

CS FOR SENATE BILL NO. 126(RLS) am(efd fld)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE

Amended: 5/7/93
Offered: 4/20/93

Sponsor(s): SENATORS SHARP, Taylor, Miller, Pearce, Frank

REPRESENTATIVES Barnes, Navarre, Phillips

A BILL

FOR AN ACT ENTITLED

1 **"An Act making appropriations for grants and loans for hydroelectric projects**
 2 **including power transmission interties, to capitalize certain funds for energy grant**
 3 **and loan programs in the state, including the power cost equalization and rural**
 4 **electric capitalization fund, to the Department of Community and Regional Affairs**
 5 **for operating costs related to power projects and programs and to capitalize the**
 6 **Railbelt energy fund."**

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 *** Section 1. (a) Subject to the conditions set out in (b) and (c) of this section, the sum**
 9 **of \$43,200,000 is appropriated from the Railbelt intertie reserve (sec. 159, ch. 208, SLA 1990)**
 10 **to the Department of Administration for payments as a grant under AS 37.05.316 to Golden**
 11 **Valley Electric Association for the benefit of all the utilities participating in the intertie for**
 12 **design and construction of a power transmission intertie of at least 138 kilovolts between**
 13 **Healy and Fairbanks.**

1 (b) The appropriation made by (a) of this section is contingent upon the execution of
2 a written agreement between the electric utilities participating in the Healy-Fairbanks power
3 transmission intertie and the Department of Administration that provides that the participating
4 utility or utilities agree to

5 (1) pay the design and construction costs for the Healy-Fairbanks power
6 transmission intertie that exceed \$43,200,000;

7 (2) pay the operation and maintenance costs of the Healy-Fairbanks power
8 transmission intertie; and

9 (3) allocate, in proportion to the system peak demands of the utilities
10 participating in the intertie, less a 1.5 mill per kilowatt hour charge for all energy assessed to
11 the line paid by the receiving utility,

12 (A) the costs of construction that exceed the amount of the grant under
13 this section;

14 (B) the operation and maintenance costs; and

15 (C) the costs that may reasonably be charged for services provided,
16 including transmission to the intertie.

17 (c) The appropriation made by (a) of this section is contingent upon the execution of
18 a written agreement between the electric utilities participating in the intertie and the
19 department in which Golden Valley Electric Association agrees to provide the other
20 participating utilities access to the intertie for the purpose of assured access to resources,
21 economy energy transactions, and other similar uses.

22 * Sec. 2. (a) Subject to the conditions set out in (b) and (c) of this section, the sum of
23 \$46,800,000 is appropriated from the Railbelt intertie reserve (sec. 159, ch. 208, SLA 1990)
24 to the Department of Administration for payment as a grant under AS 37.05.316 to Chugach
25 Electric Association for the benefit of all the utilities participating in the intertie for design
26 and construction of a power transmission intertie of at least 138 kilovolts between Anchorage
27 and the Kenai Peninsula.

28 (b) The appropriation made by (a) of this section is contingent upon the execution of
29 a written agreement between the electric utilities participating in the Anchorage-Kenai
30 Peninsula power transmission intertie and the Department of Community and Regional Affairs
31 that provides that the participating utility or utilities agree to

1 (1) pay the design and construction costs for the Anchorage-Kenai Peninsula
2 power transmission intertie that exceed \$46,800,000;

3 (2) pay the operation and maintenance costs of the Anchorage-Kenai Peninsula
4 power transmission intertie; and

5 (3) allocate, in proportion to the system peak demands of the utilities
6 participating in the intertie less a 1.5 mill per kilowatt hour charge for all energy generated
7 by the Bradley Lake hydroelectric project purchased by the receiving utility,

8 (A) the costs of construction that exceed the amount of the grant under
9 this section;

10 (B) the operation and maintenance costs; and

11 (C) the costs that may reasonably be charged for services provided,
12 including transmission to the intertie.

