

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

HB 238 cont thru HB 244
HB 245 thru HB 250
HB 251 thru HB 256
HB 257 thru HB 262
HB 263 thru HB 268
HB 269 thru HB 274
HB 275 thru HB 280
HB 281 thru HB 286
HB 287 thru HB 292
HB 293 thru HB 298
HB 299 thru HB 304
HB 305 thru HB 310
HB 311 thru HB 316
HB 317 thru HB 322
HB 323 thru HB 328
HB 329 thru HB 334
HB 335 thru HB 340
HB 341 thru HB 346
HB 347 thru HB 352
HB 353 thru HB 358
HB 359 thru HB 364
HB 365 thru HB 370
HB 371 thru HB 376
HB 377 thru HB 382
HB 383 thru HB 388
HB 389 thru HB 394
HB 395 thru HB 400
HB 401 thru HB 406
HB 407 thru HB 412
HB 413 thru HB 418
HB 419 thru HB 424
HB 425 thru HB 430
HB 431 thru HB 436
HB 437 thru HB 442
HB 443 thru HB 448
HB 449 thru HB 454
HB 455 thru HB 460
HB 461 thru HB 466
HB 467 thru HB 472
HB 473 thru HB 478
HB 479 thru HB 484
HB 485 thru HB 490
HB 491 thru HB 496
HB 497 thru HB 502
HB 503 thru HB 508
HB 509 thru HB 514
HB 515 thru HB 520
HB 521 thru HB 526
HB 527 thru HB 532
HB 533 thru HB 538
HB 539 thru HB 544
HB 545 thru HB 550
HB 551 thru HB 556
HB 557 thru HB 562
HB 563 thru HB 568
HB 569 thru HB 574
HB 575 thru HB 580
HB 581 thru HB 586
HB 587 thru HB 592
HB 593 thru HB 598
HB 599 thru HB 604
HB 605 thru HB 610
HB 611 thru HB 616
HB 617 thru HB 622
HB 623 thru HB 628
HB 629 thru HB 634
HB 635 thru HB 640
HB 641 thru HB 646
HB 647 thru HB 652
HB 653 thru HB 658
HB 659 thru HB 664
HB 665 thru HB 670
HB 671 thru HB 676
HB 677 thru HB 682
HB 683 thru HB 688
HB 689 thru HB 694
HB 695 thru HB 700
HB 701 thru HB 706
HB 707 thru HB 712
HB 713 thru HB 718
HB 719 thru HB 724
HB 725 thru HB 730
HB 731 thru HB 736
HB 737 thru HB 742
HB 743 thru HB 748
HB 749 thru HB 754
HB 755 thru HB 760
HB 761 thru HB 766
HB 767 thru HB 772
HB 773 thru HB 778
HB 779 thru HB 784
HB 785 thru HB 790
HB 791 thru HB 796
HB 797 thru HB 802
HB 803 thru HB 808
HB 809 thru HB 814
HB 815 thru HB 820
HB 821 thru HB 826
HB 827 thru HB 832
HB 833 thru HB 838
HB 839 thru HB 844
HB 845 thru HB 850
HB 851 thru HB 856
HB 857 thru HB 862
HB 863 thru HB 868
HB 869 thru HB 874
HB 875 thru HB 880
HB 881 thru HB 886
HB 887 thru HB 892
HB 893 thru HB 898
HB 899 thru HB 904
HB 905 thru HB 910
HB 911 thru HB 916
HB 917 thru HB 922
HB 923 thru HB 928
HB 929 thru HB 934
HB 935 thru HB 940
HB 941 thru HB 946
HB 947 thru HB 952
HB 953 thru HB 958
HB 959 thru HB 964
HB 965 thru HB 970
HB 971 thru HB 976
HB 977 thru HB 982
HB 983 thru HB 988
HB 989 thru HB 994
HB 995 thru HB 1000

Major energy legislation in 1980 and 1981 established several rural programs, including village and regional studies which investigated various supply-side options to meet present and future energy needs. Individually, these programs addressed different aspects of the rural power picture, but it is difficult to find an overall set of objectives which guided their development. However, the intent of such legislation was quite clear. The interests of the people would be served through the provisions of adequate, safe and reliable power at affordable rates.

A flood of state electrification grants to rural communities commenced in FY 80 and continued unabated through FY 85. Many projects received no technical oversight by the state. The unfortunate legacy of this electrification spending spree is many oversized power plants operating at inefficient loads and a constant stream of requests to the APA staff for technical fixes to these systems--because many of these systems have not worked very well.

The Power Production Cost Assistance (PPCA) program, which subsidized the high cost of rural power, was created in 1980 and was viewed as an interim measure until lower cost alternatives to diesel generation could be devised. Over the years, the subsidy (now called the Power Cost Equalization Program) has increased generally to keep pace with the sizable grants and loans for urban power projects and as the lack of alternative technology "fixes" for rural power became apparent.

During the period FY 77 to FY 88, the state appropriated roughly \$276 million specifically to rural energy programs--or about \$1,890 per rural resident. About 87 percent of these funds was directed toward supply-side programs, with the remaining 13 percent for demand-side efforts. Currently, most of the state's rural energy capital is being spent on a power rate subsidy which provides short-term relief to the underlying problem of a cash-poor economy more than it addresses the costs of providing power or keeping warm.

What would the state have done differently had integrated resource planning (IRP) been in place during the past decade? If supply- and demand-side options had been considered equally, it appears likely that more state funds would have been directed at demand-side programs, particularly those programs which addressed the high cost of thermal energy to heat inadequate rural homes. Under IRP, the state might have retained considerable design review and technical oversight once rural electrification grants were given to communities. Many of the oversized power systems that exist today might have been avoided. In addition, the power rate subsidy might have retained its original design to alleviate the high electric costs for only a minimal amount of consumption (e.g., 200 to 300 kwh/month per customer) because an IRP approach would have been able to clearly identify other supply- or demand-side alternatives which were more cost-effective in the long run and which therefore warranted state funding.

An Integrated Resource Planning Assessment of Current Rural Energy Programs

The overall energy problem in rural Alaska today continues to be high cost energy (both on a unit and total cost basis) in a rural economy with scarce cash. Rural households spend roughly 30 percent of their income on energy purchases. Over two-thirds of those energy dollars are spent for space heating, 20 percent for electricity, and the remainder on fuels for transportation, cooking, etc. Rural residents need safe, reliable power and improvements in housing, heating systems, appliances and lighting in order to use both electricity and thermal energy efficiently.

Several conclusions can be drawn from an assessment of current rural energy programs:

- 1) About \$37.4 million in state and federal funds is being spent annually on rural energy needs. This represents roughly 79 percent of the estimated \$47.1 million being directed toward energy programs and projects statewide.
- 2) The various programs address, to some degree, a broad range of strategies. However, the current orientation in Alaska's rural energy efforts is heavily weighted toward funding of programs which address rural electric services (about 76 percent), despite the fact that space heating expenses are generally more substantial for rural households.
- 3) Supply-side options clearly command the lion's share (89 percent) of the public funds directed toward rural energy problems. However, just over one-fourth of this supply-side funding is being spent on long-term solutions of power system improvements, technical training and bulk fuel handling. Most of the supply-side funds are going into short-term cash assistance programs--Power Cost Equalization (PCE) and Low Income Home Energy Assistance.
- 4) Virtually all of the funds being spent on demand-side options are federal money--primarily in the Low Income Weatherization program. Only one percent of the total state funds are committed to demand-side options.

An evaluation of the effectiveness of current rural energy programs at meeting several energy-related and public funding criteria provides the following conclusions:

- 1) In general, the supply-side programs which improve utility or municipal finances and/or power system efficiency and reliability have--at best--a moderate direct effect on the consumers' energy costs, living conditions and energy savings. On the other hand, several of the demand-side programs which lower consumer costs, improve living standards and save energy are deemed to have little direct effect on utilities and municipalities and their power systems.
- 2) One program--Power Cost Equalization--stands out by having negative effects on energy savings and power system efficiency. This subsidy encourages energy consumption by artificially lowering rural power rates. Furthermore, the subsidy, which covers most utility expenses, discourages local efforts to improve power system efficiency or reduce fuel costs. The PCE program also undermines other programs geared toward minimizing rural energy costs through fundamental improvements in power systems and end-use efficiencies.
- 3) Of the programs funded solely by the state, Rural Technical Assistance (RTA) is currently a low-cost effort judged to be fairly effective at helping utilities improve systems. The various bulk fuel programs, funded by the state at relatively low levels, yield moderate results with respect to lowering customer energy costs and improving the utility and municipal fiscal picture. The Rural Electrification Grants and Loan programs are fairly effective at meeting the needs of rural utilities, but at a higher cost to the state. Finally, the PCE program is highly effective at lowering customers' costs and improving the utility/municipality fiscal condition--but at a tremendous cost in state funds as well as the cost of lost opportunities for more efficient power systems and energy savings.
- 4) Most programs provide mid- or long-term benefits. The short-term exceptions are: 1) the cash subsidies programs (PCE and Low Income Home Energy Assistance); and 2) the Bulk Fuel Revolving Loan program which provides municipalities loans for annual fuel purchases. The benefits of several training programs may be only mid-term in duration because of the turnover in local people trained to operate and maintain the equipment.

