

LEG. FINANCE - BILLS 1979 - 1980 1324

SB 294 thru SB 294am

1324



# RECORDS



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James O. Smith  
Signature of Camera Operator

3/23/90  
Date



BILL SUMNER

Alaska State Senator

DISTRICT 7-E

April 22, 1980

DURING SESSION:  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 485-3791

OUT OF SESSION:  
1016 WEST 8TH AVENUE  
SUITE #18  
ANCHORAGE, ALASKA 99501  
(907) 272-4841

COMMITTEES:  
RESOURCES  
CHAIRMAN  
FINANCE  
RULES  
COMMITTEE ON COMMITTEES  
JOINT INTERIM COMMITTEE  
ON GAS PIPELINE FINANCING

Garrey:

Attached is a letter from Roy Huhndorf proposing an amendment to SB 294, the Susitna Hydroelectric bill. I responded to him and informed him the bill is now in Finance and that I had forwarded the letter to Senator Sackett....

Thanks.

*Cheryl*

Cheryl Frasca  
Bill Sumner's Office

44-111-0-115

# CIRI COOK INLET REGION INC.

March 31, 1980

Senator Bill Sumner  
Alaska State Senate  
Pouch V  
Juneau, AK 99811

Re: Senate Bill 294

Dear Senator Sumner:

Thank you for affording me the opportunity to comment on Senate Bill No. 294, "An Act relating to the Susitna River Hydroelectric project; and providing for an effective date." As you may be aware, Cook Inlet Region, Inc. and certain Cook Inlet Region Village Corporations are participating in the feasibility analysis for the Susitna Hydropower project and have executed an agreement with the Alaska Power Authority authorizing the Authority to enter upon Cook Inlet Region and Village lands to perform activities necessary for the study.

Included in our agreement with the Alaska Power Authority is a clause requiring the Authority and its agents to employ Alaska Natives enrolled in Cook Inlet Region, Inc. or the Cook Inlet Village Corporations and to afford them a preference on award of contracts, commitments or other activities where authorized by law in accordance with the Alaska Plan to Provide Equal Employment Opportunity in the Construction Industry, approved by the U. S. Department of Labor on March 31, 1972. (See attachment.) I recommend that Senate Bill No. 294 be revised to include a section providing that:

*Letter of Intent*  
→

*intent of the legislative sketch is to*

It is the ~~policy of the~~ State of Alaska to implement meaningful training and employment opportunities for minorities, and in particular, Alaska Natives, during the construction and operation of the Susitna River Hydroelectric Project, as authorized by law. Accordingly, the Alaska Power Authority

Senator Bill Sumner  
March 31, 1980  
Page Two

shall afford minorities, including, in particular,  
Alaska Natives, and Alaska Native business entities,  
a preference in the award of contracts and sub-  
contracts in connection with the administration of  
those activities authorized herein.

*George Huhndorf*

I would appreciate your continuing to keep me posted on the  
status of Senate Bill No. 294. Thank you for your attention  
to this matter.

Sincerely yours,

COOK INLET REGION, INC.

*Roy M. Huhndorf*  
Roy M. Huhndorf  
President

RMH:JEB:cae  
Attachment

STATE OF ALASKA  
THE LEGISLATURE

SB 294  
POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 8, 1980

SUBJECT: Sectional analysis of SB 294  
(Work Order Number 8296)

TO: Senator Jalmar M. Kerttula

FROM: Kenneth E. Vassar *KEV*  
Legislative Counsel

You have requested an analysis of the provisions of Senate Bill 294 (relating to the Susitna River hydroelectric project). My analysis follows.

The bill consists of additions to the sections of AS 44.56, which is the chapter creating the Alaska Power Authority. The new sections would go into a new article in that chapter which would be entitled "Article 6. Susitna River Hydroelectric Project."

The first section of the new article, sec. 44.56.300, describes the Susitna River hydroelectric project as including two dams and related reservoirs as well as other items which are more particularly described in the Alaska District United States Army Corps of Engineers publication entitled "Plan of Study for Susitna Hydropower Feasibility Analysis" and dated June, 1978.

The next section, 44.56.310, states the purpose of the project, which is to generate, transmit and distribute electric power to Homer, Seward and Fairbanks in a manner which will minimize power costs, minimize adverse social and environmental impacts, enhance environmental values to the extent possible, and safeguard both life and property.

Section 44.56.320 requires a preliminary report to be prepared and submitted to the governor and the legislature no later than January 30, 1981. The report will include proposed

Senator Jalmar M. Kerttula  
Page 2  
March 8, 1980

phases for the construction of the project, the expected completion date of each phase of the project, the expected cost of each phase of the project, the necessary federal and state permits to be obtained, the expected dates for obtaining the permits, and any other information the Alaska Power Authority considers appropriate.

This section also prohibits the authority from entering into any contracts with regard to the project until the legislature approves, by joint resolution, the preliminary report. The preliminary report is in addition to any other reports the authority is required to provide under AS 44.56.180 - 44.56.-224.

Section 44.56.330 requires the authority to enter into a contract to begin construction on the project within one year after its preliminary report is approved by the legislature.

Section 44.56.340 requires annual reports which will bring the legislature and the governor up to date on the current status of the project and will explain any deviations between the expected dates and costs described in the preliminary report and the actual dates and costs. The report will be submitted to the governor and the legislature no later than January 30.

The last section, 44.56.350, provides that the project is financed by legislative appropriations.

Finally, the Act has an immediate effective date.

KEV:ljb



A M E N D M E N T

OFFERED IN THE SENATE:

By: Senate Finance

To: \_\_\_\_\_ SENATE BILL No. \_\_\_\_\_

294

HOUSE BILL No. \_\_\_\_\_

PAGE: 1, 2, & 3

LINE: \_\_\_\_\_

Page 1

Line 12 - Delete the word "two"

Line 25 - Change "January 30," to "March 30"

Page 2

Line 17 - Delete the word "shall" and insert "may" instead

Page 3

Line 23 - Delete the word "shall" and insert "may" instead

Line 24 - Place a comma rather than a period following the word "funds" and add the following language:


"or other funding sources as approved by the legislature."

SENATE JOURNAL

LETTER OF INTENT  
TO ACCOMPANY SB 294

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It is the intent of the Legislature that the State of Alaska is to implement meaningful training and employment opportunities for minorities, and in particular, Alaska Natives, during the construction and operation of the Susitna River Hydroelectric Project, as authorized by law. Accordingly, the Alaska Power Authority shall afford minorities, including, in particular, Alaska Natives, and Alaska Native business entities, a preference in the award of contracts and subcontracts in connection with the administration of those activities authorized herein.



---

George H. Hohman, Jr.  
Vice-Chairman  
Senate Finance Committee

515 277

Abstract of  
SENATE RESOURCES COMMITTEE  
HEARING  
OR

SENATE BILL 294  
"An Act relating to the Susitna River  
hydroelectric project"

Friday, February 16, 1980

Court House  
303 K Street, Room 422  
10 a.m.

The hearing was called to order by Senator Jay Kerttula. Also present on the panel were Senators Pat Rodey, Mike Colletta and Ed Dankworth.

The following individuals offered testimony on Senate Bill 294:

EARL MILLER

Benefits of the Susitna project are conducive to attracting industry and an abundance of energy will be a good economic base. Believes it is an excellent project and supports it 100%, along with SB 385 (special appropriation to the Alaska Power Authority for a transmission line).

DR. WILLIAM WOOD, Mayor, City of Fairbanks

Urges prompt action on SB 294. Also believes that the intertie established by SB 385 is one of the top pieces of legislation that will bring the greatest benefit to Alaskans. SUGGESTION: also include in the purpose of the project, other communities as well as the "entire railbelt area"; would like the passage of this piece of legislation to be a binding commitment that when the legislature adopts the Phase 1 construction plan, it mandate issuance of all permits on a timely basis.

CHUCK SMITH, Matanuska-Susitna Borough

Urged action now on the project and requested prompt funding by the state.

VINCE O'REILLY, Mayor, City of Kenai

Urged prompt, full bringing-on-stream of the project and that the state take advantage of inflation by working out a financing plan. SUGGESTION: page 3, lines 22 - 24 states that financing shall be by appropriations from the general fund. He suggests that "or by any other appropriate source, either private or governmental" be added. (Written comments also included in record).

DOROTHY JONES, Assembly Member, Matanuska-Susitna Borough

Urged prompt passage of both SB 294 and SB 385.

LEE WAREHAM, Co-Chairman, Susitna Power Now

Urged that both projects be undertaken as quickly as possible. It is important to note that these projects may not decrease energy costs, but they will stabilize energy costs into the next century. Potential of hydroelectric power is the replacement of 15,200,000 barrels per year.

STEVE LEVI, Resource Development Council

Urged that action be taken on the two bills now.

MIKE GRAVEL, United States Senator

It is critical that the legislature go ahead with the initial funding of the project because if it doesn't, nothing will happen. Such action will be indicative of the state's firm, long-term commitment to the project. At the federal level, it looks like efforts will be successful in getting tax exempt bond status for hydroelectric projects which will mean approximately \$400 million the first 10 years. SUGGESTION: establishment of a state revolving fund that the Alaska Power Authority could borrow from for hydroelectric projects.

JOHN CARLSON, Mayor, North Star Borough

Urged prompt action not only because of the inflation free benefits for future energy, but also because of the employment opportunities the project will create at a time when jobs are so badly needed. (Written comments also submitted).

ART KENNEDY

Encouraged action on the Susitna project as well as exploration and development of other hydroelectric projects in the state.

IKE WALDROP, Business Manager, I.B.E.W.

Urged Susitna as a replacement for the state's reliance on fossil fuels.

MALCOLM CHEEK, General Manager, Matanuska Electric Association

Stressed that it is important that efforts are made to acquire competitive financing with a sensitivity to front-end costs so that the cost to consumers doesn't

skyrocket.

WILLARD JOHNSON, Mayor Pro-Tempore, City of Palmer

Presented a resolution by the Palmer City Council urging prompt implementation of the project. (Written comments were also submitted).

ERIC YOULD, Director, Alaska Power Authority

Previously the state had considered Susitna a federal project and four months ago the state decided that it would be a private sector project by the state. Project studies are now underway which are necessary in order to be licensed by FERC. An engineering firm has been contracted with for the field studies. That firm has sub-contracted with Alaskan firms and as a result, Alaskans are already benefiting by being put to work on the project's studies.

JEFF WELTSON, Fairbanks Environmental Center

Commented that there are other sources of energy to develop other than hydroelectric that would minimize impact on lifestyles. Concerned that passage of the bill gives a go-ahead on the project, even though the feasibility studies have not been completed. Does not believe there is any need for the intertie in the next 10 years and that it is a back door approach to getting the Susitna project underway. Urged, instead, funding of Golden Valley Electric Association's use of waste heat from pump stations as well as studying other possible hydroelectric sites.

RON LARSEN, Mayor, Matanuska-Susitna Borough

Urged prompt action in getting the project underway.

BUD DYE, Resource Development Council

Susitna is supported by over 80% of the Resource Development Council's membership and should be a top priority for action. Also urged support of the Bradley Lake Project. The safest investment the state can make is to take the money made from oil and put it into a project such as hydroelectric power.

MIKE MIKKEL, Council Member, City of Fairbanks

Believes the project can be completed without harm to the environment -- just as we are seeing with the Trans Alaska Pipeline.

GEORGE SULLIVAN, Mayor, Municipality of Anchorage

Urged prompt action on both the project and its funding. Because the Fuel Use Act of 1978 disallows the burning of gas in future facilities, Anchorage's low cost electricity will not be forever and asks that Anchorage be added to those cities benefiting from the project.

TOM STAHR, General Manager, Anchorage Municipal Light and Power

An early decision on the project's go-ahead is essential -- because the Fuel Use Act of 1978 disallows burning gas, a utility can get permission from the federal government to use gas on a temporary basis -- if they can PLAN on Susitna.

DAVID MC DONALD, Business-Manager, Laborers Union

The state must recognize that large amounts of money which our fossil fuels are bringing should be diverted to developing hydroelectric power. An excess of power will result in an economic attractiveness for new businesses, resulting in jobs. While the project may not now have any economic savings to the state, it is important for the legislature to address its other responsibilities.

