

**CS FOR HOUSE CONCURRENT RESOLUTION NO. 10(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 5/8/99

Referred: Rules

Sponsor(s): REPRESENTATIVES AUSTERMAN, Harris, Grussendorf, Smalley

**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 45-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 several years, the Alaska Energy Authority has entered  
15 into discussions with local utilities in the communities served by the Four Dam Pool power  
16 projects regarding the sale of the power projects to the local utilities; and

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

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

7                   (2) the authority gives due consideration to the prospective purchaser's  
8 commitment to Alaska hire, contracting, and Alaskan participation in the purchasing entity;  
9 and be it

10           **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests that  
11 the Alaska Energy Authority enter into the negotiations for the sale of the power projects as  
12 soon as practicable; and be it

13           **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests that  
14 the Alaska Energy Authority evaluate methods by which private sector interests with  
15 experience in acquisition, ownership, operation, and maintenance of hydroelectric facilities  
16 may propose to purchase the Four Dam Pool power projects in a manner that honors the  
17 existing power sales agreement and indemnifies the State of Alaska for its current ownership  
18 liabilities.

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.