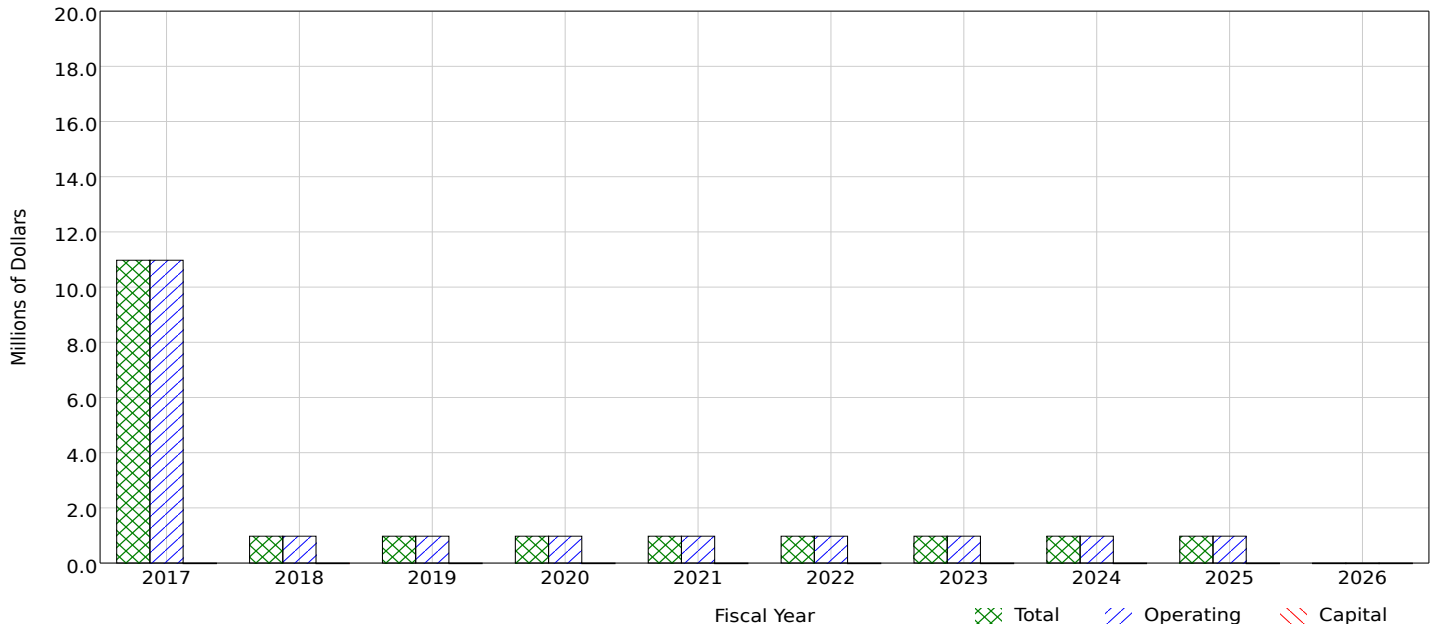


Fund Source Report

1062 Power Proj Power Project Loan Fund

Year Authorized 1993 Year Repealed Active? Yes Mental Health? No Duplicated? No Fund Group Designated General

Operating and Capital Appropriations



Legal Authority
AS 42.45.010

Source of Revenue
Consists of money appropriated by the legislature, proceeds from the sale of loans appropriated by the legislature, and interest earned on loans.

Restrictions on Use
The Alaska Energy Authority may make loans from the fund to local utilities, local governments or independent power producers for the development or upgrade of electric power facilities, including conservation, bulk fuel storage, and waste energy conservation, or potable water supply projects. Administrative costs may be appropriated from the fund.

Description and History
Eligibility criteria and loan conditions are described in AS 42.45.010. Loan term is related to the life of the project. Interest rates vary between tax-exempt rates at the high end and zero on the low end. Approximately \$3.0 million per year has been made available for loans in the recent past. The fund is a revolving loan fund; repayments of interest and principal must be deposited in the fund unless an appropriation directs otherwise.

Appropriations are not required for loans of less than \$5 million; administrative costs are the only expenditures that appear in most appropriation bills.

June 2014
\$10 million was deposited in FY14 for a loan for the Humpback Creek project. The deposit was contingent on the Alaska Energy Authority (AEA) Board approval of a loan of that amount. The loan was approved in December 2013.

May 2017
AEA and Cordova Electric Cooperative worked to create legal and closing documents that would satisfy both parties on a loan agreement up until Cordova Electric Cooperative withdrew their interest in June 2015. There is no longer an active loan application for the project and the funds cannot be used for the purpose appropriated.

Several programs provide (or once provided) funding for similar or related purposes, including:
1012 Railbelt Energy Fund (inactive)
1051 Rural Economic Development Initiative Fund (inactive)

Fund Source Report

1056 Electrical Service Extension Fund (inactive)
1065 Rural Electrification Revolving Loan Fund (inactive)
1071 Alternative Energy Conservation Revolving Loan Fund (inactive)
1073 Power Development Revolving Loan Fund (inactive)
1074 Bulk Fuel Revolving Loan Fund
1086 Southeast Energy Fund (inactive)
1100 Alaska Drinking Water Fund