

January 26, 2011

The Honorable Tom Wagoner
The Honorable Joe Paskvan
Co-Chairs, Senate Resources Committee
Alaska State Legislature
State Capitol Rm 427
Juneau, Alaska 99801-1182

RE: SB 42, "An Act relating to procurement for the Alaska Energy Authority; establishing the Alaska Railbelt energy fund and relating to the fund; relating to and repealing the Railbelt energy fund; relating to the quorum of the board of the Alaska Energy Authority; relating to the powers of the Alaska Energy Authority regarding employees and the transfer of certain employees of the Alaska Industrial Development Export Authority to the Alaska Energy Authority; relating to acquiring or constructing certain projects by the Alaska Energy Authority; relating to the definition of 'feasibility study' in the Alaska Energy Authority Act; and providing for an effective date."

Dear Senators Wagoner and Paskvan:

On January 18, 2011, Senate Bill 42 (Companion Bill HB 103) was introduced by request of the Governor and referred to the Senate Resources Committee. Alaska's Energy Policy target is to reach 50 percent of its electricity generation through renewable energy by 2025. A new large hydroelectric project is needed to achieve this goal. This legislation would authorize the Alaska Energy Authority (AEA) to move forward on pursuing such a project to supply electricity to the railbelt region of the state. In November 2010, AEA released its "Preliminary Decision Document" identifying the Susitna Hydroelectric project as the recommended project to pursue.

SB 42 authorizes AEA to 1) acquire, construct and own new power projects 2) hire staff in exempt service 3) adopt regulations establishing its own procurement process 4) create subsidiary corporations for the purpose of acquiring, constructing, owning, maintaining and operating power projects and 5) defines the Board of Director's quorum as four of seven members.

We respectfully request you to schedule SB 42 for a hearing in your committee and we urge favorable action on this bill. A copy of SB 42, the sectional analysis and a summary of the seven related fiscal notes are attached. We will be happy to meet with you and other members of the committee to provide any other information you may require. Thank you for considering our request.

Sincerely,

ALASKA ENERGY AUTHORITY



FOR
Michael C. Harper
Acting Executive Director

Attachments (3)