

*****DRAFT*****

**Denali Commission
Federal Fiscal Year 2013
Work Plan**



TABLE OF CONTENTS

Section	Page #
BACKGROUND.....	3
FY 2013 APPROPRIATIONS SUMMARY.....	4
• FY 2013 Appropriations Table	5
FY 2013 PROGRAM DETAILS & GENERAL INFORMATION.....	6
• Energy.....	6
• Pre-Development Program.....	8

BACKGROUND

The Denali Commission (Commission) is an independent federal agency based on an innovative federal-state partnership designed to provide critical utilities, infrastructure and support for economic development and training in Alaska by delivering federal services in the most cost-effective manner possible. The Commission was created in 1998 with passage of the October 21, 1998, Denali Commission Act (Act) (Title III of Public Law 105-277, 42 USC 3121).

The Commission's mission is to partner with tribal, federal, state, and local governments and collaborate with all Alaskans to improve the effectiveness and efficiency of government services, to develop a well-trained labor force employed in a diversified and sustainable economy, and to build and ensure the operation and maintenance of Alaska's basic infrastructure.

By creating the Commission, Congress mandated that the Commission and its partners work together to find new and innovative solutions to the unique infrastructure and economic development challenges in America's most remote communities.

Pursuant to the Act, the Commission determines its own basic operating principles and funding criteria on an annual federal fiscal year (October 1 to September 30) basis. The Commission outlines these priorities and funding recommendations in an annual Work Plan. The Work Plan is adopted in the following manner, which occurs sequentially as listed:

- Project proposals are solicited from local government and other entities.
- Commissioners forward a draft version of the Work Plan to the Federal Co-Chair.
- The Federal Co-Chair approves the draft Work Plan for publication in the *Federal Register* providing an opportunity for a 30-day period of public review and written comment. During this time, the draft Work Plan is also disseminated widely to Commission program partners including, but not limited to the Bureau of Indian Affairs (BIA), the Economic Development Administration (EDA), and the United States Department of Agriculture – Rural Development (USDA-RD).
- Public comment concludes and Commission staff provides the Federal Co-Chair with a summary of public comment and recommendations, if any, associated with the draft Work Plan.
- If no revisions are made to the draft, the Federal Co-Chair provides notice of approval of the Work Plan to the Commissioners, and forwards the Work Plan to the Secretary of Commerce for approval; or, if there are revisions the Federal Co-Chair provides notice of modifications to the Commissioners for their consideration and approval, and upon receipt of approval from Commissioners, forwards the Work Plan to the Secretary of Commerce for approval.
- The Secretary of Commerce approves the Work Plan.
- The Federal Co-Chair then approves grants and contracts based upon the approved Work Plan.

FY 2013 APPROPRIATIONS SUMMARY

The Denali Commission has historically received several federal funding sources (identified by the varying colors in the table below). These fund sources are governed by the following general principles:

- In FY 2013 no project specific direction was provided by Congress.
- The Energy and Water Appropriation is eligible for use in all programs.
- Certain appropriations are restricted in their usage. Where restrictions apply, the funds may be used only for specific program purposes.
- Final appropriation funds received may be reduced due to Congressional action, rescissions by the Office of Management and Budget, and other federal agency action. Final program available figures may not be provided until later this spring.
- All Energy and Water Appropriation funds, including operating funds, designated as “up to” may be reassigned to other programs, if they are not fully expended in a program component area or a specific project.

- **Total FY 2013 Budgetary Resources provided:**

These are the figures that appear in various colors (i.e., blue, red, orange, etc.) and are the original appropriations amounts which do not include Commission operating funds. These funds are identified by their source name (i.e., Energy and Water Appropriation, USDA-RUS, etc.). The grand total for all appropriations appears at the end of the FY 2013 Funding Table.

- **Total FY 2013 Program Available Funding:**

These are the figures that appear in gray and are the amounts of funding available for program(s) activities after Commission operating funds have been deducted. The FY 2013 appropriations bill contains language that the Commission may utilize more than 5 percent for operating costs, *notwithstanding the limitations contained in section 306(g) of the Denali Commission Act of 1998*. However, 5 percent of TAPL and 4 percent of RUS funds are used for agency operating purposes. The grand total for all program available funds appears at the end of the FY 2013 Funding Table.

- **Program Funding:**

These are the figures that appear in yellow and are the amounts of funding the draft FY 2013 Work Plan recommends, within each program fund source for program components.

- **Subtotal of Program Funding:**

These are the figures that appear in white and are the subtotals of all program funding within a given fund source. The subtotal must always equal the Total FY 2013 Program Available Funding.

