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LEGISLATIVE SUMMARY

SB 826 "An Act relating to preliminary work on the Susitna River hydroelectric project."

Sec. 1 The Alaska Power Authority may enter into contracts for preliminary work without the approval required by AS 44.83.325.

"preliminary work" is defined as preparation of plans, studies, and license applications, and other types of work which must be completed before actual construction described in AS 44.83.300 may begin.

Does not authorize the Alaska Power authority to contract for actual construction or for the preparation of the site without the approval required by AS 44.83.325.

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NOTE: AS 44.83.300 describes the Susitna River hydroelectric project.

AS 44.83.325 - Restrictions on contracting. The authority may not enter into contracts under .300 - .360 other than feasibility studies, preliminary reports or construction of the Anchorage-Fairbanks intertie, until the legislature approves by law the preliminary report required by AS 44.83.320(b).

AS 44.83.320(b) The authority shall by April 30, 1982 prepare and submit a preliminary report recommending whether work should be continued on the project and other viable alternatives. If the recommendation is to continue on Susitna the report shall explain in detail.

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SPONSOR: Rules Committee by Request of the Governor

# Alaska State Legislature

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## Senate

### Committee on Resources

March 10, 1982  
1:40 p.m.

Beltz Room  
Room 211 - Capitol

#### MEMBERS PRESENT

Senator Fahrenkamp  
Senator Fischer  
Senator Bradley  
Senator Eliason  
Senator Gilman  
Senator Mulcahy  
Senator Sturgulewski

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#### Hearing:

- SB 608 Making a special appropriation to the power development fund of the Alaska Power Authority for the Susitna River hydroelectric project and other hydroelectric projects.
- SB 825 Transferring among various appropriations to the Alaska Power Authority for power projects and making special appropriations to the Alaska Power Authority for power projects.
- SB 826 Relating to preliminary work on the Susitna River hydroelectric project.
- SB 828 Relating to the responsibilities of the Alaska Power Authority.

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#### SB 608

Senator Fahrenkamp stated her intent to move SB 608 out of Committee, with a letter to the Finance Committee acknowledging that \$1 billion is not available, and that the actual amount appropriated would be left up to the Finance Committee.

Senator Fischer asked that the bill be held in Committee until he had time to prepare amendments.

Senator Fahrenkamp stated that SB 608 would be held until Friday's calendar.

#### SB 825

Senator Fahrenkamp asked for a motion to consider the work draft for CSSB 825.

Senator Eliason objected and asked that the original bill and the work draft be considered simultaneously.

Dave Hutchins, Alaska Rural Electrical Cooperative Association, spoke in support of SB 825, stressing the importance of proceeding with the projects currently under development, and urging that the legislature take action soon on funding for the Alaska Power Authority.

Eric Yould, Executive Director, Alaska Power Authority, explained that the APA Board generally endorses the governor's recommendations. He further stated that, at Senator Dankworth's request, he had identified funds allocated to APA that were in excess of what was needed, and had arrived at a figure of about \$33 million. The figures used in CSSB 825 were drawn from that figures.

Senator Eliason moved that Section 2 of SB 825 be included as Section 7 of CSSB 825, with appropriate renumbering of the other sections. The amendment was adopted.

Senator Mulcahy moved the adoption of CSSB 825 with individual recommendations.

#### SB 826

Dave Hutchins spoke in support of SB 826, stating that it authorizes preliminary work, not construction, on Susitna.

Eric Yould spoke in support of the bill, and urged that any wording change in SB 608 be compatible with the language of SB 826.

David Allison, Alaska Environmental Lobby, urged that the State not incrementalize itself too far into a project that it may not be able to finance. He also urged a provision in SB 826 that would allow for withdrawal of funds if it was at some time decided not to go ahead with Susitna.

Senator Mulcahy moved SB 826 with individual recommendations.

#### SB 828

Senator Sturgulewski discussed changes to SB 828 dealing with economic feasibility requirements, financial analysis, and bid contracts.

Eric Yould testified that he had recommended Sections 2, 3, 4, and 5 of SB 828. In regard to the proposed changes, he stated that financing decisions should be based on the long term rather than on a surrogate test demanding that projects show a profit in their early years.

David Allison spoke in opposition to SB 828 as an incomplete approach at reforming SB 825. He urged a provision for a required rate of return on projects.

Senator Mulcahy moved SB 828 with individual recommendations.  
The meeting was adjourned at 3:05 p.m.