

**CS FOR HOUSE BILL NO. 191( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SIXTH LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): REPRESENTATIVES JOHNSON, Keller**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to nuclear energy production and transportation of nuclear waste**  
2 **material; amending the definition of 'power project' or 'project' as it relates to rural and**  
3 **statewide energy programs and the Alaska Energy Authority; relating to the alternative**  
4 **energy revolving loan fund and amending the definition of 'alternative energy system' as**  
5 **it relates to that fund and to the conservation of energy and materials; and providing for**  
6 **an effective date."**

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

8 **\* Section 1.** AS 18.45.020 is amended to read:

9 **Sec. 18.45.020. United States licenses or permits required.** A person may  
10 not manufacture, construct, produce, transfer, acquire, or possess a special nuclear  
11 material facility, by-product material facility, production facility, or utilization  
12 facility, or act as an operator of a production facility or utilization facility, wholly  
13 within the state without first obtaining a license or permit for the activity in which the

1 person proposes to engage from the Nuclear Regulatory Commission if the  
 2 commission requires a license or permit to be obtained by persons proposing to engage  
 3 in the activities.

4 \* **Sec. 2.** AS 18.45.025 is amended to read:

5 **Sec. 18.45.025. Facilities siting permit required.** (a) A person may not  
 6 construct a nuclear fuel production facility, nuclear utilization or utilization facility,  
 7 reprocessing facility, or nuclear waste disposal facility in the state without first  
 8 obtaining a permit from the Department of Environmental Conservation to construct  
 9 the facility on land designated by the legislature under (b) of this section.

10 (b) The legislature shall designate by law the land in the state on which a  
 11 nuclear fuel production facility, nuclear utilization facility, [NUCLEAR] reprocessing  
 12 facility, or nuclear waste disposal facility may be located. In designating the land in  
 13 the state on which

14 (1) a nuclear utilization facility or utilization facility may be  
 15 located, the legislature shall act in the interest of regulating the economics of  
 16 nuclear energy;

17 (2) a nuclear fuel production facility, [NUCLEAR UTILIZATION,]  
 18 nuclear reprocessing facility, or nuclear waste disposal facility may be located, the  
 19 legislature shall act to protect the public health and safety.

20 (c) The Department of Environmental Conservation shall adopt regulations  
 21 governing the issuance of permits required by (a) of this section. [HOWEVER, A  
 22 PERMIT MAY NOT BE ISSUED UNTIL

23 (1) REPEALED

24 (2) THE MUNICIPALITY WITH JURISDICTION OVER THE  
 25 PROPOSED FACILITY SITE HAS APPROVED THE PERMIT; AND

26 (3) REPEALED

27 (4) THE GOVERNOR HAS APPROVED THE PERMIT.]

28 \* **Sec. 3.** AS 42.45.990(4) is amended to read:

29 (4) "power project" or "project" means a plant, works, system, or  
 30 facility, together with related or necessary facilities and appurtenances, including a  
 31 divided or undivided interest in or a right to the capacity of a power project or project,

1 that is used or is useful for the purpose of

2 (A) electrical or thermal energy production [OTHER THAN  
3 NUCLEAR ENERGY PRODUCTION];

4 (B) waste energy utilization and energy conservation; or

5 (C) transmission, purchase, sale, exchange, and interchange of  
6 electrical or thermal energy, including district heating or interties;

7 \* Sec. 4. AS 44.83.990(6) is amended to read:

8 (6) "power project" or "project" means a plant, works, system, or  
9 facility, together with related or necessary facilities and appurtenances, including a  
10 divided or undivided interest in or a right to the capacity of a power project or project,  
11 that is used or is useful for the purpose of

12 (A) electrical or thermal energy production [OTHER THAN  
13 NUCLEAR ENERGY PRODUCTION];

14 (B) waste energy utilization and energy conservation; or

15 (C) transmission, purchase, sale, exchange, and interchange of  
16 electrical or thermal energy, including district heating or interties;

17 \* Sec. 5. AS 45.88.010(a) is amended to read:

18 (a) There is established in the Department of Commerce, Community, and  
19 Economic Development the alternative energy revolving loan fund to carry out the  
20 purposes of AS 45.88.010 - 45.88.090. Loans made under AS 45.88.010 - 45.88.090  
21 are to be used to develop means of energy production utilizing energy sources  
22 [OTHER THAN FOSSIL OR NUCLEAR FUEL], including [, BUT NOT LIMITED  
23 TO,] windmills, water, nuclear fuel, and solar energy devices.

24 \* Sec. 6. AS 45.88.010 is amended by adding a new subsection to read:

25 (e) The fund consists of

26 (1) money appropriated to the fund by the legislature;

27 (2) gifts, bequests, or contributions from other sources; and

28 (3) principal and interest payments or other income earned on loans or  
29 investments in the fund and appropriated to the fund.

30 \* Sec. 7. AS 45.88.030 is amended by adding new subsections to read:

31 (f) A loan must be secured by a mortgage or other security instrument in the

1 real property to be improved, and a lien on the improvements financed under  
2 AS 45.88.010.

3 (g) The interest rate

4 (1) may not exceed the maximum rate of eight percent a year and may  
5 not be less than five percent a year;

6 (2) shall be established by the department based on the bank prime rate  
7 listed in the Wall Street Journal during the previous quarter plus one percentage point,  
8 set to the nearest one-half point for loans made; and

9 (3) set for a quarter remains in effect until the department changes the  
10 rate.

11 \* **Sec. 8.** AS 45.88.090(a) is amended to read:

12 (a) In AS 45.88.010 - 45.88.090, "alternative energy system"

13 (1) means a source of thermal, mechanical, or electrical energy **that**  
14 **may be** [WHICH IS NOT] dependent on [OIL OR GAS OR] a nuclear fuel for the  
15 supply of energy for space heating and cooling, refrigeration and cold storage,  
16 electrical power, mechanical power, or the heating of water;

17 (2) includes

18 (A) an alternative energy property as defined by 26 U.S.C.  
19 48(a)(3)(A) (sec. 301, P.L. 95-618, Internal Revenue Code);

20 (B) a method of architectural design and construction **that**  
21 [WHICH] provides for the collection, storage, and use of direct radiation from  
22 the sun;

23 (C) a woodstove with a catalytic converter or a catalytic  
24 converter for a wood stove; and

25 (D) a steam, hot water, or ducted hot air central heating system  
26 that uses wood or coal for fuel;

27 (3) does not include

28 (A) a stove that uses only **wood or coal** [WOOD, COAL, OR  
29 OIL] for fuel; or

30 (B) a fireplace or fireplace insert.

31 \* **Sec. 9.** AS 46.11.900(1) is amended to read:

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(1) "alternative energy system"

(A) means a source of thermal, mechanical, or electrical energy that may be [IS NOT] dependent on [OIL OR GAS OR] a nuclear fuel for the supply of energy for space heating and cooling, refrigeration and cold storage, electrical power, mechanical power, or the heating of water;

(B) includes

(i) an alternative energy property as defined by 26 U.S.C. 48(a)(3)(A); and

(ii) a method of architectural design and construction that provides for the collection, storage, and use of direct radiation from the sun;

\* **Sec. 10.** AS 18.45.027; AS 45.88.010(c), 45.88.030(e), and 45.88.040(a) are repealed.

\* **Sec. 11.** This Act takes effect immediately under AS 01.10.070(c).