

Explanation of Changes: CS for SS for House Bill 4 (RES) (Version \P)

The House Resources Committee amended the Sponsor Substitute for House Bill 4 \O to the effect of:

- Requires an Alaska veterans' preference in procurement procedures established by the Alaska Gasline Development Corporation. (Section 3 in CS for SSHB4 (RES) \P)
- Expands the value of AGDC to Alaskans by requiring AGDC, once a main pipeline is under construction, to analyze potential connecting lines extending gas to more Alaska communities and industrial developments. (Section 3 in CS for SSHB4 (RES) \P)
- Increases AGDC accountability for state money and to Alaskans by requiring, once a pipeline is operational, disclosure of confidential information that is not subject to confidential agreements and that does not harm the state's economic interests. (Section 3 in CS for SSHB4 (RES) \P)
- Removes references to the state's royalty gas to ensure that the Department of Natural Resources commissioner, in conjunction with the Royalty Board, retains full discretion to manage the state's royalty gas. (Removed language in Section 1 and Section 3 of SSHB 4 \O)
- Makes clarifying changes to ensure AGDC is established as an independent corporation of the state; that state agencies shall provide information and assistance to AGDC; and removing a section related to international borrowing that is not necessary for AGDC in issuing revenue bonds (drafting errors). (Title and Section 3 in CS for SSHB4 (RES) \P; removed international borrowing language in Section 3 of SSHB4 \O)
- To avoid redundancy and streamline state efforts, repeals the Alaska Natural Gas Development Authority (ANGDA) per Legislative Audit recommendations. (Removes Sections 17-28 of SSHB4 \O; makes conforming changes; adds to repealer in Section 23 of CS for SSHB4 (RES) \P)
- Creates a backstop on RCA review of a certificate of public convenience and necessity application, so that failure to act within 180 days defaults to approval of an application. (Section 21 in CS for SSHB4 (RES) \O)
- Incorporates a substantial, 9-page amendment to Section 21, a new chapter of regulatory oversight for a contract carrier natural gas pipeline. The amendment amplifies the use of a recourse tariff to provide fairness, transparency, and accountability. The amendment strengthens the dispute resolution processes in a carrier's terms to require opportunities for participation by other shippers who may be affected. The amendment provides the Regulatory Commission of Alaska greater authority in carrying out the regulatory processes in Sec. 21. Finally, the amendment protects against the unlikely but possible potential for a carrier to make a rate of return in excess of that allowed by the RCA and provided for in shipping contracts. (Section 21 in CS for SSHB4 (RES) \O)