



Legislative Update From Representative Bryce Edgmon



Volume 2 Special Session VI
August 8, 2008

SPECIAL SESSION CONCLUDES

After a prolonged standoff between the House and Senate that nearly became a meltdown, an agreement was reached on the last day of special session to approve a nearly billion dollar energy package. The legislation, sponsored by the House, featured a mix of short and long-term energy proposals, including the Governor's \$1200 Resource Rebate Program. A one-year increase to the Power Cost Equalization (PCE) program was also adopted.

Along with other rural legislators, I preferred Senate legislation that had a more generous PCE component and contained funds that would have paid for home heating fuel above \$3 a gallon (up to 850 gallons). However, I supported the House's version because it did accomplish the end-goal of providing badly needed relief at a time when energy prices continue to skyrocket — even though I argued passionately that \$1200 for each Alaskan — including Anchorage residents who pay natural gas rates that are the equivalent of \$1.60 a gallon for diesel — was patently unfair to Bush Alaska residents, many of whom are paying five or six times that amount.

I would like to thank Governor Palin for adding energy into the special session mix. I'd also like to recognize the tireless efforts of Senator Hoffman, who as co-chair of the powerful Finance Committee, played a key role in putting the whole package together. Here is a quick summary of the bill.

- **Governor's \$1200 Payment** — Will be added to the 2008 dividend payment, which is expected to total \$2,000. Every PFD recipient will receive this year a combined payment (one check) of \$3200. The PFD Division will make every attempt to mail the checks out earlier than normal probably sometime in September. Total funding was \$744 million.
- **Power Cost Equalization** — The upper end of the formula was increased to \$1 per KWH, which will benefit immensely a number of smaller communities who are paying rates that exceed the current ceiling of 52 cents. The individual benefit stays at 500 KWH per month. The total cost is roughly an additional \$28 million for the upcoming year.
- **Bulk Fuel Revolving Loan and Bridge Loan programs** — The two programs received additional funding of almost \$11 million.
- **Suspension of Fuel Taxes For One-Year Period** — Applies to all fuel taxes including 8 cents on gasoline, 5 cents on marine fuel, etc. The estimated savings are \$36 million for Alaskan residents.
- **Renewable Energy Fund** — \$50 million was added for renewable projects through this fund. The fund is located in the Alaska Energy Authority and now has \$100 million available for spending on projects this year.
- **AHFC (Home Energy Rebate)** — \$60 million was added to the \$100 million appropriated last session and according to AHFC will be spent by year-end.