

MEMORANDUM

April 6, 2010

SUBJECT: CS HB 182(ENE) version P

TO: Representative Charisse Millett
Co-Chair, House Special Committee on Energy

FM: Ron Miller 
Consultant to House Speaker Mike Chenault & Senate President Gary Stevens

You requested a sectional summary of the latest version of CSHB 182. Please note, just as Legislative Counsel Dennis C. Bailey advised in a memorandum dated March 19, 2010 regarding CSHB 182 (Work Order No.26-GH1041\E), a sectional summary of a bill is not an authoritative interpretation of the bill—the bill itself is the best statement of its contents.

CS HB 182 provides for the organization of energy and transmission corporations by interconnected public utilities, authorizes the organization of the Greater Railbelt Energy and Transmission Corporation, and authorizes the Alaska Energy Authority ("Authority") to contract with energy and transmission corporations to operate power projects of the Authority

Section 1. This Section, effective January 31, 2011 under Section 5, is contingent on four or more interconnected utilities filing letters of intent under Section 4.

This Section amends AS 42 to add a new chapter, AS 42.50 that establishes in statute the purposes, powers and duties of an energy and transmission corporation. The new corporation may "acquire, operate or maintain" Alaska Energy Authority projects and "plan for, recommend, coordinate and otherwise address power generation and transmission for the electrically interconnected service territories" of utilities that are members of the corporation.

This Section addresses the organization of the energy and transmission corporation including:

- Purposes of the corporation;
- Composition of the board of directors;
- Conduct of board meetings;
- The corporation's officers and employees;
- Corporate membership;
- Articles of incorporation and bylaws; and
- General powers of the corporation;

Section 1 also mandates the adoption of an integrated resource plan, long-range fuel supply plan, long-range capital improvement plan and long-range financial management plan. Other provisions in this section address financing arrangements, the acquisition of fuel supplies, tax exemption, annual reports, examination of the corporation's books and records, audits, corporate dissolution and internal dispute resolution procedures.

Section 2 of the bill authorizes the Alaska Energy Authority to enter into an agreement with an energy and transmission corporation organized under the new chapter to operate a power project of the Authority if one or more of the corporation's public utility members are wholesale customers of the project. As with Section 1, this Section becomes effective January 31, 2011 under Section 5, if four or more of the six identified Railbelt electrical utilities file letters of intent under Section 4.

Section 3 authorizes four or more of the six identified Railbelt electrical utilities to form an energy and transmission corporation under the new chapter. This corporation is to be entitled the Greater Railbelt Energy and Transmission Corporation. This section also mandates that the new corporation conduct a series of three management audits over a period of seven years.

Section 4 requires four or more of the six identified Railbelt electrical utilities sign letters of intent to become members of the Greater Railbelt Energy and Transmission Corporation prior to the end of business on December 31, 2010 or Sections 1 and 2 of the bill do not take effect.

Sections 5 and 6 set the legislation's effective dates.