



MEMBERSHIP RESOLUTION FY18-07

A RESOLUTION OF THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE MEMBERSHIP TO PRESERVE THE POWER COST EQUALIZATION ENDOWMENT FUND FOR ITS INTENDED PURPOSE OF ASSISTING ALASKANS AND ALASKAN COMMUNITIES WITH THE HIGH COST OF ELECTRICITY

WHEREAS, the Power Cost Equalization (PCE) Program was established in 1985 as part of a Statewide Energy Plan to provide for a long-term stable funding source for provision of affordable levels of electric utility costs in high-cost service areas of the State; and

WHEREAS, the PCE program was established to assist rural residents at the same time state funds were used to construct major energy projects like the Four Dam Pool projects, Bradley Lake, and Alaska intertie projects that benefited more urban areas of Alaska; and

WHEREAS, in FY 2001 a PCE Endowment Fund was created and capitalized from the Constitutional Budget Reserve and Four Dam Pool proceeds and further capitalized in FY 2007 with General Funds; and

WHEREAS, the PCE Endowment Fund is invested and managed by the Alaska Department of Revenue on behalf of the Alaska Energy Authority with a goal of earning sufficient income to fund PCE payments to rural communities and residents that pay three to five times or more the amount for electricity than urban residents pay; and

WHEREAS, the PCE Endowment has been very successful in growing to a level of a perpetual fund with a balance of over \$1.08 billion as of November 30, 2017; and

WHEREAS, the PCE Endowment Fund is the source of funding the Community Assistance Program that provides funding to municipalities, reserves, and communities; and

WHEREAS, with the State of Alaska continuing to face revenue shortages due to the reduction of oil prices and inadequate rates of oil production, some rural leaders fear that the PCE Endowment is a target to fill the funding gap in the State budget; and

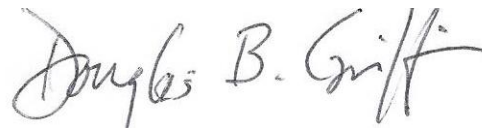
WHEREAS, a raid on the PCE Endowment would do irreparable damage to the PCE program that was created as part of a compromise that benefited all residents of Alaska.

NOW BE IT RESOLVED, the Southwest Alaska Municipal Conference Membership fully supports continuation of the Power Cost Equalization Program with the PCE Endowment Fund kept intact to fulfill the historical intended purpose of the program of assisting rural residents and communities in offsetting the high electricity costs.

PASSED AND ADOPTED by the Southwest Alaska Municipal Conference Membership this 2nd day of March, 2018.

IN WITNESS THERETO:

ATTEST:



Rebecca Skinner, SWAMC President

Doug Griffin, SWAMC Executive Director