

Original sponsor: Kerttula

Offered: 6/3/80

Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 294 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to power projects of the Alaska Power
7 Authority and the Susitna River hydroelectric project;
8 and providing for an effective date."

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

10 * Section 1. AS 44.56.187(a) is amended to read:

11 (a) The provisions of AS 44.56.177 - 44.56.185 and 44.56.189 apply
12 only to a proposed new project which will generate more than 1.5 mega-
13 watts of power and

14 (1) requires an appropriation from the state general fund,
15 from the power project fund, or from the renewable resources funds [IN-
16 VESTMENT FUND AND THE APPROPRIATION EXCEEDS

17 (A) \$3,000,000, FOR PROJECTS FOR WHICH LEGISLATIVE
18 APPROVAL IS SOUGHT DURING 1981;

19 (B) \$3,000,000 MULTIPLIED BY A FACTOR EQUAL TO A RATIO
20 DETERMINED BY DIVIDING THE CONSTRUCTION COST INDEX OF THE ENGINEER-
21 ING NEWS RECORD DETERMINED FOR JANUARY OF THE YEAR DURING WHICH A
22 PROJECT IS SUBMITTED FOR LEGISLATIVE APPROVAL, BY THE CONSTRUCTION
23 COST INDEX OF THE ENGINEERING NEWS RECORD FOR MARCH, 1980, FOR
24 PROJECTS FOR WHICH LEGISLATIVE APPROVAL IS SOUGHT AFTER DECEMBER 31
25 1981]; or

26 (2) is based on a plan of finance which requires the issuance
27 of general obligation bonds or other pledge of the credit of the state.

28 * Sec. 2. AS 44.56.187(b) is amended to read:

29 (b) The provisions of AS 44.56.177 - 44.56.185 and 44.56.189 apply

1 to a project which generates more than five [25] megawatts of power for
2 which the authority will issue its revenue bonds for costs of construc-
3 tion.

4 * Sec. 3. AS 44.56.224 is amended by adding a new subsection to read:

5 (b) The Department of Commerce and Economic Development shall
6 create an advisory council to participate in Southcentral and Interior
7 Alaska power planning. The duties of the council shall include re-
8 viewing and commenting on the reports described under AS 44.56.320 and
9 on power generation and transmission projects in Southcentral and In-
10 terior Alaska which affect more than one utility service area. The
11 advisory council shall include representatives of electric utilities,
12 business, and consumer and environmental groups.

13 * Sec. 4. AS 44.56 is amended by adding new sections to read:

14 ARTICLE 6. SUSITNA RIVER HYDROELECTRIC PROJECT.

15 Sec. 44.56.300. DESCRIPTION OF PROJECT. The Susitna River hydro-
16 electric project consists of dams and related reservoirs, and power
17 plants located in the Upper Susitna River Basin, and related transmis-
18 sion lines, facilities, and load centers, as described in the Alaska
19 Power Authority's Susitna Plan of Study, to be completed in June 1982.

20 Sec. 44.56.310. PURPOSE OF PROJECT. The primary purpose of the
21 Susitna River hydroelectric project is to generate, transmit and dis-
22 tribute electric power in a manner which will

23 (1) minimize market area electrical power costs;

24 (2) minimize adverse environmental and social impacts while
25 enhancing environmental values to the extent possible; and

26 (3) safeguard both life and property.

27 Sec. 44.56.320. PRELIMINARY REPORT. (a) By March 30, 1981, the
28 authority shall prepare and submit to the governor and to the legisla-
29 ture a preliminary report recommending whether work should continue on

1 the Susitna River hydroelectric project, and, if the recommendation is
2 to continue on the project, the report shall explain in detail

3 (1) economic evaluations and preliminary environmental impact
4 assessments for the Susitna River hydroelectric project and all viable
5 alternatives;

6 (2) the federal and state permits required to be obtained
7 before construction can begin and the expected construction start date;
8 and

9 (3) any other information the authority considers appropriate
10 or necessary to adequately inform the governor and the legislature of
11 the status of the Susitna River hydroelectric project.

12 (b) By April 30, 1982, the authority shall prepare and submit to
13 the governor and to the legislature a preliminary report recommending
14 whether work should continue on the Susitna River hydroelectric project,
15 and other viable alternatives. If the recommendation is to continue on
16 the Susitna River hydroelectric project, the report shall explain in
17 detail

18 (1) the proposed conceptual design and phases of construction
19 of the Susitna River hydroelectric project;

20 (2) the expected completion date of each phase of construc-
21 tion;

22 (3) the expected cost of each phase of construction;

23 (4) the costs to the state and consumers of the project under
24 alternative methods of project financing, including revenue bonds,
25 general obligation bonds, and general fund appropriations; and

26 (5) any other information the authority considers appropriate
27 or necessary to adequately inform the governor and the legislature of
28 the status of the Susitna River hydroelectric project.

