

Offered: 4/14/87
Referred: Finance

5-0881B

Original sponsors: Coghill and Faiks

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE BILL NO. 206 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Power Authority; and
7 providing for an effective date."

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

9 * Section 1. AS 44.83.092 is amended by adding a new subsection to
10 read:

11 (b) A contract that the authority enters into under (a) of this
12 section relating to the sale of electric power from a power project to
13 be acquired or constructed under AS 44.83.380 - 44.83.425 (energy
14 program for Alaska) may create a project management committee. The
15 committee shall consist of representatives of the contracting parties
16 as specified in the contract. The contract shall determine the powers
17 of the committee with respect to the power project. The powers may
18 include responsibility for the management, operation, and maintenance
19 of the project. To the extent provided in the contract, the committee
20 has separate legal existence and other powers necessary to its pur-
21 poses.

22 * Sec. 2. AS 44.83.170 is amended by adding a new subsection to read:

23 (i) The Railbelt advisory committee, composed of one member from
24 each electric utility in the Railbelt, is established. The authority
25 may not make a loan under this section for an energy-related project
26 that is located in the Railbelt until the Railbelt advisory committee
27 has had an opportunity to review the loan application. The authority
28 shall consider the written comments and recommendations of the commit-
29 tee before acting on the loan application.

1 * Sec. 3. AS 44.83 is amended by adding a new section to read:

2 Sec. 44.83.172. POWER PROJECT BONDS. (a) The authority may
3 borrow money and issue bonds to make or refinance loans from the power
4 project fund for the acquisition or construction of power projects
5 under AS 44.83.170(b)(1). Loans made or refinanced with the proceeds
6 of bonds authorized by this section are subject to AS 44.83.170(a) -
7 (e). However, the authority may not issue bonds to make or refinance
8 a loan entered into under a leveraged lease financing arrangement.
9 The authority may issue bonds if the borrower is an entity that may
10 borrow from the fund under AS 44.83.170.

11 (b) With respect to loans made or refinanced with the proceeds
12 of bonds, the authority may pledge the principal and interest received
13 from the loan repayments and the interest earned on those amounts in
14 the power project fund for bonds issued under this section. Notwith-
15 standing AS 44.83.170(g), if the authority pledges these amounts, they
16 may not be deposited into the general fund.

17 (c) The authority may notify the head of a department or agency
18 of the state in writing that a municipality is in default on the
19 repayment of principal or interest on loans made or refinanced with
20 the proceeds of bonds issued under this section. Notwithstanding any
21 other provision of law, to the extent that a department or agency of
22 the state is the custodian of money payable to the municipality, the
23 department or agency shall withhold payment of the money from the
24 municipality and pay over the money to the authority to pay principal
25 and interest on bonds of the authority issued under this section.

26 * Sec. 4. AS 44.83.187(d) is amended to read:

27 (d) The provisions of AS 44.83.177 - 44.83.185 do not apply to
28 (1) an addition, modification, repair, reconstruction,
29 design, acquisition or construction for the purpose of completing a

1 project;

2 (2) the construction of an electrical transmission or dis-
3 tribution facility [THAT IS ESTIMATED TO COST LESS THAN \$3,000,000].

4 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).