

SENATE FINANCE COMMITTEE

May 11, 2024

11:04 a.m.

11:04:16 AM

CALL TO ORDER

Co-Chair Olson called the Senate Finance Committee meeting to order at 11:04 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Donny Olson, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Click Bishop
Senator Jesse Kiehl
Senator Kelly Merrick
Senator David Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Ken Alper, Staff to Co-Chair Olson; Zach Young, Staff for Representative Tomaszewski; Senator Cathy Giessel; John Crowther, Deputy Commissioner, Department of Natural Resources; Zach Young, Staff to Representative Frank Tomaszewski.

PRESENT VIA TELECONFERENCE

Sandra Moller, Director, Division of Community & Regional Affairs, Department of Commerce, Community & Regional Affairs; Micaela Fowler, Deputy Commissioner, Department of Commerce, Community and Economic Development; Chris Wallace, Petroleum Engineer, Alaska Oil & Gas Conservation Commission, Anchorage; Ken Huckeba, Self, Wasilla; Cassie Andrew, Self, Anchorage; Ken Griffin, Self, Wasilla; Sean Clifton, Policy & Program Specialist, Division of Oil and Gas, Department of Natural Resources; Lydia Shumaker, Self, Wasilla; John Boyle, Commissioner, Department of Natural Resources, Anchorage; Becki Alvey, Advisory Section

Manager, Regulatory Commission of Alaska; Bill O'Leary, President & CEO, Alaska Railroad; Curtis Thayer, Executive Director, Alaska Energy Authority, Anchorage.

SUMMARY

SB 125 AK HOUSING FINANCE CORP: SUSTAIN ENERGY

CSSB 125(FIN) was REPORTED out of committee with four "do pass" recommendations and with three "no recommendation" recommendations; and with one new zero fiscal note from the Department of Administration; one new fiscal impact note from the Department of Revenue; two new fiscal impact notes from the Department of Commerce, Community and Economic Development; and one new zero fiscal note from the Department of Commerce, Community and Economic Development.

SB 217 INTEGRATED TRANSMISSION SYSTEMS

SB 217 was heard and HELD in Committee for further consideration.

HB 19 REGISTRATION OF BOATS: EXEMPTION

SCS CS HB 19(FIN) was REPORTED out of committee with one "do pass" recommendation and with six "no recommendation" recommendations; and with one new zero fiscal note from the Department of Fish and Game; one new zero fiscal note from the Department of Commerce, Community and Economic Development; one new fiscal impact note from the Department of Administration; and one new zero fiscal note from the Department of Natural Resources.

HB 50 CARBON STORAGE

HB 50 was heard and HELD in Committee for further consideration.

HB 66 CONTROLLED SUB;HOMICIDE;CRIMES;SENTENCING

HB 66 was SCHEDULED but not HEARD.

HB 111 EDUCATION FOR DEAF & HARD OF HEARING

HB 111 was SCHEDULED but not HEARD.

HB 120 HUNT/FISH LICENSE FOR NONRESIDENT STUDENT

SCS HB 120 (FIN) was REPORTED out of committee with three "do pass" recommendations and with three "no recommendation" recommendations, and with three new zero fiscal notes from the Department of Fish and Game.

HB 122 RAILROAD CORP. FINANCING

HB 122 was heard and HELD in Committee for further consideration.

HB 145 LOANS UNDER \$25,000; PAYDAY LOANS

HB 145 was REMOVED from the agenda.

HB 202 OPIOID OVERDOSE DRUGS IN SCHOOLS

HB 202 was SCHEDULED but not HEARD.

HB 347 PROPERTY ASSESSMENT

HB 347 was SCHEDULED but not HEARD.

#hb120

HOUSE BILL NO. 120

"An Act relating to hunting, trapping, and fishing licenses for certain nonresident postsecondary students; and providing for an effective date."

[11:04:51 AM](#)

Co-Chair Olson relayed that the committee heard the bill on May 7, 2024, at which time public testimony was taken.

Senator Wilson MOVED to ADOPT proposed committee substitute for HB 120, Work Draft 33-LS0633\B (Bullard, 4/27/24).