When current rural programs are ranked, a supply-side option--Waste Heat Recovery--is considered to be the most effective overall. A demand-side program, the Low-Income Weatherization Program, is ranked second in terms of overall effectiveness. The ranking strongly suggests that the level of funding, particularly state funds, directed at some of the energy programs is inappropriate. Several programs--including waste heat recovery, weatherization, electrification grants, rural technical assistance, efficient lighting and energy conservation planning--appear to be underfunded in light of their relatively high overall effectiveness. Despite its effectiveness at lowering consumer cost and improving utility finances, PCE ranks as least effective overall, and yet, it garners about 66 percent of state funds spent on rural energy.

A Reorientation of Rural Energy Programs

Most would agree that a need for power system improvements still exists and that some sort of state assistance to help rural residents pay electric bills is appropriate. At this time, however, a significant shift in emphasis toward programs that foster efficient energy production and consumption appears essential if the state is to maximize the use of available public funds in alleviating long-term energy needs in rural Alaska. In general, rural needs exceed the state's ability to pay, therefore, the focus must be on efficient, long-term solutions. The following suggestions would reorient rural energy programs toward this goal and could be implemented in the near future while the state considers longer range changes to its entire energy efforts statewide.

Funding and Administration of Electrification Projects. At this time, the statutes should be amended to require technical oversight of electrification grants to municipalities (AS 37.05.315) and unincorporated communities (AS 37.05.317) in order to maximize the construction of efficient power systems. Funds appropriated directly to the APA for various electrification projects are, of course, subject to the state's contracting and procurement procedures. The cumbersome nature of these procedures--coupled with a project's remoteness, tight shipping schedules and relatively short building seasons--can delay power system improvements considerably. At this time, the APA should review and streamline internal contracting and procurement procedures (to the extent possible) in order to maximize delivery of staff services on these rural projects. Furthermore, we believe that the APA should investigate the procurement and accounting system established by the Department of Environmental Conservation (DEC) for rural sanitation projects under the Village Safe Water Program (VSWP) as a possible model for accounting flexibility which could be applied to the Rural Energy Construction Assistance program.

Waste Heat Recovery Program. Emphasis by the APA should be placed on arranging heat sales contracts among the school districts, municipalities and utilities as well as getting the inoperative waste heat systems working. Other systems constructed with state funding over the years should be encouraged to (or required to) establish heat sales contracts within the next year, if not already in place, so that the utilities can increase revenues and the state can reduce PCE payments. Future waste heat recovery projects which receive state technical or financial assistance should routinely require firm heat sales contracts prior to construction.

Rural Technical Assistance (RTA). During the course of their field work, RTA staff may identify circumstances where relatively low-cost modifications, equipment or materials would provide immediate efficiency improvements to the rural power systems. On occasion, the APA has rectified problems using funds available under the Rural Electrification program, the remaining portion of which will be expended during the current fiscal year. Strong consideration should be given to the replenishment of these rural electrification funds in the FY 89 budget and to specifically earmark a portion as "on hand" funds for minor system improvements or modifications. The alternative, for many communities, will likely be "making do" with an inefficiently functioning power system until funds are secured via a legislative appropriation.

At this time, the APA should also investigate the establishment of a regionalized "circuit rider" program as a component of the RTA program in FY 89--similar to the Remote Maintenance Worker program administered by DEC for rural sanitation systems. Rather than strictly a troubleshooting and emergency assistance program, the DEC program is designed to provide routine checkups and critical pre-winter system tune-up reviews. Not only would these efforts provide routine help to rural utility operators, but they would also provide useful administrative and operational experience and cost information with which the state and local utilities could investigate the possibility of establishing additional regionalized utilities in the future.

Power Cost Equalization. As a near-term strategy for the program, a starting point could be the imposition of a funding ceiling at, for example, \$19 million in FY 89. Funding at this level would necessitate some adjustments to the program in order to reduce projected costs in FY 89. Several adjustments to the PCE program are considered, with varying effects on different user categories. The adjustments would send modest energy conservation signals to the consumers, while at the same time free up money for other, more effective programs.

Two suggestions have been made that represent a more fundamental overhaul of the PCE program to encourage long-term efficiencies. One of these suggestions is to establish standards for maximum operating and fuel costs that would be eligible for PCE payments for utilities of varying sizes in different regions of the state. The other proposal would change the current consumption-based monthly PCE subsidy into a fixed payment formula-based subsidy. The payment would be calculated based on a formula which takes into consideration the size of the utility (i.e., the number of customers) and fuel costs. Both appear to require more thorough analysis because of the fundamental changes they propose. Funding should be provided in FY 89 to study these alternatives and make specific recommendations for implementation in FY 90.

Ultimately, it would be desirable to determine an acceptable level of longer term funding for a rate subsidy to be provided to rural residents. Following an adjustment to reduce costs under the current PCE program, a schedule should be devised for lowering costs gradually to a sustainable level of funding. As PCE costs are reduced, the funds can be directed at more productive and effective rural energy programs. In the long run, the large fuel savings and efficiencies gained under other rural energy programs will offset a significant reduction into PCE subsidy on monthly power bills.

Energy Conservation Standards for Residential Buildings. The state should implement the standards developed by the Department of Community and Regional Affairs (DCRA) for the construction of reasonable energy-efficient housing in Alaska. More rigorous, optimal standards have been in place in many other states for years.

Low-Income Weatherization Program. The DCRA should place a high priority on convincing the federal Department of Energy to allow for the purchase and installation of wood stoves, as has been done in the case of high-efficiency oil heaters. A wood stove option would provide additional flexibility to contractors--particularly those operating in Southeast and Interior Alaska villages where wood space heating is common. Furthermore, within the limitations imposed by federal regulations, the state should emphasize the most cost-effective weatherization measures. By targeting measures that maximize energy savings (such as attic insulation, caulking or metal insulated doors), the program results in more cash-on-hand in rural households--available for other essentials, including home repairs.

Space Heating Initiative. The replacement of inefficient oil heaters or wood stoves provides an avenue for significantly lowering household fuel consumption. The state could have an immediate, positive impact on rural families' cash flow if it addressed space heating--the major component of household energy expenses. The estimated cost of efficient oil heaters or wood stoves is roughly \$1,200/unit (including freight and installation). At reported fuel savings of 30 percent, these units would pay for themselves in two to five years. The lack of capital, however, presents a virtually insurmountable barrier to the purchase of these units in many rural households. Under a space heating initiative, each household could be offered an efficient oil heater or wood stove. For households in which new heating systems are inappropriate, the homeowner could choose the equivalent value in installed weatherization measures. The state could: 1) provide a rebate paid to state-approved vendors for households which purchase units; 2) offer a low interest loan; or 3) provide a grant.

CHAPTER FOUR: IMPLEMENTING INTEGRATED RESOURCE PLANNING IN ALASKA

The State's Role in Energy Planning

The degree of state involvement in the IRP process in Alaska depends upon the broader role(s) policymakers decide that the state will play in the future energy affairs of Alaska. The long-term thrust of the policies developed by the Governor's Energy Policy Task Force is to get the state out of the business of building and owning additional urban power projects and limit its involvement primarily to regulation, planning, and financing. In contrast to the limited state role in energy planning recommended by the task force, the IRP approach to energy planning is based on the state playing a central role in the planning undertaken by all utilities.

An Integrated Resource Planning Process for Alaska

To evaluate various supply- and demand-side IRP options, states utilizing IRP use one of three approaches: utility planning approach, statewide overview approach, or countervailing recommendation approach. Alaska's characteristics--particularly its diverse geography, small population size, mixture of interconnected urban energy systems and isolated communities with independent energy systems, and state ownership of several power production and transmission facilities--makes the selection of a single IRP approach inappropriate. Energy planning in Alaska should include elements of both the utility planning and statewide overview approaches. Furthermore, the use of natural gas for both space heating and electric power generation in the Railbelt as well as the high costs of space heating for rural households necessitate that IRP in Alaska be broadened to include a thermal energy component in the overall energy planning process.

For Alaska's urban communities, the utility planning approach is more suitable--particularly because it provides utilities with the greatest amount of control and participation using their existing planning capabilities. In general, the state's role in the IRP process for urban areas should be that of a reviewer of utility-developed plans. However, as long as the state continues to conduct feasibility studies and consider the construction of additional energy facilities, it will have to be an active participant in the planning process. State projects should be subject to the same planning criteria as the urban utility projects.

In rural areas of the state, most utilities and communities do not have the financial resources or expertise to conduct energy planning. In addition, the state acts as the key source of assistance through its grants and loans to rural utilities and its Power Cost Equalization program. As a result of the state's primary role in rural energy, a statewide planning approach makes more sense. In fact, the state's involvement in the IRP process would extend beyond the typical statewide approach taken in other states. In Alaska's rural areas, it will be necessary for the state to act as the lead planner developing the strategic plans in order to maximize the effectiveness of state funds.

