

# LEGISLATIVE RESEARCH REPORT

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## A HISTORY OF MAJOR ENERGY APPROPRIATIONS, INCLUDING THE RAILBELT ENERGY FUND

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You asked us to update Legislative Research Report (LRS) 05.206, in which we provided a history of the Railbelt Energy Fund (REF). As with LRS 05.206, in this report we provide an updated list of appropriations to and from the fund, and for other major energy-related projects. In addition, we provide a brief history of Alaska's energy expenditures and a history of the REF, as well as brief discussions of other major projects. We also include several tables that show a chronological history of major energy appropriations, appropriations to and from the REF, and expenditures for the Power Cost Equalization program.

### SUMMARY

Any discussion of Alaska's energy program over the last thirty years must begin with the understanding that the program has a complicated history, and that information on the state's disparate energy projects is not available from any one source. For this report we reviewed data

from the Office of Management and Budget and Legislative Finance, reports from the now defunct Division of Energy, information from the Alaska Energy Authority, fund data from the Department of Administration, and appropriations in Legislative Finance operating budget books and the *Session Laws of Alaska*. We made every effort to ensure that the information contained in this report is as complete and accurate as possible.

Major funding for energy projects began in 1976, with an appropriation of \$2.5 million to the water resources revolving loan fund. Out of that came the initial appropriations for loans for major dam projects: Green Lake, Swan Lake, Terror Lake, and Tyee Lake. In 1982, lawmakers changed the loans to grants, made additional appropriations for the projects, and also appropriated funds to purchase the hydroelectric project at Solomon Gulch.<sup>1</sup> The Swan, Terror, and Tyee Lake projects, along with Solomon Gulch, became known as the “Four Dam Pool.” The Four Dam Pool was sold to private utility companies in 2002.<sup>2</sup>

In 1979, lawmakers appropriated the first funds for the Susitna Hydroelectric Project. Between 1979 and 1985, about \$423 million was appropriated for Susitna. During the same period of time, lawmakers appropriated funds for the Bradley Lake Hydroelectric Project—a total of \$328 million (\$163 million in grants and \$165 million in general obligation bonds).<sup>3</sup>

Between 1980 and 1984, legislators appropriated \$124 million for the Alaska intertie, which runs from Willow to Healy (and which was formerly called the “Anchorage/Fairbanks intertie”). In this same time period, lawmakers created the Power Cost Equalization program in the Division of Energy. The program was to reduce electrical rates paid by rural consumers to a level comparable to the rates in Anchorage, Fairbanks, and Juneau. From 1981 to 2009, PCE expenditures totaled about \$505 million.<sup>4</sup>

In 1986, lawmakers created the Railbelt Energy Fund (REF). The Susitna project was cancelled, and the monies appropriated for it were repealed and reappropriated to capitalize the REF. Between 1986 and 2008, a total of \$468 million was appropriated to the REF, and appropriations of about \$467 million were made from the REF to fund a variety of projects. Projects funded from the REF include the Healy Cogeneration Project (\$55 million), the intertie reserve for the Northern and Southern interties (\$100 million) and the capitalization for the Power Cost Equalization and Rural Capitalization Fund (\$67 million).

In 2000, lawmakers created the Power Cost Equalization Endowment Fund to support the PCE program. The fund was capitalized with an appropriation of \$100 million from the Constitutional Budget Reserve Fund, and in 2002 the proceeds from the sale of the Four Dam Pool were

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<sup>1</sup> The major dam projects were to provide electrical power to the following communities: Ketchikan (Swan Lake), Kodiak (Terror Lake), Sitka (Green Lake), Valdez/Glennallen (Solomon Gulch), and Wrangell/Petersburg (Tyee Lake).

<sup>2</sup> According to Sara Fisher-Goad and Valorie Walker from the AEA, the AEA still owns Bradley Lake. The AEA also owns a small hydroelectric project at Larsen Bay on Kodiak Island. This project was paid for through revenue bonds, and includes water system upgrades as well as hydropower generation. The AEA has tried to get the community of Larsen Bay to take over the project, with no success at this point. The AEA's projects are listed on its website at <http://www.akenergyauthority.org/projects.html>.

<sup>3</sup> Many of the figures used in this report are final tallies, and may not equal the total of the original appropriations for a particular project. For example, the original total for Bradley Lake was about \$340 million—\$175 million in general funds and \$165 million in general obligation bonds, with a lapse amount of about \$11.5 million. The figure we quote here is the total minus the lapse. Please note that we are not able to identify original totals in many cases, due to amendments to the original appropriations and repeals and reappropriations for different projects.

