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SENATE COMMITTEE REPORT  
FIRST COMMITTEE OF REFERRAL

DATE: 3/8/91

FURTHER: Finance

Date of 5-Day Notice: 4-4-91  
(in accordance with Uniform Rule 23)

DATE TURNED  
INTO OFFICE: \_\_\_\_\_

L&C Committee considered SB 180

Authorizing the Glennallen to Delta transmission intertie and approving the design and construction costs of the intertie; efd.

and recommended:

- replace with \_\_\_\_\_ CS \_\_\_\_\_  same title
- attached amendment(s)  new title
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS:

*De Glavin do not pass*  
*Rick Halford NO REC*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Lawrence*  
Chair: Signature and Recommendation *no rec*



# Alaska State Legislature

SENATOR DICK SHULTZ

P.O. Box V  
Juneau, Alaska 99811  
(907) 465-4940  
Home: P.O. Box 487  
Tok, Alaska 99780

Member  
Finance Committee  
Transportation Committee  
Special Committee on Oil & Gas

Senate  
District J

District 17

- ALCAN BORDER
- ANDERSON
- BIG DELTA
- BOUNDARY
- CANTWELL
- CHICKEN
- CHISTOCHINA
- CLEAR
- COPPER CENTER
- DELTA JUNCTION
- DENALI PARK
- DOT LAKE
- DRY CREEK
- EAGLE
- EAGLE VILLAGE
- GAKONA
- GLENNALLEN
- GULKANA
- HEALY
- HEALY LAKE
- KENNY LAKE
- MENDELTONA
- MENTASTA LAKE
- NABESNA
- NELCHINA
- NENANA
- NORTHWAY
- PAXSON
- SLANA
- TANACROSS
- TAZLINA
- TETLIN
- TOK
- TOLSONA
- TONSINA

MEMORANDUM

TO : COMMITTEES OF REFERRAL

FROM : SENATOR DICK SHULTZ *DS*

DATE : APRIL 6, 1991

RE : SENATE BILL 180 AND 181

Senate Bill 180 is in conformity with the statutory requirement for legislative authorization for a power project with a cost in excess of \$3 million.

Senate Bill 181 makes appropriations to various powerline and line extension projects.

Section 1 appropriates \$70 million to AEA for design and construction of the northern portion of the Northeast Intertie and would run from Glenallen to Jarvis Creek near North Pole, Alaska.

This would be a 138 kv line, the same as the line capacity currently available at North Pole. This line would allow excess seasonal power from Solomon Gulch to be used throughout the Copper Valley Basin and continue to help supply load requirements to Fairbanks. Along the route, the line will eliminate the need for diesel fired generation for Copper Valley Electric customers and save 1 million gallons of diesel fuel annually, enable central station service to Paxson, Summit, Alyeska Pump Station 10 and the Black Rapids Training Facility. Looped service could save Fort Greely 3 million gallons of diesel fuel per year. Additionally, it would serve to

District 18

- BADGER ROAD
- EIELSON/MOOSE CREEK
- NEWBY
- NORTH POLE
- PLACK
- RICHARDSON
- SALCHA

reduce rates for consumers of electrical power in an area that currently is paying the highest unsubsidized rates for power in the state. This line would have far reaching benefits in balancing differences in load demand and price for electricity currently experienced in this region.

Section 2 appropriates \$370,000 for the Tetlin Electrical system.

(photos enclosed)

Section 3 appropriates \$250,000 for Sheep Mountain Electrification.

Section 4 appropriates \$1,500,000 for electrification at the Lake Louise area off of the Glenn Highway.

Section 5 appropriation for Chistochina can be deleted, this item is no longer needed.

Section 6 appropriates \$2,633,296. for electrical extension form Ester to Little Goldstream.

Section 7 appropriates \$2,215,325. for Cantwell to McKinley village line extension. This area lives adjacent to the present Anchorage to Fairbanks Intertie, yet cannot get access to power. Although this item has been in most every budget document since 1983, prior administrations have either to reduced or vetoed it, while the population in the area has increased as well as tourist industry activities to prove both a public need as well as commercial justification.