DAVE HUTCHENS, Alaska Rural Village Electric Cooperatives

The Alaska Rural Village Electric Cooperative has 35,000 consumers in its area that would be affected by Susitna. Urges prompt action on both SB 294 and the intertie. Commented that while there may be other sources of energy, Susitna is probably the best and there is no reason the state should settle for any other than the best. SUGGESTION: page 2, lines 7 - 9 should include the interim recommendations of the feasibility study underway. On financing, urged flexibility for options be written into the bill.

RODERICK MC DONNEL, Alaska Support Industry Alliance

The membership of the Alaska Support Industry Alliance endorses the Susitna project as a reflection of responsible development.

WRITTEN COMMENTS

The following individuals submitted written comments:

- James F. Palin, Copper Valley Electric Association
- Leon T. Brown, Jr., Vice President, Brown's Electric Supply Company
- Robert Martin, Jr., P.E., General Manager, Tlingit and Haida Regional Electrical Authority
- Roger Connolly
- Austin G. Ward
- Edward A. Merdes, Attorney-at-Law
- R. L. Huffman, General Manager, Golden Valley Electric Association
- H. Glenzer, Jr., Manager, Associated General Contractors
- Dick Norman, General Manager, Pictures, Inc.
- Ted Smith, Alaska Fuel Service

THOSE ATTENDING HEARING

Mr. Tom Alexander  
3136 Tamworth Circle  
Anchorage, Alaska 99504

Mr. Kevin Armstrong  
4225 Spenard Road #99  
Anchorage, Alaska 99503

Mr. Chuck Becker  
Economic Development Office  
Municipality of Anchorage  
Pouch 6-650  
Anchorage, Alaska 99502

Ms. Peggy Brewer  
SR Box 675  
Chugiak, Alaska 99567

Mr. Thomas Brown  
I.B.E.W.  
Box 31X  
Anchorage, Alaska 99507

Mr. and Mrs. Richard Burg  
4429 San Roberto  
Anchorage, Alaska 99504

Ms. Ruth Burnett  
1901 Crosson  
Fairbanks, Alaska 99701

Mr. Bob Capps  
Post Office Box 2415  
Anchorage, Alaska 99510

Mr. John A. Carlson  
520 Fifth Avenue  
Fairbanks, Alaska 99701

Mr. Malcolm Cheek  
MEA  
Post Office Box 1148  
Palmer, Alaska 99645

THOSE ATTENDING HEARING

Mr. James Clay  
Post Office Box 1661  
Palmer, Alaska 99645

Mr. Roger Connolly  
2803 McRae Road  
Anchorage, Alaska 99503

Mr. Paul A. Dunham  
Machinists, Local 601  
825 East 8th  
Anchorage, Alaska 99501

Mr. Bud Dye  
2301 Loussac  
Anchorage, Alaska 99503

Mr. George F. Fuhry  
I.B.E.W., Local 1547  
3200 Greenland  
Anchorage, Alaska 99503

Ms. Liz Gilbert  
Box 4-2825  
Anchorage, Alaska 99509

Mr. Willard Johnson  
Post Office Box 84  
Palmer, Alaska 99645

Ms. Dorothy A. Jones  
Post Office Box 109  
Talkeetna, Alaska 99676

Mr. Dick Kleop  
IUOE, Local 302  
2510 Arctic Boulevard  
Anchorage, Alaska 99503

Mr. Ron Larson, Mayor  
Matanuska-Susitna Borough  
Box B  
Palmer, Alaska 99645

THOSE ATTENDING HEARING

Mr. Allan G. Laudert  
I.B.E.W., Local 1547  
5205 East 26th #5  
Anchorage, Alaska 99503

Mr. Steve Levi  
Resource Development Council  
Post Office Box 516  
Anchorage, Alaska 99510

Mr. Eugene E. Lundstrom  
4316 Conifer Lane  
Juneau, Alaska 99803

Mr. Scott Matthews  
SR 60818  
Fairbanks, Alaska 99707

Mr. David A. McDonald  
Post Office Box 899  
Anchorage, Alaska 99510

Mr. Jack McLean  
3542 North Point Drive  
Anchorage, Alaska 99502

Mr. Mike Mikell  
Post Office Box 813  
Fairbanks, Alaska 99707

Mr. and Mrs. Pat Miller  
3115 Tanworth Court  
Anchorage, Alaska 99504

Mr. Earl M. Miller  
3500 Hiland Drive  
Anchorage, Alaska 99504

Mr. George S. Oliver  
8411 East 12th Court  
Anchorage, Alaska 99504

THOSE ATTENDING HEARING

Mr. Phil O'Neill  
Box 6  
Sutton, Alaska 99647

Mr. Vincent O'Reilly  
Post Office Box 580  
Kenai, Alaska 99611

Mr. Ken Peavyhouse  
FAA-AAL-4C  
Box 84  
Anchorage, Alaska 99513

Mr. Bob Piazza  
I.B.E.W., Local 1547  
2702 Denali  
Anchorage, Alaska 99503

Mr. Chuck Smith  
Post Office Box 1385  
Wasilla, Alaska 99645

Mr. Patrick J. Smutz  
HRDI  
213 West 6th  
Anchorage, Alaska 99501

Mr. John Spencer  
Municipality of Anchorage  
Pouch 6-650  
Anchorage, Alaska 99502

Mr. and Mrs. T. R. Stahr  
6967 Laser Drive  
Anchorage, Alaska 99504

Mr. Philip J. Stutzer  
1576 Karluk Street  
Anchorage, Alaska 99501

Mayor George M. Sullivan  
Municipality of Anchorage  
1345 West 12th  
Anchorage, Alaska 99501

THOSE ATTENDING HEARING

Ms. Ann Thompson  
2312 Lincoln  
Anchorage, Alaska 99503

Mr. Richard Tweet  
2009 Belair Drive  
Anchorage, Alaska 99503

Mr. Ike Waldrop, Jr.  
I.B.E.W., Local 1547  
2702 Denali  
Anchorage, Alaska 99503

Mr. Bob Walker  
SR 2859  
Wasilla, Alaska 99645

Mr. Dave Walsh  
510 L Street  
Anchorage, Alaska 99501

Mr. A. G. Ward  
106 Charles Steet  
Fairbanks, Alaska 99701

Mr. Lee Wareham  
200 Gaffney Road  
Fairbanks, Alaska 99701

Mr. James R. Webb  
4318 Checkmate Drive  
Anchorage, Alaska 99504

Mr. Jeff Weltzin  
218 Driveway  
Fairbanks, Alaska 99701

Dr. William R. Wood, Mayor  
City of Fairbanks  
619 Eleventh Avenue  
Fairbanks, Alaska 99701

THOSE ATTENDING HEARING

Mr. Ernie Worthington  
SRA Box 2050  
Anchorage, Alaska 99507

349-6069  
6212 Old Seward Hwy.  
Anchorage, AK. 99502

**BROWN'S**  
**ELECTRICAL SUPPLY CO.**

279-2450  
3001 Mt. View Dr.  
Anchorage, AK. 99504

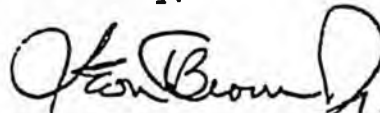
February 14, 1980

Bill Sumner  
Alaska State Senator  
Pouch V  
Juneau, AK. 98111

Dear Mr. Sumner,

I appreciate you keeping me informed on the happenings of Alaska's future, but as I won't be able to attend meeting I would like to say concerning SB 294. The only thing I can say is that it is about time we looked into using Hydro Power, a source of energy that will replenish itself.

Sincerely,



Leon T. Brown Jr. V.P.  
Brown's Electric Supply Co., Inc.



BILL SUMNER  
Alaska State Senator

DISTRICT 7-E

February 8, 1980

DURING SESSION:  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-3791

OUT OF SESSION:  
1016 WEST 6TH AVENUE  
SUITE 418  
ANCHORAGE, ALASKA 99501  
(907) 272-4541

COMMITTEES:  
RESOURCES  
CHAIRMAN  
FINANCE  
RULES  
COMMITTEE ON COMMITTEES  
JOINT INTERIM COMMITTEE  
ON GAS PIPELINE FINANCING

James F. Palin  
Copper Valley Electric  
Association, Inc.  
Post Office Box 45  
Glennallen, Alaska 99588

Dear Mr. Palin:

The Senate Resources Committee will be focusing on two issues vital to the growth of Alaska's economy at hearings next week in Anchorage.

On Friday, February 15th, the committee invites public testimony of SCR 41 which establishes guidelines for a state policy of economic development. On Saturday, the 16th, comments will be taken on SB 294, directing the Alaska Power Authority to begin work on the Susitna hydroelectric project.

Both hearings will begin at 10 a.m. in the Court Building, 303 K Street, room 422 and your input will be most welcome. If you're unable to join us and want to comment, written testimony will be included in each hearing's record.

I hope to see you then.

Sincerely,

*Bill*

BILL SUMNER  
Chairman

BS/cf

*SENATOR -*

*I'M UNABLE TO  
ATTEND - BUT LET'S  
GET GOING WITH  
THE SUSITNA PROJECT.*

*THANK YOU*

RECEIVED FEB 11 1980

*Bill*  
*2/11/80*



SKILL  
RESPONSIBILITY  
INTEGRITY

THE ALASKA CHAPTER  
ASSOCIATED GENERAL CONTRACTORS  
OF AMERICA, INC.

BOX 4-2500 • ANCHORAGE, ALASKA 99509  
TELEPHONE (907) 276-5354

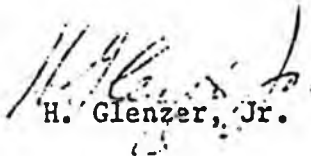


3201 SPENARD ROAD  
ANCHORAGE  
H. GLENZER, JR.  
MANAGER

TO: Senate Resources Committee

The A.G.C. urges that construction begin on the Susitna hydroelectric project as soon as possible. Existing energy demands, the proposed Anchorage - Fairbanks power transmission interconnect project, and the Alaska economy mandate the immediate commencement of construction.

The A.G.C. also encourages utilization of the Alaska labor force and construction industry to the greatest extent possible

  
H. Glenzer, Jr.



GOLDEN VALLEY ELECTRIC ASSOCIATION INC. Box 1249, Fairbanks, Alaska 99707, Phone 907-452-1151

February 14, 1980

State Senate Resource Committee  
ATTN: Senator Bill Sumner, Chairman  
Pouch V  
Juneau, AK 99811

Gentlemen:

Expeditious development of our vast hydroelectric resources is vital to Alaska's energy future. Construction of the Upper Susitna project would be a major step in securing a viable future for three-quarters of the State's population. The long term benefits to be derived from this project will far outweigh those realized from the Alyeska Pipeline and the yet to come Gasline in combination. Continued reliance on non-renewable resource fuels is a blueprint to disaster.

S.B. 294 is worthy of support from all Alaskans. The author, Senator Kertulla, is to be commended.

Sincerely,

R. L. Hufman  
General Manager

FAIRBANKS OFFICE

Edward A. Merdes  
Grace Berg Schaible  
Howard Staley  
Dennis E. Cook  
Barbara L. Schumann  
Robert B. Groseclose  
Charles D. Silvey, Jr.  
Michael C. Geraghty

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LAW OFFICES OF  
MERDES, SCHAIBLE, STALEY & DeLISIO, Inc.

A PROFESSIONAL CORPORATION  
300 Barnette Street — Post Office Box 210  
FAIRBANKS, ALASKA 99707  
Tel. (907) 452-1855/Cable Address—MERFAIR

February 13, 1980

The Honorable William Sumner  
Senator, State of Alaska  
Pouch V  
Juneau, Alaska 99811

The Honorable Jalmar M. Kerttula  
Senator, State of Alaska  
Pouch V  
Juneau, Alaska 99811

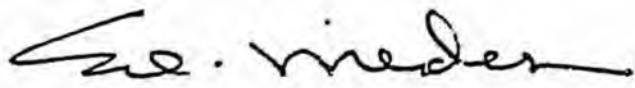
Re: Support of Senate Bill 294  
Susitna Dam Project

Dear Senators Sumner and Kerttula:

The undersigned along with a broad cross section of other like-minded Alaskans over the past 20 or so years has vigorously supported hydro projects such as Taiya, Rampart, Woodchopper and Bradley Lake, and now vigorously support the Susitna project.