Co-Chair Olson OBJECTED for discussion.

[11:05:28 AM](#)

KEN ALPER, STAFF TO CO-CHAIR OLSON, discussed the changes reflected in the CS.

Co-Chair Olson WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

[11:07:04 AM](#)

ZACH YOUNG, STAFF FOR REPRESENTATIVE TOMASZEWSKI, provided support for the CS as written and concurred with changes.

Senator Wilson MOVED to report SCS HB 120(FIN) out of Committee with individual recommendations and the accompanying fiscal notes.

SCS HB 120(FIN) was REPORTED out of committee with three "do pass" recommendations and with three "no recommendation" recommendation, and with three new zero fiscal notes from the Department of Fish and Game.

#sb125

SENATE BILL NO. 125

"An Act relating to subsidiary corporations of the Alaska Housing Finance Corporation; and establishing the Alaska energy independence fund."

[11:07:55 AM](#)

Co-Chair Olson relayed that the had been heard previously in committee.

KEN ALPER, STAFF TO Co-Chair Olson, reviewed the CS and highlighted that the bill would establish a subsidiary corporation within the Alaska Housing Finance Corporation for the purpose of lending money for renewable energy products.

Co-Chair Olson asked whether there was any opposition to the CS.

Mr. Alper had not heard of any opposition to the legislation.

[11:09:16 AM](#)

AT EASE

[11:11:17 AM](#)

REVONVENED

Senator Kiehl MOVED to ADOPT Amendment 1, 33-GS1074\U.2 (Walsh, 5/10/24) (copy on file).

Co-Chair Olson OBJECTED for discussion.

Senator Kiehl spoke to Amendment 1. He explained that the amendment was a small adjustment to the scope of the bill. The amendment had to do with commercial fishing loans from the Commercial Fishing Revolving Loan fund. He noted that the fund had a balance of about \$36 million. He explained that the fund loans at 2 points above the prime rate and currently had a different limit for new loans and refinancing. He emphasized that the commercial fishing industry was in crisis, and small family businesses were suffering. The amendment would allow commercial fishermen to refinance loans up to \$400,000, over a three-year period, and would set the interest rate for the three-year period at 5.25 percent. He said that this would benefit Alaskan fishing families and fish processors.

[11:14:25 AM](#)

Senator Bishop asked whether there was anyone available from the Department of Commerce, Community, and Economic Development (DCCED) to comment on the amendment.

[11:14:45 AM](#)

AT EASE

[11:15:23 AM](#)

RECONVENED

Senator Bishop referenced Section 3 and the interest rate of 5.25 percent for three years. He wondered whether modeling had been done to determine whether the fund could sustain the proposed interest rate.

Senator Kiehl relayed that he had with Micaela Fowler at DCCED, and the department was comfortable with the amendment.

[11:16:54 AM](#)

SANDRA MOLLER, DIRECTOR, DIVISION OF COMMUNITY & REGIONAL AFFAIRS, DEPARTMENT OF COMMERCE, COMMUNITY & REGIONAL AFFAIRS (via teleconference), did not have and comments on the loan program modeling.

11:17:09 AM

Co-Chair Stedman thought it was important to discuss the interest rate and dollar amount limits.

Ms. Moller surmised that Co-Chair Stedman had asked about the dollar amount and interest rate changes. She asked Co-Chair Stedman to restate the question.

Co-Chair Stedman referenced page 7, line 28 and Page 8, lines 15 and 16.

Ms. Moller requested a moment to find the references in the bill.

Co-Chair Stedman wondered whether the amendment sponsor could discuss the changes.

Senator Kiehl believed that Ms. Fowler was going to be dialing in. He noted that currently the loan fund loaned at prime, plus 2, capped at a maximum of 10.5 percent. The amendment would lower the rate for three-years to prime, plus 2, capped at 5.25 percent.

Co-Chair Stedman understood the amendment was meant to help the industry through difficult times and the rate would revert to 10.5 percent once things improved.

Senator Kiehl answered affirmatively.

