

Senate Resources Committee
Explanation of Changes to SB 42
February 23, 2011

**The Committee Substitute for SB 42, Version D, Conforms to the
“Response to Committee Questions and Concerns regarding SB 42”
that the Committee discussed on Monday, February 21.**

Summary of Changes to the Original Bill:

1. Title of the bill is changed to conform with changes in the body of the legislation.
2. Senate Bill 42 seeks to modify the State Procurement Code; however, the CS deletes that language so that there are no statutory changes relating to AEA and procurement.
3. The CS makes changes relating to the Alaska Railbelt Energy Fund, preserving the legislature’s authority to appropriate.
4. Most significantly, the CS makes changes relating to the Creation of Subsidiaries and adds a section titled, Approval of Subsidiaries, so that the subsidiaries created are specific to the Watana Hydroelectric Power Project on the Susitna River.
5. NOTE: The Fiscal Notes of SB 42 are not impacted by any of these changes and will remain the same for the CS for SB 42, Version D.

Explanation of Changes to SB 42:

SB 42: (Change in the title to conform with the bill.)

Page 1, Line 1 following “**An Act**” through Page 1, Line 2, “**Authority;**”
Delete all material.

[Deletes “An Act relating to the procurement of supplies, services, professional services, and construction for the Alaska Energy Authority” so that the title conforms to the deletion of Section 1 of SB 42.]

SB 42: (Change in the title to conform with the bill.)

Page 1, Line 8 following “**Authority;**”

Insert “**relating to the Alaska Energy Authority creating subsidiary corporations for power projects; providing approval by law for the Alaska Energy Authority to create a subsidiary corporation relating to the Watana Hydroelectric Power Project;**”

[This new language appears in the title of CS for SB 42 on Page 1, Lines 6 – 9. This additional language in the title is necessary to conform with changes in the original bill.]

SB 42: (Original bill sought to change AS 36.30.015, which falls under Chapter 30: State Procurement Code of the Alaska Statutes.)

Page 1, Line 11 through page 2, Line 13:

Delete all material.

SB 42: (Relating to the Alaska Railbelt Energy Fund)

Page 3, Line 4, following “The”:

Delete “authority may use”

Insert “legislature may appropriate”

[The new language appears in the CS on Page 2, Line 22]

SB 42: (Simple edit because “construction” was listed twice in the same sentence.)

Page 4, Line 22, before “operation”:

Delete “**construction,**”

SB 42: (Relating to the Creation of Subsidiaries)

Page 5, Line 27, following “authority may”:

Insert “if approved by law,”

[The new language appears in the CS on Page 5, Line 14 and 15]

SB 42: (Relating to the Creation of Subsidiaries)

Page 5, Line 27, following “create” through page 5. Line 28:

Delete “one or more subsidiary corporations”

Insert “a subsidiary corporation”

[The new language appears in the CS on Page 5, Line 15]

SB 42: (Relating to the Creation of Subsidiaries)

Page 5, Line 29, following “power”:

Delete “power projects”

Insert “a power project”

[The new language appears in the CS on Page 5, Line 16]

SB 42: Page 6, after Line 28:

Insert: “APPROVAL FOR SUBSIDIARY: (a) The Alaska Energy Authority is authorized to create a subsidiary corporation as provided under AS 44.83.085 for the purpose of acquiring, constructing, owning, maintaining, operating, or financing the Watana Hydroelectric Power Project. This authorization constitutes the approval by law required under AS 44.83.085, enacted by Section 7 of this Act. In this Section, “Watana Hydroelectric Power Project” means the hydroelectric power project to be located at or near river mile 184 on the Susitna River, including dams, buildings, improvements, land, equipment, engineering and design plans, transmission lines, permits, licenses, governmental approvals, and other assets or property of any kind associated with the hydroelectric power project.

[The new language appears in the CS as Sec. 7 on Page 5, Lines 13 – 24, and is necessary language so that AEA can begin the FERC process for the Watana Hydroelectric Power Project.]

Renumber the bill sections accordingly.