



BOARD RESOLUTION FY20-02

A RESOLUTION BY THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE BOARD OF DIRECTORS 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 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 for electricity than urban residents pay; and

WHEREAS, the PCE program serves 91 utilities, 194 communities (37 in the SWAMC region), and 83,510 customers; and

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

WHEREAS, the original intent of PCE program was to remove uncertainty and competition with other State needs with the promise that rural residents could depend on a sustainable program for energy assistance.

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 and the promise made to rural Alaskans of assisting rural residents and communities in offsetting high electricity costs.

PASSED AND ADOPTED by the Southwest Alaska Municipal Conference Board of Directors this 16th day of April 2020, with the full support of the Southwest Alaska Municipal Conference Membership.

IN WITNESS THERETO:

Mary Swain, SWAMC Board President

Shirley Marquardt, SWAMC Executive Director