<sup>4</sup> This figure includes actual expenditures for fiscal years 1981-2008 and authorized budget amounts for FY2009.

deposited to the fund. As of December 31, 2008, the balance of the Fund, including invested assets was about \$288.8 million.<sup>5</sup>

Since those first appropriations in the 1970s, Alaska has appropriated approximately \$810 million for major energy projects for the railbelt, and about \$1.05 billion collectively for the Four Dam Pool and PCE (this does not include the endowment fund). Railbelt projects include Susitna, Bradley Lake, the Alaska, Northern and Southern interties, and the Healy cogeneration project. These figures do not include the many small energy projects and grants across the state (for example, bulk fuel loans, generator upgrades, small hydropower projects, and weatherization projects).

The following information provides more detail on some of these major projects. In addition, Table 1 shows a brief chronological history of the major energy appropriations.

## FOUR DAM POOL

The “Four Dam Pool,” as its name suggests, consists of four individual hydroelectric projects: two in Southeast Alaska (Swan Lake [Ketchikan] and Tyee Lake [Petersburg/Wrangell]), one in Kodiak (Terror Lake), and one serving Valdez/Glennallen (Solomon Gulch). The projects include generation and transmission facilities. Funding for these projects began in 1976, with the initial loans for Swan, Terror, and Tyee Lakes (Chapter 237, SLA 1976). In 1981-82, lawmakers appropriated about \$53 million for the purchase of the Solomon Gulch project, which was constructed by the Copper Valley Electric Association.<sup>6</sup> Electrical utilities purchased hydropower from these four projects through long-term power sales agreements.<sup>7</sup> The Four Dam Pool was owned and operated by the state through the Alaska Energy Authority (AEA).<sup>8</sup> According to the AEA, total funding for the Four Dam Pool was about \$499 million, provided through state grants and loans (approximately \$295 million in grants, \$185 million in loans, and including about \$19 million in interest accrued over the life of the project).<sup>9</sup>

In 2000, lawmakers approved the sale of the Four Dam Pool and, in 2002, the Four Dam Pool Power Agency (a consortium of the utilities that had purchased power from the dams) acquired the projects with the help of a loan from the Alaska Industrial Development and Export Authority

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<sup>5</sup> Personal communication from Gary Zepp, Legislative Fiscal Analyst, Legislative Finance Division, April 17, 2009. Mr. Zepp can be reached at 907-465-5410.

<sup>6</sup> Solomon Gulch is the oldest of the Four Dam Pool projects, and the only one not built by the State of Alaska. “Alaska’s Public Energy Resources,” Rural Resource Agency Report 85.003207, July 1985, p. 75.

<sup>7</sup> The Four Dam Pool utilities are Copper Valley Electric Association, Ketchikan Public Utilities, Kodiak Electric Association, Petersburg Municipal Power and Light, and Wrangell Municipal Light and Power.

<sup>8</sup> Like Alaska’s energy projects, the Alaska Energy Authority has a complicated history. Originally, the Alaska Power Authority (APA) was part of the Department of Commerce and Economic Development. The APA became the AEA in 1991. In 1993, the AEA was placed under the auspices of AIDEA, and in 1999 rural energy programs formerly administered by the Division of Energy, such as PCE, were transferred to the AEA. The AEA continues to act as a separate legal entity, although personnel are provided by AIDEA and the executive director serves both organizations.

<sup>9</sup> Sara Fisher-Goad and Valorie Walker, AEA.

(AIDEA).<sup>10</sup> The AIDEA loaned the consortium \$77.1 million for the “purchase, closing costs and initial funding of reserves related to the acquisition of the Four Dam Pool Project.”<sup>11</sup> In FY2008, the Four Dam Pool Power Agency received a \$46.2 million grant for the Swan Lake to Tyee Lake intertie.<sup>12</sup>

## BRADLEY LAKE

As we noted above, funding for Bradley Lake began in 1979. During the 1980s, the state appropriated about \$175 million for the project. That amount was made up of a mix of general funds (\$68 million), funding from the Power Development Fund (\$50 million), and from the Railbelt Energy Fund (\$57 million). In 1993, about \$11.5 million lapsed back into the REF. The total cost for Bradley Lake was \$328 million, including \$165 million in general obligation bonds. Bradley Lake came online in 1991 and provides electrical power to a variety of railbelt utilities: Anchorage Municipal Light and Power, Chugach Electric Association, Golden Valley Electric Association, Homer Electric Association, Matanuska Electric Association, and Seward Electric Utility.<sup>13</sup>

## POWER COST EQUALIZATION PROGRAM

As you know, the Power Cost Equalization program, or “PCE,” was established in 1984 for the purpose of reducing electrical rates paid by rural consumers to a level comparable to the rates in Anchorage, Fairbanks, and Juneau. Precursors to the current program were the Power Production Cost Assistance and the Power Cost Assistance programs. In 1994, lawmakers created the Power Cost Equalization and Rural Energy Capitalization Fund, and capitalized it with an appropriation of \$67 million from the REF.<sup>14</sup> Further deposits to the fund are composed of annual appropriations for electrical subsidies and grants, appropriations from the National Petroleum Reserve-Alaska special reserve fund, appropriations from the power cost equalization endowment fund, interest, and any “gifts, bequests, contributions from other sources, and federal money.”<sup>15</sup>