The Susitna project with its de minimus environmental harm would provide a source of inflation proof low cost power and is desperately needed in the railbelt area. From both an Alaskan family and business viewpoint it is imperative the project be undertaken as soon as the necessary environmental and engineering studies are completed. Frankly, I see the project as one of the few positive economic benefits to the largest group of Alaskan citizens for the longest period of time. Since it would be funded by the State, construction could commence many years earlier than if federally financed and built by the Corp. With the incredibly rapidly accelerating cost of fossil fuels and highest unemployment in the nation, it appears to be not only prudent but compelling that construction commence at the earliest possible time.

Respectfully submitted,



Edward A. Merdes

FEBRUARY 16, 1980

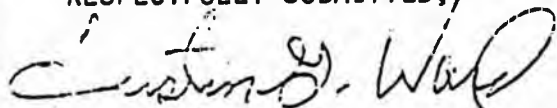
The Honorable WILLIAM SUMNER  
SENATOR, STATE OF ALASKA

THE HONORABLE JALMAR M. KERTTULA  
SENATOR, STATE OF ALASKA

RE: SENATE BILL #294 & 385

SENATORS SUMNER AND SENATOR KERTTULA, I THANK YOU FOR THIS OPPORTUNITY TO TESTIFY IN FAVOR OF THE SUSITNA POWER PROJECT. I AM AUSTIN G. WARD, A 28 YEAR RESIDENT OF THE STATE OF ALASKA, ALSO THE PRESIDENT OF ALASKA ENERGY FOR AMERICA, INC, AND A MEMBER OF THE EXECUTIVE BOARD OF THE SUSITNA POWER NOW GROUP. BOTH OF THESE ORGANIZATIONS ARE BROAD BASED IN MEMBERSHIP SCOPE, BOTH WANT TO FURTHER VIABLE ENERGY PROJECTS, AND THE MEMBERSHIP INCLUDES WORKING MEN AND WOMEN, LABOR LEADERS, BUSINESS AND PROFESSIONAL PERSONS, AND IN FACT INCLUDE ALL FACETS OF THE ALASKAN COMMUNITY. TO THINK THAT SUSITNA DAM WOULD NOT BE BUILT IS AND WOULD BE CONSIDERED GROSS NEGLIGENCE ON THE PART OF THE STATE OF ALASKA. IF THERE EVER HAS BEEN A NEED FOR A RENEWABLE ENERGY SOURCE, THAT TIME IS NOW. OUR NATION, OUR STATE, AND OUR CITIES ARE PAYING FAR TOO MUCH IN DOLLARS FOR A NON RENEWABLE ENERGY SOURCE THAT IN THE NEAR FUTURE WILL DRY UP. THIS USE OF FOSSIL FUELS, WHEN YOU HAVE AT HAND RENEWABLE ENERGY SEEMS CRIMINAL. FOSSIL FUELS SHOULD BE PUT <sup>TO</sup> ~~AT~~ USE ONLY WHERE THERE IS NO ALTERNATIVE. SUSITNA POWER PROJECT IS A PLUS IN THAT ONCE COMPLETED IT WOULD BE VIRTUALLY INFLATION PROOF. ALSO, ENVIRONMENTALLY SOUND, WITH LITTLE DAMAGE TO THE AREA, BUT GREAT POTENTIAL IN THE RETURNS TO THE PEOPLE OF ALASKA IN THE SAVINGS OF FOSSIL FUELS. IT WOULD ALSO SAVE THE RAILBELT AREA MILLIONS IN NON EQUIPMENT PURCHASES FOR ENERGY, SINCE WITH THE SUSITNA POWER, THERE WOULD BE NO NEED TO PURCHASE ENERGY EQUIPMENT TO TAKE CARE OF THE GROWTH IN POPULATION. AS A FAMILY MAN, AS PRESIDENT OF ALASKA ENERGY FOR AMERICA, AND AS A MEMBER OF SUSITNA POWER NOW, WE ALL OFFER OUR FULL SUPPORT TO THE SUSITNA POWER PROJECT. THANK YOU.

RESPECTFULLY SUBMITTED, /



AUSTIN G. WARD, 106 CHARLES ST., FAIRBANKS, ALASKA, 99701



tingit & haïda REGIONAL ELECTRICAL AUTHORITY

811 West 12th Street • Juneau, Alaska • (907) 586-6966



February 13, 1980

The Honorable Bill Sumner  
Chairman, Senate Resources Committee  
The State Senate  
Pouch V  
Juneau, Alaska 99811

Dear Senator Sumner:

Thank you for your invitation to testify on SB 294. I regret I cannot be present for the hearing but I would like a few comments to be entered in the record.

First, while I feel very strongly that the Susitna Project is desirable and necessary project for the State of Alaska, I do not feel that SB 294, and the appropriation bill SB 295, are necessarily the right and proper means to accomplish that project.

It is my understanding that preliminary studies are presently underway and that one of the items to be considered are various options for financing the project with advantages and disadvantages of the various options. I feel it will be premature to commit such a large amount of general funds when there may be better options available.

If the studies indicate that general funds are the best means to finance the project, and adequate general funds are available in the future, I would be happy to lend my full support. Until then I must express my opposition to passage of SB 294 and 295.

Sincerely,

Robert Martin, Jr., P.E.  
General Manager

RM:cmg

BELLE HOWELL



# Pictures Inc.

Alaska 16mm. Distributor of Hollywood's Finest Films



811 W. 8th Avenue  
Anchorage,  
Alaska 99501  
Phone: 279-1515

February 11, 1980

Senator Bill Sumner  
Chairman  
Senate Resource Committee  
Alaska State Legislature  
Pouch "V"  
State Capitol  
Juneau, Alaska 99811

Dear Senator Sumner:

Thank you very much for your letter of February 7th. Unfortunately, I am unable to testify on either February 15th or 16th. Therefore, I would like to have this letter submitted on SB 294 to begin work on the Susitna hydroelectric project.

I feel that the Susitna hydroelectric project is one which is overdue for the State of Alaska. Having been raised in the Northwest where the production of power was one of the prime interests of our state and federal government, it was possible to have electricity at a very low cost which attracted not only industry, but also individuals to live in the Northwest. With Alaskan costs as high as they are, I think one of the prime things we can do to help keep people in Alaska is to reduce the cost of electricity by using hydroelectric power. Since inflation is continuing to rise, I think the importance of this project and the need to have it done immediately, cannot be overstressed.

Sincerely,

Dick Norman  
General Manager

DN:md

2/19/80

SENATOR SUMNER,

I JUST RECEIVED YOUR INVITATION TO TESTIFY BEFORE THE COMMITTEES GOVERNING BOTH SCR 41 & SB 294. I'M SORRY THE INVITATION DID NOT ARRIVE IN TIME FOR ME TO AT LEAST GIVE WRITTEN TESTIMONY IN THOSE AREAS. I GUESS IT JUST SHOWS OUR POSTAL SERVICE & OR AIRWAYS ARE NOT VERY PREDICTABLE DURING AT LEAST WINTER MONTHS.

I CERTAINLY HOPE THERE WAS RESPONSE TO BOTH AREAS SINCE BOTH ARE VITAL TO ALASKA'S DEVELOPMENT IN A MANNER THAT IS GROSSLY & ADVANTAGEOUS TO ALASKANS.

I WOULD HAVE TO BOW TO THE KNOWLEDGE OF THE SENATE & HOUSE OF THIS STATE ON THE BEST MOVEMENT FOR ECONOMIC DEVELOPMENT SINCE MY VIEWS WOULD BE VERY LIMITED IN SCOPE.

ON SB 294; AS IN OUR PAST DISCUSSIONS ON HYDROELECTRIC POWER - I AM A DEDICATED PROPONENT OF THIS TYPE OF ELECTRICAL PROPONENT & ENCOURAGE YOU & ALL LEGISLATORS TO DO THE UTMOST TO SEE THAT HYDRO POWER IS THE BASIS FOR ELECTRICITY THROUGHOUT THE STATE.

IF I CAN BE OF ANY HELP TO YOU IN THIS CAPACITY PLEASE DO NOT HESITATE TO GET IN TOUCH WITH ME.

SINCERELY

TED SMITH

*Thomas M. Smith*

AK FUEL SERVICE

TESTIMONY PRESENTED BY  
MAYOR JOHN A. CARLSON  
FAIRBANKS NORTH STAR BOROUGH  
FOR SENATE BILL 294  
(SUSITNA PROJECT BASIC AUTHORIZATION)  
FEBRUARY 16, 1980

MR. CHAIRMAN:

MY NAME IS JOHN A. CARLSON AND I AM MAYOR OF THE FAIRBANKS NORTH STAR BOROUGH.

I APPRECIATE THE OPPORTUNITY TO TESTIFY BEFORE YOU ON SENATE BILL 294, SINCE THE AVAILABILITY AND COST OF ELECTRIC POWER TO RESIDENTS OF INTERIOR ALASKA HAVE BECOME A CRITICAL, IF NOT LIMITING, FACTOR IN THE AREA'S SOCIAL WELL-BEING AND ECONOMIC DEVELOPMENT.

THE COST OF ELECTRIC POWER HAS TRADITIONALLY BEEN HIGH, BOTH IN THE INTERIOR AND IN ALASKA AS A WHOLE. HOWEVER, ELECTRIC POWER RATES IN FAIRBANKS RUN TWO TO THREE TIMES HIGHER THAN IN ANCHORAGE AND AS MUCH AS TEN TIMES HIGHER THAN IN SEATTLE. AS I MENTIONED EARLIER, THE COST OF ELECTRIC POWER TO INTERIOR ALASKA RESIDENTS HAS NOW BECOME PROBABLY THE SINGLE MOST CRITICAL FACTOR LIMITING THEIR ABILITY TO DEVELOP A HIGHER STANDARD OF LIVING AND CREATING A MORE DIVERSIFIED ECONOMY FOR THEMSELVES.

I THINK WHAT THE FEDERAL GOVERNMENT WAS ABLE TO ACCOMPLISH IN THE PACIFIC NORTHWEST FOR HYDROELECTRIC DEVELOPMENT DURING THE 1930'S AND 1940'S SHOULD BE AN EXAMPLE TO ALASKA.

AS A RESULT OF EXTENSIVE DAM CONSTRUCTION FOR THE GENERATION OF HYDROELECTRIC POWER ALONG THE COLUMBIA RIVER, A MAJOR REGION OF THE UNITED STATES NOW ENJOYS INEXPENSIVE AND ABUNDANT ELECTRIC POWER.

I WILL GIVE YOU ONE BRIEF EXAMPLE OF THIS. BETWEEN 1973 AND 1979, ELECTRIC POWER RATES IN THE FAIRBANKS MUNICIPAL UTILITIES SYSTEM INCREASED 67%. IN THE SAME PERIOD GOLDEN VALLEY ELECTRIC ASSOCIATION RATES INCREASED 72%, WHEREAS THE RATE INCREASES FOR URBAN AND SUBURBAN ANCHORAGE WERE 40% AND 49% RESPECTIVELY. IN A PERIOD OF RAPIDLY INCREASED COSTS FOR FOSSIL FUELS, WE UNDERSTAND THE REASON AND PAINFUL NECESSITY FOR THESE RATE INCREASES. HOWEVER, IN THE SAME SIX-YEAR PERIOD, USING WATER-GENERATED POWER, SEATTLE CITY LIGHT ELECTRIC RATES INCREASED ONLY 1%.

GENTLEMEN, I THINK THIS EXAMPLE SPEAKS FOR ITSELF. ONCE THE INITIAL, AND ADMITTEDLY THE VERY MAJOR CAPITAL COSTS ASSOCIATED WITH HYDROELECTRIC DAM CONSTRUCTION HAVE BEEN MADE, HYDROELECTRIC POWER IS BASICALLY AN INFLATION FREE SOURCE OF ENERGY IN AN ERA OF DOUBLE DIGIT INFLATION AND DIMINISHING FOSSIL FUEL SUPPLIES.

IN ADDITION TO SUSITNA SUPPLYING A MAJOR PORTION OF INTERIOR AND SOUTHCENTRAL ALASKA'S ENERGY REQUIREMENTS, THE CONSTRUCTION OF THIS PROJECT WOULD PROVIDE A MAJOR ECONOMIC BOOST TO ALASKA'S RESIDENTS AT A TIME IN WHICH UNEMPLOYMENT IS HIGH AND THE ECONOMY IS STAGNATING.

