

COMMITTEE REPORT
SENATE

4/28/86

FURTHER:

Date 4/30/86

Mr. President

The Committee on FINANCE considered CSHB 477 (Fin) making, amending, and repealing appropriations for energy programs;efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Rick Hagford

McKernan

Dezmon

Anders

MEMBERS HAVING
OTHER RECOMMENDATIONS

Watt *No Rec*

Paul Fritch *NR*

Paul Fritch
Co - Chairman

No Rec
Chairman recommendation

4/30/86
Amend. #1

[Handwritten signature]

CS HB 477(FIN)

AMENDMENT BY FERGUSON

PAGE 4, LINE 19

After the word "5" Insert:

6,7

Offered: 4/14/86
Referred: Rules

Original sponsor: Rules/Governor

Funding Information
General Fund \$271,700,000
Other Funds (271,700,000)
-0-

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 477 (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 making, amending, and repealing appropria-
7 tions for energy programs; and providing for an
8 effective date."

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

10 * Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna
11 Hydroelectric Project Financing - \$200,000,000) is repealed.

12 * Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake
13 Hydroelectric Financing - \$50,000,000) is repealed.

14 * Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost
15 Equalization - \$21,700,000) is repealed.

16 * Sec. 4. The sum of \$200,000,000 is appropriated from the general fund
17 to the Railbelt energy fund (AS 44.25.050) for the purpose of Railbelt
18 energy development.

19 * Sec. 5. The sum of \$50,000,000 is appropriated from the general fund
20 to the power development fund (AS 44.83.382) for the purpose of financing
21 the Bradley Lake hydroelectric project.

22 * Sec. 6. The sum of \$21,700,000 is appropriated from the general fund
23 to the power cost equalization fund (AS 44.83.162) for the purpose of
24 providing power cost equalization assistance to utilities.

25 * Sec. 7. AS 44.83.165 is amended to read:

26 Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST EQUAL-
27 IZATION. The sum of \$16,300,000 is appropriated on July 1, 1984, [AND
28 THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT
29 FISCAL YEAR] from the general fund to the power cost equalization fund

1 (AS 44.83.162).

2 * Sec. 8. AS 44.83.410 is amended to read:

3 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY
4 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum of
5 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF
6 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR]
7 from the general fund to the authority for deposit in the power devel-
8 opment fund (AS 44.83.382) for the purpose of Railbelt energy develop-
9 ment [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE SUSITNA
10 RIVER HYDROELECTRIC PROJECT].

11 * Sec. 9. AS 44.83.420 is amended to read:

12 Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE
13 HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on
14 July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the
15 authority for deposit in the power development fund (AS 44.83.382) for
16 the purpose of financing [EQUITY INVESTMENT IN, AND RATE STABILIZA-
17 TION FOR,] the Bradley Lake hydroelectric project.

18 * Sec. 10. The unexpended, unobligated, and unencumbered balance of the
19 appropriation in sec. 8 of this Act is repealed and reappropriated to the
20 Railbelt energy fund (AS 44.25.050).

21 * Sec. 11. Obligations, encumbrances, and expenditures incurred against
22 appropriations repealed or amended in secs. 1 - 3 and 7 - 9 of this Act are
23 considered obligations, encumbrances, and expenditures of the appropria-
24 tions enacted in secs. 4 - 6 of this Act. The appropriations enacted in
25 secs. 4 - 6 and 10 of this Act do not appropriate any more money than was
26 previously appropriated by the appropriations amended or repealed in secs.-
27 1 - 3 and 7 - 9 of this Act.

28 * Sec. 12. The unexpended, unobligated and unencumbered balance of the
29 appropriation made by sec. 1, ch. 76, SLA 1979 (Office of the Governor for

1 Susitna studies - \$8,178,000) is repealed and reappropriated to the
2 Railbelt energy fund (AS 44.25.050).

3 * Sec. 13. The unexpended, unobligated and unencumbered balance of the
4 appropriation made by sec. 286, ch. 50, SLA 1980, page 67, line 6 (Power
5 project fund, feasibility analysis, Upper Susitna - \$7,000,000) is repealed
6 and reappropriated to the Railbelt energy fund (AS 44.25.050).