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<sup>10</sup> “The Four Dam Pool Power Agency Loan,” *AIDEA 2004 Annual Report*, p. 40, <http://www.aidea.org>. “Hydroelectric Facilities,” *Alaska Electric Power Statistics 1960-2001*, Institute of Social and Economic Research, University of Alaska Anchorage, November 2003, Appendix C-1, <http://www.iser.uaa.alaska.edu/Publications/akelectricpowerfinal.pdf>.

<sup>11</sup> “Status of the Four Dam Pool Project and AIDEA Financing,” Alaska Industrial Development and Export Authority/Alaska Energy Authority, February 8, 2005.

<sup>12</sup> Chapter 30, SLA 2007.

<sup>13</sup> *Alaska Electric Power Statistics, 1960-2001*, Institute of Social and Economic Research, University of Alaska, November 2003, p. C-1.

<sup>14</sup> The Rural Electric Capitalization provision allows the AEA to award grants to eligible utilities for up to 75 percent of the costs for small power projects designed to reduce the cost of providing electrical power. According to AS 42.45.180(b), total grants may not exceed three percent of the available balance in the fund in any one year.

<sup>15</sup> AS 42.45.100(b).

Table 2 shows the actual expenditures for PCE for fiscal years 1981 through 2008, the authorized budget for FY2009, and the Governor's Requested Budget for FY2010. The total amount allocated to the PCE program from 1981-2009 is about \$505 million.

## MAJOR INTERTIES

Funding for the construction of the Alaska intertie (formerly known as the "Anchorage/Fairbanks intertie") began in 1981.<sup>16</sup> Between 1981 and 1985, lawmakers appropriated about \$124 million in general funds for the project, which runs from Willow to Healy and, in 2003, they appropriated about \$20 million from the REF for an upgrade to the Teeland substation.

Lawmakers also funded other intertie projects, the major ones being the Northern, Southern, and Southeast interties and the Sutton/Glennallen intertie. The Northern intertie, which runs from Healy to Fairbanks, cost about \$65 million. The Southern intertie from Anchorage to Kenai was never built—lawmakers appropriated about \$47 million for the project, but the participating utilities pulled out.<sup>17</sup> The funds remain with the Alaska Energy Authority until they are repealed or reappropriated. The AEA has returned about \$28.5 million in interest on the Southern intertie appropriation back to the State of Alaska.<sup>18</sup>

Lawmakers appropriated \$55 million from the REF for the Sutton/Glennallen (\$35 million) and Southeast (\$20 million) interties in 1993. In 2000, those funds lapsed back into the REF. The Sutton/Glennallen project was cancelled, and the Southeast intertie is being built by the utilities that purchased the Four Dam Pool as part of the purchase agreement.

## RAILBELT ENERGY FUND

As you know, lawmakers created the Railbelt Energy Fund in 1986. Management of the fund was assigned to the Department of Revenue, and monies were to be appropriated by the legislature for projects "to assist in meeting Railbelt energy needs."<sup>19</sup> Later, in 1993, lawmakers amended the statute to include expenditures for "programs, projects, and other expenditures to assist in meeting Railbelt energy needs, including projects for retrofitting state-owned buildings and facilities for energy conservation."<sup>20</sup> As of March 2, 2009, the unexpended and unobligated balance of the Railbelt Energy Fund is approximately \$52.8 million.<sup>21</sup>

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<sup>16</sup> In the 1980s, lawmakers also appropriated funds for several smaller intertie projects, or for feasibility studies for such interties. We do not include these projects in this report.

<sup>17</sup> Sara Fisher-Goad and Valorie Walker, AEA.

<sup>18</sup> The Attorney General determined that interest on these funds should be returned to the general fund. Sara Fisher-Goad and Valorie Walker, AEA, April 11, 2005.

<sup>19</sup> Sec. 1, Ch. 29, SLA 1986. The "railbelt" refers to Alaska communities on the road system.

<sup>20</sup> AS 37.05.520 (Chapter 29, SLA 1986; amended by Chapter 18, SLA 1993 and Chapter 60, SLA 2000).

<sup>21</sup> Personal communication from Gary Zepp, Legislative Fiscal Analyst, Legislative Finance Division, April 17, 2009. Mr. Zepp can be reached at 907-465-5410.