PAGE THREE

UP UNTIL NOW, ONE OF THE MAJOR DRAWBACKS FACING ALASKA'S DESIRE TO DEVELOP ITS VAST HYDROELECTRIC RESOURCES HAS BEEN THE LACK OF CAPITAL TO MAKE THE INITIAL LARGE SCALE INVESTMENT IN DAM CONSTRUCTION AND SITE DEVELOPMENT. NOW THAT ALASKA IS BENEFITING FROM SKYROCKETING OIL REVENUES, WE PRESENTLY HAVE THE MONEY ON HAND TO CREATE OUR OWN HYDROELECTRIC POWER SYSTEM, INDEPENDENT OF FEDERAL GOVERNMENT CONTROL. THE LEAD TIME IS SO GREAT AND OUR OWN POWER NEEDS ARE SO URGENT THAT WE MUST MOVE NOW, AND WE MUST MOVE AS QUICKLY AS POSSIBLE. I STRONGLY URGE THAT THE LEGISLATURE SUPPORT SENATE BILL 294 AS THE BASIC VEHICLE NECESSARY TO DEVELOP OUR HYDROELECTRIC POTENTIAL. IT CANNOT COME A MOMENT TOO SOON, AND IT WILL PROVIDE A BENEFIT BEYOND OUR LIFETIMES TO GENERATIONS OF NEW ALASKANS.

CITY OF PALMER, ALASKA

RESOLUTION NO. 434

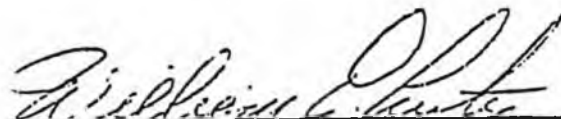
A RESOLUTION SUPPORTING SUSITNA POWER NOW.

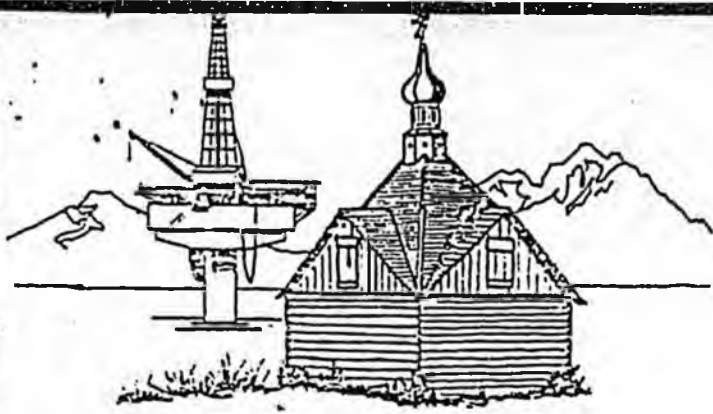
The City of Palmer Resolves:

The City of Palmer supports the program of Susitna Power Now and Senate Bill 294, and Councilmen Willard Johnson and James Ekstedt are authorized to represent the City's position hereon.

Passed and Approved by the City of Palmer, Alaska this 12th day of February, 1980.

  
\_\_\_\_\_  
JACK E. MAZE, MAYOR

  
\_\_\_\_\_  
WILLIAM E. CURTIS, CITY CLERK



CITY OF KENAI  
"Oil Capital of Alaska"

P. O. BOX 580 KENAI, ALASKA 99611  
TELEPHONE 283 - 7535

February 5, 1980

Honorable Jay Hammond  
Governor, State of Alaska  
Pouch A  
Juneau, AK 99811

Dear Governor:

First how enjoyable the dinner Thursday at which we all relaxed. In view of the heavy burdens you carry, it was encouraging to see the fortitude, wisdom and confidence you are bringing to bear on matters.

Please do keep in your budget considerations, the 10% of income tax provision for the municipal assistance fund under Sec. 43.20.016. The 10% flow through, State to municipalities, has an equal validity with the relationship of the petroleum industry and the State tax structure. The funds flowing in full would offer real property tax relief, would fill many municipal needs and would meet many of the criteria you are trying to establish for fair distribution of tax revenues.

I may, Governor, may I offer some thoughts for your consideration concerning the money situation facing the State.

We should perhaps set this in proper perspective. What we are talking about is economics and finance, not civil rights, education goals, abortion, public safety, etc.

Within the perspective of economics and finance, for the moneys flowing to the State above operating expenses, we should set as an objective the preservation for present and future inhabitants of the potency and flexibility of capitol. With this objective, we can select a path to get there. Most of the Western world nations are caught in an inflation cycle, certainly the United States economy is so caught. This leads to a course of action somewhat brutal in its implementation but necessary if we are to preserve potency and flexibility of capitol over a ten to fifteen year period.

We should expend the moneys, above expenses, only when they can be invested in an equity position. Investments should be made in hydroelectric projects, capital improvement projects, and direct return to citizens such as energy credits.

Handwritten note: 12-2-80

TO: Honorable Jay Hammond

February 5, 1980

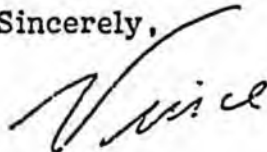
If we have to be involved in loans programs, we should borrow money to provide such funds. The inflation caused dollars depreciation makes issued debt an advantage to us, as the future dollars we use for repayment will be cheaper as they come from an inflation influenced economy.

Hopefully the above gives us the following criteria for determining how revenues available above operating expenses should be allocated.

1. Invest this equity money in equity positions, i.e.: hydropower situations, natural gas line, capital improvement programs, energy credits, etc.
2. Do not loan it as we then subject it to inflation erosion open payback. If we have to loan it, borrow from external sources to reloan.
3. Income tax sources, to some degree, should stay in effect as this gives us a foothold to tax the inflation dollar stream.

Governor, excuse the length but I do wish and know you share the wish that we act in accordance with prudent criteria and a plan of wisdom.

Sincerely,



Vincent O'Reilly  
Mayor

CITY OF KENAI  
VOR: jw

Saturday, Feb. 16

TESTIMONY, Senate Bill 294, Susitna River Hydroelectric

Willard H. Johnson  
P.O. Box 84  
Palmer, Alaska 99645

Registered Professional Engineer  
Retired, General Manager of Matanuska Electric Association (20 years Service)  
Representing, as Mayor Pro Tem, the City of Palmer

First, I want to present the City of Palmer Resolution No. 434, which was adopted by the Palmer City Council on Feb. 12, 1980. It expresses support for the Upper Susitna Hydroelectric Development and Senate Bill 294.

Palmer believes that the Upper Susitna Project should be developed with all deliberate speed. Palmer also believes that the State of Alaska should, through the Alaska Power Authority, finance and direct the project's construction. For the long range benefit of Alaskans, we can think of no better way to invest Royalty Oil Income. Money from a non-renewable resource invested in a renewable resource such as hydroelectric energy, that will provide so many benefits continuing long after many of Alaska's oil deposits are depleted, makes awfully good sense.

An area may have developable land, water, a transportation system, investment capital and other resources, but it is not going to thrive and prosper without an adequate and reliable supply of electric power. Alaska has this potential and in the Railbelt area we are blessed with the Upper Susitna.

I doubt if many of us fully realize the kind and magnitude of the benefits that will flow to the railbelt people when Susitna power goes on the line. Spinoff benefits will go to all of Alaska's people and to the Lower 48.

I remember as a boy in Eastern Washington State, the vast stretches of sagebrush, blowing sand and the desolate land. There were little villages with dirt streets, unpainted houses and little work for men to do. Later, as a young engineer, after the great Columbia River projects came on the line, I remember the vast productive fields of corn, sugar beets and alfalfa where before there was only desert. Attractive and comfortable homes replaced the old shacks, and towns were modernized. Commercial activities thrived. People had jobs.

Most of the early Columbia River Hydro projects were federally planned, financed and constructed. It took 20 years and a lot of effort by western people to move Congress to approve the great Coulee Dam. We think the State of Alaska deserves something better than that. So we urge that SB 294 be passed, and that the Susitna project be completed and operated by the State.

THANK YOU



Steam Generation has switched  
from coal to Natural Gas and  
now is supposed to switch back  
to coal at Great Cost —  
Let's use hydro  
once and for all Time

Other industry has been adversely  
affected by high power costs —  
at one time we had a small  
lumber operation in the ~~the~~ Mid Sew  
area — This utilized birch that  
now has gone by its prime as  
useable lumber — This was due to  
Too high cost of power —

I am in favor of both Bills  
S.B. # 294, # 385 and any other bills  
that will get this project on the way  
to completion. Tax relief in the form  
of ~~Electricity~~ Electricity ~~Rate~~ Rate ~~Control~~ Control

# International Union of Operating Engineers

AFFILIATED WITH AFL-CIO

LOCAL 302 AND BRANCHES A, B, C AND D

FRANK T. POLSAK, *Business Manager*

JACK J. WILSON, *President*

ROD J. FRASER, *Financial Secretary*

*Branch Offices:*

WENATCHEE, WASHINGTON  
YAKIMA, WASHINGTON  
ANCHORAGE, ALASKA  
FAIRBANKS, ALASKA  
JUNEAU, ALASKA



WESTERN AVE. AND CLAY ST.  
SEATTLE, WASHINGTON 98121  
TELEPHONE: 622-6180

February 29, 1980

Senator Sumner  
Capitol Building Rm. 125  
Pouch V  
Juneau, Alaska 99811

RE: Susitna Power Project  
SB 294

Sir:

The International Union of Operating Engineers, Local 302 (Alaska), which presently is composed of over 4000 members, has determined that the Susitna Power Project would be in the best interests of all of the people within our State. We would like the Legislature to not only know that we support the project but we also wish all practical speed in efforts to get it under construction.

Sincerely,

Roderick J. Fraser  
Financial Secretary  
I.U.O.E., Local 302

RJF/jch  
cc: Susitna Power Now, Inc.

TELEGRAM

RECEIVED 3:22 PM  
JUN 22 1960

1960 MAR 4 PM 1 15

12007 NL FAIRBANKS ALASKA 50 03-04 1007A AST

PMS SENATOR BILL SUMNER 465-4791

SENATE RESOURCES COMMITTEE  
264

JUN

MAYOR AND CITY COUNCIL OF THE CITY OF FAIRBANKS SUPPORT AND  
RECOMMEND PASSAGE OF SENATE BILL 294. DEVELOPMENT OF  
SUSITNA POWER PROJECT WILL BE OF GREAT BENEFIT TO INTERIOR  
ALASKA

C DROZ CITY MANAGER

HOUSE BILL NO. 698 by Representatives Branson, Malone and O'Connell, entitled:

HB  
698

"An Act relating to the composition and representation requirements of general law boroughs; and providing for an effective date."

was read the first time and referred to the Community and Regional Affairs Committee.

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 778 by the Commerce Committee, entitled:

CS  
HB  
778

"An Act relating to the taxation of electric cooperatives; and providing for an effective date."

was read the first time and referred to the State Affairs Committee.

HOUSE BILL NO. 904 by the Rules Committee by request of the Governor, entitled:

HB  
904

"An Act relating to the auditing of oil and gas royalty and net profits payments and reports; and providing for an effective date."

was read the first time and referred to the Finance Committee.

STANDING COMMITTEE REPORTS

The Finance Committee considered SENATE BILL NO. 294 (relating to the Susitna River hydroelectric project) and a majority of the committee recommends it do pass with the following amendment:

SB  
294

Page 1, line 12: delete "two"

Page 1, line 25: delete "January 30"  
insert "March 30"

Page 2, line 17: delete "shall" insert  
"may"

Page 3, line 23: delete "shall" insert  
"may"

SB  
294

Page 3, line 24: insert a comma after "funds" and add the following "or other funding sources as approved by the legislature."

The report was signed by Senator Hohman, Vice-Chairman and concurred in by Senators Sumner, Hackney, Bennett and Kerttula. Senator Ray signed "no recommendation". The committee further attaches a letter of intent.

SENATE BILL NO. 294 was referred to the Rules Committee.

Zero fiscal note accompanied the bill.

Letter of intent follows:

LETTER OF INTENT  
TO ACCOMPANY SB 294

---

It is the intent of the Legislature that the State of Alaska is to implement meaningful training and employment opportunities for minorities, and in particular, Alaska Natives, during the construction and operation of the Susitna River Hydroelectric Project, as authorized by law. Accordingly, the Alaska Power Authority shall afford minorities, including, in particular, Alaska Natives, and Alaska Native business entities, a preference in the award of contracts and subcontracts in connection with the administration of those activities authorized herein.



