

ALASKA STATE LEGISLATURE
SENATE SPECIAL COMMITTEE ON ENERGY

April 9, 2009

2:45 p.m.

MEMBERS PRESENT

Senator Lesil McGuire, Chair
Senator Albert Kookesh
Senator Bill Wielechowski

MEMBERS ABSENT

Senator Lyman Hoffman
Senator Bert Stedman

COMMITTEE CALENDAR

SENATE BILL NO. 143

"An Act establishing the Greater Railbelt Energy and Transmission Corporation and relating to the corporation; relating to transition, financial plan, and reporting requirements regarding planning for the initial business operations of the Greater Railbelt Energy and Transmission Corporation; relating to a report on legislation regarding the Regulatory Commission of Alaska and the Greater Railbelt Energy and Transmission Corporation; authorizing the Alaska Energy Authority to convey the Bradley Lake Hydroelectric Project and the Alaska Intertie to the Greater Railbelt Energy and Transmission Corporation; and providing for an effective date."

HEARD AND HELD

SENATE JOINT RESOLUTION NO. 7

Opposing a United Nations designation of the Arctic Ocean as a World Heritage Site.

MOVED SJR 7 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 143

SHORT TITLE: RAILBELT ENERGY & TRANSMISSION CORP.

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

03/09/09	(S)	READ THE FIRST TIME - REFERRALS
03/09/09	(S)	ENE, RES, FIN
03/19/09	(S)	ENE AT 11:00 AM BUTROVICH 205
03/19/09	(S)	Heard & Held

03/19/09 (S) MINUTE(ENE)

BILL: SJR 7

SHORT TITLE: OPPOSE UN DESIGNATION OF ARCTIC OCEAN

SPONSOR(S): THERRIAULT

02/19/09 (S) READ THE FIRST TIME - REFERRALS

02/19/09 (S) ENE, RES

WITNESS REGISTER

JOE BALASH, Intergovernmental Coordinator
Alaska Department of Natural Resources (DNR)

POSITION STATEMENT: Supported SB 143.

SENATOR GENE THERRIAULT
Alaska State Legislature

Juneau, AK

POSITION STATEMENT: Sponsor of SJR 7.

DAVE STANCLIFF
Staff to Senator Therriault
Alaska State Legislature

Juneau, AK

POSITION STATEMENT: Commented on SJR 7 for the sponsor.

ACTION NARRATIVE

2:45:25 PM

CHAIR LESIL MCGUIRE called the Senate Special Committee on Energy meeting to order at 2:45 p.m. Senators Kookesh, Wielechowski, and McGuire were present at the call to order.

SB 143-RAILBELT ENERGY & TRANSMISSION CORP.

2:45:54 PM

CHAIR MCGUIRE announced the consideration of SB 143.

JOE BALASH, Intergovernmental Coordinator, Department of Natural Resources (DNR), said since the last hearing on this bill he has worked with utility managers on a variety of modifications to bring some comfort to their concerns. The bill lays out a two-step process putting the corporation and the governance structure in place developing a course for the Railbelt as a region and then putting together transition and finance plans

to be completed and based on the findings of the integrated resource plan that is now under way.

He said he had provided a lengthy amendment to enact those changes in a CS. However, since that time a meeting of all six utility boards in the Railbelt was convened and they decided that they would like more input into the governance portion of the process. As a result, he was expecting a letter from all of them on the process they will see as the ideal makeup of the governance structure. He expected that the boards will endorse the Greater Railbelt Energy Transmission Corporation (GRETC) proposal, but with a few more important details added. He asked the committee to hold SB 143, so it could be worked on in the Interim.

[2:48:47 PM](#)

MR. BALASH said the fiscal note is about the startup money for the corporation much of which would go into identifying a business location, housing employees, getting the various pieces of technology in place - a control room, communication-type centers and things like that. But much of that might be unnecessary. A significant portion of that fiscal note would have been used by the Alaska Energy Authority (AEA) to do its part in carrying the load in the transition and finance plan development process this fall. These funds would still be very necessary for them to stay on track for having everything ready for next session. It would then be a one-step bill.

CHAIR MCGUIRE asked what figure he was thinking about.

MR. BALASH answered less than \$1.5 million. The total fiscal note is \$6.7 million and that the Railbelt Energy Fund be used as the funding source.

[2:50:52 PM](#)

CHAIR MCGUIRE said the committee looked forward to working with Mr. Balash in the Interim on SB 143.

SJR 7-OPPOSE UN DESIGNATION OF ARCTIC OCEAN

[2:52:16 PM](#)

CHAIR MCGUIRE announced consideration of SJR 7.

SENATOR GENE THERRIAULT, Alaska State Legislature, sponsor of SJR 7, said it was introduced after his staff saw an article relating how a group of top U.S. and Canadian scientists proposed that an ice park be established under the auspices of

the U.N. in the Arctic to protect the critically shrinking Arctic ice from further damage. It would preclude trans-Arctic Ocean shipping, resource development and any increased human activity in the Arctic. With the uncertainty of exactly what is going on with the Polar Ice Cap, the resolution calls for not taking the step of creating an Arctic Ocean ice park as a World Heritage Site.

[2:53:57 PM](#)

SENATOR WIELECHOWSKI asked what happens when something is designated as a World Heritage Site.

DAVE STANCLIFF, Staff, to Senator Therriault, Alaska State Legislature said the Kluane area in Alaska and Canada is a World Heritage Site extending across international boundaries. It creates a multi-jurisdictional management regime that goes across sometimes cultural but most often international boundaries. There is a movement in this case to suggest that such a multinational effort would be advantageous environmentally. The problem is that all the countries of the world are still asserting and wrangling over who owns what part of the Arctic.

[2:55:17 PM](#)

SENATOR WIELECHOWSKI questioned if the U.N. designates Kluane as a World Heritage Site, would that doesn't usurp any jurisdiction or take away any rights from the United States.

SENATOR THERRIAULT answered his understanding is that World Heritage Sites are agreed to be managed according to the rules that are set up by the United Nations (U.N.) The U.N. cannot take away Alaska's right to control the acreage; it's whether we are willing to go into it. If any step were to freeze those suggestions of who owns what, that might be a disadvantage to the U.S. and to Alaska, being that it is the only state of the United States that is in the Arctic.

[2:56:59 PM](#)

SENATOR KOOKESH moved to report SJR 7 from committee with individual recommendations and attached fiscal note(s). There being no objection, the motion carried.

[2:57:30 PM](#)

There being no further business to come before the committee, the meeting was adjourned at 2:57 p.m.

