

# ALASKA STATE LEGISLATURE

Session  
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## SENATOR LESIL MCGUIRE Sectional Analysis HCS for CS SS SB 25 (L&C) (27-LS0290\L)

-Please note that this analysis is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

### **Title**

- Section 1** Establishes a short title for the bill: The Alaska Sustainable Strategy for Energy Transmission and Supply
- Section 2** Adds **energy** to the legislative findings establishing AIDEA.
- Section 3** Adds **energy** to the legislative policy establishing AIDEA.
- Section 4** Amends the AIDEA loan participation program by allowing AIDEA to participate through a private lending institution in the financing of energy infrastructure (defined throughout the bill as **qualified energy development** in section 13). Also allows AIDEA purchase loans for energy efficiency improvements from qualified financial institutions.
- Section 5** Makes a corresponding change adding **qualified energy development** to AIDEA's ability to waive certain provisions of AS 44.88.155 if it intends to own the development.
- Section 6** Amends AS 44.88.159(a) to establish interest rates for loan purchases from the proceeds of tax-exempt bonds secured by the fund established in section 12.
- Section 7** Amends AS 44.88.159(b) to establish interest rates for loan purchases from the proceeds of taxable bonds secured by the fund established in section 12.
- Section 8** Amends AS 44.88.159(d) to establish interest rates for loans from the fund established in section 12.
- Section 9** Amends AS 44.88.159(e) to establish interest rates for a loan made from the fund established in section 12 and establishing minimum interest rates for those loans.
- Section 10** Amends AS 44.88.159(f) to waive the minimum interest rate requirements to resolve lending limits or lending restrictions.

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**Section 11** Amends AS 44.88.159(g) to allow AIDEA to offer an incentive interest rate reduction of up to 1% for **renewable energy development**.

**Section 12** Amends AS 44.88 by adding new sections:

1. Sec. 44.88.700 establishing the sustainable energy transmission and supply development program to finance qualified energy developments.
2. Sec. 44.88.710 establishing the sustainable energy transmission supply and development fund within the authority to finance qualified energy developments.
3. Sec. 44.88.720 defining the uses of the fund.
4. Sec 44.88.730 establishing the powers and duties of the fund.
  - a. To finance, insure project obligations, guarantee loans or bonds and establish reserves;
  - b. Acquire real or personal property by purchase, transfer or foreclosure when necessary to protect the authority's interest.
  - c. Defer principal payments or capitalize interest.
  - d. Enter into build-operate-transfer, lease and other project financing agreements.
  - e. Enter into agreements with government entities to transfer control of facilities, rights-of-way and studies.
  - f. Subject to AIDEA's existing statutes and limitations in AS 44.88.090 borrow money or issue bonds.
  - g. Pay off the principal of and interest on bonds issued by a municipality if the municipality continues making payments and establishes a sinking fund.
5. Sec 44.88.740 establishing limitations on financing.

**Section 13** Definitions

**Section 14** Instructions to the revisor.