The initial funds for the REF came from monies left over from the Susitna Hydroelectric Project. About \$424 million was appropriated for Susitna during the early 1980s, but only about \$134 million was spent on the project. When plans for the dam were discontinued, lawmakers repealed the appropriations for the Susitna project and reappropriated the remaining amounts to the REF as the initial capitalization (roughly \$289.5 million).<sup>22</sup>

Since 1986, a total of just over \$468 million has been appropriated to the REF, including interest. About \$467 million has been spent from the fund for a variety of projects, including the Bradley Lake Hydroelectric project (\$57 million) and the Railbelt intertie reserve (\$100 million for the Soldotna-Anchorage and the Healy-Fairbanks interties).<sup>23</sup> In addition, funds were appropriated to the Power Project Fund for loans for the Sutton to Glennallen and Swan Lake to Tyee Lake interties (\$55 million total).<sup>24</sup> In 1993, \$67 million was appropriated to capitalize the Power Cost Equalization and Rural Electric Capitalization Fund (these were general funds appropriated to the REF for this specific purpose).

Tables 3 and 4, attached, show the details of appropriations to and from the fund.<sup>25</sup>

As you will note from Table 4, since 2003, lawmakers have made approximately \$29.5 million in appropriations from the REF. The REF is normally not used for general government expenditures, and according to the Office of Management and Budget, projects selected for appropriations from the REF have traditionally been determined by the legislature outside the normal budget process. The Legislative Finance Division notes that the REF is generally treated as a “hands off” fund, one from which appropriations are made only with the endorsement of a finance committee chair or other high-ranking legislator.<sup>26</sup>

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I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.

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<sup>22</sup> Chapter 41, SLA 1985, Sections 4, 10, 12, 13, 15, 16, 17, and 18.

<sup>23</sup> By Sec. 2, Ch. 96, SLA 1987, \$50 million in GF was repealed and reappropriated to the REF for Bradley Lake. Ch. 172, SLA 1988 appropriated an additional \$7 million from the REF to Bradley Lake. In 1993, \$11.5 million from the Bradley Lake project lapsed back into the REF (Sec. 7[1]-[7], Ch. 19, SLA 1993). The appropriation for the intertie reserve is contained in Sec. 159, Ch. 208, SLA 1990.

<sup>24</sup> Sec. 4(a) and Sec. 5(a), Ch. 19, SLA 1993. In 2000, the funds for these two projects lapsed back into the REF. The utilities originally involved in the Sutton/Glennallen intertie project withdrew and the project was cancelled. The Swan Lake/Tyee Lake intertie is being constructed by the utilities that bought the Four Dam Pool as part of the purchase agreement. Sara Fisher-Goad and Valorie Walker, AEA.

<sup>25</sup> Although the initial intent of the REF was to fund energy programs in the railbelt, during the early 1990s it was also used to fund a variety of capital projects across the state. As you will see in Table 2, lawmakers appropriated almost \$85 million from the REF for various capital projects in 1990 and 1991, including funds for the University of Alaska (\$39.5 million), the McLaughlin Youth Center (\$2.5 million), and a congregate housing facility for the City of Kenai (\$3.3 million).

<sup>26</sup> “The Alaska Railbelt Energy Fund,” Legislative Research Services Report 05.041, April 5, 2005, p. 3.

**Table 1: Chronological History of Major Energy Appropriations, 1976-2009**  
(in thousands)

Year	Comments	Amount
1976	The first major appropriations for energy projects began in 1976, with an appropriation to the water resources revolving loan fund for energy projects.	\$2,500.0
1976-1982	Initial appropriations for loans and grants for <b>major dam projects</b> (Green Lake, Swan Lake, Terror Lake, Tyee Lake), including the purchase of Solomon Gulch. (Loans were reappropriated as grants in 1982).	\$185,260.0
1979-1985	Appropriations for <b>Susitna</b> Hydroelectric Project.	\$423,500.0
1980-1986	Appropriations for <b>Bradley Lake</b> Hydroelectric Project (includes \$165 million in GO bonds). \$57 million is from the REF (\$50 million of this was a funding source change from GF to REF). This project came online in 1991.	\$328,000.0
1980-1984	Grants for Alaska Intertie (formerly known as "Anchorage/Fairbanks Intertie").	\$124,000.0
1986	<b>Railbelt Energy Fund (REF)</b> created <b>Capitalization of REF.</b> Susitna appropriation made in 1985 repealed and reappropriated to the General Fund and then to the REF. Reappropriated unexpended, unobligated, and unencumbered prior year appropriations for Susitna to the REF.	\$289,500.0
1993	Ch. 18, SLA 1993 authorized AIDEA to issue GO bonds up to \$185 million for selected energy projects (\$60 million for Northern Intertie, \$60 million for Southern Intertie, \$40 million for Southeast Intertie, \$25 million for Sutton/Glennallen Intertie). No bonds were issued.	\$185,000.0
1995	Northern Intertie	\$65,000.0
2002	Southern, and Southeast interties, and Alaska intertie upgrade (the Southern intertie was discontinued after participating utilities withdrew from the project). <sup>1</sup> Sale of the Four Dam Pool	\$67,000.0
2003	Eklutna project transmission line upgrade; Upgrade and Extend the Anchorage to Fairbanks power transmission intertie to the Teeland substation; Grant to Matanuska Electric Association for Lucas substation and Pioneer line extensions.	\$45,600.0
2007	Alaska Energy Authority - Alcan Intertie	\$3,200.0
2008	Four Dam Pool Power Agency for the Swan Lake to Lake Tyee Intertie	\$46,200.0
2009	Susitna Hydro Study and Railbelt Energy Plan	\$2,500.0
2009	Fire Island Wind Farm Transmission Lines	\$25,000.0

