0	240.0

**Line Item Detail (1676)**

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

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

<b>Line Number</b>	<b>Line Name</b>		<b>FY2021 Actuals</b>	<b>FY2022 Management Plan</b>	<b>FY2023 Governor</b>
7000	Grants, Benefits		26,138.7	32,000.0	32,000.0
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2021 Actuals</b>	<b>FY2022 Management Plan</b>	<b>FY2023 Governor</b>
		<b>7000 Grants, Benefits Detail Totals</b>	<b>26,138.7</b>	<b>32,000.0</b>	<b>32,000.0</b>
7001	Grants	Power Cost Equalization program payments.	26,138.7	32,000.0	32,000.0

**Revenue Detail (1681)**

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

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

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
<b>6169 PCE Endow (1169 PCE Endow)</b>			<b>26,494.7</b>	<b>32,355.0</b>	<b>32,355.0</b>
6815 PCE Endowment Fund - Miscellaneous		Power Cost Equalization Funds.	26,493.7	32,355.0	32,355.0
6815 PCE Endowment Fund - Miscellaneous		Return of Interest Earned - Power Cost Equalization Endowment Fund.	1.0	0.0	0.0



**Inter-Agency Services (1682)**

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

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

	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
<b>Component Totals</b>	<b>231.7</b>	<b>242.0</b>	<b>242.0</b>
With Department of Law	0.0	2.0	2.0
With Department of Commerce, Community, and Economic Development	231.7	240.0	240.0

<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	FY2021 Actuals	FY2022 Management Plan	FY2023 Governor
3024	Inter-Agency Legal	Law - Department-wide	0.0	2.0	2.0
3038	Inter-Agency Management/Consulting	Commerce - AIDEA (1234)	231.7	240.0	240.0