As a starting point in undertaking an IRP process in Alaska, the state should take the lead by reviewing the numerous energy studies that have been conducted during the past several years or which are currently underway. The effort would concentrate on extracting usable information on: 1) demand forecasts; 2) supply-side alternatives; and 3) demand-side management and conservation measures. While this review and data compilation are underway, the state could commence specification of the methodology to be used in developing the strategic resource plans. The specification of methodology is likely to take time, particularly if the state develops these guidelines within a public forum. Utilities and other interested parties must be involved in the process to ensure that the ensuing methodologies are acceptable and workable. Once the methodology is in place, the urban utilities would use these guidelines for their resource plans while at the same time the state would use them to develop an integrated resource plan for rural Alaska.

Integrated resource planning must be accompanied by the implementation of the identified lowest cost options. The planning process must include the submission of an action plan for regulatory review. The plan must provide details concerning the means by which the utility intends to implement demand- and supply-side options.

Although the action plan provides the vehicle to implement the long-term plan, state enforcement authority ensures implementation. The regulatory agency must have the authority to reject or accept plans. To the benefit of utilities, any option that has received advance approval and has been acquired, built, or implemented under sound management practices is assured cost recovery.

The Functions and Organization of Alaska's Energy Programs

In order to determine an appropriate organization of Alaska's energy programs based on an integrated resource planning approach, we identified the necessary energy program functions. The functions identified are planning, technical assistance, energy conservation, state facility maintenance, financing, and regulation. Based on these identified functions, the Governor's Energy Task Force's deliberation on program organization and consolidation, and a review of energy programs in other

states, we conclude that a single division within an executive branch department is the most appropriate organizational structure. Reasons include:

- an autonomous bonding authority will no longer be necessary once the state ceases development and construction of additional power projects; and

- a division within a department is more directly linked to state policy, thereby facilitating program implementation and increasing accountability.

In the short term, the division of energy would conduct planning, technical assistance, energy conservation, facility maintenance and their related activities. The division would also administer grants and loans and review project financing. Because bonding would no longer be the energy agency's principal function, this responsibility is transferred to the Alaska Industrial Development and Export Authority. The Alaska Public Utilities Commission (APUC) would continue to be responsible for rate review and regulation. The administration of the Power Cost Equalization program is consolidated in the APUC. Over time, planning would shift to the APUC.

Initiating Integrated Resource Planning in Alaska

Using an integrated resource planning process as the framework for meeting Alaska's energy needs represents a fundamental change from the past and present modes of operation in the delivery of state energy services. As recently noted by the Governor's Energy Policy Task Force, energy has tended to be used as a proxy for nonenergy issues or as a tool for social purposes during the last decade. Political interest in job creation, economic development, wealth distribution, and community stability have, to a considerable degree, dictated the organization and makeup of energy programs in Alaska. The legacy of past energy practices--excess power capacity in several urban communities, oversized power systems and an expensive rate subsidy in rural areas, and a general dependence on state government to solve energy problems--strongly suggests that we should do things differently in the future.

EXECUTIVE SUMMARY

In most other states which have undertaken an integrated resource planning approach, the effort has emanated from within the executive branch. The legislature provides the fiscal resources necessary for an IRP effort through the annual budget process. In practical terms, a staff effort to orchestrate the development of IRP in Alaska needs to be initiated in the near future. We suggest that a "working group" be established in FY 89 and chaired by staff reporting to the Governor's Office. The group should consist of technical-level staff of the APUC, APA and DCRA who are temporarily assigned to work directly for, and be accountable to, the Governor's Office. Limiting the composition of the working group to agency individuals at the technical level is intended to minimize the politics and maximize the practical "workability" of their results.

Integrated resource planning has evolved across the nation specifically as a method for minimizing uncertainty in planning for future energy needs. By fully integrating supply- and demand-side options at the planning stage, utilities maximize their flexibility in meeting future energy needs at the lowest possible cost. Also, positioning energy planning and regulation in the same agency provides a level of coordination and predictability currently unattainable in Alaska's rate review process. Ultimately, the Alaska customer benefits from reasonably stable rates because we avoid the "big mistakes." Given the uncertainties about Alaska's economic future in general, it is essential that the state initiate a planning process geared toward minimizing uncertainty in the delivery of energy services which are a prerequisite for economic development.

Municipality of Anchorage



OFFICE OF THE MAYOR

P.O. BOX 196650
ANCHORAGE, ALASKA 99519-8650
(907) 343-4431

TOM FINK,
MAYOR

March 30, 1988

Representative Sam Cotten
Co-Chair, House Resources Committee
House of Representatives
P.O. Box V
Juneau, Alaska 99811

Dear Representative Cotten:

Municipal Light and Power and the Municipality of Anchorage are opposed to the passage of HB 238, "An Act requiring certain electric public utilities to prepare certain reports, and relating to costs in proceedings before the Alaska Public Utilities Commission."

If this bill were to be approved by the Legislature, the cost of operations of this utility could increase substantially.

The legislation has the potential for significant financial impact on ML & P. The impacts center on the number of comprehensive planning and technical reports which must be prepared and submitted to the APUC. In addition, the cost of procuring permits from the APUC for plant or transmission line expansion would be very high in terms of meeting new requirements which add nothing to the already burdensome current State and Federal permitting process. Finally, this bill contains provisions which allow the Commission to recover costs from the utility for holding hearings or conducting investigation on these new activities. The costs recovered include the costs of any time devoted to investigation or hired consultants, whether or not the consultants appears as witnesses, expenses incurred by the Commission and the costs of compensating an interested person for all of their reasonable costs of participating in a proceeding or investigation.

The sum of the new regulatory burdens, plus the proposed reimbursement costs would be significant, most likely necessitating a substantial rate increase request. From our perspective, these added new costs and burdens would do little to provide electric power to our customers at a reasonable price.

For these reasons, we oppose the passage of HB 238.

Sincerely,

Tom Stahr
General Manager

Alaska Consumer Advocacy Program

HD 238/9

513 West Seventh Avenue • P.O. Box 103111 • Anchorage, Alaska 99510 • (907) 272-6355 or 278-3663

Rep. Sam Cotten, Co-Chair
House Resources Committee
Pouch V
Juneau, AK 99811

March 31, 1988

Dear Rep. Cotten:

This letter is written in reference to discussions during the 3/31/88, House Resources Committee hearings on HB 238/9. During the discussion pertaining to intervenor funding, you questioned its relationship to the Alaska Consumer Advocacy Program and ACAP's funding. I would like to clarify the ACAP funding mechanism and stress the importance of the separate intervenor funding provided in HB 238.

ACAP is currently operating under a competitively awarded contract with the State of Alaska, Dept. of Commerce and we are charged with representing consumers' interests in gas, electric and telephone utility issues. ACAP receives no other funding to conduct this state-solicited function. It is interesting to note that some 40+ states currently have funded consumer representation on utility issues. Alaska is unique in having chosen this contractual method as opposed to incorporating the function within some appropriate branch of government. Alaska's choice, through contracting, has brought it the best of both worlds--providing the necessary function while taking advantage of the cost-savings through competitive contracting.

It is unlikely that the provision of intervenor funding contained in HB 238 would have much applicability to ACAP since ACAP's contract contains a specific provision within its funding for intervention in dockets before the APUC. At most, ACAP might seek reimbursement for costs of expert witnesses in select situations where its budget would not cover those special costs. We regard the intervenor funding as a critical source of support to enable individual utility customers, who might have a specific concern too narrow to warrant the involvement of ACAP's class-action level of representation, to effectively present their legitimate concerns. Keep in mind that this, or any other intervention, would only receive funding support if it met the criteria of being substantive, unique and of important significance to the case being heard.

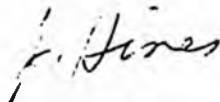
As a normal part of its consumer representation, ACAP has concluded that this least-cost legislation is in the consumers', utilities' and the states' best interests. ACAP is merely fulfilling its prescribed responsibilities by advocating for the passage of this bill. However, as outlined in our testimony, we do so with some apprehension, due to the deletion of Public Utility Commission preview and approval of power projects. We feel strongly that there should be greater oversight of

construction projects prior to construction. As you know, given the cooperative or municipal status of Alaska's utilities, the APUC has little recourse but to pass construction costs on to consumers, even if the additional capacity is expensive and excessive. The Soldotna 1 gas fired generator on the Kenai Peninsula is an example of what can occur without prior construction oversight.

I hope that this letter clarifies the relationship between ACAP and its promotion of HB 238/9. Please contact ACAP if you have any questions or comments.

ACAP is strongly in favor of the enactment of this important and progressive piece of energy legislation. We urge the prompt passage of this bill from the Resources Committee and the House. All Alaskans will benefit!

Sincerely,



John D. Hines
Staff Economist
Alaska Consumer Advocacy Program

Offered: 7/2/87
Referred: Resources and
Finance

5-0638B

Original sponsors: Brown, Ellis,
Davis, et al.

1 IN THE HOUSE BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 238 (L&C)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act requiring certain electric public utilities
7 to prepare certain reports; and relating to costs in
8 proceedings before the Alaska Public Utilities Com-
9 mission."