George H. Hohman, Jr.  
Vice-Chairman  
Senate Finance Committee

SB  
418

The Finance Committee considered SENATE BILL NO. 418 (electric or telephone cooperative associations) and recommends it do pass with the following amendment:

Page 1, line 11: delete "lines" insert "line easements"

The report was signed by Senator Hohman, Vice-Chairman and concurred in by Senators Sumner, Hackney, Bennett, Kerttula and Ray.

SENATE BILL NO. 418 was referred to the Rules Committee.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 294  
 Title An Act Relating to the Susitna River Hydroelectric Project: and providing for an  
 Requested by Senator Kerttula ~~start~~ effective date Date 1/14/80

II. FISCAL DETAIL

Agency Affected Alaska Power Authority, Department of Commerce & Economic Development  
 Program Category Affected Economic Development  
 BRU, Program, or Subprogram(s) Affected Alaska Power Authority  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	--	--				
200 TRAVEL	--	--				
300 CONTRACTUAL	--	--				
400 COMMODITIES	--	--				
500 EQUIPMENT	--	--				
600 LAND & STRUCTURES	--	--				
700 GRANTS, CLAIMS, ETC.	--	--				

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND	--	--				
FEDERAL FUNDS	--	--				
OTHER (Specify Fund Source)	--	--				

POSITIONS

FULL TIME	--	--				
PART TIME	--	--				
TEMPORARY	--	--				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The report requirements of SB 294 can be accomplished by the existing staff of the Power Authority under present funding. The Susitna study program was funded in FY 80. The companion legislation, SB 295, would have a fiscal impact if it were possible to obtain construction authorization at a time for earlier than presently expected.

IV. DATE January 18, 1980 PREPARED BY Terry J. McGuire  
 AGENCY Alaska Power Authority  
 PHONE 277-7641  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

**CATEGORY:** DEVELOPMENT  
**PROGRAM:** ECONOMIC DEVELOPMENT

**AGENCY:** ALASKA POWER AUTHORITY  
**BRU (s):** ALASKA POWER AUTHORITY

The goal of the Alaska Power Authority BRU is to promote, develop and advance the general prosperity and economic welfare of the people of Alaska by providing a means of constructing, acquiring, financing and operating power production facilities limited to fossil fuel, wind power, tidal, geothermal, hydroelectric, solar energy, and waste energy conservation facilities.

Due to the escalating costs of fossil fuels and Alaska's dependence on fossil fuels for electric generation, the emphasis of the Authority is to supplant this dependence with renewable sources of energy, principally hydroelectric power. Alaska's lakes and rivers provide numerous potentials for hydroelectric generation. However, many projects that could be economically feasible, when compared to life cycle costs of conventional fossil-fuel generation, cannot be financed. Excess capacity of the projects, which cannot be sold to other utilities for lack of a transmission grid, provides insufficient revenues to retire revenue bonds. To overcome this difficulty and to assure project development, the Authority seeks State assistance in the form of subordinated loans and guarantees of revenue bonds.

The Authority has been allocated \$4,760,000 in the FY 81 capital budget to investigate the feasibility of renewable sources of energy, particularly hydroelectric power, in several regions of the State. The most significant feasibility study is for the Upper Susitna River which was funded at \$8,178,000 in FY 80 and \$3,335,000 in FY 81. In addition, it is recommended that a subordinate loan of \$18,000,000 be funded for the Swan Lake project near Ketchikan.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
ALASKA POWER AUTHORITY	470.4	513.0	487.9	347.7		12.6	332.1
** TOTAL	470.4	513.0	487.9	347.7		12.6	332.1
** CHANGE VERSUS 80 AUTH							-4.4%
OBJECT DESCRIPTION							
PERS. SERV.	152.3	126.5	122.3	160.4			184.2
TRAVEL	37.0	27.0	27.4	30.0			32.1
CONTRACTUAL	277.7	331.1	309.7	151.2		12.6	106.9
COMMODITIES	3.4	1.4	1.6	3.6			3.9
EQUIPMENT		2.0	1.9	2.5			5.0
GRANTS, CLMS		25.0	25.0				
FUNDING SOURCE							
GENERAL FUND	470.4	513.0	487.9	347.7			332.1
PGM RECEIPTS						12.6	
** GENERAL FUND CHANGE VS. 80 AUTH							-4.4%
POSITIONS							
FULL-TIME	5.0	5.0	5.0	5.0			5.0
STAFF MONTHS	60.0	60.0	60.0	60.0			60.0

Introduced: 1/14/80  
Referred: Resources and  
Finance

1 IN THE SENATE

BY KERTTULA

2 SENATE BILL NO. 294

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Susitna River hydroelectric  
7 project; and providing for an effective date."

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

9 \* Section 1. AS 44.56 is amended by adding new sections to read:

10 ARTICLE 6. SUSITNA RIVER HYDROELECTRIC PROJECT.

11 Sec. 44.56.300. DESCRIPTION OF PROJECT. The Susitna River hydro-  
12 electric project consists of ~~two~~ dams and related reservoirs, power  
13 plants, transmission lines and facilities, and load centers as described  
14 in the publication of the Alaska District United States Army Corps of  
15 Engineers entitled "Plan of Study for Susitna Hydropower Feasibility  
16 Analysis" prepared for the State of Alaska and dated June, 1978.

17 Sec. 44.56.310. PURPOSE OF PROJECT. The primary purpose of the  
18 Susitna River hydroelectric project is to generate, transmit and dis-  
19 tribute electric power to Homer, Seward and Fairbanks in a manner which  
20 will

21 (1) minimize market area electrical power costs;

22 (2) minimize adverse environmental and social impacts while  
23 enhancing environmental values to the extent possible; and

24 (3) safeguard both life and property.

25 Sec. 44.56.320. PRELIMINARY REPORT. (a) No later than <sup>March 30</sup> ~~January 30~~  
26 1981, the authority shall prepare and submit to the governor and to the  
27 legislature a preliminary report which explains in detail

28 (1) the proposed phases for the construction of the Susitna  
29 River hydroelectric project;

1 (2) the expected completion date of each phase of construc-  
2 tion;

3 (3) the expected cost of each phase of construction;

4 (4) the federal and state permits required to be obtained  
5 before construction can begin and the expected dates for obtaining the  
6 permits; and

7 (5) any other information the authority considers appropriate  
8 or necessary to adequately inform the governor and the legislature of  
9 the current status of the Susitna River hydroelectric project.

10 (b) The preliminary report required under (a) of this section is  
11 in addition to any reports required under AS 44.56.180 - 44.56.224.

12 (c) The authority may not enter into any contract under AS 44.-  
13 56.300 - 44.56.350 until the legislature approves, by joint resolution,  
14 the preliminary report required under (a) of this section.

15 Sec. 44.56.330. CONSTRUCTION, MAINTENANCE AND OPERATION OF  
16 PROJECT. Within one year after approval of its preliminary report under  
17 AS 44.56.320(c) the authority <sup>may</sup> ~~shall~~ enter into a contract for the con-  
18 struction of the Susitna River hydroelectric project in a manner con-  
19 sistent with the purpose of the project as described in AS 44.56.310.

20 Sec. 44.56.340. ANNUAL REPORT. (a) Commencing in 1982 the  
21 authority shall prepare an annual report which explains in detail

22 (1) the current status of construction on the Susitna River  
23 hydroelectric project;

24 (2) the actual completion date of any phases of the Susitna  
25 River hydroelectric project and the reasons for any deviation between  
26 the actual completion date and the expected completion date stated in  
27 the preliminary report required under AS 44.56.320;

28 (3) the actual cost of any phases of the Susitna River hydro-  
29 electric project and the reasons for any deviation between the actual

1 cost and the expected cost stated in the preliminary report required  
2 under AS 44.56.320;

3 (4) the actual dates on which the federal and state permits  
4 necessary to begin construction on the Susitna River hydroelectric  
5 project were obtained and the reasons for any deviation between the  
6 actual dates and the expected dates stated in the preliminary report  
7 required under AS 44.56.320;

8 (5) the federal and state permits required to be obtained in  
9 order to continue construction and the expected dates for obtaining the  
10 permits;

11 (6) the actual date of obtaining the permits described in (5)  
12 of this subsection and the reasons for any deviation between the actual  
13 date and the expected date included in previous annual reports required  
14 under this subsection;

15 (7) any other information the authority considers appropriate  
16 or necessary to adequately inform the governor and the legislature of  
17 the current status of the Susitna River hydroelectric project.

18 (b) The annual report required under (a) of this section is in  
19 addition to any reports required under AS 44.56.180 - 44.56.224 and  
20 shall be submitted, not later than January 30 of each year, to the  
21 governor and to each of the members of the legislature.

22 Sec. 44.56.350. PROJECT FINANCING. The Susitna River hydro-  
23 electric project <sup>may</sup> ~~shall~~ be financed by appropriations from the general  
24 fund ~~or other appropriate means approved by the legislature.~~

25 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
26 070(c). ~~by joint resolution~~ *funding sources as approved by the legislature.*

Introduced: 1/14/80  
Referred: Resources and  
Finance

1 IN THE SENATE

BY KLRTTULA

2 SENATE BILL NO. 294

3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Susitna River hydroelectric  
7 project; and providing for an effective date."

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

9 \* Section 1. AS 44.56 is amended by adding new sections to read:

10 ARTICLE 6. SUSITNA RIVER HYDROELECTRIC PROJECT.

11 Sec. 44.56.300. DESCRIPTION OF PROJECT. The Susitna River hydro-  
12 electric project consists of [two] dams and related reservoirs, power  
13 plants, transmission lines and facilities, and load centers as described  
14 in the publication of the Alaska District United States Army Corps of  
15 Engineers entitled "Plan of Study for Susitna Hydropower Feasibility  
16 Analysis" prepared for the State of Alaska and dated June, 1978.

17 Sec. 44.56.310. PURPOSE OF PROJECT. The primary purpose of the  
18 Susitna River hydroelectric project is to generate, transmit and dis-  
19 tribute electric power to Homer, Seward and Fairbanks in a manner which  
20 will

- 21 (1) minimize market area electrical power costs;
- 22 (2) minimize adverse environmental and social impacts while  
23 enhancing environmental values to the extent possible; and
- 24 (3) safeguard both life and property.

25 Sec. 44.56.320. PRELIMINARY REPORT. (a) <sup>Not</sup> [No] later than <sup>MARCH</sup> January 30,  
26 1981, the authority shall prepare and submit to the governor and to the  
27 legislature a preliminary report which explains in detail

- 28 (1) the proposed phases for the construction of the Susitna  
29 River hydroelectric project;

1 (2) the expected completion date of each phase of construc-  
2 tion;

3 (3) the expected cost of each phase of construction;

4 (4) the federal and state permits required to be obtained  
5 before construction can begin and the expected dates for obtaining the  
6 permits; and

7 (5) any other information the authority considers appropriate  
8 or necessary to adequately inform the governor and the legislature of  
9 the current status of the Susitna River hydroelectric project.

10 (b) The preliminary report required under (a) of this section is  
11 in addition to any reports required under AS 44.56.180 - 44.56.224.

12 (c) The authority may not enter into any contract under AS 44.-  
13 56.300 - 44.56.350 until the legislature approves, by joint resolution,  
14 the preliminary report required under (a) of this section.

15 Sec. 44.56.330. CONSTRUCTION, MAINTENANCE AND OPERATION OF  
16 PROJECT. Within one year after approval of its preliminary report under  
17 AS 44.56.320(c) the authority <sup>MAY</sup> [shall] enter into a contract for the con-  
18 struction of the Susitna River hydroelectric project in a manner con-  
19 sistent with the purpose of the project as described in AS 44.56.310.

20 Sec. 44.56.340. ANNUAL REPORT. (a) Commencing in 1982 the  
21 authority shall prepare an annual report which explains in detail

22 (1) the current status of construction on the Susitna River  
23 hydroelectric project;

24 (2) the actual completion date of any phases of the Susitna  
25 River hydroelectric project and the reasons for any deviation between  
26 the actual completion date and the expected completion date stated in  
27 the preliminary report required under AS 44.56.320;

28 (3) the actual cost of any phases of the Susitna River hydro-  
29 electric project and the reasons for any deviation between the actual

1 cost and the expected cost stated in the preliminary report required  
2 under AS 44.56.320;

3 (4) the actual dates on which the federal and state permits  
4 necessary to begin construction on the Susitna River hydroelectric  
5 project were obtained and the reasons for any deviation between the  
6 actual dates and the expected dates stated in the preliminary report  
7 required under AS 44.56.320;

8 (5) the federal and state permits required to be obtained in  
9 order to continue construction and the expected dates for obtaining the  
10 permits;

11 (6) the actual date of obtaining the permits described in (5)  
12 of this subsection and the reasons for any deviation between the actual  
13 date and the expected date included in previous annual reports required  
14 under this subsection;

15 (7) any other information the authority considers appropriate  
16 or necessary to adequately inform the governor and the legislature of  
17 the current status of the Susitna River hydroelectric project.