11:20:18 AM

AT EASE

11:21:50 AM

RECONVENED

MICHAELA FOWLER, DEPUTY COMMISSIONER, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT (via teleconference), introduced herself.

Co-Chair Stedman relayed that member's questions related to the interest rate, the dollar amount, and the amount of time the interest rate would be lowered.

Ms. Fowler relayed that the department appreciated the consideration for the commercial fishing industry. She referenced the Commercial Fisheries Revolving Loan Fund and noted it had been an effective tool for the state. She said that the department supported the amendment.

Ms. Fowler noted that current rates were at the 10.5 percent cap, and the rate was set at prime, plus 2. She said that 5.25 percent was set because it was historically the lowest the rates had been. She thought it was an appropriate rate and reiterated that it would return to 10.5 percent when the industry recovered.

[11:25:06 AM](#)

Co-Chair Olson WITHDREW his objection. There being NO OBJECTION, it was so ordered. Amendment 1 was ADOPTED.

Senator Kiehl MOVED to report CSSB 125(FIN) out of Committee as amended with individual recommendations and the accompanying fiscal notes.

CSSB 125(FIN) was REPORTED out of committee with four "do pass" recommendations and with three "no recommendation" recommendations; and with one new zero fiscal note from the Department of Administration; one new fiscal impact note from the Department of Revenue; two new fiscal impact notes from the Department of Commerce, Community and Economic Development; and one new zero fiscal note from the Department of Commerce, Community and Economic Development.

#hb19

CS FOR HOUSE BILL NO. 19(FIN) am

"An Act relating to the registration of commercial vessels."

[11:25:49 AM](#)

Co-Chair Olson relayed that the bill had been heard earlier in the week; a committee substitute had been adopted and public testimony had been taken.

Senator Merrick MOVED to report SCS CSHB 19(FIN) out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

SCS CS HB 19(FIN) was REPORTED out of committee with one "do pass" recommendation and with six "no recommendation" recommendations; and with one zero fiscal note from the Department of Fish and Game; one zero fiscal note from the Department of Commerce, Community and Economic Development; one fiscal impact note from the Department of Administration; and one zero fiscal note from the Department of Natural Resources.

[11:26:39 AM](#)

AT EASE

[11:28:12 AM](#)

RECONVENED

#hb50

CS FOR HOUSE BILL NO. 50(FIN)

"An Act relating to carbon storage on state land; relating to the powers and duties of the Alaska Oil and Gas Conservation Commission; relating to carbon storage exploration licenses; relating to carbon storage leases; relating to carbon storage operator permits; relating to enhanced oil or gas recovery; relating to long-term monitoring and maintenance of storage facilities; relating to carbon oxide sequestration tax credits; relating to the duties of the Department of Natural Resources; relating to carbon dioxide pipelines; and providing for an effective date."

[11:28:16 AM](#)

Co-Chair Olson noted that the bill had been heard several times and a committee substitute had been adopted the previous day.

[11:28:31 AM](#)

Co-Chair Olson OPENED public testimony.

[11:28:59 AM](#)

CHRIS WALLACE, PETROLEUM ENGINEER, ALASKA OIL & GAS CONSERVATION COMMISSION, ANCHORAGE (via teleconference),

relayed that he was present for questions, and supported the bill.

[11:29:06 AM](#)

KEN HUCKEBA, SELF, WASILLA (via teleconference), testified in opposition to the bill. He asserted that the revenue for carbon capture was a sales pitch. He suggested that that carbon capture was unsafe, which had been the experience in Japan. He thought the bill could be catastrophic or cost the state a great deal of money. He believed that any financial gain was speculative.

[11:32:19 AM](#)

CASSIE ANDREW, SELF, ANCHORAGE (via teleconference), spoke in opposition to the bill. She spoke of the bill in denigrating terms. She asserted that the 45Q federal tax credit was fraudulent. She did not believe that the legislation incentivize production and was against the Paris agreement.

