

CS FOR SENATE BILL NO. 42(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SPECIAL SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/19/11

Referred: First Supplemental Calendar

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the quorum of the Alaska Energy Authority; relating to the powers**
2 **and duties of the Alaska Energy Authority; relating to the acquisition or construction of**
3 **a Susitna River power project by the Alaska Energy Authority; relating to the definition**
4 **of 'feasibility study' in the Alaska Energy Authority Act; providing legislative approval**
5 **for certain loans from the power project fund; and providing for an effective date."**

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

7 *** Section 1.** AS 44.83.040(a) is amended to read:

8 (a) The chair and vice-chair of the Alaska Industrial Development and Export
9 Authority shall serve as officers of the Alaska Energy Authority. The powers of the
10 Alaska Energy Authority are vested in the directors, and **four** [THREE] directors of
11 the authority constitute a quorum. Action may be taken and motions and resolutions
12 adopted by the Alaska Energy Authority at a meeting by the affirmative vote of a
13 majority of the directors. The directors of the Alaska Energy Authority serve without

1 compensation, but they shall receive the same travel pay and per diem as provided by
2 law for board members under AS 39.20.180.

3 * **Sec. 2.** AS 44.83.080 is amended to read:

4 **Sec. 44.83.080. Powers of the authority.** In furtherance of its corporate
5 purposes, the authority has the following powers in addition to its other powers:

6 (1) to sue and be sued;

7 (2) to have a seal and alter it at pleasure;

8 (3) to make and alter bylaws for its organization and internal
9 management;

10 (4) to adopt regulations governing the exercise of its corporate powers;

11 (5) to improve, equip, operate, and maintain power projects and bulk
12 fuel, waste energy, energy conservation, energy efficiency, and alternative energy
13 facilities and equipment;

14 (6) to issue bonds to carry out any of its corporate purposes and
15 powers, including the establishment or increase of reserves to secure or to pay the
16 bonds or interest on them, and the payment of all other costs or expenses of the
17 authority incident to and necessary or convenient to carry out its corporate purposes
18 and powers;

19 (7) to sell, lease as lessor or lessee, exchange, donate, convey, or
20 encumber in any manner by mortgage or by creation of any other security interest, real
21 or personal property owned by it, or in which it has an interest, when, in the judgment
22 of the authority, the action is in furtherance of its corporate purposes;

23 (8) to accept gifts, grants, or loans from, and enter into contracts or
24 other transactions regarding them, with any person;

25 (9) to deposit or invest its funds, subject to agreements with
26 bondholders;

27 (10) to enter into contracts with the United States or any person and,
28 subject to the laws of the United States and subject to concurrence of the legislature,
29 with a foreign country or its agencies, for the construction, financing, operation, and
30 maintenance of all or any part of a power project or bulk fuel, waste energy, energy
31 conservation, energy efficiency, or alternative energy facilities or equipment, either

1 inside or outside the state, and for the sale or transmission of power from a project or
 2 any right to the capacity of it or for the security of any bonds of the authority issued or
 3 to be issued for the project;

4 (11) to enter into contracts with any person and with the United States
 5 [,] and, subject to the laws of the United States and subject to the concurrence of the
 6 legislature, with a foreign country or its agencies for the purchase, sale, exchange,
 7 transmission, or use of power from a project, or any right to the capacity of it;

8 (12) to apply to the appropriate agencies of the state, the United States,
 9 and a foreign country and any other proper agency for the permits, licenses, or
 10 approvals as may be necessary, to **acquire, construct,** maintain, and operate power
 11 projects in accordance with the licenses or permits, and to obtain, hold, and use the
 12 licenses and permits in the same manner as any other person or operating unit;

13 (13) to enter into contracts or agreements with respect to the exercise
 14 of any of its powers, and do all things necessary or convenient to carry out its
 15 corporate purposes and exercise the powers granted in this chapter;

16 (14) to recommend to the legislature

17 (A) the pledge of the credit of the state to guarantee repayment
 18 of all or any portion of revenue bonds issued to assist in construction of power
 19 projects;

20 (B) an appropriation from the general fund

21 (i) for debt service on bonds or other project purposes;

22 or

23 (ii) to reduce the amount of debt financing for the
 24 project;

25 (15) to carry out the powers and duties assigned to it under AS 42.45;

26 (16) to make grants or loans to any person and enter into contracts or
 27 other transactions regarding the grants or loans;

28 (17) to promote energy conservation, energy efficiency, and alternative
 29 energy through training and public education;

30 **(18) to acquire a Susitna River power project, whether by**
 31 **construction, purchase, gift, or lease, including the acquisition of property rights**

1 **and interests by eminent domain under AS 09;**

2 **(19) to perform feasibility studies and engineering and design with**
 3 **respect to power projects.**

4 * **Sec. 3.** AS 44.83 is amended by adding a new section to read:

5 **Sec. 44.83.085. Susitna River power project annual report.** The authority
 6 shall prepare, not later than the first day of each regular session of the legislature, an
 7 annual report summarizing the status of the Susitna River power project and shall
 8 notify the legislature that the report is available.

9 * **Sec. 4.** AS 44.83.396(a) is amended to read:

10 (a) A power project that was acquired or constructed **under AS 44.83.080(18)**
 11 **or** as part of the former energy program for Alaska is owned, and shall be
 12 administered, by the authority.

13 * **Sec. 5.** AS 44.83.990(3) is amended to read:

14 (3) "feasibility study"

15 (A) means a study conducted for the purpose of establishing the
 16 economic and environmental practicality of completing a proposed power
 17 project [UNDER FORMER AS 44.83.181];

18 (B) includes engineering and design work to meet the
 19 requirements for submission of a license application for a proposed new
 20 project to the Federal Energy Regulatory Commission;

21 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
 22 read:

23 **LEGISLATIVE APPROVAL OF LOANS FROM THE POWER PROJECT FUND.**

24 (a) Provided the Alaska Energy Authority approves a loan for the Haida Energy, Inc.,
 25 Reynolds Creek hydroelectric project, the legislature authorizes the Alaska Energy Authority
 26 to loan an amount not to exceed \$11,000,000 from the power project fund (AS 42.45.010) for
 27 the Haida Energy, Inc., Reynolds Creek hydroelectric project in addition to the loan
 28 authorized by sec. 6, ch. 70, SLA 2010.

29 (b) Provided the Alaska Energy Authority approves a loan for the Cordova Electric
 30 Cooperative Humpback Creek hydroelectric project, the legislature authorizes the Alaska
 31 Energy Authority to loan an amount not to exceed \$5,000,000 from the power project fund

- 1 (AS 42.45.010) for the Cordova Electric Cooperative Humpback Creek hydroelectric project.
- 2 (c) Subsections (a) and (b) of this section constitute legislative approval under
- 3 AS 42.45.010(j) for a loan from the fund that exceeds \$5,000,000.
- 4 * **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).