

HOUSE CONCURRENT RESOLUTION NO. 10
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES AUSTERMAN, Harris, Grussendorf

Introduced: 4/22/99

Referred: House Special Committee on Utility Restructuring, 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, Port Lions, 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, under AS 44.83.030, the directors of the Alaska Energy Authority are the
11 members of the Alaska Industrial Development and Export Authority; and

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

16 WHEREAS, during the last several years, the Alaska Energy Authority has entered

1 into discussions with local utilities in the communities served by the Four Dam Pool power
2 projects regarding the sale of the power projects to the local utilities; and

3 **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the Alaska
4 Energy Authority to divest itself of its interest in the Four Dam Pool power projects by
5 preparing a request for proposals for the sale of the power projects, open to the electric
6 utilities in the communities served by the Four Dam Pool power projects or to a consortium
7 of electric utilities in those communities, with terms that will assure that

8 (1) the state receives a fair market value for the power projects;

9 (2) the power projects provide adequate power to the communities; and be it

10 **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests that
11 the Alaska Energy Authority issue the request for proposals as soon as practicable.

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