

**Alaska Energy Authority - State Energy Program IIJA Formula**

**FY2024 Request: \$0**  
**Reference No: 64645**

**AP/AL:** Appropriation **Project Type:** Energy  
**Category:** Development  
**Location:** Statewide **House District:** Statewide (HD 1 - 40)  
**Impact House District:** Statewide (HD 1 - 40) **Contact:** Curtis W. THayer  
**Estimated Project Dates:** 07/01/2022 - 06/30/2027 **Contact Phone:** (907)771-3000

**Brief Summary and Statement of Need:**

The Infrastructure Investment and Jobs Act (IIJA) provides funding for the State Energy Program (SEP). The Alaska Energy Authority (AEA) is the State Energy Office and the designated office to receive federal SEP funds to develop and implement clean energy programs and projects. No state match is required for the IIJA funding. Federal funding allocation to states is subject to formula calculation for a lump sum distribution of \$3,661,930. The AEA received federal receipt authorization for \$796,000 in FY2023. This increase is for the balance of the State of Alaska allocation as an FY2023 Supplemental.

<b>Funding:</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>Total</b>
1002 Fed Rcpts	\$2,865,930						\$2,865,930
<b>Total:</b>	<b>\$2,865,930</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,865,930</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> Ongoing
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	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Sec11 Ch11 SLA2022 P87 L15 HB281 \$796,000

**Project Description/Justification:**

This request is for the balance of the State allocation for the State Energy Program formula awards in the Infrastructure Investment and Jobs Act (IIJA). On March 29, 2022, Department of Energy (DOE) issued the State Energy Security Plan (SESP) Administrative and Legal Requirements Document (ALRD) that allowed states to request a portion of this IIJA funding to prepare a SESP that meets the requirements set out by the IIJA. Alaska Energy Authority (AEA) is currently undergoing work on the SESP for completion by May 2023.

AEA is developing a plan for the remainder of the State allocation to submit to DOE. The general activities and goals states can pursue that align with the Administration’s goals and DOE priorities for the SEP formula funding include:

- **Support greater uptake of energy efficiency strategies throughout the U.S. economy.**  
 Develop and implement state-led energy programs such as energy code improvements, lead-by

example policies for state operations, and utility and public benefit programs.

- **Develop and implement energy security, resilience, and emergency preparedness plans.** Advance energy security planning and state-led stakeholder engagement for the prioritization of resilience in critical infrastructure
- **Reduce energy costs and carbon emissions.** Develop renewable energy deployment programs focused on state markets gaps that facilitate the reduction of greenhouse gas emissions.
- **Increase investments to expand the use of clean energy resources and infrastructure, including the transmission and distribution system.** Adopt state plans or policies to modernize the current transmission system and enable the cost-effective integration of clean energy technologies including the adoption of transportation electrification technologies or mobility strategies.
- **Support state and local governments in helping underserved sectors and communities (e.g., public housing, multifamily housing, schools, small businesses, rural communities, hospital or healthcare facilities, and wastewater treatment facilities) benefit from clean energy opportunities.** Promote the development of affordable clean energy strategies for housing and business such as community solar and clean fuels. Deploy building and facility retrofit projects within the MUSH market (municipalities, universities, schools, and hospitals) through innovative financing, including energy savings performance contracts.
- **Promote economic growth and job creation.** Educate and train the clean energy workforce to perform comprehensive energy audits and upgrades in state-specific sectors.

The IIJA SEP funds include mandatory Transmission and Distribution planning for a total of 7 required activities, others include:

1. Establish mandatory lighting efficiency standards for public buildings.
2. Promote carpools, vanpools, and public transportation.
3. Incorporate energy efficiency criteria into procurement procedures.
4. Implement mandatory thermal efficiency standards for new and renovated buildings.
5. Permit right turns at red traffic lights and left turns from a one-way street onto a one-way street at a red light after stopping.
6. Ensure effective coordination among various local, state and federal programs within the state that pertain to energy efficiency, renewable energy, and alternative transportation fuels.

AEA is working on developing specific activities for deployment using these funds to include:

- Statewide Energy Plan which includes a regional balance, introduction of additional renewable and needed transmission upgrades. This plan will provide a balance between rural and urban needs. The partners would include, but not limited to, representatives of AEA, Department of Natural Resources (DNR), Department of Environmental Conservation (DEC), Department of Commerce, Community and Economic Development (DCCED), Department of Transportation (DOT), Denali Commission, rural and urban utilities, community and federal partners.
- State Energy Security Plan – in progress and scheduled for completion May 2023 (required for future SEP funding)
- Construction projects Village Energy Efficiency Program (VEEP)/REF

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- IIJA Required Grid Planning
- Securing an Indirect cost allocation rate – in progress
- Outreach and Education
- Training/Work Force Development
- Building Codes/AKWarm
- Solar Program