**Table 1: Chronological History of Major Energy Appropriations, 1976-2009**  
(in thousands)

Year	Comments	Amount
<b>Major Railbelt Projects</b>		
	Susitna	\$136,500.0
	Bradley Lake (\$163 million in grants, \$165 million in GO bonds)	\$328,000.0
	Alaska Intertie	\$144,300.0
	Northern Intertie	\$65,000.0
	Southern Intertie (project cancelled--funds remain with AEA until repealed or reappropriated)	\$47,300.0
	Transmission line upgrades and extentions	\$88,925.0
	Total	\$810,025.0
	Southern Intertie interest returned to the General Fund	\$28,500.0
<b>Major "Off-Railbelt" Projects</b>		
	Four-dam Pool (Solomon Gulch [Valdez/Glennallen], Swan Lake [Ketchikan], Terror Lake [Kodiak], Tyee Lake [Wrangell/Petersburg])	\$545,000.0
	Power Cost Equalization--FY1981-2009	\$505,200.0
	Larsen Bay	
	Total	\$1,050,200.0
	PCE Endowment Fund <sup>2</sup>	\$192,200.0
<p><b>Notes:</b> 1. "Southern" intertie: Kenai to Anchorage (project cancelled, participating utilities withdrew). "Northern" intertie: Healy to Fairbanks (owned by the Golden Valley Electric Association). "Alaska" intertie: Willow to Healy. "Southeast" intertie: Swan Lake to Tyee Lake (being constructed by the Four Dam Pool Power Agency as a condition of the sale of the Four Dam Pool).</p> <p>2. The fund is not included in the total of "off-railbelt" projects because the PCE Endowment funds the PCE &amp; Rural Electric Capitalization fund, from which appropriations are made to the PCE program. Including it would duplicate the amounts.</p> <p><b>Sources:</b> Alaska Energy Authority, Alaska Railroad Corporation, Legislative Finance Division, Office of Management and Budget, operating budgets, <i>Session Laws of Alaska</i>.</p>		

**Table 2: Power Cost Equalization Program Expenditures,  
1980 - Present**

Fiscal Year	Amount	Fiscal Year	Amount
1981	\$2,658.6	1996	\$19,329.7
1982	\$9,300.0	1997	\$17,967.9
1983	\$8,300.0	1998	\$18,664.2
1984	\$8,298.2	1999	\$18,050.0
1985	\$14,128.2	2000	\$14,562.2
1986	\$17,532.0	2001	\$16,091.6
1987	\$13,787.5	2002	\$15,619.6
1988	\$15,000.0	2003	\$15,700.0
1989	\$16,823.6	2004	\$15,700.0
1990	\$19,715.5	2005	\$15,634.0
1991	\$16,747.1	2006	\$21,885.5
1992	\$15,029.6	2007	\$25,459.0
1993	\$17,533.0	2008	\$28,400.0
1994	\$17,679.9	2009	\$51,000.0
1995	\$18,620.5	2010	\$32,000.0
Total PCE 1981-2010		\$537,217.4	
<b>Notes:</b> Amounts for FY1981-2008 are actual expenditures; FY2009 are Mangement Plan figures; FY2010 are Governor's Proposed figures.			
Amounts for FY1981-1984 include administrative costs; FY1985-2010 are grants only.			
<b>Sources:</b> Legislative Finance Division, Historical Budgets online and Operating Budget Books ("shortforms"); Office of Management and Budget, FY2007, FY2008, FY2009, and FY2010 Governor's Operating Budget, <a href="http://omb.alaska.gov/">http://omb.alaska.gov/</a> .			