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

11 * Section 1. AS 42.05 is amended by adding new sections to read:

12 Sec. 42.05.294. ADVANCE RESOURCE PLANS. (a) An electric utili-
13 ty with annual sales that exceed 300,000,000 kilowatt hours shall file
14 an advance resource plan with the commission on or before January 15,
15 1989, and every four years thereafter. The plan shall

16 (1) include a long-term demand forecast, including base,
17 low, and high projections, that projects the power requirements for
18 the utility service area;

19 (2) list and describe the facilities and energy supply
20 resources of the utility and project future requirements;

21 (3) list the facilities that the utility expects to remove
22 from service;

23 (4) include an annual load duration curve and a forecast of
24 anticipated peak loads and reserve margins for the residential, com-
25 mercial, and industrial sectors;

26 (5) describe the projected population growth or decline,
27 urban development, industrial expansion, and other factors influencing
28 demand for electrical energy and describe the bases for the projec-
29 tions;

1 (6) describe additional system capacity that could be
2 achieved by improvements in generating or transmission efficiency,
3 load management, power pooling, interconnection of qualifying co-
4 generation and small power producers, conservation, and reductions in
5 demand through end-use efficiency improvements;

6 (7) describe the utility's relationship to other utilities
7 and to regional associations, power pools, or networks;

8 (8) summarize the relevant load management efforts, load
9 research, and energy end-use analysis efforts made by the utility
10 under AS 42.05.415;

11 (9) recommend an electrical energy resource supply plan
12 that identifies projected plant retirement, development of additional
13 generating capacity and transmission systems, load management efforts,
14 conservation, and cost-effective end-use efficiency improvements, and
15 include a proposal for implementation of the plan; and

16 (10) include other information considered necessary by the
17 commission to ensure adequate consideration of all supply-side and
18 demand-side alternatives.

19 (b) A forecast or projection required under (a) of this section
20 must be for the next 20 years.

21 (c) The commission shall establish by regulation a consistent
22 reporting methodology for advance resource plans required under (a) of
23 this section and shall encourage closely integrated utilities to
24 prepare the plans jointly.

25 (d) The commission shall review each advance resource plan and
26 may propose modifications to the plan. The commission shall hold a
27 public hearing before approving or proposing modifications to a
28 utility's plan. The commission shall approve the plan if it finds
29 that the plan adequately addresses conserving electrical energy supply

1 resources through available cost-effective end-use efficiency improve-
2 ments.

3 Sec. 42.05.296. PERMITS FOR CERTAIN ELECTRICAL UTILITY CONSTRUC-
4 TION. (a) An electric utility with annual sales that exceed
5 300,000,000 kilowatt hours may not construct or expand a plant or
6 transmission system to increase its capacity by more than five mega-
7 watts unless the utility has obtained a permit from the commission.

8 (b) The commission may not issue a permit unless it finds that
9 the project is necessary to meet future demand that cannot be met by
10 cost-effective load management alternatives, including conservation
11 and energy end-use efficiency improvements.

12 * Sec. 2. AS 42.05.411 is amended by adding a new subsection to read:

13 (d) The commission may not allow a rate revision to take effect
14 for an electrical utility subject to AS 42.05.415 unless the commis-
15 sion determines that the new rate is consistent with the development
16 or maintenance of the lowest cost electrical energy supply system for
17 the utility under the utility's most recent load management report.

18 * Sec. 3. AS 42.05 is amended by adding a new section to read:

19 Sec. 42.05.415. LOAD MANAGEMENT REPORT. (a) An electric utili-
20 ty with annual sales that exceed 300,000,000 kilowatt hours shall file
21 a load management report with the commission on or before October 1,
22 each even-numbered year. The commission shall establish guidelines
23 for the report by regulation. The report shall

24 (1) identify the cost of service for specific classes of
25 customers;

26 (2) assess the opportunities for improved load management;

27 (3) evaluate the potential for reducing system costs by
28 reducing demand as a result of end-use efficiency improvements;

29 (4) document the current load and the load projected for

1 the next 10 years;

2 (5) analyze energy end-use in the utility service area and
3 identify as precisely as possible the final, physical use of elec-
4 tricity in the residential, commercial, and industrial sectors, in-
5 cluding use within each sector for space heating and cooling, light-
6 ing, water heating, refrigeration, office appliances, and sh^h power;

7 (6) review current and anticipated load research activi-
8 ties; and

9 (7) analyze opportunities to lower total utility system
10 costs through improved generation and transmission efficiencies,
11 including innovative rate designs, increased load factors, reduced
12 demand, and deferral of additional capacity requirements.

13 (b) The commission shall assist the utilities to coordinate
14 preparation of the report to minimize cost.

15 * Sec. 4. AS 42.05.651(a) is amended to read:

16 (a) After completion of a hearing or investigation held under
17 this chapter, the commission shall allocate the costs of the hearing
18 or investigation among the parties, including the commission, as is
19 just under the circumstances. In allocating costs, the commission may
20 consider the results, ability to pay, evidence of good faith, other
21 relevant factors and mitigating circumstances. The costs allocated
22 may include the costs of any time devoted to the investigation or
23 hearing by hired consultants, whether or not the consultants appear as
24 witnesses or participants. The costs allocated may also include costs
25 paid by the commission under (c) of this section and any out-of-pocket
26 expenses incurred by the commission in the particular meeting. The
27 commission shall provide an opportunity for any person objecting to an
28 allocation to be heard before the allocation becomes final.

29 * Sec. 5. AS 42.05.651 is amended by adding a new subsection to read:

1 (c) During a proceeding or investigation under this chapter, the
2 commission may compensate an interested person who is not a public
3 utility for some or all of the reasonable costs of participating if
4 the compensation is necessary to enable the interested person to
5 adequately participate and if the participation is necessary to ade-
6 quately present a significant position in which the person has a
7 substantial interest. After completion of a hearing or investigation
8 under this chapter, the commission may compensate an interested person
9 who is not a public utility for some or all of the reasonable costs of
10 participation in the proceeding or investigation if the commission
11 finds that the participation was significant and has caused a substan-
12 tial financial hardship to the interested person.

1 IN THE HOUSE

BY BROWN, ELLIS, DAVIS,
SUND, KOPONEN AND BOYER

2

HOUSE BILL NO. 238

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act requiring certain electric public utilities
7 to prepare certain reports; and relating to costs in
8 proceedings before the Alaska Public Utility Commis-
9 sion."

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

11 * Section 1. AS 42.05 is amended by adding new sections to read:

12 Sec. 42.05.294. ADVANCE RESOURCE PLANS. (a) An electric utili-
13 ty with annual sales that exceed 300,000,000 kilowatt hours shall file
14 an advance resource plan with the commission on or before January 15,
15 1989, and every four years thereafter. When the plan includes a
16 forecast or projection, the forecast or projection must be for the
17 next 20 years. The plan shall

18 (1) include a demand forecast that projects the power
19 requirements for the utility service area;

20 (2) list and describe the facilities and energy supply
21 resources of the utility and project future requirements;

22 (3) list the facilities that the utility expects to remove
23 from service;

24 (4) include an annual load duration curve and a forecast of
25 anticipated peak loads and reserve margins for the residential, com-
26 mercial, and industrial sectors;

27 (5) describe the projected population growth or decline,
28 urban development, industrial expansion, and other factors influencing
29 demand for electrical energy and describe the bases for the

1 projections;

2 (6) describe additional system capacity that could be
3 achieved by improvements in generating or transmission efficiency,
4 power pooling, interconnection of qualifying small power producers,
5 conservation, and reductions in demand through end-use efficiency
6 improvements;

7 (7) describe the utility's relationship to other utilities
8 and to regional associations, power pools, or networks;

9 (8) summarize the relevant load management efforts, load
10 research, and energy end-use analysis efforts made by the utility; and

11 (9) recommend an electrical energy resource supply plan
12 that identifies projected plant retirement, development of additional
13 generating capacity and transmission systems, load management efforts,
14 conservation, and cost-effective end-use efficiency improvements.

15 (b) The commission shall establish by regulation a consistent
16 reporting methodology for advance resource plans required under (a) of
17 this section and shall encourage closely integrated utilities to
18 prepare the plans jointly.

19 (c) The commission shall hold a public hearing before approving
20 a utility's advance resource plan. The commission may not approve the
21 plan unless it finds that the plan adequately addresses conserving
22 electrical energy supply resources through available cost-effective
23 end-use efficiency improvements.

24 Sec. 42.05.296. PERMITS FOR CERTAIN ELECTRICAL UTILITY CONSTRUC-
25 TION. An electric utility with annual sales that exceed 300,000,000
26 kilowatt hours may not construct or expand a plant or transmission
27 system to increase its capacity by more than five megawatts unless the
28 utility has obtained a permit from the commission. The commission may
29 not issue a permit unless it finds that the project is necessary to

1 meet future demand that cannot be met by cost-effective load manage-
2 ment alternatives, including conservation and energy end-use effi-
3 ciency improvements.

4 * Sec. 2. AS 42.05.411 is amended by adding a new subsection to read:

5 (d) The commission may not allow a new or revised tariff to take
6 effect for an electrical utility subject to AS 42.05.415 unless the
7 commission determines that the tariff is consistent with the develop-
8 ment or maintenance of the lowest cost electrical energy supply system
9 for the utility under the utility's most recent load management re-
10 port.

