A RESOLUTION

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS the state acquired land and constructed four hydroelectric facilities, referred to as the Four Dam Pool, to provide electricity to the communities of Copper Center, Glennallen, Ketchikan, Kodiak, Petersburg, Port Lions, Valdez, and Wrangell; and

WHEREAS the Four Dam Pool is owned by the Alaska Energy Authority, which is a party to a 45-year power sales agreement with local utilities to sell the power generated by the facilities; and

WHEREAS the Alaska Energy Authority retains, under the power sales agreement, significant liabilities relating to the power projects, including responsibility for uninsured facility failure, substandard performance, deficiencies in the reserve and replacement fund, and loss of power sales; and

WHEREAS, during the last several years, the Alaska Energy Authority has entered into discussions with local utilities in the communities served by the Four Dam Pool power projects regarding the sale of the power projects to the local utilities; and
BE IT RESOLVED that the Alaska State Legislature respectfully requests the Alaska Energy Authority to divest itself of its interest in the Four Dam Pool power projects by entering into negotiations for the sale of the power projects, open only to the electric utilities in the communities served by the Four Dam Pool power projects or to a consortium of electric utilities in those communities, with terms that will assure that

(1) the state receives a fair market value for the power projects;
(2) the authority gives due consideration to the prospective purchaser's commitment to Alaska hire, contracting, and Alaskan participation in the purchasing entity;
and be it

FURTHER RESOLVED that the Alaska State Legislature respectfully requests that the Alaska Energy Authority enter into the negotiations for the sale of the power projects as soon as practicable; and be it

FURTHER RESOLVED that the Alaska State Legislature respectfully requests that the Alaska Energy Authority evaluate methods by which private sector interests with experience in acquisition, ownership, operation, and maintenance of hydroelectric facilities may propose to purchase the Four Dam Pool power projects in a manner that honors the existing power sales agreement and indemnifies the State of Alaska for its current ownership liabilities.

COPIES of this resolution shall be sent to Wilson Hughes, Chair of the Alaska Industrial Development and Export Authority and the Alaska Energy Authority; and to Ketchikan Public Utilities; Wrangell Municipal Light and Power; Petersburg Municipal Power and Light; Copper Valley Electric Association, Inc.; and Kodiak Electric Association, Inc.