**Table 3: APPROPRIATIONS TO THE RAILBELT ENERGY FUND,  
1986 - Present**

Ch.	SLA	Sec.	Comments	Amount
29	1986	1	Create the Railbelt Energy Fund (REF).	--
41	1986	4	From the General Fund <sup>1</sup>	\$200,000,000
		10	Reappropriations of unexpended, unobligated, and unencumbered prior year appropriations for the Susitna Hydroelectric Project to capitalize the Railbelt Energy Fund.	\$89,481,023
		12		
		13		
		15		
		16		
		17		
		18		
117	1989	217(b)	Appropriation from GF to the REF for the Healy cogeneration project (contingent upon sec. 217(a) which appropriated \$30 million from the REF to the GF).	\$30,000,000
117	1989	219(b)	Appropriation from the GF to the REF for the Winter Sports Training Facilities reserve (contingent upon 219(a) which appropriated \$5 million from the REF to the GF).	\$5,000,000
19	1993	3	Balance of Railbelt intertie reserve.	\$30,882,941
19	1993	4(b)	Authorization to receive repayments of principal & interest on loans from the Power Project Fund for the Sutton-Glennallen intertie project. <sup>2</sup>	--
19	1993	5(b)	Authorization to receive repayments of principal & interest on loans from the Power Project Fund for the Swan Lake-Tyee Lake intertie project. <sup>2</sup>	--
19	1993	7(1)-(7)	Various reappropriations from the Bradley Lake Hydroelectric project.	\$11,500,000
19	1993	8(a)	From the General Fund.	\$13,200,000
19	1993	8(b)	From the General Fund.	\$66,900,000
60	2000	3	Authorization to receive interest earnings (as of 03/31/05) <sup>3</sup>	\$21,293,354
<b>TOTAL APPROPRIATIONS INTO THE FUND</b>				<b>\$468,257,318</b>

**Notes:** 1. Sections 1 and 2 of Ch. 41 repealed prior appropriations for the Susitna Hydroelectric Project (\$200 million) and the Bradley Lake Hydroelectric Project (\$50 million) and returned them to the General Fund. Section 4 then reappropriated the \$200 million from the Susitna project from the General Fund to the REF. Sections 10, 12, 13, and 15-18 all repealed prior Susitna appropriations and reappropriated them to the REF. 2. Sections 4(a) and 5(a) of Ch. 19, SLA 1993 appropriated \$55 million from the REF to the Power Project Fund for loans for these projects. 3. Approximate earnings and interest income as of March 31, 2005. Includes total FY2005 year-to-date interest earned of \$1,112,997, according to the Division of Finance.

**Sources:** Legislative Finance Division; Division of Finance, Department of Administration; *Session Laws and Resolves of Alaska*.

**Table 4: APPROPRIATIONS FROM THE RAILBELT ENERGY FUND, 1987 - Present**

<b>Fiscal Year</b>	<b>Session Law</b>	<b>Comments</b>	<b>Appropriated To<sup>1</sup></b>	<b>Amount</b>
1987	Sec. 1, Ch. 42, SLA 1986	Preparing a review and evaluation of Railbelt electric power alternatives.	APA	\$2,500,000
1988	Sec. 2, Ch. 96, SLA 1987	Amending the funding source for the Bradley Lake Hydroelectric Project from General Fund (GF) to Railbelt Energy Fund (REF).	APA	\$50,000,000
1989	Sec. 6, Ch. 172, SLA 1988	Bradley Lake Hydroelectric Project	APA	\$7,000,000
1989	Sec. 293, Ch. 173, SLA 1988	Authorization to use REF monies for any GF shortfall in FY89, only in the amount needed to pay outstanding obligations and not to exceed \$50 million. Such a transfer was not necessary.		\$0
1990	Sec. 217(a), Ch. 117, SLA 1989	Appropriation to the General Fund (contingent upon 217(b), which appropriated GF to the REF for the Healy cogeneration project).		\$30,000,000
1990	Sec. 219(a), Ch. 117, SLA 1989	Appropriation to the General Fund (contingent upon 219(b), which appropriated of GF to REF for the Winter Sports Training Facilities reserve).		\$5,000,000
1991	Sec. 139, Ch. 208, SLA 1990	Various capital appropriations as Grants to Municipalities (AS 37.05.315), Grants to Unincorporated Communities (AS 37.05.317), and to state agencies		\$18,732,942
1991	Sec. 139, Ch. 208, SLA 1990	Various capital projects		\$6,085,500
1991	Sec. 141, Ch. 208, SLA 1990	McLaughlin Youth Center Cottage/School Replacement	H&SS	\$2,500,000
1991	Sec. 143, Ch. 208, SLA 1990	Healy cogeneration project	AIDEA	\$25,000,000
1991	Sec. 144, Ch. 208, SLA 1990	City of Seward for transmission line from Lawing to Fort Raymond substation	DOA	\$9,500,000
1991	Sec. 145, Ch. 208, SLA 1990	Purchase of locomotives, rolling stock, and associated equipment costs (for development of Wishbone Hill coal project)	ARC	\$9,000,000
1991	Sec. 146, Ch. 208, SLA 1990	Grant to the Municipality of Anchorage for the Ship Creek development project	DOA	\$2,500,000

