

Introduced: 4/11/86  
Referred: Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 476

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to hydroelectric projects; and  
7 providing for an effective date."

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

9 \* Section 1. FINDINGS. The legislature finds that

10 (1) the Alaska Power Authority has not fully complied with the  
11 applicable statutes in developing the Susitna hydroelectric project;

12 (2) the Alaska Power Authority has not followed a consistent and  
13 prudent decision-making process designed to resolve the Railbelt energy  
14 needs in the most effective manner and at least cost to the consumer and  
15 the state;

16 (3) the state has spent approximately \$145,000,000 on studies  
17 and licensing activities related to the Susitna River hydroelectric proj-  
18 ect;

19 (4) the studies conclude that the Susitna project represented  
20 the best long-term solution to the Railbelt energy needs;

21 (5) coordination and cooperation between the Alaska Power Au-  
22 thority and utilities during the Susitna project left much to be desired.

23 \* Sec. 2. INTENT. (a) The legislature intends that the authority  
24 provide for a comparative analysis by an independent expert of all reason-  
25 able alternatives to the proposed project as an integral component of the  
26 feasibility study under AS 44.83.181(b)(3).

27 (b) The legislature further intends that the Office of Management and  
28 Budget comply with AS 44.83.183 and submit its recommendations to the  
29 legislature in writing no later than April 15, 1987, and that the authority

1 refrain from submitting the license application for the Devil Canyon dam  
2 project until the project is approved by the legislature under AS 44.83.-  
3 185(c).

4 \* Sec. 3. AS 44.83.181(a) is amended to read:

5 (a) Unless the reconnaissance study has been disapproved by the  
6 office of management and budget under AS 44.83.179, the authority  
7 shall complete a feasibility study and plan of finance for each pro-  
8 posed project. The authority shall complete and attach conditional  
9 power sale agreements with the appropriate utilities to the plan of  
10 finance.

11 \* Sec. 4. AS 44.83.185(b) is amended to read:

12 (b) The authority may not proceed with work on the engineering  
13 or design phase of a proposed new project for which legislative ap-  
14 proval is required until the legislature approves the proposed new  
15 project. The authority may not proceed with work on the final design  
16 phase of a proposed new project and may not submit an application to  
17 the Federal Energy Regulatory Commission unless the legislature has  
18 approved submission of the application. However, the authority may  
19 proceed with other [THE] engineering or design work necessary to meet  
20 the requirements for submission of a license application for the  
21 proposed new project to the Federal Energy Regulatory Commission  
22 without obtaining legislative approval of the proposed new project.

23 \* Sec. 5. AS 44.83.330 is amended to read:

24 Sec. 44.83.330. CONSTRUCTION, MAINTENANCE AND OPERATION OF  
25 PROJECT. If the legislature approves the project under AS 44.83.185  
26 [WITHIN ONE YEAR AFTER APPROVAL OF ITS PRELIMINARY REPORT SUBMITTED  
27 UNDER AS 44.83.320(b)], the authority may enter into a contract for  
28 the construction of the Susitna River hydroelectric project or a part  
29 of the project in a manner consistent with the purpose of the project

1 as described in AS 44.83.310.

2 \* Sec. 6. AS 44.83.340(a) is amended to read:

3 (a) If the Susitna River hydroelectric project is approved by  
4 the legislature [UNDER AS 44.83.325], beginning in 1983 the authority  
5 shall prepare an annual report which explains in detail

6 (1) the status of construction on the Susitna River hydro-  
7 electric project;

8 (2) the completion date of any phase of the Susitna River  
9 hydroelectric project which has been completed and the reasons for any  
10 deviation between the completion date and the expected completion date  
11 stated in the preliminary report required under AS 44.83.320(b);

12 (3) the actual cost of any phase of the Susitna River  
13 hydroelectric project which has been completed and the reasons for any  
14 deviation between the actual cost and the expected cost stated in the  
15 preliminary report required under AS 44.83.320(b);

16 (4) the federal and state permits necessary to begin or  
17 continue construction of the Susitna River hydroelectric project, the  
18 actual dates on which the federal and state permits necessary to begin  
19 or continue construction were obtained, and the reasons for any de-  
20 viation between the actual dates and the expected dates stated in the  
21 preliminary report required under AS 44.83.320(a) or in the earlier  
22 annual reports required under this section;

23 (5) any other information the authority considers appropri-  
24 ate or necessary to adequately inform the governor and the legislature  
25 of the status of the Susitna River hydroelectric project.

26 \* Sec. 7. Because of the extensive and numerous studies of the Susitna  
27 River hydroelectric sites, the Devil Canyon project is exempt from the  
28 requirements of AS 44.83.177 - 44.83.179.

29 \* Sec. 8. Section 10, ch. 169, SLA 1984 is repealed.

1     \* Sec. 9. AS 44.83.325 is repealed.

2     \* Sec. 10. LEGISLATIVE APPROVAL OF THE DEVIL CANYON DAM PROJECT.     The  
3 authority shall report regularly as requested to the Legislative Budget and  
4 Audit Committee on progress on the Devil Canyon dam project. The authority  
5 may not advertise for bid proposals for the feasibility study unless the  
6 committee approves. The authority may not award the contract for the study  
7 unless the committee approves.

8     \* Sec. 11. This Act takes effect immediately in accordance with AS 01.-  
9 10.070(c).