

**Sec. 44.88.650. Sustainable energy transmission and supply development program.** The sustainable energy transmission and supply development program is created in the authority to promote and provide financing for qualified energy development in the state to alleviate unemployment and contribute to the state's economic welfare, economic diversity, and economic development.

**Sec. 44.88.660. Alaska Industrial Development and Export Authority sustainable energy transmission and supply development fund.** The Alaska Industrial Development and Export Authority sustainable energy transmission and supply development fund is established in the authority. The development fund consists of appropriations made to the development fund by the legislature, money or other assets transferred to the development fund by the authority, and unrestricted loan repayments, interest, or other income earned on loans, investments, or assets of the development fund. The development fund is not an account in the revolving loan fund established in [AS 44.88.060](#), and the authority shall account for the development fund separately from the revolving fund. The authority may create additional accounts in the development fund. Subject to agreements made with the holders of the authority's bonds or with other persons, the authority may transfer amounts in an account in the development fund to another account in the development fund. Amounts deposited in the development fund may be pledged to the payment of bonds of the authority or expended for the purposes of [AS 44.88.650](#) - 44.88.690. The authority has the powers and responsibilities established in [AS 37.10.071](#) with respect to the investment of amounts held in the development fund.

**Sec. 44.88.670. Use of fund balance.** Subject to the requirements of [AS 44.88.650](#) - 44.88.690, the authority may use money in the Alaska Industrial Development and Export Authority sustainable energy transmission and supply development fund ([AS 44.88.660](#)) to assist in the construction, improvement, rehabilitation, and expansion of qualified energy development.

**Sec. 44.88.680. Qualified energy development; powers and duties of the authority.**

(a) Subject to the limitations of [AS 44.88.690](#), for qualified energy development, the authority may

(1) use the Alaska Industrial Development and Export Authority sustainable energy transmission and supply development fund ([AS 44.88.660](#)) to finance qualified energy development, insure project obligations, guarantee loans or bonds, and establish reserves;

(2) acquire real or personal property by purchase, transfer, or foreclosure when the acquisition is necessary to protect the authority's interest in financing;

(3) defer principal payments or capitalize interest on qualified energy development financing;

(4) subject to [AS 36.30.085](#)(e), enter into lease agreements, sales-lease-back agreements, build-operate-transfer and operate-transfer agreements, or any similar project financing agreement for a qualified energy development;

(5) enter into agreements with government entities for the transfer and control of infrastructure, facilities, rights-of-way, and studies;

(6) contract for services with a professional advisor, including an attorney, bond counsel,

engineer, or other technical expert necessary to fulfill the purposes of the program;

(7) subject to [AS 44.88.090](#), borrow money and issue bonds; and

(8) pay off the principal of and interest on bonds issued by a municipality to acquire, construct, improve, or equip a public utility if the municipality continues to pay the authority the bond payments due under the terms of the bonds; the authority shall retain the payments from the municipality in a sinking fund, and the municipality may apply to use the funds for qualified energy development.

(b) The authority shall adopt regulations to implement [AS 44.88.650](#) - 44.88.690, including

(1) an application process for acquiring financing under this section;

(2) qualifications for qualified energy development projects applying for financing under this section; and

(3) fiscal controls and accounting procedures for the development fund.

**Sec. 44.88.690. Limitations on financing. Article 09. NEW MARKETS TAX CREDIT ASSISTANCE GUARANTEE AND LOAN PROGRAM**

(a) Unless the authority has obtained legislative approval by law, the authority may not finance or participate in financing of

(1) more than one-third of the capital cost of qualified energy development; or

(2) a loan guarantee that exceeds \$20,000,000.

(b) Financing under [AS 44.88.680](#) is limited to the life of qualified energy development, which may not be more than

(1) 30 years; or

(2) 50 years for a transmission line or hydroelectric qualified energy development.