13 (c) The appropriation made by (a) of this section is contingent upon the execution of
14 a written agreement between the electric utilities participating in the intertie and the
15 department in which Chugach Electric Association agrees to provide the other participating
16 utilities access to the intertie for the purpose of assured access to resources, economy energy
17 transactions, and other similar uses.

18 * Sec. 3. The balance in the Railbelt intertie reserve, after the appropriations made by
19 secs. 1 and 2 of this Act are paid, is appropriated to the Railbelt energy fund (AS 37.05.520).

20 * Sec. 4. (a) Subject to the conditions set out in (b) - (d) of this section, the sum of
21 \$35,000,000 is appropriated from the Railbelt energy fund (AS 37.05.520) for deposit in the
22 power project fund (AS 42.45.010) for payment as a loan under AS 42.45.010 to the
23 participating utilities for the design and construction of a power transmission intertie of at
24 least 138 kilovolts between Sutton and Glennallen.

25 (b) Notwithstanding AS 42.45.010(g), repayments of principal and interest on the loan
26 for which an appropriation is made under (a) of this section are appropriated to the Railbelt
27 energy fund (AS 37.05.520).

28 (c) The appropriation made by (a) of this section is contingent on the participating
29 utility or utilities and the Department of Community and Regional Affairs entering into an
30 agreement for a loan at zero interest for a term of 50 years.

31 (d) The appropriation made by (a) of this section is contingent upon the completion

1 of a feasibility study and finance plan satisfactory to the Department of Community and
2 Regional Affairs as set out in former AS 44.83.181.

3 (e) In this section, "participating utilities" means the utility or utilities participating in
4 the design, construction, operation, and maintenance of the power transmission intertie
5 between Sutton and Glennallen.

6 * Sec. 5. (a) Subject to the conditions set out in (b) and (c) of this section, the sum of
7 \$20,000,000 is appropriated from the Railbelt energy fund (AS 37.05.520) for deposit in the
8 power project fund (AS 42.45.010) for payment as a loan under AS 42.45.010 to the
9 participating utilities for design and construction of a power transmission intertie of at least
10 115 kilovolts between the Swan Lake and Tyee Lake hydroelectric projects.

11 (b) Notwithstanding AS 42.45.010(g), repayments of principal and interest on the loan
12 for which an appropriation is made under (a) of this section are appropriated to the Railbelt
13 energy fund (AS 37.05.520).

14 (c) The appropriation made by (a) of this section is contingent on the participating
15 utility or utilities and the Department of Community and Regional Affairs entering into an
16 agreement for a loan at three percent interest for a term of 15 years.

17 (d) In this section, "participating utilities" mean the utilities participating in the design,
18 construction, operation, and maintenance of the power transmission intertie between the Swan
19 Lake and Tyee Lake hydroelectric projects.

20 * Sec. 6. The sum of \$3,900,000 is appropriated from the general fund to the Department
21 of Community and Regional Affairs for operating costs for carrying out its powers and duties
22 under AS 42.45 and AS 44.47.050(19) and (20).

23 * Sec. 7. The unexpended and unobligated balances of the following appropriations are
24 repealed and reappropriated to the Railbelt energy fund (AS 37.05.520):

25 (1) that portion of the appropriation made by sec. 25, ch. 80, SLA 1979, page
26 66, line 38, as amended by sec. 448(a), ch. 105, SLA 1985, and sec. 275(a), ch. 130, SLA
27 1986, that is allocated by sec. 25, ch. 80, SLA 1979, page 67, line 5 (Bradley Lake hydro
28 project - \$80,000);

29 (2) that portion of the appropriation made by sec. 1(a), ch. 90, SLA 1981, as
30 amended by sec. 69, ch. 92, SLA 1981, and sec. 236, ch. 141, SLA 1982, that is allocated by
31 sec. 1(a)(1), ch. 90, SLA 1981, as amended by sec. 69, ch. 92, SLA 1981 (Bradley Lake -

1 \$5,000,000);

2 (3) that portion of the appropriation made by sec. 1(b), ch. 90, SLA 1981, as
3 amended by sec. 69, ch. 92, SLA 1981, and sec. 236, ch. 141, SLA 1982, that is allocated by
4 sec. 1(b)(1), ch. 90, SLA 1981, as amended by sec. 69, ch. 92, SLA 1981 (Bradley Lake -
5 \$10,000,000);

