

# 2008 Legislative Update

Copper Valley Electric Association has been working with the Alaska State Legislature on several programs that will provide benefit to the members in CVEA's service territory.

These programs range from new capital credit noticing requirements, to a state renewable energy program to very specific appropriations that will fund much needed projects so our members don't have to.

CVEA was included in the capital budget that was signed into law by the Governor on May 23, 2008. CVEA will receive \$3.5 million in appropriations to fund three important projects.

- \$2 million will fund one-half of the Glennallen plant upgrade which will improve reliability for the Copper Basin and provide more efficient diesel generation for the entire system.

- \$1 million will be used to prepare a license application for the Allison Lake hydro project which will move us one step closer to reducing our dependence on fossil fuel.

- \$500,000 will upgrade the Valdez substation, replacing a piece of equipment that is critical for providing power to the downtown distribution system in Valdez.

While this funding does not mean that rates will not have to be adjusted in the future, it does mean that members won't have to pay for these projects through CVEA rates and that's good news for everyone.

CVEA is confident that these appropriations remained in the budget, in part, due to the efforts of the membership. After the budget was sent to the Governor, CVEA encouraged members to show their support for the projects. Members from all communities within the CVEA service territory signed

petitions, wrote letters, made phone calls, and sent emails to the Governor's office.

In total, the Governor's office received more than 1,000 communications. CVEA believes this effort exemplified the Cooperative spirit and thanks everyone who participated.



*These Glennallen diesel plant dinosaurs, installed in 1959, will be replaced with a newer, more efficient engine in 2008.*

A fourth request, \$1.5 million to reimburse the co-op for money spent years ago evaluating a transmission line connection to the Railbelt Grid, was not funded.

CVEA intended to use these funds to pursue non-fuel power generation projects and to construct system improvements. CVEA is hopeful this funding will be considered in future budget requests.

House Bill 233, which gives electric and telephone cooperatives the option of using the Internet to post unclaimed member capital credit distributions, was signed into law by Governor Palin on May 27.

The new law benefits cooperatives by allowing them to post the names of missing members on their website instead of paying the expense to advertise them four times in local newspapers. Following the website posting, distributions which remain

unclaimed for one year escheat (revert) to CVEA and are used as a source of funding for the CVEA Community Foundation established to provide scholarships for students and contributions to educational, scientific, and charitable organizations.

The idea of advocating for Alaska cooperatives to use the Internet for posting unclaimed capital credits was conceived and spearheaded by CVEA's own Robert Wilkinson.

He presented his concept to the Alaska Power Association (APA) membership at the 2006 annual meeting and has been moving it forward since that time.

During the past legislative session, Wilkinson worked with APA and the offices of Representative Mike Kelly and Senator Johnny Ellis to advance the bill.

