

HOUSE CONCURRENT RESOLUTION NO. 16
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE BARNES

Introduced: 3/27/97

Referred: Finance

A RESOLUTION

1 Proposing recommendations concerning the sale of the Four Dam Pool
2 hydroelectric facilities.

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

4 WHEREAS the state acquired land and constructed four hydroelectric facilities,
5 referred to as the Four Dam Pool, to provide electricity to the communities of Copper Center,
6 Glennallen, Ketchikan, Kodiak, Petersburg, Valdez, and Wrangell; and

7 WHEREAS the Four Dam Pool is owned by the Alaska Energy Authority, which is
8 a party to a 40-year power sales agreement with local utilities to sell the power generated by
9 the facilities; and

10 WHEREAS the Alaska Energy Authority retains, under the power sales agreement,
11 significant liabilities relating to the power projects, including responsibility for uninsured
12 facility failure, substandard performance, deficiencies in the reserve and replacement fund, and
13 loss of power sales; and

14 WHEREAS, during the last two years, the Alaska Energy Authority has entered into
15 exclusive discussions with local utilities in the communities served by the Four Dam Pool
16 power projects regarding the transfer of ownership of the power projects to the local utilities;

1 and

2 **WHEREAS** the Alaska Energy Authority determined that the power projects are worth
3 \$84,000,000; and

4 **WHEREAS** the Legislature believes that divestiture of the Four Dam Pool should be
5 conducted under an open competitive bid process that assures that the citizens of the state
6 receive the best price possible for the power projects that make up the Four Dam Pool while
7 guaranteeing stable rates to the consumers served by the utilities that sell power generated by
8 those power projects;

9 **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the Alaska
10 Energy Authority to prepare a request for proposals for the sale of the power projects that
11 make up the Four Dam Pool, open to any qualified bidder, with terms that will assure that the
12 state receives a fair value for the power projects; that protect the electric power rates of the
13 local consumers from unwarranted increase; that provide adequate power to the communities
14 to allow for community growth; and that allow adequate reserves to the purchasers to ensure
15 that the power projects are adequately maintained and repaired; and be it

16 **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests that
17 the Alaska Energy Authority issue the request for proposals as soon as practicable and under
18 the terms and conditions that will promote a successful competitive bid process.

19 **COPIES** of this resolution shall be sent to Wilson Hughes, Chair of the Alaska
20 Industrial Development and Export Authority and the Alaska Energy Authority; and to
21 Ketchikan Public Utilities; Wrangell Municipal Light and Power; Petersburg Municipal Power
22 and Light; Copper Valley Electric Association, Inc.; and Kodiak Electric Association, Inc.