18 (b) The annual report required under (a) of this section is in  
19 addition to any reports required under AS 44.56.180 - 44.56.224 and  
20 shall be submitted, not later than January 30 of each year, to the  
21 governor and to each of the members of the legislature.

22 Sec. 44.56.350. PROJECT FINANCING. The Susitna River hydro-  
23 electric project <sup>MAY</sup> [shall] be financed by appropriations from the general  
24 fund ~~X~~ OR OTHER APPROPRIATE MEANS AS <sup>THE LEGISLATURE DEEMS.</sup>  
APPROVED BY

25 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
26 070(c). , [REV BONDS], OR OTHER FUNDING SOURCES AS APT. BY  
27 THE LEGISLATURE. (BY JT. RESOLUTION)  
28  
29



BILL SUMNER

Alaska State Senator

DISTRICT 7-E

April 22, 1980

DURING SESSION:  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-3791

OUT OF SESSION:  
1016 WEST 6TH AVENUE  
SUITE 418  
ANCHORAGE, ALASKA 99501  
(907) 272-4841

COMMITTEES:  
RESOURCES  
CHAIRMAN  
FINANCE  
RULES  
COMMITTEE ON COMMITTEES  
JOINT INTERIM COMMITTEE  
ON GAS PIPELINE FINANCING

Garrey:

Attached is a letter from Roy Huhndorf proposing an amendment to SB 294, the Susitna Hydroelectric bill. I responded to him and informed him the bill is now in Finance and that I had forwarded the letter to Senator Sackett....

Thanks.

*Cheryl*

Cheryl Frasca  
Bill Sumner's Office

# CIRI COOK INLET REGION INC.

---

March 31, 1980

Senator Bill Sumner  
Alaska State Senate  
Pouch V  
Juneau, AK 99811

Re: Senate Bill 294

Dear Senator Sumner:

Thank you for affording me the opportunity to comment on Senate Bill No. 294, "An Act relating to the Susitna River Hydroelectric project; and providing for an effective date." As you may be aware, Cook Inlet Region, Inc. and certain Cook Inlet Region Village Corporations are participating in the feasibility analysis for the Susitna Hydropower project and have executed an agreement with the Alaska Power Authority authorizing the Authority to enter upon Cook Inlet Region and Village lands to perform activities necessary for the study.

Included in our agreement with the Alaska Power Authority is a clause requiring the Authority and its agents to employ Alaska Natives enrolled in Cook Inlet Region, Inc. or the Cook Inlet Village Corporations and to afford them a preference on award of contracts, commitments or other activities where authorized by law in accordance with the Alaska Plan to Provide Equal Employment Opportunity in the Construction Industry, approved by the U. S. Department of Labor on March 31, 1972. (See attachment.) I recommend that Senate Bill No. 294 be revised to include a section providing that:

It is the policy of the State of Alaska to implement meaningful training and employment opportunities for minorities, and in particular, Alaska Natives, during the construction and operation of the Susitna River Hydroelectric Project, as authorized by law. Accordingly, the Alaska Power Authority

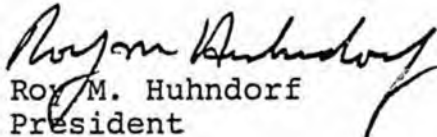
Senator Bill Sumner  
March 31, 1980  
Page Two

shall afford minorities, including, in particular, Alaska Natives, and Alaska Native business entities, a preference in the award of contracts and sub-contracts in connection with the administration of those activities authorized herein.

I would appreciate your continuing to keep me posted on the status of Senate Bill No. 294. Thank you for your attention to this matter.

Sincerely yours,

COOK INLET REGION, INC.

  
Roy M. Huhndorf  
President

RMH:JEB:cae  
Attachment



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

3/23/90  
Date

# COMMITTEE REPORT

## HOUSE

(11)

FURTHER:

5/23/80

Date: 6-3-80

Mr. Speaker:

The Committee on FINANCE has had SB 294am

"An Act relating to the Susitna River hydroelectric project; and providing for an effective date."

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

- do pass  do not pass
- do pass with attached amendments(s)
- replace with HCS for SB 294 (FINANCE)  same title  
 new title  
 and recommends "do pass"
- AND attaches a "Letter of Intent"  New Fiscal Note 5/26/80
- reports it back without recommendation 7/35.0
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

\_\_\_\_\_

Ross

\_\_\_\_\_

McKinney

\_\_\_\_\_

[Signature]

\_\_\_\_\_

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

\_\_\_\_\_

Freeman

\_\_\_\_\_

[Signature]

\_\_\_\_\_

[Signature]

\_\_\_\_\_

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Freeman

Vice CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HCSSB 294 (Fin) -- Susitna Hydroelectric Project/APA  
 Title \_\_\_\_\_  
 Requested by Representatives Malone and Rogers Date 5/24/80

II. FISCAL DETAIL  
 Agency Affected House Research Agency  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	-0-	135,000	-0-	-0-	-0-	-0-
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		135,000				

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	135,000	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		-0-			
PART TIME		-0-			
TEMPORARY		-0-			

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Contractual monitoring of the "Susitna Hydroelectric Project Feasibility Analysis." Contractor(s) would monitor eleven subtasks through May 1981, with interim and final reports to the legislature. An estimated 270 days (FTE) would be required at \$500/day, for a total of \$135,000. The House Research Agency would coordinate and oversee the contractual studies, utilizing existing staff under present agency funding

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HCSSB 294 (Fin) -- Susitna Hydroelectric Project/APA  
 Title \_\_\_\_\_  
 Requested by Representatives Malone and Rogers Date 5/24/80

II. FISCAL DETAIL  
 Agency Affected House Research Agency  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	-0-	135,000	-0-	-0-	-0-	-0-
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		135,000				

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	135,000	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		-0-				
PART TIME		-0-				
TEMPORARY		-0-				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Contractual monitoring of the "Susitna Hydroelectric Project Feasibility Analysis." Contractor(s) would monitor eleven subtasks through May 1981, with interim and final reports to the legislature. An estimated 270 days (FTE) would be required at \$500/day, for a total of \$135,000. The House Research Agency would coordinate and oversee the contractual studies, utilizing existing staff under present agency funding

IV. DATE 5/26/80 PREPARED BY Susan Brody, Jack Fargnoli  
 AGENCY House Research Agency  
 PHONE 465-3991  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Messages dated June 3, 1980 were read stating the Senate has passed the following:

FIRST READING AND REFERENCE OF SENATE RESOLUTIONS

CS COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION  
SCR NO. 68 amended, by the Rules Committee:

68

am

Approving the Second Amendment to the Agreement for the Sale and Purchase of State Royalty Oil between the State of Alaska and The Alpetco Company.

was read the first time and referred to the Rules Committee.

FIRST READING AND REFERENCE OF SENATE BILLS

SB SENATE BILL NO. 590 amended, by the Rules Committee by request, entitled:

590

am

"An Act approving the second amendment to the agreement for the sale and purchase of state royalty oil between the State of Alaska and the Alpetco Company; and providing for an effective date."

was read the first time and referred to the Rules Committee.

REPORTS OF STANDING COMMITTEES

SB

294

am

The Finance Committee has had SENATE BILL NO. 294 amended (relating to the Susitna River hydroelectric project; effective date) under consideration and a majority of the committee recommends it be replaced with HOUSE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 294 (Finance):

"An Act relating to power projects of the Alaska Power Authority and the Susitna River hydroelectric project; and providing for an effective date."

SB  
294  
am

that it do pass and attaches a new fiscal note. Concurring: Meekins, Rogers, McKinnon, Guy, Moss and Duncan. Not concurring: Freeman (Vice Chairman), Haugen, Smith, Montgomery and Schaeffer have no recommendation.

SB 294am was referred to the Rules Committee for placement on the calendar.

Fiscal note appears in House Journal Supplement No. 85.

The Rules Committee has had SENATE BILL NO. 573 (continuing the existence of the Board of Marine Pilots and amending the law relating to its powers and responsibilities; effective date) under consideration and a majority of the committee recommends it do pass and that the House Commerce Committee letter of intent on HB 1025 (page 1085 of the journal) be adopted. Concurring: Cotten (Chairman), Brown, Miller, Parr and Phillips.

SB  
573

SB 573 appears on today's calendar.

#### REPORTS OF SPECIAL COMMITTEES

The FREE CONFERENCE COMMITTEE, which has had COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 114 (Rules) amended (competitive bidding under the Fiscal Procedures Act) and HOUSE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 114 (Finance) amended House (same title) under consideration recommends that:

HCS  
CSSB  
114  
(Fin)  
amH

FREE CONFERENCE COMMITTEE SUBSTITUTE  
FOR SENATE BILL NO. 114

"An Act relating to state contracting and procurement procedures, and competitive bidding under the Fiscal Procedures Act."

be adopted.

Original sponsor: Kerttula

Offered: 6/3/80  
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 294 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to power projects of the Alaska Power  
7 Authority and the Susitna River hydroelectric project;  
8 and providing for an effective date."

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

10 \* Section 1. AS 44.56.187(a) is amended to read:

11 (a) The provisions of AS 44.56.177 - 44.56.185 and 44.56.189 apply  
12 only to a proposed new project which will generate more than 1.5 mega-  
13 watts of power and

14 (1) requires an appropriation from the state general fund,  
15 from the power project fund, or from the renewable resources funds [IN-  
16 VESTMENT FUND AND THE APPROPRIATION EXCEEDS

17 (A) \$3,000,000, FOR PROJECTS FOR WHICH LEGISLATIVE  
18 APPROVAL IS SOUGHT DURING 1981;

19 (B) \$3,000,000 MULTIPLIED BY A FACTOR EQUAL TO A RATIO  
20 DETERMINED BY DIVIDING THE CONSTRUCTION COST INDEX OF THE ENGINEER-  
21 ING NEWS RECORD DETERMINED FOR JANUARY OF THE YEAR DURING WHICH A  
22 PROJECT IS SUBMITTED FOR LEGISLATIVE APPROVAL, BY THE CONSTRUCTION  
23 COST INDEX OF THE ENGINEERING NEWS RECORD FOR MARCH, 1980, FOR  
24 PROJECTS FOR WHICH LEGISLATIVE APPROVAL IS SOUGHT AFTER DECEMBER 31  
25 1981]; or

26 (2) is based on a plan of finance which requires the issuance  
27 of general obligation bonds or other pledge of the credit of the state.

28 \* Sec. 2. AS 44.56.187(b) is amended to read:

29 (b) The provisions of AS 44.56.177 - 44.56.185 and 44.56.189 apply

1 to a project which generates more than five [25] megawatts of power for  
2 which the authority will issue its revenue bonds for costs of construc-  
3 tion.

4 \* Sec. 3. AS 44.56.224 is amended by adding a new subsection to read:

5 (b) The Department of Commerce and Economic Development shall  
6 create an advisory council to participate in Southcentral and Interior  
7 Alaska power planning. The duties of the council shall include re-  
8 viewing and commenting on the reports described under AS 44.56.320 and  
9 on power generation and transmission projects in Southcentral and In-  
10 terior Alaska which affect more than one utility service area. The  
11 advisory council shall include representatives of electric utilities,  
12 business, and consumer and environmental groups.

13 \* Sec. 4. AS 44.56 is amended by adding new sections to read:

14 ARTICLE 6. SUSITNA RIVER HYDROELECTRIC PROJECT.

15 Sec. 44.56.300. DESCRIPTION OF PROJECT. The Susitna River hydro-  
16 electric project consists of dams and related reservoirs, and power  
17 plants located in the Upper Susitna River Basin, and related transmis-  
18 sion lines, facilities, and load centers, as described in the Alaska  
19 Power Authority's Susitna Plan of Study, to be completed in June 1982.