**Table 4: APPROPRIATIONS FROM THE RAILBELT ENERGY FUND, 1987 - Present**

<b>Fiscal Year</b>	<b>Session Law</b>	<b>Comments</b>	<b>Appropriated To<sup>1</sup></b>	<b>Amount</b>
1991	Sec. 147(a), Ch. 208, SLA 1990	Weatherization, energy conservation, and energy efficient residential housing incentive program	DCRA	\$1,600,000
1991	Sec. 147(b), Ch. 208, SLA 1990	Weatherization and energy conservation federal match	DCRA	\$600,000
1991	Sec. 148, Ch. 208, SLA 1990	Alaska home craftsman program	DCRA	\$600,000
1991	Sec. 149, Ch. 208, SLA 1990	Alaska energy efficiency and retrofit program	DCRA	\$2,200,000
1991	Sec. 150, Ch. 208, SLA 1990	Grant to the Mat-Su Borough for job corps facility construction	DOA	\$1,700,000
1991	Sec. 151, Ch. 208, SLA 1990	Phase I design and construction of UAF natural sciences facility	UAF	\$23,000,000
1991	Sec. 152, Ch. 208, SLA 1990	Phase I design and construction of UAA classroom building and land purchase	UAA	\$16,500,000
1991	Sec. 153, Ch. 208, SLA 1990	Grant to the Municipality of Anchorage to reconstruct and upgrade the Alyeska Utilities water and sewer system	DOA	\$2,300,000
1991	Sec. 154, Ch. 208, SLA 1990	Anchorage Economic Development Corporation	DCED	\$3,800,000
1991	Sec. 155, Ch. 208, SLA 1990	Kenai Peninsula Borough solid waste disposal facility	DOA	\$1,100,000
1991	Sec. 156, Ch. 208, SLA 1990	Fire training facility on the Kenai Peninsula	UAA	\$1,000,000
1991	Sec. 157, Ch. 208, SLA 1990	City of Kenai for construction of a congregate housing facility	DOA	\$3,300,000
1991	Sec. 158, Ch. 208, SLA 1990	Anchorage Neighborhood Housing Services for neighborhood revitalization	DOA	\$1,700,000
1991	Sec. 159, Ch. 208, SLA 1990	To the General Fund, Railbelt intertie reserve, for the Soldotna-Anchorage and Healy-Fairbanks interties		\$100,000,000
1994	Sec. 4(a), Ch. 19, SLA 1993	To the Power Project Fund for a loan for the Sutton to Glennallen power transmission intertie.	PPF <sup>2</sup>	\$35,000,000

**Table 4: APPROPRIATIONS FROM THE RAILBELT ENERGY FUND, 1987 - Present**

<b>Fiscal Year</b>	<b>Session Law</b>	<b>Comments</b>	<b>Appropriated To<sup>1</sup></b>	<b>Amount</b>
1994	Sec. 5(a), Ch. 19, SLA 1993	To the Power Project Fund for a loan for the Swan Lake to Tyee Lake power transmission intertie.	PPF <sup>2</sup>	\$20,000,000
1994	Sec. 8(c), Ch. 19, SLA 1993	To Power Cost Equalization and Rural Electric Capitalization Fund to capitalize the fund.	PCE/RECF	\$66,900,000
2001	Sec. 1(a), Ch. 75, SLA 2000	Appropriations made in secs. 4 and 5, Ch. 19, SLA 1993, lapse into the Railbelt Energy Fund.		(\$55,000,000)
2001	Sec. 24(a), Ch. 135, SLA 2000	Reappropriates unspent balance of Sec. 145(a), Ch. 208, SLA 1990, as amended by sec. 55, Ch. 100, SLA 1997 (Alaska Railroad Corporation--\$9,000,000), as follows:  (1) one-half for a grant to the Mat-Su Borough for the Point MacKenzie port development and associated rail line improvements within the borough; (2) one-half to the Alaska Railroad Corporation for the purchase of locomotives, rolling stock, and associated equipment, and rail line improvements to facilitate the development of coal deposits in the Matanuska-Susitna Borough.		\$0
2001	Sec. 24(b), Ch. 135, SLA 2000	Reappropriates unspent balance of Sec. 145(b), Ch. 208, SLA 1990, added by Sec. 56, Ch. 100, SLA 1997 as amended by Sec. 40(b), Ch. 2, FSSLA 1999 (Alaska Railroad Corporation), as follows: (1) one-half for a grant to the Mat-Su Borough for the Point MacKenzie port development and associated rail line improvements within the borough; (2) one-half to the Alaska Railroad Corporation for the purchase of locomotives, rolling stock, and associated equipment, and rail line improvements to facilitate the development of coal deposits in the Matanuska-Susitna Borough.		\$0
2001	Sec. 24(c), Ch. 135, SLA 2000	Appropriates the interest earned on 24(a)(2) and 24(b)(2) to the General Fund on July 1 of each fiscal year.		\$0