[11:34:16 AM](#)

KEN GRIFFIN, SELF, WASILLA (via teleconference), testified against the bill. He mentioned that he had spent many hours following energy legislation. He emphasized that an easy search would reveal that carbon capture had been detrimental to other states. He questioned why the state would put something in the ground that resulted in permanent liability. He asserted that what the bill proposed was "insanity" and would lead to little revenue, leaving Alaskans to foot the bill. He hoped that committee members would not support the legislation out of fear of Governor Dunleavy's punitive response.

[11:38:00 AM](#)

Co-Chair Olson queried whether the Department of Natural resources supported the legislation.

[11:38:25 AM](#)

SEAN CLIFTON, POLICY & PROGRAM SPECIALIST, DIVISION OF OIL AND GAS, DEPARTMENT OF NATURAL RESOURCES (via teleconference), relayed that he was not present to speak to that question.

Co-Chair Olson assumed that the department would be in favor of a governor's bill.

[11:39:01 AM](#)

AT EASE

[11:41:02 AM](#)

RECONVENED

Co-Chair Olson continued with public testimony.

[11:41:18 AM](#)

LYDIA SHUMAKER, SELF, WASILLA (via teleconference), testified in opposition to the bill. She felt that the bill was unnecessary and would open Alaskans up to future detriment. She said that global evidence had proved that pressurized CO2 was dangerous. She mentioned potential leaks and other potential problems. She asserted that the bill was dangerous for humans and the environment. She urged the committee to kill the bill.

[11:45:05 AM](#)

Co-Chair Olson CLOSED public testimony.

Co-Chair Olson relayed that there were three amendments to consider.

[11:45:21 AM](#)

Senator Bishop MOVED to ADOPT Amendment 1, 33-GH1567\T.4, (Dunmire, 5/10/24) (copy on file).

Co-Chair Olson OBJECTED for discussion.

Senator Bishop spoke to Amendment 1. He explained that the amendment was known as "reserve-based lending" language and established a loan program administered by AIDEA for Cook Inlet oil and gas projects. He continued that AIDEA would be able to accept an ownership share of a project, in the form of a carried interest and did not obligate AIDEA to contribute to the development costs of the project. He outlined the actions allowable by the authority under the amendment.

[11:46:50 AM](#)

Senator Kiehl referenced Senator Bishop's remarks about the nature of the interest and that if a project went over budget, more money could not be requested from AIDEA.

Senator Bishop relayed that AIDEA was available for questions.

11:47:27 AM
AT EASE

11:48:08 AM
RECONVENED

Senator Bishop reiterated that AIDEA would be allowed to accept an ownership share in a project fund if the ownership share was in the form of carry interest that did not obligate the authority to contribute to the development costs of the project.

Co-Chair Olson WITHDREW his objection. There being NO OBJECTION, it was so ordered. Amendment 1 was ADOPTED.

11:48:46 AM

Senator Bishop MOVED to ADOPT Amendment 2, 33-GH1567\T.5, (Dunmire, 5/10/24) (copy on file).

Co-Chair Olson OBJECTED for discussion.

Senator Bishop spoke to Amendment 2 and noted that the language was from the original bill. He said that the Senate resources Committee had paired down the bill and the amendment would replace language that had been removed related to geothermal resources. He

Co-Chair Olson WITHDREW his objection. There being NO OBJECTION, it was so ordered. Amendment 2 was ADOPTED.

11:50:39 AM

Senator Wilson MOVED to ADOPT Amendment 3, 33-GH1567\T.7, (Dunmire, 5/10/24) (copy on file).

Co-Chair Olson OBJECTED for discussion.

Senator Wilson spoke to Amendment 3. He explained that the amendment would restore the commercial terms that came out of Senate Resources Committee from \$10 back to \$2.50.

Co-Chair Olson WITHDREW his objection. There being NO OBJECTION, it was so ordered.

11:51:45 AM
AT EASE

11:52:49 AM
RECONVENED

Co-Chair Olson asked whether the department would like to speak to the bill now that the amendments had been adopted.

11:53:16 AM

JOHN CROWTHER, DEPUTY COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES, relayed that the administration supported the three amendments adopted by the committee.

Senator Kiehl asked whether the department could speak to the perception of geologic risk raised during public testimony.