Section 8 appropriates \$123,350 for a line extension from Kobe to Ferry and the Rock Creek subdivision, (see back up materials).

Section 9 appropriates \$200,000 for the Eielson Agricultural area extension, Phase 2.

Section 10 appropriates \$2 million for the Delta II agricultural line extension. Several of the larger agricultural parcels have been divided into smaller farm units and access to power is very important.

Section 11 concerns the appropriations lapse process.

Section 12 states that section 1 appropriation takes effect only after legislative authorization of SB 180.

These energy projects have been important needs for a great number of people and businesses of the State of Alaska for many years now. Legitimate energy projects should be funded by the state to balance energy

accessability and make a wise investment in developing infrastructure.

It is time to fund legitimate energy projects for the people of the state to assist in the present need and prepare fur future development.

Thank you for your consideration.

MAR 26 1991



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Special Committee on Oil & Gas

Senate  
District J

MEMORANDUM

District 17

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TO : Sen. Drue Pearce, Chairperson  
Senate Labor and Commerce

FROM : Sen. Dick Shultz

DATE : March 25, 1991

RE : SB 180 and SB 181 Hearing

As you know, I have introduced SB 180 and SB 181 relating to the Glenallen to Delta Intertie, and other energy reated projects.

I would like to request a hearing and hopefully, favorable consideration to move this legislation to the next committee of referral, Finance.

Thank you for your consideration.

If you would like additional information or have questions regarding this request, please feel free to contact my office.

District 18

- WADGER ROAD
- EHELSON/MOOSE CREEK
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# TIE-LINE FACT SHEET

**CVEA MEMBERS** - CVEA serves 2,717 consumers from eastern Mat-Su to Valdez who pay the highest regulated utility unsubsidized electrical rates in the State of Alaska.

**RATES** - 1990 average residential rate in Valdez was 16.7 cents per kwh. 1990 average residential rate in Copper Basin is 20.1 cents per kwh. CVEA does not participate in Power Cost Equalization (PCE). Current first quarter 1991 rates increased (through Cost of Power Adjustment) due to fuel costs; the Valdez average residential rate is 19.2 cents per kwh, and the Copper Basin average residential rate is 22.6 cents per kwh.

**POWER SUPPLY** - 80% comes from Solomon Gulch Hydro; the balance is oil fired. The estimated cost to maintain the diesel plants is \$1.5 million in addition to fuel costs.

**PROPOSED SOLUTION TO RATE HIKES** - Build the northern leg of the Northeast Inter tie (the Glennallen-Delta section), which is 146 miles long. The estimated construction costs are \$88 million in 1989 dollars. Revised estimates for construction in 1995 are being prepared. The first step to doing this is acquiring legislative funding.

**BENEFITS** - The Tie-line would provide economic development opportunities to the region by reducing rates as much as 3-5 cents per kwh. Completion of the Tie-line would eliminate the need for diesel fired generation and save over 1,000,000 gallons of diesel per year. The Tie-line could allow CVEA to sell an additional 25,000,000 kilowatt hours during the spill months. CVEA would receive some benefit. The State would receive \$1 million in increased debt service payments. The Tie-line would enable Valdez Fisheries Development Association unlimited water use for operation and enhancement of existing hatchery. The Tie-line would enable central station service to Paxson, Summit, Alyeska Pump Station 10, and Black Rapids Training Facility. In addition, looped service could save Ft. Greely 3,000,000 gallons of diesel fuel per year for power now generated there. The Tie-line would create a market for 20,000,000 kwh for Railbelt energy to be sold (Bradley Lake) along the Tie-line and in the CVEA service area.

**REALITY** - This will not happen overnight, however, it has long term benefits. The completion of the Tie-line would take 3-5 years from the start of preliminary design through energization of the line.

**CONSEQUENCES** - Without a Tie-line, the average CVEA rate is expected to exceed 30 cents per kwh within 15 years, not including present diesel fuel price fluctuations.