7 * Sec. 14. Section 6, ch. 90, SLA 1981, as amended by sec. 83, ch. 141,
8 SLA 1982, sec. 94, ch. 106, SLA 1983, and sec. 193, ch. 105, SLA 1985 is
9 amended to read:

10 Sec. 6. The sum of \$12,713,200 [\$30,813,200] is appropriated
11 from the general fund to the Alaska Power Authority for feasibility
12 studies, reconstruction design, and engineering, to be allocated to
13 the following proposed projects:

14	Project	Amount
15	(1) Black Bear Lake	\$ 1,400,000
16	(2) Chester Lake	1,000,000
17	(3) Chakachamna Lake	997,600
18	(4) Grant Lake	1,000,000
19	(5) Bethel regional study/Kisaralik	1,000,000
20	(6) Power Creek	392,200
21	(7) [SUSITNA	18,100,000]
22	(8) Tazimina Lake	2,000,000
23	(9) West Creek	1,000,000
24	(10) Rural community feasibility studies:	
25	Akhiok, Akutan, Ambler, Angoon, Atka, Chignik,	
26	Chignik Lagoon, Chignik Lake, Chuathbaluk,	
27	Cold Bay, Elim, False Pass, Goo'news Bay,	
28	Grayling, Gustavus, Ivanoff Bay, Kaltag,	
29	Karluk, Kiana, King Cove, Larsen Bay,	

SECTIONAL ANALYSIS

CS for House Bill 477 (Finance), an Act making, amending, and repealing appropriations for energy programs; and providing for an effective date.

- Section 1: Repeals a 1985 \$200 million appropriation to the Susitna project.
- Section 2: Repeals a 1985 \$50 million appropriation for Bradley Lake.
- Section 3: Repeals a 1985 \$21.7 million appropriation for the power cost equalization program.
- Section 4: Reappropriates \$200 million repealed in Section 1 to the Railbelt energy fund (HB 699).
- Section 5: Reappropriates \$50 million repealed in Section 2 to the Power Development Fund to finance the Bradley Lake hydroelectric project.
- Section 6: Reappropriates \$21.7 million repealed in Section 3 to the power cost equalization fund.
- Section 7. Repeals the continuing appropriation after 1984 of \$16.3 million to the power cost equalization fund.
- Section 8. Repeals the continuing appropriation after 1984 of \$200,000 to the power development fund for the Susitna project. Redesignates the purpose of the 1984 appropriation by stating that it is for "Railbelt energy development" rather than the Susitna project.
- Section 9. Repeals the continuing appropriation after 1984 of \$50,000 to the power development fund for the Bradley Lake project.
- Section 10. Repeals and reappropriates into the Railbelt energy fund any balance left from the 1984 \$100 million appropriation to the Susitna

project.

- Section 11. Makes clear that no new funds are appropriated under this Act and that previous expenditures encumbrances, and obligations incurred against appropriations that are repealed or amended by this Act are legal.
- Section 12. Repeals and reappropriates into the Railbelt energy fund any balance left from the 1979 \$8,178,000 appropriations for Susitna studies.
- Section 13. Repeals and reappropriates into the Railbelt energy fund any balance from the 1980 \$7,000,000 appropriation for a feasibility analysis for Upper Susitna.
- Section 14. Reduces a 1985 \$30,813,200 appropriation for the Alaska Power Authority to \$12,713,200 by deleting \$18,100,000 for Susitna.
- Section 15. Repeals and reappropriates into the Railbelt Energy fund any balance from the \$18,100,000 appropriation referred to in Section 14 of this bill.
- Section 16. Repeals and reappropriates into the Railbelt Energy fund any balance from the \$25,600,000 appropriation for Susitna studies.
- Section 17. Repeals and reappropriates into the Railbelt Energy fund any balance from the \$28,000,000 appropriation for Susitna.
- Section 18. Repeals and reappropriates into the Railbelt Energy fund any balance from the \$32,000,000 appropriation for Susitna.
- Section 19. States that appropriations made here are capital and do not lapse at the end of the fiscal year.
- Section 20. Sections 1 - 3 and 5 - 9 are retroactive to July 1, 1985.
- Section 21. Makes this bill effective on the creation of the Railbelt Energy Fund (Hb 699)

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

14B477

January 15, 1986

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will make and amend appropriations to the Alaska Power Authority for the Susitna River Hydroelectric Project, the Bradley Lake Hydroelectric Project, and the Power Cost Equalization Fund.

Last summer, in the case Trustees for Alaska, et al. vs. State of Alaska, 3AN-84-12053 (Civ), the superior court declared that the continuing appropriations for the Susitna River Hydroelectric Project, the Bradley Lake Hydroelectric Project, and the Power Cost Equalization Program were unconstitutional. The appropriations in ch. 96, SLA 1985, and ch. 98, SLA 1985 for those purposes were also held by the court to be invalid. The state was enjoined from spending any money under these continuing appropriations, except in the cases where irreparable harm would result. This bill amends those appropriations to remove the "continuing" provisions and the amount of those continuing appropriations. The July 1, 1984 appropriation is, in each case, left intact (secs. 4 -- 6 of the bill). Sections 1 -- 3 of the bill make appropriations in the same amounts to the Alaska Power Authority for the affected projects. Section 7 of the bill repeals the 1985 appropriations held by the court to be invalid.

I urge your prompt passage of this legislation.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

4/17/86

Date _____

Mr. President

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