Mr. Crowther explained that prior committees had discussed the issue. He said that because of the nature of the intended injection, seismic activity was not expected to be a problem. He noted that some of the concerns about the surface concentration and exposure of carbon dioxide were founded and that any project would require designs to deal with the possibility. He assured the committee that safety would be a priority.

11:56:32 AM

Co-Chair Olson noted that Chris Wallace from the Alaska Oil & Gas Conservation Commission (AOGCC) was available for questions.

CHRIS WALLANCE, ALASKA OIL and GAS CONSERVATION COMMISSION, said that all safety standards and concerns would be addressed by industry.

Senator Bishop wondered about the Class 6 Injection Permit required by the Environmental Protection Agency (EPA).

Mr. Crowther responded that AOGCC could speak to the permit. He added that the permit would be necessary for carbon storage projects to process.

[11:58:35 AM](#)

Co-Chair Stedman thought the issue was complicated when considering the technical aspects. He asked for a definition of a Class 6 well and state and federal regulatory oversight.

Mr. Crowther explained that the United States Department of Environmental Protection, under the Safe Drinking Water Act, had a program to regulate any injection underground, for any purpose, that could affect drinking water. Under the act the wells are divided into different classes, as they serve different purposes, and Class 6 of those wells was for the injection of carbon dioxide underground, which involved a comprehensive regulatory analysis.

Co-Chair Stedman spoke to public testimony concerning Cook Inlet and Alaskans concerned about why the capture should happen in Alaska versus Japan.

Mr. Crowther said that the reason that Alaska was a prolific hydrocarbon basis was because there were sedimentary basins with deposits of porous reservoirs that were also sealed by impenetrable rock, a geological feature that was rare. He said that many places on the Pacific Rim had limited potential for hydrocarbon development and the storage of carbon dioxide.

[12:02:07 PM](#)

Co-Chair Olson asked whether the administration was satisfied with the bill as amended.

[12:02:19 PM](#)

JOHN BOYLE, COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES, ANCHORAGE (via teleconference), relayed that the administration had concerns with Section 40 of the bill, which dealt with the Regulatory Commission of Alaska, and potential LNG import provisions.

Co-Chair Stedman asked for specificity surrounding the administration's concerns about Section 40.

Commissioner Boyle deferred to Mr. Crowther.

Mr. Crowther noted that Section 40 focused on a provision that was introduced related to the administration of gas storage under the RCA. He shared that the administration wanted assurances that the language in the bill that addressed potential costs associated with natural gas storage should not shift the status quo where the costs considered by the RCA were not definitively included or excluded. He deferred further comment to the RCA.

[12:04:39 PM](#)

Co-Chair Stedman asked for a representative of the RCA.

[12:04:51 PM](#)

AT EASE

[12:07:53 PM](#)

RECONVENED

Co-Chair Stedman asked for the RCA's opinion on the amended bill and for comments of Section 40.

BECKI ALVEY, ADVISORY SECTION MANAGER, REGULATORY COMMISSION OF ALASKA (via teleconference), relayed that the commission had not taken a formal position on the section of the bill or the bill itself.

Co-Chair Olson relayed that the committee would be hearing the legislation again, which would give the commission time to research the bill as currently written.

HB 50 was heard and HELD in Committee for further consideration.

[12:09:38 PM](#)

AT EASE

[12:11:06 PM](#)

RECONVENED

#hb122

CS FOR HOUSE BILL NO. 122(FIN) am

"An Act authorizing the Alaska Railroad Corporation to issue revenue bonds to finance the replacement of the

Alaska Railroad Corporation's passenger dock and related terminal facility in Seward, Alaska; authorizing the Alaska Railroad Corporation to issue revenue bonds to finance the completion of the Port MacKenzie Rail Extension in Point MacKenzie, Alaska; and providing for an effective date."

[12:11:10 PM](#)

Co-Chair Olson relayed that the committee had heard the companion bill, SB 105, on February 27, 2024.