## COPPER VALLEY ELECTRIC ASSOCIATION

### TIE-LINE FACT SHEET

Copper Valley Electric Association (CVEA) members pay the highest electrical rates in the State of Alaska.

Average Valdez residential rate is 17.5 cents per kwh. Average Copper River Basin residential rate is 20.6 cents per kwh. CVEA does not participate in Power Cost Equalization (PCE).

CVEA serves 2,700 consumers located in eastern Mat-Su Borough, Copper River Basin, and Valdez.

Approximately 80% of CVEA generation is supplied from the Solomon Gulch Hydro, the balance is with oil fired internal combustion engines.

The Glennallen-Delta section of the Northeast Intertie is 146 miles long. Estimated construction costs are \$68 million.

Completion of the Tie-line would eliminate the need for diesel fired generation and save 1,000,000 gallons of diesel per year.

Without a Tie-line the average CVEA rate is expected to exceed 30¢ per kwh within 15 years not including present diesel fuel price fluctuations.

The completion of the Tie-line would take 3-5 years from start of preliminary design through energization of the line.

The Tie-line could allow CVEA to sell an additional 25,000,000 kilowatt hours during the spill months.

The Tie-line would enable Valdez Fisheries Development Association unlimited water use for operation and enhancement of existing hatchery.

The Tie-line would enable central station service to Paxson, Alyeska Pump Station 10, and Black Rapids Training Facility.

The Tie-line would provide economic development opportunities to the region by reducing rates as much as 3-5 cents per kwh.

The Tie-line would create a market for 20,000,000 kwh hours for Railbelt energy to be sold (Bradley Lake).

● TRANSFORMERS  
 ■ GENERATION PLANTS

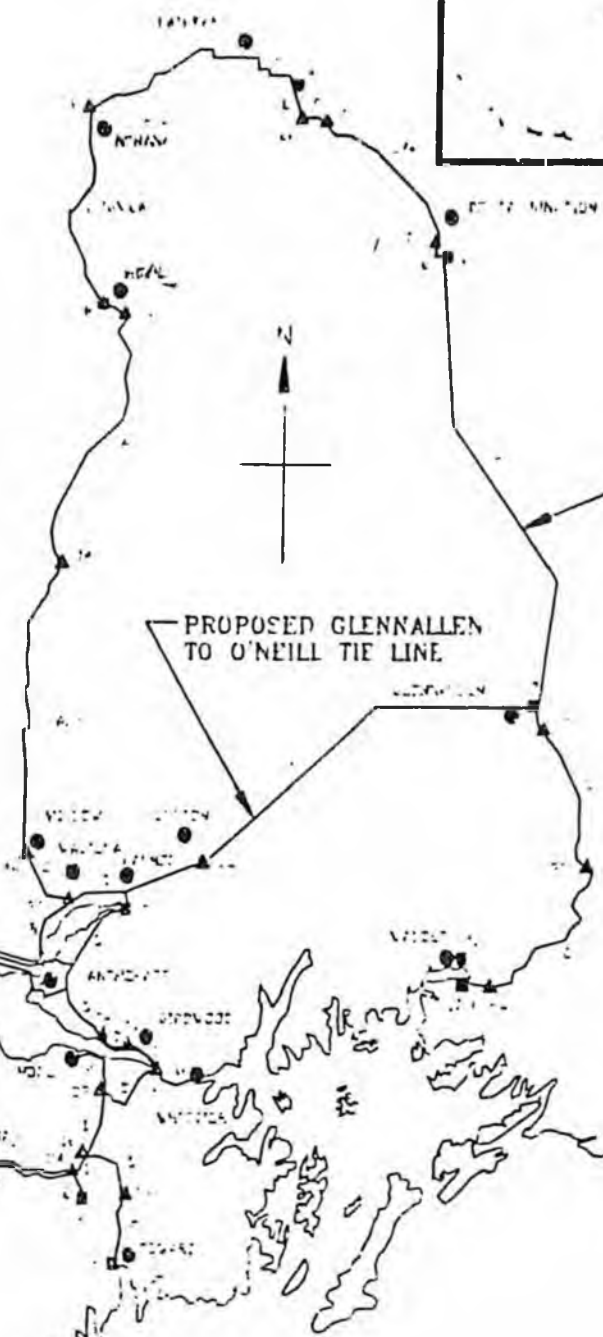
1. 138 KV  
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▲ STATIONS

