

**CS FOR HOUSE CONCURRENT RESOLUTION NO. 16(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/25/97

Referred: Rules

Sponsor(s): REPRESENTATIVE BARNES

**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 a 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 State Legislature feels compelled to allow the current  
3 negotiations with local utilities in the communities served by the Four Dam Pool regarding  
4 the transfer of ownership of the power projects to conclude; and

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

10           **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the Alaska  
11 Energy Authority to conclude its exclusive discussions with the local utilities served by the  
12 Four Dam Pool power projects by July 31, 1997; and be it

13           **FURTHER RESOLVED** that if the Alaska Energy Authority does not receive an  
14 acceptable proposal from the local utilities by July 31, 1997, that can be brought to the Alaska  
15 State Legislature for ratification, then the authority shall promptly prepare a request for  
16 proposals for the sale of the Four Dam Pool power projects; and be it

17           **FURTHER RESOLVED** that the request for proposals for the sale of the power  
18 projects that make up the Four Dam Pool shall be open to any qualified bidder and shall  
19 contain terms that will

20                   (1) assure that the state receives a fair value for the power projects;

21                   (2) protect the electric power rates of the local consumers from unwarranted  
22 increase;

23                   (3) provide adequate power to the communities to allow for community  
24 growth; and

25                   (4) allow adequate reserves to the purchasers to ensure that the power projects  
26 are adequately maintained and repaired; and be it

27           **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests that  
28 the Alaska Energy Authority issue the request for proposals as soon as practicable and under  
29 the terms and conditions that will promote a successful competitive bid process resulting in  
30 the completed sale of the power projects for fair value pending the sale's presentation to the  
31 Second Session of the Twentieth Alaska State Legislature for approval.

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