11 * Sec. 3. AS 42.05 is amended by adding a new section to read:

12 Sec. 42.05.415. LOAD MANAGEMENT REPORT. (a) An electric utili-
13 ty with annual sales that exceed 300,000,000 kilowatt hours shall file
14 a load management report with the commission on or before October 1,
15 each even-numbered year. The commission shall establish guidelines
16 for the report by regulation. The report shall

17 (1) identify the cost of service for specific classes of
18 customers;

19 (2) assess the opportunities for improved load management;

20 (3) evaluate the potential for reducing system costs by
21 reducing demand as a result of end-use efficiency improvements;

22 (4) document the current load and the load projected for
23 the next 10 years;

24 (5) analyze energy end-use in the utility service area and
25 identify as precisely as possible the final, physical use of elec-
26 tricity in the residential, commercial, and industrial sectors, in-
27 cluding use within each sector for space heating and cooling, light-
28 ing, water heating, refrigeration, office appliances, and shaft power;

29 (6) review current and anticipated load research

1 activities; and

2 (7) analyze opportunities to lower total utility system
3 costs through improved generation and transmission efficiencies,
4 including innovative rate designs, increased load factors, reduced
5 demand, and deferral of additional capacity requirements.

6 (b) The commission shall assist the utilities to coordinate
7 preparation of the report to minimize cost.

8 * Sec. 4. AS 42.05.651(a) is amended to read:

9 (a) After completion of a hearing or investigation held under
10 this chapter, the commission shall allocate the costs of the hearing
11 or investigation among the parties, including the commission, as is
12 just under the circumstances. In allocating costs, the commission may
13 consider the results, ability to pay, evidence of good faith, other
14 relevant factors and mitigating circumstances. The costs allocated
15 may include the costs of any time devoted to the investigation or
16 hearing by hired consultants, whether or not the consultants appear as
17 witnesses or participants. The costs allocated may also include costs
18 paid by the commission under (c) of this section and any out-of-pocket
19 expenses incurred by the commission in the particular meeting. The
20 commission shall provide an opportunity for any person objecting to an
21 allocation to be heard before the allocation becomes final.

22 * Sec. 5. AS 42.05.651 is amended by adding a new subsection to read:

23 (c) During a proceeding or investigation under this chapter, the
24 commission may compensate an interested person who is not a public
25 utility for some or all of the reasonable costs of participating if
26 the compensation is necessary to enable the interested person to
27 adequately participate and if the participation is necessary to ade-
28 quately present a significant position in which the person has a
29 substantial interest. After completion of a hearing or investigation

1 under this chapter, the commission may compensate an interested person
2 who is not a public utility for some or all of the reasonable costs of
3 participation in the proceeding or investigation if the commission
4 finds that the participation was significant and has caused a substan-
5 tial financial hardship to the interested person.

H B

2 3 9

HOUSE COMMITTEE REPORT

(11)

Date referred: 4/22/88

FURTHER REFERRALS:

DATE: 4/30/88

The Finance Committee has considered HB 239

"An Act making special appropriations to the Alaska Power Authority for payment as grants to certain public utilities for preparing certain end-use studies, load management reports, and advance resource plans and to the Alaska Public Utilities Commission for certain costs; and providing for an **RECOMMENDS**: date."

replace with CSHB239 (Fin.) [] the same title
[] attached amendment(s) [] a new title

[] do pass

[] do not pass

no recommendation

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: [] _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):

[] fiscal impact

[] same as previous fiscal note published _____

[] zero fiscal note

[] same as previous zero fiscal note published _____

[] zero with analysis

SIGNING DO PASS:

BROWN Tay Brown

DAVIS Mike Davis

SIGNING OTHER RECOMMENDATIONS:

ADAMS Al Adams - Do NOT PASS

BOURCHOT Pat Burchot NO REC

LARSON Don Larson - No Rec.

GOLL Peter Goll - No Rec

SWACK Ch Swack NO REC

BOYER Don Boyer NO REC.

RIEGER Steve Rieger No Recommendation

FRANK Frank No Rec.

WALLIS Ray Wallis do not pass

Al Adams

Chairman's signature

Original sponsors: Brown, Ellis,
Davis, et al.

Funding Information

General Fund	\$ -0-
Other Funds	1,135,400
	<u>\$1,135,400</u>

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 239 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Alaska
7 Public Utilities Commission for certain operating
8 expenses and to the Alaska Power Authority for pay-
9 ment as grants to certain public utilities for pre-
10 paring integrated resource plans; and providing for
11 an effective date."

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

13 * Section 1. The sum of \$1,000,000 is appropriated from the Railbelt
14 energy fund (AS 37.05.153) to the Alaska Power Authority for payment as
15 grants to Railbelt public utilities for the cost of preparing integrated
16 resource plans required by law.

17 * Sec. 2. The sum of \$135,400 is appropriated from the Railbelt energy
18 fund (AS 37.05.153) to the Alaska Public Utilities Commission for two posi-
19 tions whose responsibilities will be to assist public utilities in the
20 preparation and review of integrated resource plans required by law.

21 * Sec. 3. The unexpended and unobligated portions of the appropriations
22 made by this Act lapse into the Railbelt energy fund (AS 37.05.153)
23 June 30, 1989.

24 * Sec. 4. This Act takes effect on the effective date of an Act enacted
25 by the Fifteenth Alaska State Legislature that requires certain electric
26 public utilities to prepare integrated resource plans.

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: CSHB239
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Special Appropriation to Implement
HB238
Sponsor: Brown, Ellis, Davis et al.
Requestor: Cotten

Agency Affected: Commerce & Econ. Development
BRU: APIC
Components: Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary) HB239 is an appropriations measure directed at implementation of HB238. It is not anticipated that this appropriations bill will generate any additional operating expense.

Prepared by: T.S. Moninski II Executive Director Phone: 276-6222
Division: Alaska Public Utilities Commission Date: _____

Approved by Commissioner: _____ Date: 4/25-88
Agency: Commerce & Economic Development

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

RECEIVED

APR 25 1988

LEGISLATIVE FINANCE

04/28/88 Rep. Brown

Sectional Analysis
HB 239/RESOURCES COMMITTEE SUBSTITUTE

Section 1

\$1,000,000 appropriated from the Railbelt Energy Fund to the Alaska Power Authority for the purpose of making grants to Railbelt utilities for integrated resource plans.

Section 2

\$170,000 appropriated from the Railbelt Energy Fund to the Alaska Public Utilities Commission to establish three positions to assist with the preparation of integrated resource plans.

Section 3

Lapse date of June 30, 1989.

Section 4

Effective date.

Offered: 4/22/88
Referred: Finance

5-0637L

Original sponsors: Brown, Ellis,
Davis, et al.

Funding Information

General Fund \$ -0-
Other Funds 1,170,000
\$1,170,000

Δ appropriately
←

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

CS FOR HOUSE BILL NO. 239 (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making special appropriations to the Alaska

7

Public Utilities Commission for certain operating

8

expenses and to the Alaska Power Authority for

9

payment as grants to certain public utilities for

10

preparing integrated resource plans; and providing

11

for an effective date."

12

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

13

* Section 1. The sum of ~~\$1,000,000~~ ^(same) is appropriated from the Railbelt

14

energy fund (AS 37.05.153) to the Alaska Power Authority for payment as

15

grants to Railbelt public utilities for the cost of preparing integrated

16

resource plans required by law.

17

* Sec. 2. The sum of ~~\$170,000~~ ^{135,400} is appropriated from the Railbelt energy

18

fund (AS 37.05.153) to the Alaska Public Utilities Commission for ~~three~~ ^{two}

19

positions whose responsibilities will be to assist public utilities in the

20

preparation and review of integrated resource plans required by law.

21

* Sec. 3. The unexpended and unobligated portions of the appropriations

22

made by this Act lapse into the Railbelt energy fund (AS 37.05.153)

23

June 30, 1989.

24

* Sec. 4. This Act takes effect on the effective date of an Act enacted

25

by the Fifteenth Alaska State Legislature that requires certain electric

26

public utilities to prepare integrated resource plans.

Offered: 7/2/87
Referred: Rules

5-0637B

Original sponsors: Brown, Ellis,
Davis, et al.

Funding Information

General Fund \$ -0-
Other Funds 555,000
\$555,000

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 239 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making special appropriations to the Alaska
7 Power Authority for payment as grants to certain
8 public utilities for preparing certain end-use
9 studies, load management reports, and advance re-
10 source plans and to the Alaska Public Utilities
11 Commission for certain costs; and providing for an
12 effective date."

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

14 * Section 1. The sum of \$500,000 is appropriated from the Railbelt
15 energy fund (AS 37.05.153) to the Alaska Power Authority for payment as
16 grants to Railbelt public utilities for the cost of preparing end-use
17 studies, load management reports, and advance resource plans required by
18 law.

19 * Sec. 2. The sum of \$55,000 is appropriated from the Railbelt energy
20 fund (AS 37.05.153) to the Alaska Public Utilities Commission for a posi-
21 tion whose responsibility will be to assist public utilities in the prepa-
22 ration and review of load management and advance resource plans required by
23 law.

24 * Sec. 3. The unexpended and unobligated portions of the appropriations
25 made by this Act lapse into the Railbelt energy fund (AS 37.05.153)
26 June 30, 1988.