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— TRANSMISSION LINES

LINE NO.	VOLTAGE (KV)	LENGTH (MILES)
1	138	100
2	115	150
3	110	120
4	100	180
5	90	140
6	80	160
7	70	130
8	60	170
9	50	110
10	40	190
11	30	150
12	20	200
13	15	180
14	10	220
15	5	250



PROPOSED DELTA TO GLENNALLEN TIE LINE

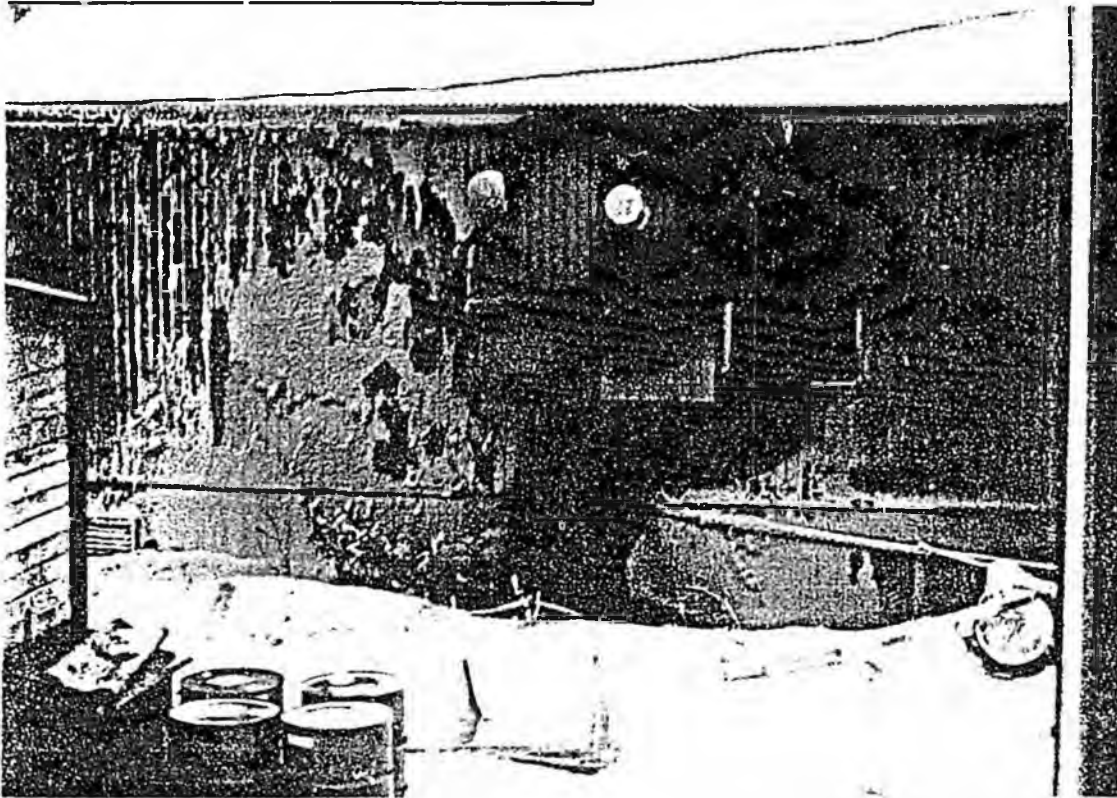
PROPOSED GLENNALLEN TO O'NEILL TIE LINE

CENTRAL ALASKA  
 ALASKA TRANSMISSION LINES

# TETLIN

## Powerhouse and Fuel Tanks

- 1.) Improper exhaust system.
- 2.) Oil soaked floor.
- 3.) Fuel soaked floor.
- 4.) Located next to school.



- 1.) Unstable foundation.
- 2.) No dikes.
- 3.) Leaning tanks.