**Table 4: APPROPRIATIONS FROM THE RAILBELT ENERGY FUND, 1987 - Present**

<b>Fiscal Year</b>	<b>Session Law</b>	<b>Comments</b>	<b>Appropriated To<sup>1</sup></b>	<b>Amount</b>
2003	Sec. 78(a), Ch. 1, SSSLA 2002	Grants to Homer Electric Association (replacement power supply for Seldovia--\$2 million), Golden Valley Electric Association (Parks Highway line extension--\$872.0), and Matanuska Electric Association (Lucas substation and Pioneer line extensions--\$500.0)	DCED	\$3,372,000
2003	Sec. 78(b), Ch. 1, SSSLA 2002	Grant to the Municipality of Anchorage for the Eklutna project transmission line	DCED	\$19,300,000
2003	Sec. 78(c), Ch. 1, SSSLA 2002	Upgrade and extend the Anchorage-Fairbanks power transmission intertie to the Teeland substation.	DCED/AEA	\$20,300,000
2006	Sec. 42(f), Ch. 3, FSSLA 2005	The unexpended and unobligated balance of the appropriation made in sec. 24(a)(1), ch. 135, SLA 2000 (Matanuska-Susitna Borough, Point MacKenzie port development and associated rail line improvements - originally \$4,500,000) is reappropriated to the Department of Commerce, Community, and Economic development or payment as a grant under AS 37.05.315 to the Matanuska-Susitna Borough for Point MacKenzie port development and associated rail line improvements.	DCCED	\$0
2007	Sec. 62(i), Ch. 82, SLA 2006	Any balance remaining in the Railbelt energy fund (AS 37.05.520) and interest earnings of the fund, after the appropriations made in (a) - (h) of this section and not to exceed \$800,000, is appropriated to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, for the study of the Railbelt Electrical Grid Authority, an independent system operator, to manage and dispatch electric power on the Railbelt grid. Governor Murkowski vetoed Sections (a) - (h).	DCCED	\$0
2009	Sec. 10, Ch. 29, SLA 2008	Purchase of Back-up generators for Seward (AS37.05.315)	DCCED	\$2,000,000
2009	Sec. 13, Ch. 29, SLA 2008	Susitna Hydro Study and Railbelt Energy Plan	DCCED	\$2,500,000
2009	Sec. 13, Ch. 29, SLA 2008	Fire Island Wind Farm Transmission Lines	DCCED	\$25,000,000

**Table 4: APPROPRIATIONS FROM THE RAILBELT ENERGY FUND, 1987 - Present**

<b>Fiscal Year</b>	<b>Session Law</b>	<b>Comments</b>	<b>Appropriated To<sup>1</sup></b>	<b>Amount</b>
2009	Sec. 69, Ch. 29, SLA 2008	The unexpended and unobligated balance, not to exceed \$10,000,000, of the appropriation made in sec. 78(c), ch. 1, SSSLA 2002 (Alaska Energy Authority, upgrade and extend the Anchorage to Fairbanks power transmission intertie to Teeland substation - \$20,300,000) is reappropriated to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, for Alaska intertie static VAR compensators and tower upgrade and repair.	DCCED	\$0
		<b>Total Appropriations from the Fund<sup>3</sup></b>		<b>\$466,590,442</b>
		<b>Fund Balance</b>		<b>\$1,666,876</b>
<p><b>Notes:</b> 1. The legend for these abbreviations is as follows: AEA, Alaska Energy Authority; AIDEA, Alaska Industrial Development Authority; APA, Alaska Power Authority; ARC, Alaska Railroad Corporation; DCED, Department of Commerce &amp; Economic Development; DCRA, Department of Community &amp; Regional Affairs; DOA, Department of Administration; PCE/RECF, Power Cost Equalization and Rural Electric Capitalization Fund; PPF, Power Project Fund; UAA, University of Alaska Anchorage; UAF, University of Alaska Fairbanks.</p> <p>2. These appropriations were made to the Power Project Fund, from which loans were made for the intertie projects (Section 4, Chapter 1, SLA 1993).</p> <p>3. This amount does not include the "CBR sweep"--general fund subaccounts (one of which is the Railbelt Energy Fund) are automatically "swept" into the Constitutional Budget Reserve Fund (CBRF) to meet the requirements of Article IX, Sec. 17(d) of the Alaska Constitution, which requires that withdrawals from the CBRF be repaid. The FY2004 sweep was transferred back to the subaccounts from which it came by Section 61(d) of Chapter 159, SLA 2004.</p> <p><b>Sources:</b> Legislative Finance Division; Division of Finance, Department of Administration; <i>Session Laws and Resolves of Alaska</i>.</p>				