

CS FOR SENATE BILL NO. 246(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 2/29/08

Referred: Finance

Sponsor(s): SENATORS THOMAS, Therriault, Wilken

A BILL

FOR AN ACT ENTITLED

1 **"An Act directing the Alaska Energy Authority to analyze the potential of a**
2 **hydroelectric power project on the Susitna River; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **LEGISLATIVE FINDINGS.** The legislature finds that

7 (1) the high cost of energy in Alaska inhibits economic growth and is a rapidly
8 increasing burden to families in Alaska;

9 (2) combustion turbines in the Railbelt are over 30 years old and will need to
10 be replaced within the next 10 years at a cost between \$1,000,000,000 and \$2,500,000,000;

11 (3) the operational life of a hydroelectric project can exceed 100 years, while
12 power plants producing electricity from gas, oil, or coal need to be replaced or retrofitted
13 several times during that time period; and

14 (4) the operating and maintenance costs of renewable hydroelectric power are

1 stable and predictable in comparison to the operating and maintenance costs of power
2 generated from fossil fuels.

3 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 SUSITNA RIVER HYDROELECTRIC POWER ANALYSIS. (a) The governor shall
6 direct the Alaska Energy Authority to analyze the hydroelectric potential of the Susitna River.

7 (b) In conducting the analysis, the Alaska Energy Authority shall consult with

8 (1) representatives from each of the following departments:

9 (A) the Department of Natural Resources;

10 (B) the Department of Environmental Conservation;

11 (C) the Department of Fish and Game;

12 (D) the Department of Labor and Workforce Development; and

13 (E) the Department of Commerce, Community, and Economic
14 Development;

15 (2) Railbelt electric utilities;

16 (3) Native corporations and other landowners in the affected area;

17 (4) Mat-Su Resource, Conservation, and Development Council, Inc.;

18 (5) the Fairbanks Economic Development Corporation and the Anchorage
19 Economic Development Corporation; and

20 (6) the Army Corps of Engineers.

21 (c) The Alaska Energy Authority shall prepare a report that includes

22 (1) the projected midrange and long-range electric energy supply and demand
23 in the Railbelt;

24 (2) the appropriate size and design of a project to meet the energy needs of the
25 Railbelt;

26 (3) the type of transmission lines recommended for reliable delivery of power;

27 (4) the extent to which hydroelectric power could be substituted for power
28 generated using other fuels in the Railbelt, and the amount of other fuels that could be made
29 available to other regions of the state;

30 (5) a comparison of the construction, operation, and maintenance costs over
31 the life of the project to the costs of other power sources over the same time period;

- 1 (6) financing options;
- 2 (7) a comparison of emissions from hydroelectric power generation to
3 emissions from other methods of power generation;
- 4 (8) government permitting and licensing requirements for the project;
- 5 (9) the timeline for design, permitting, and construction of the project;
- 6 (10) the effect of the project on fish, wildlife, and land use;
- 7 (11) the number and types of direct and indirect jobs that would be created by
8 construction and operation of the project;
- 9 (12) the potential of power from the project to stimulate new industries and
10 economic activity; and
- 11 (13) a review of previous government studies of Susitna hydroelectric power.
- 12 (d) The governor shall submit a report of the findings of the Alaska Energy Authority
13 and shall make recommendations regarding construction of a Susitna hydroelectric project to
14 the legislature not later than June 1, 2010.
- 15 * **Sec. 3.** This Act is repealed July 1, 2010.
- 16 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).