

HOUSE CS FOR CS FOR SENATE BILL NO. 140(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 5/8/02

Referred: Rules

Sponsor(s): SENATORS TORGERSON, Taylor, Austerman, Cowdery, Leman

REPRESENTATIVE Murkowski

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to regulation and licensing of certain water-power development
2 projects; and providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * **Section 1.** AS 42.45 is amended by adding a new section to read:

Article 6A. Water-Power Development Projects.

Sec. 42.45.350. Licensing of water-power development projects. (a) The

7 commission shall adopt regulations to establish a regulatory program for water-power
8 development projects that qualify under this section.

9 (b) The regulatory program established under this section must

10 (1) protect the public interest, the purposes listed in (2) of this
11 subsection, and the environment to the same extent provided by the requirements for
12 licensing and regulation by the Federal Energy Regulatory Commission under 16
13 U.S.C. 792 - 823c and other applicable federal laws, including 16 U.S.C. 1531 et seq.
14 (Endangered Species Act) and 16 U.S.C. 661 et seq. (Fish and Wildlife Coordination

Act);

(2) give equal consideration to

(A) energy conservation;

(B) the protection of, mitigation of damage to, and enhancement of, fish and wildlife, including related spawning grounds and habitat;

(C) the protection of recreational opportunities;

(D) the preservation of other aspects of environmental quality;

(E) the interests of resident Alaska Natives;

(F) other beneficial public uses, including irrigation, flood control, water supply, navigation; and

(G) the interest of Alaska residents and landowners; and

(3) require, as a condition of a license for any qualifying project work,

(A) the construction, maintenance, and operation by a licensee at the licensee's own expense of the lights and signals that may be directed by the secretary of the department of the United States government in which the United States Coast Guard is operating and the fishways that are prescribed by the Secretary of the Interior or the Secretary of Commerce, as appropriate;

(B) the operation of any navigation facilities that may be constructed as part of any project to be controlled at all times by the reasonable rules and regulations that are adopted by the Secretary of the Army; and

(C) conditions for the protection of, mitigation of damage to, and enhancement of fish and wildlife based on recommendations received under 16 U.S.C. 661 et seq. (Fish and Wildlife Coordination Act) from the National Marine Fisheries Service, the United States Fish and Wildlife Service, and the state Department of Fish and Game.

(c) For purposes of this section, the term "qualifying project work" means a project work

(1) that is not part of a project licensed under 16 U.S.C. 792 - 823c or exempted from licensing under 16 U.S.C. 792 - 823c or under 16 U.S.C. 2705 (section 405 of the Public Utility Regulatory Policies Act of 1978) before November 9, 2000;

(2) for which a preliminary permit, a license application, or an application for an exemption from licensing has not been accepted for filing by the Federal Energy Regulatory Commission before November 9, 2000, unless the application is withdrawn at the election of the applicant;

(3) that is part of a project that has a power production capacity of 5,000 kilowatts or less;

(4) that is located entirely within the boundaries of the state; and

(5) that is not located in whole or in part on an Indian reservation, a conservation system unit as defined in 16 U.S.C. 3102 (sec. 102, Alaska National Interest Lands Conservation Act), or on a segment of a river designated for study for addition to the National Wild and Scenic Rivers System.

(d) In the case of nonqualifying project work that would be qualifying project work but for the fact that the project has been licensed or exempted from licensing by the Federal Energy Regulatory Commission before November 9, 2000, the licensee of the project may elect to make the project subject to licensing and regulation by the state under this section.

(e) With respect to projects located in whole or in part on a reservation, a conservation system unit, or federal public land, a state license or exemption from licensing is subject to

(1) the approval of the secretary of the federal department having jurisdiction over those lands; and

(2) the conditions that the secretary may prescribe.

(f) The Regulatory Commission of Alaska shall notify the Federal Energy Regulatory Commission not later than 30 days after making any significant modification to its regulatory program under this section.

(g) In this section,

(1) "federal public land" means the land and interest in land owned by the United States that is subject to private appropriation and disposal under public land laws, but does not include a reservation;

(2) "licensee" means any person, state, or municipality licensed under the provisions of 16 U.S.C. 797 and any assignee or successor in interest of the

1 licensee thereof;

2 (3) "project" means, notwithstanding the definition in AS 42.45.990, a
3 complete unit of improvement or development, consisting of a power house, all water
4 conduits, all dams and appurtenant works and structures, including navigation
5 structures, that are a part of the unit, and all storage, diverting, or forebay reservoirs
6 directly connected with the unit, the primary line or lines transmitting power from the
7 unit to the point of junction with the distribution system or with the interconnected
8 primary transmission system, all miscellaneous structures used and useful in
9 connection with the unit or any part of the unit, and all water rights, rights-of-way,
10 ditches, dams, reservoirs, land, or interests in land the use and occupancy of which are
11 necessary or appropriate in the maintenance and operation of the unit;

12 (4) "project work" means the physical structure of a project;

13 (5) "reservation"

14 (A) means a national forest; tribal land embraced within an
15 Indian reservation; a military reservation; other land and an interest in land
16 owned by the United States and withdrawn, reserved, or withheld from private
17 appropriation and disposal under the public land laws; and land and an interest
18 in land acquired and held for any public purposes;

19 (B) does not include a national monument or national park.

20 * **Sec. 2.** This Act takes effect January 31, 2003.