

HB

238

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHB 238 (FIN)
 (H) Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title: An Act relating to the power transmission BRU: AIDEA
 intertie fund of AEA Component: _____
 Sponsor: House Finance Component Number: _____
 Requester: _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

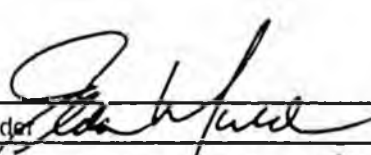
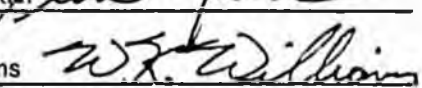
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Representative Eldon Mulder  Phone 465-2647/465-3424
 Co-Chair
 Representative Bill Williams  Date 4/27/01
 Co-Chair

Adopted
4/26/01

22-LS0868\F
Cramer
4/26/01

CS FOR HOUSE BILL NO. 238(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE LANCASTER

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the powers of the Alaska Energy Authority; and providing for the
2 power transmission intertie loan program of the Alaska Energy Authority."

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

4 * Section 1. AS 44.83.080 is amended to read:

5 **Sec. 44.83.080. Powers of the authority.** In furtherance of its corporate
6 purposes, the authority has the following powers in addition to its other powers:

- 7 (1) to sue and be sued;
- 8 (2) to have a seal and alter it at pleasure;
- 9 (3) to make and alter bylaws for its organization and internal
10 management;
- 11 (4) to adopt regulations governing the exercise of its corporate powers;
- 12 (5) to improve, equip, operate, and maintain power projects
- 13 (6) to issue bonds to carry out any of its corporate purposes and
14 powers, including the establishment or increase of reserves to secure or to pay the

1 bonds or interest on them, and the payment of all other costs or expenses of the
2 authority incident to and necessary or convenient to carry out its corporate purposes
3 and powers;

4 (7) to sell, lease as lessor or lessee, exchange, donate, convey, or
5 encumber in any manner by mortgage or by creation of any other security interest, real
6 or personal property owned by it, or in which it has an interest, when, in the judgment
7 of the authority, the action is in furtherance of its corporate purposes;

8 (8) to accept gifts, grants, or loans from, and enter into contracts or
9 other transactions regarding them, with any person;

10 (9) to deposit or invest its funds, subject to agreements with
11 bondholders;

12 (10) to enter into contracts with the United States or any person and,
13 subject to the laws of the United States and subject to concurrence of the legislature,
14 with a foreign country or its agencies, for the construction, financing, operation, and
15 maintenance of all or any part of a power project or bulk fuel storage facility, either
16 inside or outside the state, and for the sale or transmission of power from a power
17 project or any right to the capacity of it or for the security of any bonds of the
18 authority issued or to be issued for the project;

19 (11) to enter into contracts with any person and with the United States,
20 and, subject to the laws of the United States and subject to the concurrence of the
21 legislature, with a foreign country or its agencies for the purchase, sale, exchange,
22 transmission, or use of power from a project, or any right to the capacity of it;

23 (12) to apply to the appropriate agencies of the state, the United States,
24 and to a foreign country and any other proper agency for the permits, licenses, or
25 approvals as may be necessary, and to maintain and operate power projects in
26 accordance with the licenses or permits, and to obtain, hold, and use the licenses and
27 permits in the same manner as any other person or operating unit;

28 (13) to enter into contracts or agreements with respect to the exercise
29 of any of its powers, and do all things necessary or convenient to carry out its
30 corporate purposes and exercise the powers granted in this chapter;

31 (14) to recommend to the legislature

1 (A) the pledge of the credit of the state to guarantee repayment
2 of all or any portion of revenue bonds issued to assist in construction of power
3 projects;

4 (B) an appropriation from the general fund

5 (i) for debt service on bonds or other project purposes;

6 or

7 (ii) to reduce the amount of debt financing for the
8 project;

9 (15) to carry out the powers and duties assigned to it under AS 42.45;

10 (16) to make grants or loans to any person and enter into contracts

11 or other transactions regarding the grants or loans.

12 * Sec. 2. AS 44.83 is amended by adding a new section to read:

13 **Article 5A. Power Transmission Intertie Loan Program.**

14 **Sec. 44.83.550. Power transmission intertie loan program.** (a) A power
15 transmission intertie fund is established in the Alaska Energy Authority to carry out
16 the purposes of this section. The fund consists of money appropriated to it by the
17 legislature.

18 (b) The fund may be used by the authority to

19 (1) extend and upgrade power transmission interties in the state; and

20 (2) make loans to public utilities and other entities for

21 (A) acquisition, design, and construction of power transmission
22 interties in the state;

23 (B) acquisition, design, and construction of regional power
24 projects; and

25 (C) retirement of capital construction debt of electric utilities
26 related to the acquisition, design, and construction of power projects.

27 (c) A loan for a project or intertie issued under (b)(2) of this section is
28 contingent on the execution of a written agreement entered into by the borrower and
29 the Alaska Energy Authority in which the borrower agrees to

30 (1) pay the design, construction, and other costs related to the power
31 project or power transmission intertie that exceed the amount of the loan;

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(2) pay the operation and maintenance costs of the power project or power transmission line; and

(3) provide for the allocation of costs that may reasonably be charged to other utilities for use of the power project or power transmission intertie.

(d) In setting the terms and conditions with respect to a loan from the power transmission intertie fund, the authority may include the terms and conditions it considers advisable, including making loans for which no interest is charged.

(e) The authority shall deposit repayments of loans made under this section in the Railbelt energy fund (AS 37.05.520).