20 Sec. 44.56.310. PURPOSE OF PROJECT. The primary purpose of the  
21 Susitna River hydroelectric project is to generate, transmit and dis-  
22 tribute electric power in a manner which will

23 (1) minimize market area electrical power costs;

24 (2) minimize adverse environmental and social impacts while  
25 enhancing environmental values to the extent possible; and

26 (3) safeguard both life and property.

27 Sec. 44.56.320. PRELIMINARY REPORT. (a) By March 30, 1981, the  
28 authority shall prepare and submit to the governor and to the legisla-  
29 ture a preliminary report recommending whether work should continue on

1 the Susitna River hydroelectric project, and, if the recommendation is  
2 to continue on the project, the report shall explain in detail

3 (1) economic evaluations and preliminary environmental impact  
4 assessments for the Susitna River hydroelectric project and all viable  
5 alternatives;

6 (2) the federal and state permits required to be obtained  
7 before construction can begin and the expected construction start date;  
8 and

9 (3) any other information the authority considers appropriate  
10 or necessary to adequately inform the governor and the legislature of  
11 the status of the Susitna River hydroelectric project.

12 (b) By April 30, 1982, the authority shall prepare and submit to  
13 the governor and to the legislature a preliminary report recommending  
14 whether work should continue on the Susitna River hydroelectric project,  
15 and other viable alternatives. If the recommendation is to continue on  
16 the Susitna River hydroelectric project, the report shall explain in  
17 detail

18 (1) the proposed conceptual design and phases of construction  
19 of the Susitna River hydroelectric project;

20 (2) the expected completion date of each phase of construc-  
21 tion;

22 (3) the expected cost of each phase of construction;

23 (4) the costs to the state and consumers of the project under  
24 alternative methods of project financing, including revenue bonds,  
25 general obligation bonds, and general fund appropriations; and

26 (5) any other information the authority considers appropriate  
27 or necessary to adequately inform the governor and the legislature of  
28 the status of the Susitna River hydroelectric project.

29 (c) The preliminary reports required under (a) and (b) of this

1 section are in addition to any reports required under AS 44.56.180 -  
2 44.56.224.

3 (d) The authority may not enter into contracts under AS 44.56.300 -  
4 44.56.350 other than those contracts necessary to complete (1) feasibil-  
5 ity studies, (2) the reports required by this section, or (3) construc-  
6 tion of the Anchorage-Fairbanks intertie, until the legislature approves  
7 by law the preliminary report required under (b) of this section.

8 (e) To ensure objectivity in the assessment of power alternatives,  
9 the work required in (a)(1) of this section shall be supervised or  
10 performed by an independent contractor to the extent possible under  
11 contracts existing on the effective date of this Act. The independent  
12 contractor shall cooperate with the authority and shall report directly  
13 to the governor, the legislature, and the authority.

14 Sec. 44.56.330. CONSTRUCTION, MAINTENANCE AND OPERATION OF PROJECT.  
15 Within one year after approval of its preliminary report submitted under  
16 AS 44.56.320(b), the authority may enter into a contract for the con-  
17 struction of the Susitna River hydroelectric project in a manner con-  
18 sistent with the purpose of the project as described in AS 44.56.310.  
19 The authority may not contract with the contractor who provides the plan  
20 of study under AS 44.56.300 for any portion of the construction, opera-  
21 tion or maintenance of the Susitna River hydroelectric project.

22 Sec. 44.56.340. ANNUAL REPORT. (a) If the Susitna River hydro-  
23 electric project is approved by the legislature under AS 44.56.320(d),  
24 beginning in 1983 the authority shall prepare an annual report which  
25 explains in detail

26 (1) the status of construction on the Susitna River hydro-  
27 electric project;

28 (2) the completion date of any phase of the Susitna River  
29 hydroelectric project which has been completed and the reasons for any

1 deviation between the completion date and the expected completion date  
2 stated in the preliminary report required under AS 44.56.320(b);

3 (3) the actual cost of any phase of the Susitna River hydro-  
4 electric project which has been completed and the reasons for any devia-  
5 tion between the actual cost and the expected cost stated in the pre-  
6 liminary report required under AS 44.56.320(b);

7 (4) the federal and state permits necessary to begin or  
8 continue construction of the Susitna River hydroelectric project, the  
9 actual dates on which the federal and state permits necessary to begin  
10 or continue construction were obtained, and the reasons for any devia-  
11 tion between the actual dates and the expected dates stated in the pre-  
12 liminary report required under AS 44.56.320(a) or in the earlier annual  
13 reports required under this section;

14 (5) any other information the authority considers appropriate  
15 or necessary to adequately inform the governor and the legislature of  
16 the status of the Susitna River hydroelectric project.

17 (b) The annual report required under (a) of this section is in  
18 addition to any reports required under AS 44.56.180 - 44.56.224 and  
19 shall be submitted, by March 30 of each year, to the governor and to  
20 each member of the legislature.

21 Sec. 44.56.345. LEGISLATIVE AND EXECUTIVE OVERSIGHT. The legis-  
22 lature or the governor may provide for ongoing oversight, review and  
23 selected in-depth analysis of the Susitna River hydroelectric project  
24 plan of study. The authority shall provide all data, analyses, reports,  
25 and other information to whomever conducts the oversight, review, or  
26 analysis activities. Selected in-depth analyses shall include assess-  
27 ments of the power alternatives, financing, and power marketing sections  
28 of the Susitna River hydroelectric project plan of study.

29 Sec. 44.56.350. PROJECT FINANCING. The Susitna River hydroelectric

1 project shall be financed by general fund appropriations, general obliga-  
2 tion bonds, revenue bonds, or other plans of finance as approved by the  
3 legislature.

4 \* Sec. 5. The projects authorized in sec. 48 of House CS for CS for  
5 Senate Bill No. 438 (Finance) am H, Eleventh Legislature, Second Session, are  
6 exempt from the amendments made in secs. 1 and 2 of this Act.

7 \* Sec. 6. Sections 1 and 2 of this Act take effect on the day after House  
8 CS for CS for Senate Bill No. 438 (Finance) am H, Eleventh Legislature,  
9 Second Session, becomes law.

10 \* Sec. 7. Section 3 of this Act takes effect April 1, 1981.

11 \* Sec. 8. Sections 4 - 8 of this Act take effect immediately in accord-  
12 ance with AS 01.10.070(c).

Original sponsor: Kerttula

Offered: 6/5/80  
For Today's Calendar

1 IN THE SENATE

BY THE RULES COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 294 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to power projects of the Alaska Power  
7 Authority and the Susitna River hydroelectric project;  
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13 watts of power and

14 (1) requires an appropriation from the state general fund,  
15 from the power project fund, or from the renewable resources funds [IN-  
16 VESTMENT FUND AND THE APPROPRIATION EXCEEDS

17 (A) \$3,000,000, FOR PROJECTS FOR WHICH LEGISLATIVE  
18 APPROVAL IS SOUGHT DURING 1981;

19 (B) \$3,000,000 MULTIPLIED BY A FACTOR EQUAL TO A RATIO  
20 DETERMINED BY DIVIDING THE CONSTRUCTION COST INDEX OF THE ENGINEER-  
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22 PROJECT IS SUBMITTED FOR LEGISLATIVE APPROVAL, BY THE CONSTRUCTION  
23 COST INDEX OF THE ENGINEERING NEWS RECORD FOR MARCH, 1980, FOR  
24 PROJECTS FOR WHICH LEGISLATIVE APPROVAL IS SOUGHT AFTER DECEMBER 31,  
25 1981]; or

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27 of general obligation bonds or other pledge of the credit of the state.

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29 ARTICLE 6. SUSITNA RIVER HYDROELECTRIC PROJECT.

1           Sec. 44.56.300. DESCRIPTION OF PROJECT. The Susitna River hydro-  
2 electric project consists of dams and related reservoirs, and power  
3 plants located in the Upper Susitna River Basin, and related transmis-  
4 sion lines, facilities, and load centers, as described in the Alaska  
5 Power Authority's report required by AS 44.56.320(b).

6           Sec. 44.56.310. PURPOSE OF PROJECT. The primary purpose of the  
7 Susitna River hydroelectric project is to generate, transmit and dis-  
8 tribute electric power in a manner which will

- 9                   (1) minimize market area electrical power costs;  
10                   (2) minimize adverse environmental and social impacts while  
11 enhancing environmental values to the extent possible; and  
12                   (3) safeguard both life and property.

13           Sec. 44.56.320. PRELIMINARY REPORT. (a) By March 30, 1981, the  
14 authority shall prepare and submit to the governor and to the legisla-  
15 ture a preliminary report recommending whether work should continue on  
16 the Susitna River hydroelectric project, and, if the recommendation is  
17 to continue on the project, the report shall explain in detail

18                   (1) economic evaluations and preliminary environmental impact  
19 assessments for the Susitna River hydroelectric project and all viable  
20 alternatives;

21                   (2) the federal and state permits required to be obtained  
22 before construction can begin and the expected construction start date;  
23 and

24                   (3) any other information the authority considers appropriate  
25 or necessary to adequately inform the governor and the legislature of  
26 the status of the Susitna River hydroelectric project.

27           (b) By April 30, 1982, the authority shall prepare and submit to  
28 the governor and to the legislature a preliminary report recommending  
29 whether work should continue on the Susitna River hydroelectric project,

1 and other viable alternatives. If the recommendation is to continue on  
2 the Susitna River hydroelectric project, the report shall explain in  
3 detail

4 (1) the proposed conceptual design and phases of construction  
5 of the Susitna River hydroelectric project;

6 (2) the expected completion date of each phase of construc-  
7 tion;

8 (3) the expected cost of each phase of construction;

9 (4) the costs to the state and consumers of the project under  
10 alternative methods of project financing, including revenue bonds,  
11 general obligation bonds, and general fund appropriations; and

12 (5) any other information the authority considers appropriate  
13 or necessary to adequately inform the governor and the legislature of  
14 the status of the Susitna River hydroelectric project.

15 (c) The preliminary reports required under (a) and (b) of this  
16 section are in addition to any reports required under AS 44.56.180 -  
17 44.56.224.

18 (d) The authority may not enter into contracts under AS 44.56.300 -  
19 44.56.360 other than those contracts necessary to complete (1) feasibil-  
20 ity studies, (2) the reports required by this section, or (3) construc-  
21 tion of the Anchorage-Fairbanks intertie, until the legislature approves  
22 by law the preliminary report required under (b) of this section.

23 Sec. 44.56.330. CONSTRUCTION, MAINTENANCE AND OPERATION OF PROJECT.  
24 Within one year after approval of its preliminary report submitted under  
25 AS 44.56.320(b), the authority may enter into a contract for the con-  
26 struction of the Susitna River hydroelectric project in a manner con-  
27 sistent with the purpose of the project as described in AS 44.56.310.

28 Sec. 44.56.340. ANNUAL REPORT. (a) If the Susitna River hydro-  
29 electric project is approved by the legislature under AS 44.56.320(d),

1 beginning in 1983 the authority shall prepare an annual report which  
2 explains in detail

3 (1) the status of construction on the Susitna River hydro-  
4 electric project;

5 (2) the completion date of any phase of the Susitna River  
6 hydroelectric project which has been completed and the reasons for any  
7 deviation between the completion date and the expected completion date  
8 stated in the preliminary report required under AS 44.56.320(b);

9 (3) the actual cost of any phase of the Susitna River hydro-  
10 electric project which has been completed and the reasons for any devia-  
11 tion between the actual cost and the expected cost stated in the pre-  
12 liminary report required under AS 44.56.320(b);

13 (4) the federal and state permits necessary to begin or  
14 continue construction of the Susitna River hydroelectric project, the  
15 actual dates on which the federal and state permits necessary to begin  
16 or continue construction were obtained, and the reasons for any devia-  
17 tion between the actual dates and the expected dates stated in the pre-  
18 liminary report required under AS 44.56.320(a) or in the earlier annual  
19 reports required under this section;

20 (5) any other information the authority considers appropriate  
21 or necessary to adequately inform the governor and the legislature of  
22 the status of the Susitna River hydroelectric project.

23 (b) The annual report required under (a) of this section is in  
24 addition to any reports required under AS 44.56.180 - 44.56.224 and  
25 shall be submitted, by March 30 of each year, to the governor and to  
26 each member of the legislature.