[12:11:35 PM](#)

ZACH YOUNG, STAFF TO REPRESENTATIVE FRANK TOMASZEWSKI, shared that the bill would provide an additional \$75 million in bond authorization for the Alaska Railroad to complete the reinstallation and construction of a new floating passenger cruise ship dock and attached terminal in Seward. He relayed that in 2022, the legislature authorized \$60 million in bond authorization, but a new cost study and renewed scope of the work had determined that the need was for 75 million. The project would break ground in the fall of 2025, to be completed in the Spring of 2026. He explained that there was an amendment passed on the House floor that added \$58 million in bond authorization for the first phase of the Port MacKenzie Rail Extension. The legislature had appropriated UGF in the past of approximately \$180 million, however, the project had never been completed. He concluded that the bill was a railroad bonding bill.

[12:13:35 PM](#)

Co-Chair Stedman recalled that several years previously there had been a request, and an appropriation made, for the rail extension in the area. He recounted that the railroad had indicated that it did not want to extend the rail but would prefer the funds be used for rolling stock and upgrades. He said that the railroad had asserted that it would not maintain or use a rail extension. He thought there was important history on the matter that needed to be considered.

[12:14:52 PM](#)

BILL O'LEARY, PRESIDENT & CEO, ALASKA RAILROAD (via teleconference), believed that Co-Chair Stedman's remarks had been in reference to decisions made by the previous CEO. He asserted that the railroad supported the Port MacKenzie Rail Extension Project. The railroad believed that rail infrastructure was key to unlocking areas and resources of the state. He noted that the Port Mackenzie rail extension was costly, and they were applying for federal match dollars. He stated that customers needed to be identified that would use the infrastructure before bonds could be issued. He said that \$58 million in bonds was approximately \$4.5 million in debt service per year, which would be the targeted pre cash flow.

[12:18:21 PM](#)

Co-Chair Olson expressed concern related to the funding for the rail extension in addition to funding the port, which would be needed to bring customers. He admitted skepticism and asked whether there was more to the plan.

Mr. O'Leary replied that the port was owned by the Mat Su Borough, and he could not speak to the condition of the port or the needs of users.

Co-Chair Olson referenced the concern that there was a port being considered less than 2 miles away from the Port of Alaska would be in competition with that port.

[12:19:34 PM](#)

Co-Chair Stedman referenced the beginning of the bill and the dock extension, which would accommodate cruise ships. He asked whether there were customers standing by for use of the proposed facility.

Mr. O'Leary answered that "absolutely, we have customers" and furthered that the deal that was being proposed was to work with the Royal Caribbean Group; Royal Caribbean Group would be the anchor tenant. He noted that Royal Caribbean had approached the railroad with a real estate transaction and would be guaranteeing the issued bonds through a long-term tiered usage agreement.

[12:21:35 PM](#)

Senator Wilson thought the difference between the port in Anchorage and the proposed one in Mat-Su was that the Anchorage port saw more goods and services and the Point McKinzie port would be more of a "resource port" that aided in the movement of resources. He queried pending funding opportunities awarded to the railroad.

Mr. O'Leary cited that the grant application was due at the end of May and the railroad estimated that the award would be announced prior to the election in November 2024.

Senator Wilson asked when the match would need to be awarded to be eligible for the grant.

Mr. O'Leary thought that the match would be necessary before construction were to begin in 2025. If bonds were to be used as matching funds, they would need to be issued in the 2025 timeframe.

Senator Wilson surmised that if the funding was not awarded until winter, the construction would not start until springtime, and that it was possible that the next legislature could issue bonds that would be usable in a timely manner.

Mr. O'Leary understood the same and did not think there had been a detailed construction schedule issued.

[12:24:24 PM](#)

Co-Chair Stedman asked whether the grant would be lost if matching funds were not immediately available upon award of the grant in the fall.

Mr. O'Leary said that the grant would be awarded in September or October. Before the grant could be executed, the railroad would have to demonstrate where matching funds would come from.

Co-Chair Stedman about the time frame to acquire matching funds to avoid losing the grant.

Mr. O'Leary responded that he did not know.

Co-Chair Stedman thought clarity was needed when Mr. O'Leary answered the committee's questions. He thought it would be abnormal to receive a grant in November and have

to have matching funds available by December. He felt that the bill needed further amending.