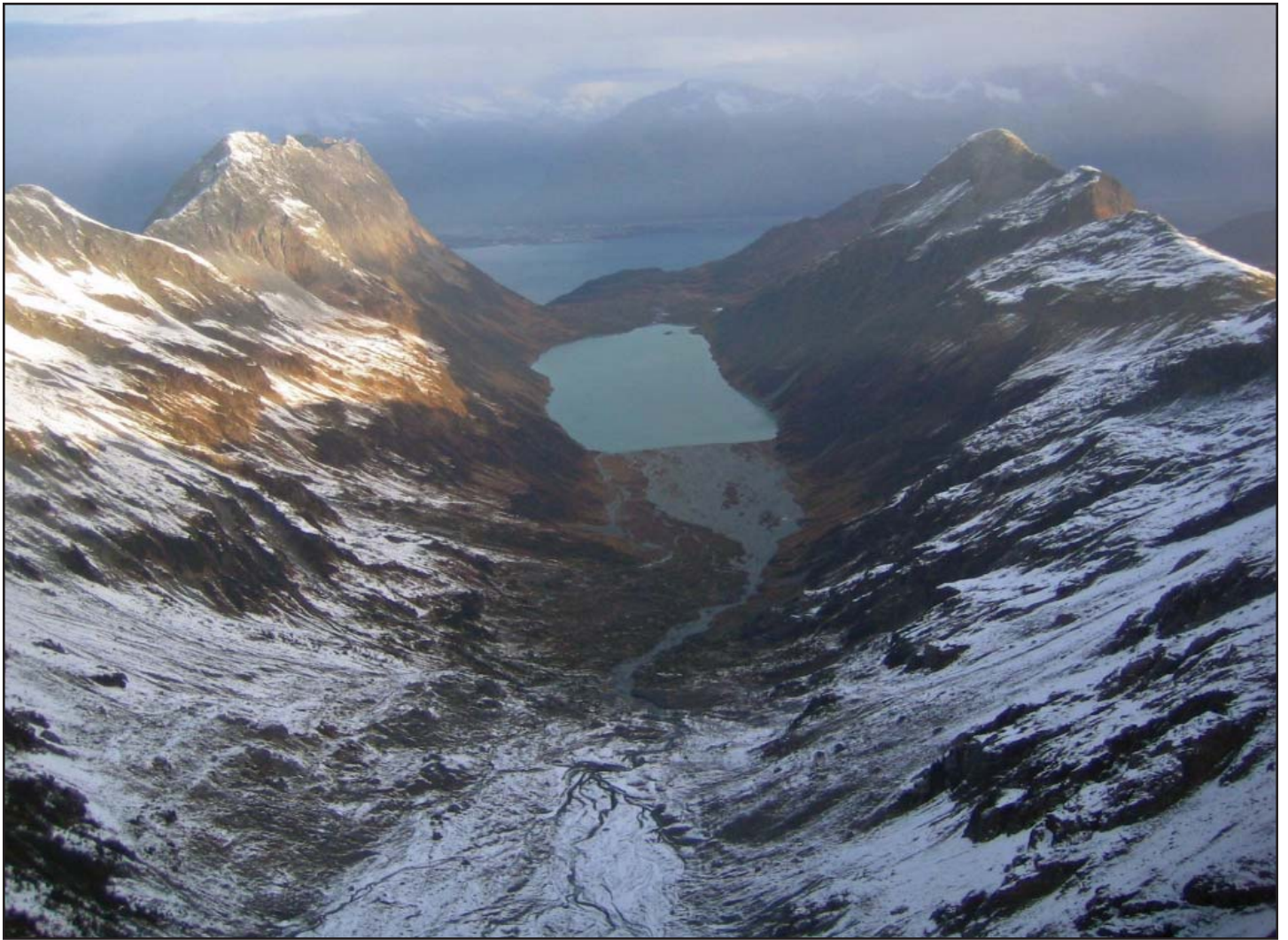
A renewable energy

fund bill, HB 152, sponsored by House Speaker John Harris and signed into law by the Governor, establishes a renewable energy grant recommendation program and a renewable energy fund of up to \$50 million a year for the next five years.

This program authorizes the Alaska Energy Authority to solicit and make grant recommendations in consultation with a seven-member advisory committee. The Legislature will use these recommendations to determine grant recipients.

CVEA believes that the Allison Lake hydro electric project is a perfect candidate to receive some of this grant funding as it is a new project not in operation and it is a hydro project, generating energy from water, a renewable energy resource.

In addition, HB 152 establishes an Alaskan heating assistance program in the Department of Health and



*Allison Lake Drainage looking North. This body of water is the planned source for providing additional hydro power to CVEA members. Photo by Steve Hart*

Social Services to provide expanded eligibility for Alaska residents for home heating assistance, to the extent funds are appropriated by the Legislature for that purpose.

An individual is eligible for home heating assistance if he/she is a resident of the state, is physically present and resides in a home in the state when the home heating costs are incurred, and has a gross household income above 150% but that does not exceed 225% of the federal poverty guideline for Alaska set by the United States Department of Health and Human Services.

The Alaska Housing Finance Corporation (AHFC) was also hard at work this past session in an effort to help Alaskans deal with high energy costs.

On April 3, 2008, Governor Palin

signed legislation to award \$300 million to AHFC for weatherization and energy rebate programs. The funding is intended to help Alaskans reduce their energy bills by making energy-efficient improvements to their homes.

\$200 million of this money will be used to expand AHFC's nationally recognized home weatherization program. This infusion of funds will allow the program's income qualification to increase from 60 to 100% of median income (\$77,000 for a family of four) allowing more people to participate in the free program.

For those not qualifying for weatherization, a home energy rebate program will provide rebates to homeowners toward the cost of energy improvements.

The rebate program will require a

certified energy rater to determine the best improvements for a home through an energy analysis. The rating will provide an Improvement Options Report, or a list of cost-effective measures which will save money.

Once these measures are implemented, a follow-up inspection will be required to verify the energy improvements and provide the homeowner with a new energy rating. The rebate will be determined by the increase in the rating.

The maximum reimbursable rebate may reach as high as \$10,000, depending on the house and the improvements made to increase efficiency. For more information on these new programs or to learn about existing AHFC programs, visit [www.ahfc.us](http://www.ahfc.us).