29 (c) The preliminary reports required under (a) and (b) of this

1 section are in addition to any reports required under AS 44.56.180 -
2 44.56.224.

3 (d) The authority may not enter into contracts under AS 44.56.300 -
4 44.56.350 other than those contracts necessary to complete (1) feasibil-
5 ity studies, (2) the reports required by this section, or (3) construc-
6 tion of the Anchorage-Fairbanks intertie, until the legislature approves
7 by law the preliminary report required under (b) of this section.

8 (e) To ensure objectivity in the assessment of power alternatives,
9 the work required in (a)(1) of this section shall be supervised or
10 performed by an independent contractor to the extent possible under
11 contracts existing on the effective date of this Act. The independent
12 contractor shall cooperate with the authority and shall report directly
13 to the governor, the legislature, and the authority.

14 Sec. 44.56.330. CONSTRUCTION, MAINTENANCE AND OPERATION OF PROJECT.
15 Within one year after approval of its preliminary report submitted under
16 AS 44.56.320(b), the authority may enter into a contract for the con-
17 struction of the Susitna River hydroelectric project in a manner con-
18 sistent with the purpose of the project as described in AS 44.56.310.
19 The authority may not contract with the contractor who provides the plan
20 of study under AS 44.56.300 for any portion of the construction, opera-
21 tion or maintenance of the Susitna River hydroelectric project.

22 Sec. 44.56.340. ANNUAL REPORT. (a) If the Susitna River hydro-
23 electric project is approved by the legislature under AS 44.56.320(d),
24 beginning in 1983 the authority shall prepare an annual report which
25 explains in detail

26 (1) the status of construction on the Susitna River hydro-
27 electric project;

28 (2) the completion date of any phase of the Susitna River
29 hydroelectric project which has been completed and the reasons for any

1 deviation between the completion date and the expected completion date
2 stated in the preliminary report required under AS 44.56.320(b);

3 (3) the actual cost of any phase of the Susitna River hydro-
4 electric project which has been completed and the reasons for any devia-
5 tion between the actual cost and the expected cost stated in the pre-
6 liminary report required under AS 44.56.320(b);

7 (4) the federal and state permits necessary to begin or
8 continue construction of the Susitna River hydroelectric project, the
9 actual dates on which the federal and state permits necessary to begin
10 or continue construction were obtained, and the reasons for any devia-
11 tion between the actual dates and the expected dates stated in the pre-
12 liminary report required under AS 44.56.320(a) or in the earlier annual
13 reports required under this section;

14 (5) any other information the authority considers appropriate
15 or necessary to adequately inform the governor and the legislature of
16 the status of the Susitna River hydroelectric project.

17 (b) The annual report required under (a) of this section is in
18 addition to any reports required under AS 44.56.180 - 44.56.224 and
19 shall be submitted, by March 30 of each year, to the governor and to
20 each member of the legislature.

21 Sec. 44.56.345. LEGISLATIVE AND EXECUTIVE OVERSIGHT. The legis-
22 lature or the governor may provide for ongoing oversight, review and
23 selected in-depth analysis of the Susitna River hydroelectric project
24 plan of study. The authority shall provide all data, analyses, reports,
25 and other information to whomever conducts the oversight, review, or
26 analysis activities. Selected in-depth analyses shall include assess-
27 ments of the power alternatives, financing, and power marketing sections
28 of the Susitna River hydroelectric project plan of study.

29 Sec. 44.56.350. PROJECT FINANCING. The Susitna River hydroelectric

1 project shall be financed by general fund appropriations, general obliga-
2 tion bonds, revenue bonds, or other plans of finance as approved by the
3 legislature.

4 * Sec. 5. The projects authorized in sec. 48 of House CS for CS for
5 Senate Bill No. 438 (Finance) am H, Eleventh Legislature, Second Session, are
6 exempt from the amendments made in secs. 1 and 2 of this Act.

7 * Sec. 6. Sections 1 and 2 of this Act take effect on the day after House
8 CS for CS for Senate Bill No. 438 (Finance) am H, Eleventh Legislature,
9 Second Session, becomes law.

10 * Sec. 7. Section 3 of this Act takes effect April 1, 1981.

11 * Sec. 8. Sections 4 - 8 of this Act take effect immediately in accord-
12 ance with AS 01.10.070(c).

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