27 * Sec. 4. This Act takes effect on the effective date of an Act enacted
28 by the First Session of the Fifteenth Legislature that requires certain
29 electric public utilities to prepare load management plans and advance

1 resource plans.

Introduced: 4/1/87
Referred: Labor & Commerce,
Resources and Finance

5-0637A

Funding Information
General Fund \$ -0-
Other Funds 555,000
\$555,000

BY BROWN, ELLIS, DAVIS,
SUND AND KOPONEN

1 IN THE HOUSE

2 HOUSE BILL NO. 239

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Alaska
7 Power Authority for payment as grants to certain
8 public utilities for preparing certain end-use
9 studies, load management reports, and advance re-
10 source plans and to the Alaska Public Utilities
11 Commission for certain costs; and providing for an
12 effective date."

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

14 * Section 1. The sum of \$500,000 is appropriated from the Railbelt
15 energy fund (AS 37.05.153) to the Alaska Power Authority for payment as
16 grants to Railbelt public utilities for the cost of preparing end-use
17 studies, load management reports, and advance resource plans required by
18 law.

19 * Sec. 2. The sum of \$55,000 is appropriated from the Railbelt energy
20 fund (AS 37.05.153) to the Alaska Public Utilities Commission for a posi-
21 tion whose responsibility will be to assist public utilities in the prepa-
22 ration and review of load management and advance resource plans required by
23 law.

24 * Sec. 3. The unexpended and unobligated portions of the appropriations
25 made by this Act lapse into the general fund June 30, 1988.

26 * Sec. 4. This Act takes effect on the effective date of an Act enacted
27 by the First Session of the Fifteenth Legislature that requires certain
28 electric public utilities to prepare load management plans and advance
29 resource plans.

HB

244

HOUSE COMMITTEE REPORT

(11)

Date referred: 4/27/87

FURTHER REFERRALS:

DATE: 5/7/87

The Finance Committee has considered HB 244

"An Act relating to the addition of land to Kachemak Bay State Park and Kachemak Bay State Wilderness Park."

RECOMMENDS:

- replace with CS HB 244 (Res.) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published 4-27-87
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

DAVIS [Signature]

SWACK-HAMMER [Signature]

GOLL [Signature]

LARSON [Signature]

POURCHOT [Signature]

SIGNING OTHER RECOMMENDATIONS:

WALLIS [Signature] no rec

FRANK [Signature] NO REC

RIEGER [Signature] No Recommendation

BOYER [Signature] NO REC.

[Signature] Vice-Chair

Chairman's signature

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: CSHB 244(Res)
Publish Date: HOUSE 4/27/87

Revision Date: April 14, 1987
Title: Addition to Kachemak Bay State Park

Agency Affected: DNR-Div's Parks and Outdoor Rec & Land and Water Mgr
BRU: Park Management

Sponsor: Navarre/Swackhammer
Requestor: House Resources Committee

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		16.5	16.5	16.5	16.5	16.5
TRAVEL		.5	.5	.5	.5	.5
CONTRACTUAL		1.0	1.0	1.0	1.0	1.0
SUPPLIES		1.0	1.0	1.0	1.0	1.0
EQUIPMENT		1.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		20.0	19.0	19.0	19.0	19.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		20.0	19.0	19.0	19.0	19.0
FEDERAL FUNDS						
OTHER						
TOTAL		20.0	19.0	19.0	19.0	19.0

POSITIONS:

FULL-TIME		1S	1S	1S	1S	1S
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Neil Johannsen/Linda Kruger
Division: Parks and Outdoor Recreation

Phone: 465-2400
Date: April 14, 1987

Approved by Commissioner: Carol Williams for JMB
Agency: Natural Resources

Date: 4/15/87

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

No. 1
CSHB 244 (Re:
4/27/87

For Bill/Resolution No. _____

- 100 - 16.5 for a seasonal Park Ranger I, range 14 to be stationed in the park for five months each year. Salary and benefits are 3,300/month.
- 200 - 0.5 for occasional travel between the park duty station and Kenai Peninsula headquarters or Anchorage central office.
- 300 - 1.0 for boat maintenance and one aircraft charter per season for inspection of the Nuka Island area.
- 400 - 1.0 for ranger supplies.
- 500 - 1.0 for a one time expense to purchase a surplus boat and motor.

Original sponsors: Navarre and Swackhammer

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
2 CS FOR HOUSE BILL NO. 244 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the addition of land to Kachemak
7 Bay State Park and Kachemak Bay State Wilderness
8 Park."

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

10 * Section 1. LEGISLATIVE FINDINGS. The legislature, in its designation
11 of additional land to the Kachemak Bay State Wilderness Park, intends that
12 the land within the park be managed for its primitive recreational values
13 without preventing reasonable access to inholdings in the Petrof View
14 subdivision. On Nuka Island, in recognition of planning conducted by the
15 commissioner of natural resources under AS 38.04.065, the legislature
16 intends that the island support

- 17 (1) a commercial lodge in a suitable place;
18 (2) renovation of existing facilities at Herring Pete's Cove;
19 (3) the construction and operation of one or two public use
20 cabins;
21 (4) docks, trails, and moorings necessary to provide for recre-
22 ational use; and
23 (5) maintenance of Berger Bay in an undeveloped state.

24 * Sec. 2. AS 41.21.131(a) is amended to read:

25 (a) The presently state-owned land and water, and all that
26 acquired in the future by the state, lying within the parcels describ-
27 ed in this section are designated as the Kachemak Bay State Park. In
28 order to protect and preserve this land and water for its unique and
29 exceptional scenic value, the park is established and shall be managed

1 as a scenic park. The land and water lying within the following
2 described parcels is reserved from all uses incompatible with its
3 primary function as a scenic park and is assigned to the department
4 for control, development and maintenance:

5 (1) Township 5 South, Range 10 West, Seward Meridian

6 Chugachik Island

7 Sections 31 - 32

8 (2) Township 5 South, Range 11 West, Seward Meridian

9 Section 2: Lot 1, excluding Tract A

10 Section 3: Lots 1 - 8, SW1/4NE1/4, S1/2NW1/4,

11 N1/2SW1/4

12 Section 4: Lots 1 - 4, S1/2N1/2, SE1/4, E1/2SW1/4

13 Section 8: E1/2NE1/4, E1/2SE1/4, NW1/4SE1/4

14 Section 9: Lots 1 and 2, NW1/4NE1/4, NE1/4NW1/4,

15 W1/2NW1/4

16 Section 10: Lot 1

17 Section 16: Lot 1

18 Section 17: Lots 1, 3, 4, NW1/4SW1/4, S1/2NW1/4

19 Section 18: Lot 1, SE1/4, E1/2NE1/4

20 Section 19: Lots 1-6, NW1/4NE1/4, NE1/4NW1/4

21 Section 20: Lot 1

22 Sections 24 - 25, excluding tide and submerged land

23 within the Kachemak Bay Critical Habitat Area

24 Section 26: SE1/4, excluding tide and submerged land

25 within the Kachemak Bay Critical Habitat Area

26 Sections 35 - 36, excluding tide and submerged land

27 within the Kachemak Bay Critical Habitat Area

28 (3) [(2)] Township 6 South, Range 11 West, Seward Meridian

29 (4) [(3)] Township 7 South, Range 11 West, Seward Meridian

1 Sections 1 - 4
2 Section 5: N1/2
3 Sections 7 - 36
4 (5) [(4)] Township 7 South, Range 12 West, Seward Meridian
5 Section 12, except N1/2 NE1/4
6 Section 13
7 Sections 19 - 36
8 (6) [(5)] Township 7 South, Range 13 West, Seward Meridian
9 Sections 25 - 26
10 Sections 35 - 36 [25, 26, 35 AND 36]
11 (7) [(6)] Township 8 South, Range 11 West, Seward Meridian
12 Sections 1 - 8
13 Section 9: N1/2
14 Section 10: N1/2
15 Section 11: N1/2
16 Section 12: N1/2
17 Sections 17 - 18 [17 AND 18]
18 (8) [(7)] Township 8 South, Range 12 West, Seward Meridian
19 (9) [(8)] Township 8 South, Range 13 West, Seward Meridian
20 Sections 1 - 2 [1 AND 2]
21 Sections 10 - 14
22 Section 15: E1/2
23 Section 18: Lot 10 (general grant land only)
24 Section 23: N1/2 and SE1/4
25 Sections 24 - 25 [24 AND 25]
26 Section 26: E1/2
27 Section 35: E1/2
28 Section 36
29 (10) Township 9 South, Range 8 West, Seward Meridian

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Sections 7 - 10

Sections 15 - 22

Sections 27 - 34

(11) Township 9 South, Range 9 West, Seward Meridian

Section 13

Sections 24 - 25

Sections 35 - 36

(12) [(9)] Township 9 South, Range 12 West, Seward Meridian

Sections 1 - 6

Section 8: NE1/4

Sections 9 - 12

Section 13: N1/2

Section 14: N1/2

(13) [(10)] Township 9 South, Range 13 West, Seward Meridian

Sections 1 - 2 [1 AND 2]

(14) Township 10 South, Range 8 West, Seward Meridian

Sections 4 - 8

Sections 17 - 19

(15) Township 10 South, Range 9 West, Seward Meridian

Sections 1 - 4

Sections 10 - 15

Sections 22 - 24

* Sec. 3. AS 41.21.140(a) is amended to read:

(a) The presently state-owned land and water, and all that acquired in the future by the state, lying within the parcels described in this section are designated as the Kachemak Bay State Wilderness Park. In order to protect and preserve this land and water for its unique and exceptional wilderness value, the park is established and shall be managed as a wilderness park. The land and water lying

1 within the following described parcels is reserved from all uses
2 incompatible with its primary function as a wilderness park and is
3 assigned to the department for control and maintenance:

4 (1) Township 8 South, Range 11 West, Seward Meridian

5 Section 9: S 1/2

6 Section 10: S 1/2

7 Section 11: S 1/2

8 Section 12: S 1/2

9 Sections 13 - 16

10 Sections 19 - 36

11 (2) Township 9 South, Range 8 West, Seward Meridian

12 Section 2: W1/2

13 Sections 3 - 6

14 (3) Township 9 South, Range 9 West, Seward Meridian

15 Sections 1 - 12

16 Sections 14 - 23

17 Sections 26 - 34

18 (4) Township 9 South, Range 10 West, Seward Meridian

19 Sections 1 - 3

20 Sections 10 - 15

21 Sections 22 - 27

22 Sections 34 - 36

23 (5) [(2)] Township 9 South, Range 12 West, Seward Meridian

24 Section 7

25 Section 8: S 1/2 and NW 1/4

26 Section 13: S 1/2

27 Section 14: S 1/2

28 Sections 15 - 36

29 (6) [(3)] Township 9 South, Range 13 West, Seward Meridian

1 Section 11: NE 1/4
2 Sections 12 - 13
3 (7) [(4)] Township 10 South, Range 9 West, Seward Meridian
4 Sections 5 - 7
5 (8) [(5)] Township 10 South, Range 10 West, Seward Meridian
6 (9) [(6)] Township 10 South, Range 11 West, Seward Meridian
7 (10) [(7)] Township 10 South, Range 12 West, Seward Meridian
8 (11) [(8)] Township 11 South, Range 10 West, Seward Meridian
9 (12) [(9)] Township 11 South, Range 11 West, Seward Meridian
10 (13) [(10)] Township 11 South, Range 12 West, Seward Merid-
11 ian
12 Sections 1 - 10
13 Section 11: W 1/2 and E 1/2
14 Sections 12 - 17
15 Sections 21 - 24.

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: CSHB 244
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: 3/1/88 Agency Affected: DNR - Div. Parks & Outdoor Rec.
Title: Addition to Kachemak Bay BRU: Park Management
State Park
Sponsor: Navarre/Swackhammer Components: _____
Requestor: Senate Community & Regional Affairs
Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		16.5	16.5	16.5	16.5	16.5
TRAVEL		5	5	5	5	5
CONTRACTUAL		1.0	1.0	1.0	1.0	1.0
SUPPLIES		1.0	1.0	1.0	1.0	1.0
EQUIPMENT		1.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		20.0	19.0	19.0	19.0	19.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		20.0	19.0	19.0	19.0	19.0
FEDERAL FUNDS						
OTHER						
TOTAL		20.0	19.0	19.0	19.0	19.0

POSITIONS:

FULL-TIME						
PART-TIME		1	1	1	1	1
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) (See Attachment)

HB 244 provides for additions to Kachemak Bay State Park and Wilderness Park of important public access points, scenic and recreational values, marine and upland habitat and areas which will enhance the tourism potential of the area.

Prepared by: Neil C. Johansen Phone: 762-2600
Division: Parks & Outdoor Recreation Date: 3/1/88
Approved by Commissioner: Lawrence Johnston for Commissioner Date: 3/1/88
Agency: Department of Natural Resources

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

RECEIVED
MAR 3 1988

Position Title Park Ranger I		No. of Positions 1	Range/Step 14A	Barg. Unit GGU
Time Status PPT	Staff Months 5	Location Homer		Election District D, 5-A
		Justification HB 244		
Type of Expenditure		Amount		
1	2	3		
Salary	12.2			
Benefits	4.3			
Premium Pay				
Other				
Total Personal Services		16.5		
Travel		.5		
Contractual		1.0		
Commodities		1.0		
Equipment		1.0		
Other				
Total Cost		20.0		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	20.0		
GF Program Receipts	1005			
Other				

Funding for a five month seasonal Park Ranger I to be stationed in Homer. The ranger will be responsible for visitor services, resource protection, recruiting and supervising volunteers park development and emergency services. Access to the park is primarily by water and visitors often encounter difficult tidal and weather conditions. The ranger provides essential public safety services and visitor information.

**Request For
New Position**

Agency NATURAL RESOURCES
 BRU Parks & Outdoor Recreation
 Component Parks Management

FY 89

Page 1 of 1
 Revised Date 3/1/88

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

March 1, 1988

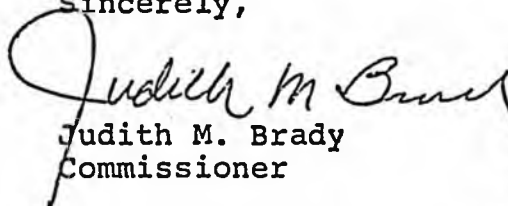
The Honorable Arliss Sturgulewski
Chair, Community and Regional
Affairs Committee
P.O. Box V
Alaska State Legislature
Juneau, AK 99811

Dear Senator Sturgulewski:

Subject: CSHB 244 - Additions to Kachemak Bay State Park
and Wilderness Park.

Position: The Department of Natural Resources supports
HB 244 as amended. The completion of the University of
Alaska land settlement and the Mental Health Lands agree-
ment remove any actively competing interests in these lands.

Sincerely,


Judith M. Brady
Commissioner

cc: Bill Sponsor
Committee Members
Rod Swope
Bob Evans

Original sponsors: Navarre and Swackhammer

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
2 CS FOR HOUSE BILL NO. 244 (2d Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to the addition of land to Kachemak
7 Bay State Park and Kachemak Bay State Wilderness
8 Park."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. LEGISLATIVE FINDINGS. The legislature, in its designation
11 of additional land to the Kachemak Bay State Wilderness Park, intends that
12 the land within the park be managed for its primitive recreational values
13 without preventing reasonable access to inholdings in the Petrof View
14 subdivision. On Nuka Island, in recognition of planning conducted by the
15 commissioner of natural resources under AS 38.04.065, the legislature
16 intends that the island support
17 (1) a commercial lodge in a suitable place;
18 (2) renovation of existing facilities at Herring Pete's Cove;
19 (3) the construction and operation of one or two public use
20 cabins;
21 (4) docks, trails, and moorings necessary to provide for recre-
22 ational use; and
23 (5) maintenance of Berger Bay in an undeveloped state.
24 * Sec. 2. AS 41.21.131(a) is amended to read:
25 (a) The presently state-owned land and water, and all that
26 acquired in the future by the state, lying within the parcels describ-
27 ed in this section are designated as the Kachemak Bay State Park. In
28 order to protect and preserve this land and water for its unique and
29 exceptional scenic value, the park is established and shall be managed

1 as a scenic park. The land and water lying within the following
2 described parcels is reserved from all uses incompatible with its
3 primary function as a scenic park and is assigned to the department
4 for control, development and maintenance:

- 5 (1) Township 5 South, Range 10 West, Seward Meridian
6 Chugachik Island
7 Sections 31 - 32
- 8 (2) Township 5 South, Range 11 West, Seward Meridian
9 Section 2: Lot 1, excluding Tract A
10 Section 3: Lots 1 - 8, SW1/4NE1/4, S1/2NW1/4,
11 N1/2SW1/4
12 Section 4: Lots 1 - 4, S1/2N1/2, SE1/4, E1/2SW1/4
13 Section 8: E1/2NE1/4, E1/2SE1/4, NW1/4SE1/4,
14 SW1/4SE1/4
15 Section 9: Lots 1 and 2, NW1/4NE1/4, NE1/4NW1/4,
16 W1/2NW1/4, N1/2NE1/4SE1/4, SW1/4NE1/4SW1/4,
17 excluding Lot 6
18 Section 10: Lot 1
19 Section 16: Lot 1
20 Section 17: Lots 1, 3, 4, NW1/4SW1/4, S1/2NW1/4
21 Section 18: Lot 4, SE1/4, E1/2NE1/4
22 Section 19: Lots 1-6, NW1/4NE1/4, NE1/4NW1/4
23 Section 20: Lot 1
24 Sections 24 - 25, excluding tide and submerged land
25 within the Kachemak Bay Critical Habitat Area
26 Section 26: SE1/4, excluding tide and submerged land
27 within the Kachemak Bay Critical Habitat Area
28 Sections 35 - 36
- 29 (3) [(2)] Township 6 South, Range 11 West, Seward Meridian

