

Introduced: 4/12/78  
Referred: State Affairs  
and Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 SENATE BILL NO. 587

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to rural electrification; and pro-  
7 viding for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 44.33 is amended by adding new sections to read:

10 ARTICLE 2A. RURAL ELECTRIFICATION.

11 Sec. 44.33.070. FUND ESTABLISHED. The rural electrification grant  
12 and loan fund is established in the Department of Commerce and Economic  
13 Development. The department may make grants and loans to eligible  
14 applicants from appropriations made to the department for that purpose.

15 Sec. 44.33.075. PURPOSE OF THE FUND. The department may make  
16 grants and loans to eligible applicants from the fund for the planning,  
17 design and construction of electrical generation, transmission, and  
18 distribution systems.

19 Sec. 44.33.080. GRANTS FROM THE FUND. (a) Grants made from the  
20 fund shall be used for studies of design alternatives and cost analysis  
21 of electrical generation, transmission, and distribution systems.

22 (b) The studies shall include, as appropriate, conceptual or pre-  
23 liminary design alternatives, construction cost estimates, operation and  
24 maintenance cost projections, future demand requirements, and capital  
25 cost replacement projections.

26 (c) Studies done under this section shall be performed under the  
27 supervision of an engineer registered under AS 08.48.

28 Sec. 44.33.085. LOANS FROM THE FUND. Loans made from the fund  
29 shall be used for

1 (1) design costs, equipment, construction costs, fuel storage  
2 facilities, and for first-year operational training and fuel supplies;  
3 one half of a loan made under this paragraph shall be repaid over a  
4 period not to exceed 30 years and no interest may be charged; the other  
5 one half of the loan need not be repaid; a loan may be made under this  
6 paragraph only to an applicant who has no electrical generation, trans-  
7 mission, or distribution facilities in its community;

8 (2) expansion, upgrading, supplementing, or replacing all or  
9 a part of the existing electrical generation, transmission, and dis-  
10 tribution systems in a community; the loan shall be repaid over a period  
11 not to exceed 30 years and no interest may be charged; a community may  
12 be granted only one loan under this paragraph.

13 Sec. 44.33.090. ADVANCED TECHNOLOGY. An applicant may apply for  
14 and receive a grant under sec. 80 of this chapter or a loan under sec.  
15 85 of this chapter for the generation, transmission, or distribution of  
16 electrical energy which will utilize advanced technology; including  
17 but not limited to wind, geothermal, and hydrodynamic facilities if the  
18 department determines that the projected technology is feasible and will  
19 be no less efficient than alternative conventional technology.

20 Sec. 44.33.095. ELIGIBILITY FOR LOANS. The department may not  
21 make a loan under sec. 85 of this chapter unless the applicant has filed  
22 an acceptable design alternative and cost analysis study which was  
23 completed within the 12 months before the application.

24 Sec. 44.33.100. REGULATIONS. The department may adopt regulations  
25 to carry out the provisions of secs. 70 - 105 of this chapter.

26 Sec. 44.33.105. DEFINITIONS. As used in secs. 70 - 105 of this  
27 chapter,

28 (1) "applicant" means a municipality, electrical utility,  
29 electrical cooperative, or nonprofit utility formed for the purpose of

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providing electricity in a community whose population does not exceed 2,500 persons;

(2) "department" means the Department of Commerce and Economic Development;

(3) "municipality" means a general law or home rule municipal corporation and political subdivision described in AS 29.08.010 and 29.08.020;

(4) "system" means a central or coordinated generation and distribution of electrical power to a majority of the residents in a community.

\* Sec. 2. This Act takes effect July 1, 1978.

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