



# LAWS OF ALASKA

2014

**Source**

CSSB 99(L&C) am H

**Chapter No.**

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**AN ACT**

Relating to the Alaska Industrial Development and Export Authority revolving fund; limiting the use of the Alaska Industrial Development and Export Authority sustainable energy transmission and supply development fund for certain loans and loan guarantees and allowing the development fund to be used as security for a bond guarantee; amending the definition of "qualified energy development"; authorizing the Alaska Industrial Development and Export Authority to issue bonds to finance the infrastructure and construction costs of the Bokan-Dotson Ridge rare earth element project and the Niblack project; and relating to legislative approval for a loan from the power project fund for the Blue Lake hydroelectric project.

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

THE ACT FOLLOWS ON PAGE 1



## AN ACT

1 Relating to the Alaska Industrial Development and Export Authority revolving fund; limiting  
2 the use of the Alaska Industrial Development and Export Authority sustainable energy  
3 transmission and supply development fund for certain loans and loan guarantees and allowing  
4 the development fund to be used as security for a bond guarantee; amending the definition of  
5 "qualified energy development"; authorizing the Alaska Industrial Development and Export  
6 Authority to issue bonds to finance the infrastructure and construction costs of the Bokan-  
7 Dotson Ridge rare earth element project and the Niblack project; and relating to legislative  
8 approval for a loan from the power project fund for the Blue Lake hydroelectric project.

9 \_\_\_\_\_  
10 \* **Section 1.** AS 44.88.660 is amended to read:

11 **Sec. 44.88.660. Alaska Industrial Development and Export Authority**

1       **sustainable energy transmission and supply development fund.** The Alaska  
2       Industrial Development and Export Authority sustainable energy transmission and  
3       supply development fund is established in the authority. The development fund  
4       consists of appropriations made to the development fund by the legislature, money or  
5       other assets transferred to the development fund by **a vote of the members of** the  
6       authority **under AS 44.88.050 from any other fund controlled by the authority,**  
7       and unrestricted loan repayments, interest, or other income earned on loans,  
8       investments, or assets of the development fund. The development fund is not an  
9       account in the revolving [LOAN] fund established in AS 44.88.060, and the authority  
10      shall account for the development fund separately from the revolving fund. The  
11      authority may create additional accounts in the development fund. Subject to  
12      agreements made with the holders of the authority's bonds or with other persons, the  
13      authority may transfer amounts in an account in the development fund to another  
14      account in the development fund. Amounts deposited in the development fund may be  
15      pledged to the payment of bonds of the authority or expended for the purposes of  
16      AS 44.88.650 - 44.88.690. The authority has the powers and responsibilities  
17      established in AS 37.10.071 with respect to the investment of amounts held in the  
18      development fund.

19      \* **Sec. 2.** AS 44.88.690(a) is amended to read:

20               (a) Unless the authority has obtained legislative approval by law, the authority  
21      may not **use the Alaska Industrial Development and Export Authority sustainable**  
22      **energy transmission and supply development fund established in AS 44.88.660 to**  
23      **make** [FINANCE OR PARTICIPATE IN FINANCING OF]

24                       (1) **a loan for** more than one-third of the capital cost of qualified  
25      energy development; or

26                       (2) a loan guarantee **if the amount of the guarantee** [THAT] exceeds  
27      \$20,000,000.

28      \* **Sec. 3.** AS 44.88.690 is amended by adding a new subsection to read:

29               (c) Notwithstanding (a) of this section, the authority may use the Alaska  
30      Industrial Development and Export Authority sustainable energy transmission and  
31      supply development fund established in AS 44.88.660 as security for a bond

1           guarantee.

2       \* **Sec. 4.** AS 44.88.900(14) is amended to read:

3                       (14)   "qualified energy development" means a **development**  
4       [PROJECT] in the state that involves

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

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

10                      (C)   distribution or storage of refined petroleum products;

11       \* **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to  
12   read:

13           LEGISLATIVE APPROVAL; BOKAN-DOTSON RIDGE RARE EARTH  
14   ELEMENT PROJECT. (a) The Alaska Industrial Development and Export Authority may  
15   issue bonds to finance the infrastructure and construction costs of the Bokan-Dotson Ridge  
16   rare earth element project. The Bokan-Dotson Ridge rare earth element project's surface  
17   complex shall be owned and operated by the authority or financed under AS 44.88.172. The  
18   principal amount of the bonds provided by the authority for the Bokan-Dotson Ridge rare  
19   earth element project may not exceed \$145,000,000 and may include the costs of issuing  
20   bonds considered reasonable and appropriate by the Alaska Industrial Development and  
21   Export Authority.

22           (b) This section constitutes legislative approval required by AS 44.88.095(g).

23       \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
24   read:

25           LEGISLATIVE APPROVAL; NIBLACK PROJECT. (a) The Alaska Industrial  
26   Development and Export Authority may issue bonds to finance the infrastructure and  
27   construction costs of the Niblack project. The Niblack project includes a mineral processing  
28   mill, associated dock, and loading and related infrastructure facilities at the Gravina Island  
29   Industrial Complex, as well as infrastructure at the project site on Prince of Wales Island. The  
30   mineral processing mill, associated dock, and loading and related infrastructure facilities at  
31   the Gravina Island Industrial Complex, as well as infrastructure at the project site on Prince of

1 Wales Island, shall be owned and operated by the authority or financed under AS 44.88.172.  
2 The principal amount of the bonds provided by the authority for the Niblack project may not  
3 exceed \$125,000,000 and may include the costs of issuing bonds considered reasonable and  
4 appropriate by the Alaska Industrial Development and Export Authority.

5 (b) This section constitutes legislative approval required by AS 44.88.095(g).

6 \* **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to  
7 read:

8 **LEGISLATIVE APPROVAL OF LOAN FROM THE POWER PROJECT FUND.** If  
9 the Alaska Energy Authority approves a loan to the City and Borough of Sitka for the Blue  
10 Lake hydroelectric project, the legislature authorizes the Alaska Energy Authority to loan an  
11 amount not to exceed \$18,600,000 from the power project fund (AS 42.45.010) to the City  
12 and Borough of Sitka for the Blue Lake hydroelectric project. This section constitutes  
13 legislative approval under AS 42.45.010(j) for a loan from the fund that exceeds \$5,000,000.