

Offered: 4/25/86
Referred: Rules

Original sponsor: Finance Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 476 (Finance)

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 followed a consistent
11 decision-making process designed to resolve the Railbelt energy needs in
12 the most effective manner and at least cost to the consumer and the state;

13 (2) the state has spent approximately \$145,000,000 on studies
14 and licensing activities related to the Susitna River hydroelectric proj-
15 ect;

16 (3) the studies conclude that a Susitna project represented the
17 best long-term solution to the Railbelt energy needs;

18 (4) coordination and cooperation between the Alaska Power Au-
19 thority and utilities during the Susitna project were not as productive as
20 they could have been.

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

25 (b) The legislature further intends that the Office of Management and
26 Budget comply with AS 44.83.183 and submit its recommendations to the
27 legislature in writing no later than April 15, 1987, and that the authority
28 refrain from submitting the license application for the Devil Canyon dam
29 project until the project is approved by the legislature under

1 AS 44.83.185(c).

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

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

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

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

21 * Sec. 5. AS 44.83.330 is amended to read:

22 Sec. 44.83.330. CONSTRUCTION, MAINTENANCE AND OPERATION OF
23 PROJECT. If the legislature approves the project under AS 44.83.185
24 [WITHIN ONE YEAR AFTER APPROVAL OF ITS PRELIMINARY REPORT SUBMITTED
25 UNDER AS 44.83.320(b)], the authority may enter into a contract for
26 the construction of the Susitna River hydroelectric project or a part
27 of the project in a manner consistent with the purpose of the project
28 as described in AS 44.83.310.

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

1 (a) If a [THE] Susitna River hydroelectric project is approved
2 by the legislature under AS 44.83.185(c), [AS 44.83.325, BEGINNING IN
3 1983] the authority shall prepare an annual report which explains in
4 detail

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

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

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

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

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

25 * Sec. 7. The Alaska Power Authority shall prepare a review and eval-
26 uation of Railbelt electric power alternatives including coal-based gen-
27 eration, natural gas-based generation, conservation, the Devil Canyon
28 hydroelectric project, and other hydroelectric alternatives. The study
29 shall identify the alternative or combination of alternatives that will

1 satisfy the electric energy requirements of the Railbelt at the lowest cost
2 over time and shall also provide a ranking of other alternatives in the
3 order of their long-run economic desirability. The authority shall

4 (1) prepare and report the study so as to allow it to be
5 readily incorporated in a feasibility study under AS 44.83.181(b)(3)
6 if a feasibility study is necessary to implement the recommended
7 alternative;

8 (2) prepare a preliminary plan of finance for the alterna-
9 tive or combination of alternatives that represents the lowest cost
10 solution over time;

11 (3) comply with AS 44.83.177 and 44.83.179 when submitting
12 the review and evaluation of Railbelt electric power alternatives and
13 the preliminary plan of finance to the governor and the legislature;
14 and

15 (4) report at regular intervals to the Legislative Budget
16 and Audit Committee on implementation of this section.

17 * Sec. 8. Because of the extensive and numerous studies of the Susitna
18 River hydroelectric sites, a project located at any of these sites is
19 exempt from the requirements of AS 44.83.177 - 44.83.179.

20 * Sec. 9. Section 10, ch. 169, SLA 1984 is repealed.

21 * Sec. 10. AS 44.83.325 is repealed.

22 * Sec. 11. Section 7 of this Act takes effect on the effective date of
23 an Act appropriating funds to the Alaska Power Authority for preparing a
24 review and evaluation of Railbelt electric power alternatives.

25 * Sec. 12. Sections 1 - 6 and 8 - 10 of this Act take effect immediate-
26 ly in accordance with AS 01.10.070(c).