6 (4) sec. 241, ch. 141, SLA 1982 (Bradley Lake hydroelectric project -
7 \$3,000,000);

8 (5) AS 44.83.420, repealed by sec. 318, ch. 171, SLA 1984 (Bradley Lake
9 hydroelectric project);

10 (6) sec. 5, ch. 41, SLA 1986 (Bradley Lake hydroelectric project -
11 \$50,000,000);

12 (7) sec. 3, ch. 128, SLA 1986, page 8, line 7, as amended by sec. 1, ch. 96,
13 SLA 1987 (Alaska Power Authority, Bradley Lake hydroelectric project - \$50,000,000);

14 (8) sec. 6, ch. 172, SLA 1988 (Bradley Lake power project - \$7,000,000).

15 * Sec. 8. (a) The sum of \$13,200,000 is appropriated from the general fund to the Railbelt
16 energy fund (AS 37.05.520).

17 (b) The sum of \$66,900,000 is appropriated from the general fund to the Railbelt
18 energy fund (AS 37.05.520).

19 (c) The sum of \$66,900,000 is appropriated from the Railbelt energy fund
20 (AS 37.05.520) to the power cost equalization and rural electric capitalization fund
21 (AS 42.45.060) to capitalize the fund.

22 * Sec. 9. The sum of \$5,000,000 is appropriated from the general fund to the Department
23 of Community and Regional Affairs for payment as a grant under AS 37.05.316 to the
24 Iliamna-New Halen-Nondalton Electric Cooperative for the design and construction of a 700
25 kilowatt hydroelectric power project on the Tazimina River and for the associated distribution
26 system.

27 * Sec. 10. The balances in the following funds on the effective date of this section are
28 appropriated from the named former funds or accounts under the Alaska Energy Authority to
29 the named funds established in the Department of Community and Regional Affairs to
30 capitalize the funds:

31 ALASKA ENERGY FUND OR ACCOUNT DEPARTMENTAL FUND

1	Power cost equalization fund	Power cost equalization and rural electric
2	(AS 44.83.162)	capitalization fund (AS 42.45.060)
3	Power project fund (AS 44.83.170)	Power project fund (AS 42.45.010)
4	Rural electrification revolving	Rural electrification revolving
5	loan fund (AS 44.83.361)	loan fund (AS 42.45.020)
6	Power development revolving loan fund	Four dam pool transfer fund
7	(AS 44.83.500)	(AS 42.45.050)
8	Bulk fuel revolving loan fund	Bulk fuel revolving loan fund
9	(AS 44.83.600)	(AS 42.45.250)

10 * Sec. 11. The sum of \$3,000,000 is appropriated from the general fund to the power
11 project fund (AS 42.45.010) for payment as a loan to the City of Seward for completion of
12 the electric transmission line from Seward to the Lawing substation.

13 * Sec. 12. A sum equal to the amounts deposited in the Southeast energy fund
14 (AS 42.45.040) beginning on the effective date of this Act and ending on June 30, 1994, is
15 appropriated from the Southeast energy fund to the Department of Administration for payment
16 as a grant under AS 37.05.316 to the Ketchikan Public Utilities for expenses related to the
17 power transmission intertie between the Swan Lake and Tyee Lake hydroelectric projects.

18 * Sec. 13. The sum of \$126,600 is appropriated from federal receipts to the Department
19 of Community and Regional Affairs for federally authorized energy programs and projects.

20 * Sec. 14. A sum equal to the retained money held by the Alaska Energy Authority that
21 is related to the authority's rural programs is transferred and appropriated to the Department
22 of Community and Regional Affairs for the purposes originally intended and for other energy-
23 related purposes and projects.

24 * Sec. 15. This Act takes effect only if the Eighteenth Alaska State Legislature enacts an
25 Act that gives the Department of Community and Regional Affairs responsibility for rural
26 power projects and programs.