

Fund Source Report

1065 Rural Elec Rural Electrification Revolving Loan Fund

Year Authorized 1981	Year Repealed	Active? No	Mental Health? No	Duplicated? No	Fund Group Designated General
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No Appropriations during last 10 years

Legal Authority

AS 42.45.020

Source of Revenue

Consists of money appropriated by the legislature and interest earned from repayment of loans. On June 30 the unexpended and unobligated cash balance of the fund lapses into the general fund.

Restrictions on Use

Loans to electric utilities (certified under AS 42.05) for the purpose of extending new electrical service (to at least three customers). Money may be appropriated to administer the program.

Description and History

The Rural Electric Revolving Loan Fund was established in the Alaska Energy Authority (AEA) by Ch 118, SLA 1981 with a \$6.5 million appropriation. A loan from the fund may be made only for the purpose of extending new electric service into an area of the state that an electric utility may serve under a certificate of public convenience and necessity issued by the Alaska Public Utilities Commission. The intent was to make loans available to rural utilities that did not have access to the Rural Electrification Administration (REA) loan programs or that were experiencing difficulty obtaining REA loans because of federal reductions in the REA program.

The FY96 budget request (prepared in FY94) stated "There have not been funds available for new loans in the past several years. This loan program has been largely supplanted by the Electrical Service Extension Fund (AS 42.45.200) that provides for a 60% state contribution to electric utilities for site preparation and construction of extending service to new customers."

Payments on outstanding loans continued to flow into the RLF until FY08, and the year-end balance of the Rural Electrification Revolving Loan Fund was typically appropriated for emergency electricity related projects rather than being allowed to lapse into the general fund.

July 2014

Deactivate--no activity since FY08.