27 Sec. 44.56.350. LEGISLATIVE AND EXECUTIVE OVERSIGHT. The legis-  
28 lature or the governor may provide for ongoing oversight, review and  
29 selected in-depth analysis of the Susitna River hydroelectric project

1 plan of study. The authority shall provide all data, analyses, reports,  
2 and other information to whomever conducts the oversight, review, or  
3 analysis activities. Selected in-depth analyses shall include assess-  
4 ments of the power alternatives, financing, and power marketing sections  
5 of the Susitna River hydroelectric project plan of study.

6 Sec. 44.56.360. PROJECT FINANCING. The Susitna River hydroelectric  
7 project shall be financed by general fund appropriations, general obliga-  
8 tion bonds, revenue bonds, or other plans of finance as approved by the  
9 legislature.

10 \* Sec. 3. The projects authorized in sec. 48 of House CS for CS for  
11 Senate Bill No. 438 (Finance) am H, Eleventh Legislature, Second Session, are  
12 exempt from the amendments made in sec. 1 of this Act.

13 \* Sec. 4. Section 1 of this Act takes effect on the day after House CS  
14 for CS for Senate Bill No. 438 (Finance) am H, Eleventh Legislature, Second  
15 Session, becomes law.

16 \* Sec. 5. Sections 2 - 5 of this Act take effect immediately in accord-  
17 ance with AS 01.10.070(c).

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FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill No. 294  
 Title An Act Relating to the Susitna River Hydroelectric Project: and providing for an  
 Requested by Senator Kerttula ~~SB~~ effective date  
 Date 1/14/80

II. FISCAL DETAIL

Agency Affected Alaska Power Authority, Department of Commerce & Economic Development  
 Program Category Affected Economic Development  
 BRU, Program, or Subprogram(s) Affected Alaska Power Authority  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	--	--				
200 TRAVEL	--	--				
300 CONTRACTUAL	--	--				
400 COMMODITIES	--	--				
500 EQUIPMENT	--	--				
600 LAND & STRUCTURES	--	--				
700 GRANTS, CLAIMS, ETC.	--	--				
TOTAL						

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	--	--				
FEDERAL FUNDS	--	--				
OTHER (Specify Fund Source)	--	--				

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME	--	--				
PART TIME	--	--				
TEMPORARY	--	--				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The report requirements of SB 294 can be accomplished by the existing staff of the Power Authority under present funding. The Susitna study program was funded in FY 80. The companion legislation, SB 295, would have a fiscal impact if it were possible to obtain construction authorization at a time for earlier than presently expected.

IV. DATE January 18, 1980 PREPARED BY Terry J. McGuire  
 AGENCY Alaska Power Authority  
 PHONE 277-7641  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

SENATE JOURNAL

LETTER OF INTENT  
TO ACCOMPANY SB 294

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It is the intent of the Legislature that the State of Alaska is to implement meaningful training and employment opportunities for minorities, and in particular, Alaska Natives, during the construction and operation of the Susitna River Hydroelectric Project, as authorized by law. Accordingly, the Alaska Power Authority shall afford minorities, including, in particular, Alaska Natives, and Alaska Native business entities, a preference in the award of contracts and subcontracts in connection with the administration of those activities authorized herein.



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George H. Hohman, Jr.  
Vice-Chairman  
Senate Finance Committee

AMENDMENT

May 23, 1980

HCS for  
Senate Bill 294am

Page 1, line 13 - After "as" add "generally" and continue with rest of sentence.

Original sponsor: Kerttula

Offered: 5/23/80  
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 294

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Susitna River hydroelectric  
7 project; and providing for an effective date."

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

9 \* Section 1. AS 44.56 is amended by adding new sections to read:

10 ARTICLE 6. SUSITNA RIVER HYDROELECTRIC PROJECT.

11 Sec. 44.56.300. DESCRIPTION OF PROJECT. The Susitna River hydro-  
12 electric project consists of dams and related reservoirs, power plants,  
13 transmission lines and facilities, and load centers as described in the  
14 publication of the Alaska District United States Army Corps of Engineers  
15 entitled "Plan of Study for Susitna Hydropower Feasibility Analysis"  
16 prepared for the State of Alaska and dated June, 1978.

17 Sec. 44.56.310. PURPOSE OF PROJECT. The primary purpose of the  
18 Susitna River hydroelectric project is to generate, transmit and dis-  
19 tribute electric power in a manner which will

- 20 (1) minimize market area electrical power costs;  
21 (2) minimize adverse environmental and social impacts while  
22 enhancing environmental values to the extent possible; and  
23 (3) safeguard both life and property.

24 Sec. 44.56.320. PRELIMINARY REPORT. (a) No later than March 30,  
25 1981, the authority shall prepare and submit to the governor and to the  
26 legislature a preliminary report recommending whether work should con-  
27 tinue on the Susitna River hydroelectric project, and, if the recommen-  
28 dation is to continue on the project, the report shall explain in detail

- 29 (1) economic evaluations and preliminary environmental impact

1 assessments for the Susitna River hydroelectric project and all viable  
2 alternatives;

3 (2) the federal and state permits required to be obtained  
4 before construction can begin and the expected construction start date;  
5 and

6 (3) any other information the authority considers appropriate  
7 or necessary to adequately inform the governor and the legislature of  
8 the current status of the Susitna River hydroelectric project.

9 (b) No later than April 30, 1982, the authority shall prepare and  
10 submit to the governor and to the legislature a preliminary report  
11 recommending whether work should continue on the Susitna River hydro-  
12 electric project, and, if the recommendation is to continue on the  
13 project, the report shall explain in detail

14 (1) the proposed conceptual design and phases of the Susitna  
15 River hydroelectric project;

16 (2) the expected completion date of each phase of construc-  
17 tion;

18 (3) the expected cost of each phase of construction; and

19 (4) any other information the authority considers appropriate  
20 or necessary to adequately inform the governor and the legislature of  
21 the current status of the Susitna River hydroelectric project.

22 (c) The preliminary reports required under (a) and (b) of this  
23 section are in addition to any reports required under AS 44.56.180 -  
24 44.56.224.

25 (d) The authority may not enter into contracts under AS 44.56.300 -  
26 44.56.350 other than those contracts necessary to complete (1) feasibil-  
27 ity studies, (2) the reports required by this section, or (3) construc-  
28 tion of the Anchorage-Fairbanks intertie, until the legislature approves  
29 by law the preliminary report required under (b) of this section.

1           Sec. 44.56.330. CONSTRUCTION, MAINTENANCE AND OPERATION OF PROJECT.

2           Within one year after approval of its preliminary report required under  
3           AS 44.56.320(b) the authority may enter into a contract for the con-  
4           struction of the Susitna River hydroelectric project in a manner con-  
5           sistent with the purpose of the project as described in AS 44.56.310.

6           Sec. 44.56.340. ANNUAL REPORT. (a) Beginning in 1983 the author-  
7           ity shall prepare an annual report which explains in detail

8                   (1) the current status of construction on the Susitna River  
9           hydroelectric project;

10                   (2) the actual completion date of any phases of the Susitna  
11           River hydroelectric project and the reasons for any deviation between  
12           the actual completion date and the expected completion date stated in  
13           the preliminary report required under AS 44.56.320(b);

14                   (3) the actual cost of any phases of the Susitna River hydro-  
15           electric project and the reasons for any deviation between the actual  
16           cost and the expected cost stated in the preliminary report required  
17           under AS 44.56.320(b);

18                   (4) the federal and state permits necessary to begin or  
19           continue construction, the actual dates on which the federal and state  
20           permits necessary to begin or continue construction on the Susitna River  
21           hydroelectric project were obtained, and the reasons for any deviation  
22           between the actual dates and the expected dates stated in the preliminary  
23           report required under AS 44.56.320(a) or in the previous annual reports  
24           required under this section;

25                   (5) any other information the authority considers appropriate  
26           or necessary to adequately inform the governor and the legislature of  
27           the current status of the Susitna River hydroelectric project.

28                   (b) The annual report required under (a) of this section is in  
29           addition to any reports required under AS 44.56.180 - 44.56.224 and

1 shall be submitted, not later than March 30 of each year, to the governor  
2 and to each of the members of the legislature.

3 Sec. 44.56.350. PROJECT FINANCING. The Susitna River hydroelectric  
4 project may be financed by appropriations from the general fund, or  
5 other funding sources as approved by the legislature.

6 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
7 070(c).

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Introduced: 1/14/80  
Referred: Resources and  
Finance

1 IN THE SENATE

BY KERTTULA

2 SENATE BILL NO. 294 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Susitna River hydroelectric  
7 project; and providing for an effective date."

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

9 \* Section 1. AS 44.56 is amended by adding new sections to read:

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11 Sec. 44.56.300. DESCRIPTION OF PROJECT. The Susitna River hydro-  
12 electric project consists of dams and related reservoirs, power plants,  
13 transmission lines and facilities, and load centers as described in the  
14 publication of the Alaska District United States Army Corps of Engineers  
15 entitled "Plan of Study for Susitna Hydropower Feasibility Analysis"  
16 prepared for the State of Alaska and dated June, 1978.

17 Sec. 44.56.310. PURPOSE OF PROJECT. The primary purpose of the  
18 Susitna River hydroelectric project is to generate, transmit and dis-  
19 tribute electric power in a manner which will

- 20 (1) minimize market area electrical power costs;  
21 (2) minimize adverse environmental and social impacts while  
22 enhancing environmental values to the extent possible; and  
23 (3) safeguard both life and property.

24 Sec. 44.56.320. PRELIMINARY REPORT. (a) No later than March 30,  
25 1981, the authority shall prepare and submit to the governor and to the  
26 legislature a preliminary report which explains in detail

- 27 (1) the proposed phases for the construction of the Susitna  
28 River hydroelectric project;  
29 (2) the expected completion date of each phase of construc-

1 tion;

2 (3) the expected cost of each phase of construction;

3 (4) the federal and state permits required to be obtained  
4 before construction can begin and the expected dates for obtaining the  
5 permits; and

6 (5) any other information the authority considers appropriate  
7 or necessary to adequately inform the governor and the legislature of  
8 the current status of the Susitna River hydroelectric project.

9 (b) The preliminary report required under (a) of this section is  
10 in addition to any reports required under AS 44.56.180 - 44.56.224.

11 (c) The authority may not enter into any contract under AS 44.-  
12 56.300 - 44.56.350 until the legislature approves, by joint resolution,  
13 the preliminary report required under (a) of this section.

14 Sec. 44.56.330. CONSTRUCTION, MAINTENANCE AND OPERATION OF  
15 PROJECT. Within one year after approval of its preliminary report under  
16 AS 44.56.320(c) the authority may enter into a contract for the con-  
17 struction of the Susitna River hydroelectric project in a manner con-  
18 sistent with the purpose of the project as described in AS 44.56.310.

19 Sec. 44.56.340. ANNUAL REPORT. (a) Commencing in 1982 the  
20 authority shall prepare an annual report which explains in detail

21 (1) the current status of construction on the Susitna River  
22 hydroelectric project;

23 (2) the actual completion date of any phases of the Susitna  
24 River hydroelectric project and the reasons for any deviation between  
25 the actual completion date and the expected completion date stated in  
26 the preliminary report required under AS 44.56.320;

27 (3) the actual cost of any phases of the Susitna River hydro-  
28 electric project and the reasons for any deviation between the actual  
29 cost and the expected cost stated in the preliminary report required

1 under AS 44.56.320;

2 (4) the actual dates on which the federal and state permits  
3 necessary to begin construction on the Susitna River hydroelectric  
4 project were obtained and the reasons for any deviation between the  
5 actual dates and the expected dates stated in the preliminary report  
6 required under AS 44.56.320;

7 (5) the federal and state permits required to be obtained in  
8 order to continue construction and the expected dates for obtaining the  
9 permits;

10 (6) the actual date of obtaining the permits described in (5)  
11 of this subsection and the reasons for any deviation between the actual  
12 date and the expected date included in previous annual reports required  
13 under this subsection;

14 (7) any other information the authority considers appropriate  
15 or necessary to adequately inform the governor and the legislature of  
16 the current status of the Susitna River hydroelectric project.

17 (b) The annual report required under (a) of this section is in  
18 addition to any reports required under AS 44.56.180 - 44.56.224 and  
19 shall be submitted, not later than January 30 of each year, to the  
20 governor and to each of the members of the legislature.

21 Sec. 44.56.350. PROJECT FINANCING. The Susitna River hydro-  
22 electric project may be financed by appropriations from the general  
23 fund, or other funding sources as approved by the legislature.

24 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
25 070(c).