Denali Commission FY 2013 Funding Table	Totals
FY 2013 Energy & Water Appropriation	\$10,165,000
FY 2013 Energy & Water Appropriation - Operating Funds	\$3,000,000
FY 2013 Energy & Water Appropriation -- Program Available	\$7,165,000
Energy	
• <i>Bulk Fuel Tank Replacements</i>	
• <i>Rural Power System Upgrades</i>	
• <i>Transportation-Related Mooring Points and Marine Headers</i>	
<i>Total Energy Projects</i>	Up to \$6,865,000
Pre-Development Program	Up to \$300,000
Sub-total \$	\$7,165,000

FY 2013 Trans Alaska Pipeline Liability (TAPL) Trust	\$6,800,000
FY 2013 TAPL – Program Available (less 5% operating funds)	\$6,460,000
<i>Bulk Fuel Planning, Design & Construction</i>	\$6,460,000
Sub-total \$	\$6,460,000

FY 2013 TOTAL PROGRAM AVAILABLE	\$13,625,000
--	---------------------

FY 2013 PROGRAM DETAILS & GENERAL INFORMATION

The following section provides narrative discussion for the Commission Programs identified for funding in the FY 2013 funding table, above.

Energy Program

Basic Rural Energy Infrastructure

The Energy Program is the Commission’s original program and focuses on bulk fuel storage facilities and rural power system upgrades/power generation (RPSU) across rural Alaska. About 94% of electricity in rural communities is produced by diesel generators and about half the fuel storage in most villages is used for these power plants. The majority of the Commission’s work in the energy program is carried out by two of our long-standing partners: Alaska Energy Authority (AEA), an agency of the State of Alaska, and the Alaska Village Electric Cooperative (AVEC), a non-profit member organization.

FY 2013 Project Selection Process

Legacy Program (Bulk Fuel/RPSU)

The projects selected for FY 2013 funding are prioritized within the two energy program themes: bulk fuel and RPSU. The selected projects exceed FY 2013 funding levels, with the understanding that projects may proceed out of order due to factors such as the extended period of time between project selections, draft Work Plan development, and grant execution; match funding availability; and due diligence requirements.

The Commission has been working in partnership with the U.S. Army Corps of Engineers (USACE) since 2009 to complete an assessment of prioritized barge landing and mooring point upgrades throughout Alaska. In many communities barge landing and mooring sites are positioned adjacent to marine fuel headers to allow for the safe and efficient bulk delivery of community fuel. However, in some cases communities have multiple marine header sites and are currently undertaking development and positioning of new barge landing and mooring point locations. Base funds (Energy & Water Appropriation) will be used in FY 2013, leveraged with existing transportation funds from prior years to develop centralized marine header locations in coordination with prioritized barge landing design and construction.

FY 2013 Energy Projects, Prioritized:

Bulk Fuel Projects	Total Project Cost	Cost Share	DC Funding	Program Partner	Priority
St. George	\$2,000,000	\$1,000,000	\$1,000,000	AEA	1
Emmonak/Alakanuk	\$4,000,000	\$800,000	\$3,200,000	AVEC	2
Tatitlek	\$2,300,000	\$460,000	\$1,840,000	AEA	3
Pilot Station	\$3,000,000	\$600,000	\$2,400,000	AVEC	4
RPSU Projects	Total Project Cost	Cost Share	DC Funding	Program Partner	Priority

	Cost				
Emmonak/Alakanuk	\$6,000,000	\$1,200,000	\$4,800,000	AVEC	1
Nunam Iqua	\$3,000,000	\$600,000	\$2,400,000	AEA	2
New Stuyahok/Ekwok	\$3,250,000	\$650,000	\$2,600,000	AVEC	3
Koliganek	\$3,800,000	\$760,000	\$3,040,000	AEA	4
Alaska Energy Authority Project Management	\$157,200	0	\$157,200	AEA	
Alaska Village Electric Cooperative Project Management	\$480,000	0	\$480,000	AVEC	
Barge Landings and Mooring Points	\$1,200,000	\$800,000	\$400,000	USACE	

Pre-Development Program

The Pre-Development Program (Pre-D) is a service provided by The Foraker Group in collaboration with the Alaska Mental Health Trust Authority, Denali Commission, Mat-Su Health Foundation and Rasmuson Foundation. Pre-D offers guidance and technical resources for planning new facilities and renovating or expanding existing ones. Services are provided to nonprofit, municipal and tribal organizations to determine the feasibility of their projects and develop the documentation needed for funding applications.

Pre-D’s core purpose is planning *Sustainable Capital Projects* – projects that contribute to the long-term viability of the organization and the community it serves. The Denali Commission has been committed to contributing to sustainable projects since its inception. Pre-D supports successful projects by assisting with early planning which considers community needs, potential collaboration, organizational capacity and sustainability.

The Commission is a founding member of Pre-D since 2007. As the agency's capital funds have decreased in recent years, the benefits of Pre-D have become more evident. It is ever more critical to ensure that limited federal appropriations be invested in sustainable, realistic, right-sized capital projects.

Further information about the program can be obtained at the following hyperlink:
<http://www.forakergroup.org/index.cfm/Shared-Services/Pre-Development>