[12:27:48 PM](#)

Senator Bishop mentioned the Northern rail extension, and thought it was important to add the extension to the conversation.

[12:28:03 PM](#)

Co-Chair Olson OPENED public testimony.

[12:28:21 PM](#)

Co-Chair Olson CLOSED public testimony.

[12:28:31 PM](#)

Senator Wilson asked about the choice of Seward over Whittier.

Mr. O'Leary responded that the railroad was replacing an existing asset in Seward. He said that the railroad would continue to work with customers in Whittier and there could be expansion in both locations.

Senator Wilson wondered whether it was true that Whittier had more opportunity for expansion and growth. He asked whether Whittier offered opportunity for expansion for the railroad.

Mr. O'Leary was not certain he understood Senator Wilson's question. He noted that he was happy to work with customers in Whittier.

[12:30:51 PM](#)

Co-Chair Stedman commented on the various port and rail projects in the state. He thought the committee would be receptive in expanding the rail in all the directions. He contrasted that just as power line extensions were made, or electrical interties, economically beneficial rail extension was of interest to the committee.

Co-Chair Olson agreed. He suggested that Mr. O'Leary return to the committee in the future with a list of priority projects.

Mr. O'Leary relayed that he would be delighted to do so.

HB 122 was heard and HELD in Committee for further consideration.

[12:32:21 PM](#)

RECESSED

[3:10:37 PM](#)

RECONVENED

#sb217

SENATE BILL NO. 217

"An Act relating to the taxation of independent power producers; and increasing the efficiency of integrated transmission system charges and use for the benefit of ratepayers."

[3:10:42 PM](#)

Co-Chair Olson discussed housekeeping.

Co-Chair Stedman MOVED to ADOPT Amendment 1, 33-GS2489\D.6, (Walsh, 5/11/24) (copy on file).

Co-Chair Olson OBJECTED for discussion.

Co-Chair Stedman spoke to Amendment 1:

Page 6, line 9, following "system":

Insert "or joint action agency established under AS 42.45.310 located off the interconnected road system"

Co-Chair Olson WITHDREW his objection. There being NO OBJECTION, it was so ordered.

[3:11:56 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment 2, 33-GS2489\D.1 (Walsh, 5/10/24) (copy on file).

Co-Chair Olson OBJECTED for discussion.

Co-Chair Stedman spoke to Amendment 2:

Page 3, line 3, following "utility":

Insert "or a joint action agency established under AS 42.45.310"

Co-Chair Olson WITHDREW his objection. There being NO further OBJECTION, it was so ordered.

[3:12:38 PM](#)

AT EASE

[3:13:05 PM](#)

RECONVENED

Senator Bishop MOVED to ADOPT Amendment 3, 33-GS2489\D.4 (Walsh, 5/10/24) (copy on file).

Co-Chair Olson OBJECTED for discussion.

Senator Bishop spoke to Amendment 3. He relayed that the amendment would allow AEA to have its own employees; currently AEA used employees of ADIEA. He added that two separate boards would be created as well. Current AIDEA employees doing the work of AEA would simply be transferred and located under AEA.

Co-Chair Olson WITHDREW his objection.

Senator Kiehl asked whether AIDEA employees were currently in the exempt service.

[3:14:12 PM](#)

CURTIS THAYER, EXECUTIVE DIRECTOR, ALASKA ENERGY AUTHORITY, ANCHORAGE (via teleconference), relayed that it was the same language that currently defined AIDEA employees. They would stay in exempt services.

Co-Chair Olson WITHDREW his objection. There being NO OBJECTION, it was so ordered.

[3:15:06 PM](#)

Co-Chair Hoffman MOVED to ADOPT Amendment 4.

Co-Chair Olson OBJECTED for discussion.

3:15:22 PM

AT EASE

3:17:53 PM

RECONVENED

Co-Chair Olson relayed that the committee would take no further action on Amendment 4 and would set the bill aside.

SB 217 was heard and HELD in Committee for further consideration.

#

ADJOURNMENT

3:18:25 PM

The meeting was adjourned at 3:18 p.m.