**Sec. 44.88.900. Definitions.** In this chapter,

(1) "authority" means the Alaska Industrial Development and Export Authority created by this chapter;

(2) "business enterprise" means a single proprietorship, cooperative, corporation, firm, partnership, or other association of persons organized in any manner, for any credit worthy business purpose;

(3) "development fund" means the Alaska Industrial Development and Export Authority sustainable energy transmission and supply development fund created in [AS 44.88.660](#);

(4) "development project" has the meaning given to "project" in (10)(A) and (D) - (H) of this section;

(5) "federal agency" means the United States and any officer, department, agency or instrumentality of the United States;

(6) "governing body of a political subdivision" means, when used with respect to the location of a project, the council of a city if the project is to be located in a city in the unorganized borough, or the assembly if the project is to be located in an organized borough or a unified municipality;

(7) "lease" includes, when used as a noun, an interest in, or when used as a verb, the transfer

of an interest in, property less than fee simple title, including, without limitation, when used as a noun, agreements to use or occupy property;

(8) "loan participation" means the purchase of a portion of a loan from a financial institution if

(A) the financial institution has obtained a commitment from the authority to purchase the portion of that loan before the financial institution has disbursed money as part of the loan to the borrower; or

(B) the authority determines that purchasing a portion of a preexisting loan will resolve lending limits or reserve restrictions imposed on the financial institution by law or a state or federal regulatory agency, or by the financial institution if the internal lending limit or reserve restriction is acceptable to the authority;

(9) "plant" or "facility" means real property, whether above or below mean high water, or an interest in it, and the buildings, improvements, and structures constructed or to be constructed on or in it, and may include roads, fixtures, machinery, and equipment on it or in it, and tangible personal property, regardless of whether the tangible personal property is attached to or connected with real property, if the owner has agreed not to remove the tangible personal property permanently from the state for the period the authority sets; "plant" or "facility" does not include work in process or stock in trade;

(10) "project" means

(A) a plant or facility used or intended for use in connection with making, processing, preparing, transporting, or producing in any manner, goods, products, or substances of any kind or nature or in connection with developing or utilizing a natural resource, or extracting, smelting, transporting, converting, assembling, or producing in any manner, minerals, raw materials, chemicals, compounds, alloys, fibers, commodities and materials, products, or substances of any kind or nature;

(B) a plant or facility used or intended for use in connection with a business enterprise;

(C) commercial activity by a business enterprise;

(D) a plant or facility demonstrating technological advances of new methods and procedures and prototype commercial applications for the exploration, development, production, transportation, conversion, and use of energy resources;

(E) infrastructure for a new tourism destination facility or for the expansion of a tourism destination facility; in this subparagraph, "tourism destination facility" does not include a hotel or other overnight lodging facility;

(F) a plant or facility, other than a plant or facility described in (D) of this paragraph, for the generation, transmission, development, transportation, conversion, or use of energy resources;

(G) a plant or facility that enhances, provides for, or promotes economic development with respect to transportation, communications, community public purposes, technical innovations, prototype commercial applications of intellectual property, or research;

(H) a plant or facility used or intended for use as a federal facility, including a United

States military, national guard, or coast guard facility;

(I) infrastructure for an area that is designated as a military facility zone under [AS 26.30](#);

(11) "project applicant" means a business enterprise or enterprises proposing to

(A) use or occupy a project; or

(B) agree to permit others to use or occupy a project;

(12) "project cost" or "cost of a project" means all or any part of the aggregate costs determined by the authority to be necessary to finance the construction, expansion, or acquisition of a project, including without limitation the cost of acquiring real or tangible personal property, and, in connection with real property, the cost of constructing buildings and improvements, the cost of constructing means of access to and from the project, the cost of constructing extensions of utility systems to the site of the project; the cost of a project includes, without limitation, the cost of financing the project, interest charges before, during or after construction, expansion, or acquisition of the project, costs related to the determination of the feasibility, planning, design or engineering of the project and, to the extent determined necessary by the authority, administrative expenses, the cost of machinery or equipment to be used in the operation of the project and expenses of installation, replacement or rehabilitation, and all other costs, charges, fees and expenses which may be determined by the authority to be necessary to finance the construction, expansion, or acquisition;

(13) "qualified energy development" means a project in the state that involves

(A) transmission, generation, conservation, storage, or distribution of heat or electricity;

(B) liquefaction, regasification, distribution, storage, or use of natural gas except a natural gas pipeline project for transporting natural gas from the North Slope or Cook Inlet to market;

(C) distribution or storage of refined petroleum products;

(14) "real property" means land and rights and interests in land, including, without limitation, interests less than full title such as easements, uses, leases, and licenses;

(15) "revolving fund" means the Alaska Industrial Development and Export Authority revolving fund created in [AS 44.88.060](#);

(16) "trade secret" has the meaning given in [AS 45.50.940](#).