1 (4) [(3)] Township 7 South, Range 11 West, Seward Meridian
2 Sections 1 - 4
3 Section 5: N1/2
4 Sections 7 - 36
5 (5) [(4)] Township 7 South, Range 12 West, Seward Meridian
6 Section 12, except N1/2 NE1/4
7 Section 13
8 Sections 19 - 36
9 (6) [(5)] Township 7 South, Range 13 West, Seward Meridian
10 Sections 25 - 26
11 Sections 35 - 36 [25, 26, 35 AND 36]
12 (7) [(6)] Township 8 South, Range 11 West, Seward Meridian
13 Sections 1 - 8
14 Section 9: N1/2
15 Section 10: N1/2
16 Section 11: N1/2
17 Section 12: N1/2
18 Sections 17 - 18 [17 AND 18]
19 (8) [(7)] Township 8 South, Range 12 West, Seward Meridian
20 (9) [(8)] Township 8 South, Range 13 West, Seward Meridian
21 Sections 1 - 2 [1 AND 2]
22 Sections 10 - 14
23 Section 15: E1/2
24 Section 18: Lot 10
25 Section 23: N1/2 and SE1/4
26 Sections 24 - 25 [24 AND 25]
27 Section 26: E1/2
28 Section 35: E1/2
29 Section 36

- 1 (10) Township 9 South, Range 8 West, Seward Meridian
- 2 Sections 7 - 10
- 3 Sections 15 - 22
- 4 Sections 27 - 34
- 5 (11) Township 9 South, Range 9 West, Seward Meridian
- 6 Section 13
- 7 Sections 24 - 25
- 8 Sections 35 - 36
- 9 (12) [(9)] Township 9 South, Range 12 West, Seward Meridian
- 10 Sections 1 - 6
- 11 Section 8: NE1/4
- 12 Sections 9 - 12
- 13 Section 13: N1/2
- 14 Section 14: N1/2
- 15 (13) [(10)] Township 9 South, Range 13 West, Seward Meridian
- 16 Sections 1 - 2 [1 AND 2]
- 17 (14) Township 10 South, Range 8 West, Seward Meridian
- 18 Sections 4 - 8
- 19 Sections 17 - 19
- 20 (15) Township 10 South, Range 9 West, Seward Meridian
- 21 Sections 1 - 4
- 22 Sections 10 - 15
- 23 Sections 22 - 24

24 * Sec. 3. AS 41.21.140(a) is amended to read:

25 (a) The presently state-owned land and water, and all that

26 acquired in the future by the state, lying within the parcels describ-

27 ed in this section are designated as the Kachemak Bay State Wilderness

28 Park. In order to protect and preserve this land and water for its

29 unique and exceptional wilderness value, the park is established and

1 shall be managed as a wilderness park. The land and water lying
2 within the following described parcels is reserved from all uses
3 incompatible with its primary function as a wilderness park and is
4 assigned to the department for control and maintenance:

5 (1) Township 8 South, Range 11 West, Seward Meridian
6 Section 9: S 1/2
7 Section 10: S 1/2
8 Section 11: S 1/2
9 Section 12: S 1/2
10 Sections 13 - 16
11 Sections 19 - 36

12 (2) Township 9 South, Range 8 West, Seward Meridian
13 Section 2: W1/2
14 Sections 3 - 6

15 (3) Township 9 South, Range 9 West, Seward Meridian
16 Sections 1 - 12
17 Sections 14 - 23
18 Sections 26 - 34

19 (4) Township 9 South, Range 10 West, Seward Meridian
20 Sections 1 - 3
21 Sections 10 - 15
22 Sections 22 - 27
23 Sections 34 - 36

24 (5) [(2)] Township 9 South, Range 12 West, Seward Meridian
25 Section 7
26 Section 8: S 1/2 and NW 1/4
27 Section 13: S 1/2
28 Section 14: S 1/2
29 Sections 15 - 36

1 (6) [(3)] Township 9 South, Range 13 West, Seward Meridian
2 Section 11: NE 1/4
3 Sections 12 - 13
4 (7) [(4)] Township 10 South, Range 9 West, Seward Meridian
5 Sections 5 - 7
6 (8) [(5)] Township 10 South, Range 10 West, Seward Meridian
7 (9) [(6)] Township 10 South, Range 11 West, Seward Meridian
8 (10) [(7)] Township 10 South, Range 12 West, Seward Meridian
9 (11) [(8)] Township 11 South, Range 10 West, Seward Meridian
10 (12) [(9)] Township 11 South, Range 11 West, Seward Meridian
11 (13) [(10)] Township 11 South, Range 12 West, Seward Merid-

12 ian

13 Sections 1 - 10
14 Section 11: W 1/2 and E 1/2
15 Sections 12 - 17
16 Sections 21 - 24.

17 * Sec. 4. AS 41.21.140 is amended by adding a new subsection to read:

18 (c) The tide and submerged land within the Aurora Lagoon is
19 assigned to the Department of Natural Resources to preserve its value
20 as a scenic park and to the Department of Fish and Game to preserve
21 its value as critical habitat.

22 * Sec. 5. This Act does not prohibit the commissioner of natural re-
23 sources from conveying 50 acres, more or less, on Nuka Island to the Uni-
24 versity of Alaska in accordance with the final finding of the commissioner
25 of natural resources issued December 4, 1987, or its amendments. This Act
26 does not apply to land conveyed to the University of Alaska under the
27 commissioner's decision dated December 4, 1987.

1 IN THE HOUSE

BY NAVARRE AND SWACKHAMMER

2

HOUSE BILL NO. 244

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the addition of land to Kachemak

7

Bay State Park and Kachemak Bay State Wilderness

8

Park."

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

10 * Section 1. AS 41.21.131(a) is amended to read:

11

(a) The presently state-owned land and water, and all that

12

acquired in the future by the state, lying within the parcels describ-

13

ed in this section are designated as the Kachemak Bay State Park. In

14

order to protect and preserve this land and water for its unique and

15

exceptional scenic value, the park is established and shall be managed

16

as a scenic park. The land and water lying within the following

17

described parcels is reserved from all uses incompatible with its

18

primary function as a scenic park and is assigned to the department

19

for control, development and maintenance:

20

(1) Township 5 South, Range 10 West, Seward Meridian

21

Chugachik Island

22

Sections 19 - 20

23

Section 28: W1/2

24

Sections 29 - 32

25

(2) Township 5 South, Range 11 West, Seward Meridian

26

Section 2: Lot 1, excluding Tract A

27

Section 3: Lots 1 - 8, SW1/4NE1/4, S1/2NW1/4,

28

N1/2SW1/4

29

Section 4: Lots 1 - 4, S1/2N1/2, SE1/4, E1/2SW1/4

1 Section 8: E1/2NE1/4, E1/2SE1/4, NW1/4SE1/4
2 Section 9: Lots 1 and 2, NW1/4NE1/4, NE1/4NW1/4,
3 W1/2NW1/4
4 Section 10: Lot 1
5 Section 16: Lot 1
6 Section 17: Lots 1, 3, 4, NW1/4SW1/4, S1/2NW1/4
7 Section 18: Lot 1, SE1/4, E1/2NE1/4
8 Section 19: Lots 1-6, NW1/4NE1/4, NE1/4NW1/4
9 Section 20: Lot 1
10 Sections 24 - 25
11 Section 26: SE1/4
12 Sections 35 - 36
13 (3) [(2)] Township 6 South, Range 11 West, Seward Meridian
14 (4) [(3)] Township 7 South, Range 11 West, Seward Meridian
15 Sections 1 - 4
16 Section 5: N1/2
17 Sections 7 - 36
18 (5) [(4)] Township 7 South, Range 12 West, Seward Meridian
19 Section 12, except N1/2 NE1/4
20 Section 13
21 Sections 19 - 36
22 (6) [(5)] Township 7 South, Range 13 West, Seward Meridian
23 Sections 25 - 26
24 Sections 35 - 36 [25, 26, 35 AND 36]
25 (7) [(6)] Township 8 South, Range 11 West, Seward Meridian
26 Sections 1 - 8
27 Section 9: N1/2
28 Section 10: N1/2
29 Section 11: N1/2

1 Section 12: N1/2
2 Sections 17 - 18 [17 AND 18]
3 (8) [(7)] Township 8 South, Range 12 West, Seward Meridian
4 (9) [(8)] Township 8 South, Range 13 West, Seward Meridian
5 Sections 1 - 2 [1 AND 2]
6 Sections 10 - 14
7 Section 15: E1/2
8 Section 18: Lot 10
9 Section 23: N1/2 and SE1/4
10 Sections 24 - 25 [24 AND 25]
11 Section 26: E1/2
12 Section 35: E1/2
13 Section 36
14 (10) Township 9 South, Range 8 West, Seward Meridian
15 Sections 7 - 10
16 Sections 15 - 22
17 Sections 27 - 34
18 (11) Township 9 South, Range 9 West, Seward Meridian
19 Section 13
20 Sections 24 - 25
21 Sections 35 - 36
22 (12) [(9)] Township 9 South, Range 12 West, Seward Meridian
23 Sections 1 - 6
24 Section 8: NE1/4
25 Sections 9 - 12
26 Section 13: N1/2
27 Section 14: N1/2
28 (13) [(10)] Township 9 South, Range 13 West, Seward Meridian
29 Sections 1 - 2 [1 AND 2]

- 1 (14) Township 9 South, Range 14 West, Seward Meridian
- 2 Section 6: Lot 4
- 3 (15) Township 10 South, Range 8 West, Seward Meridian
- 4 Sections 4 - 8
- 5 Sections 17 - 19
- 6 (16) Township 10 South, Range 9 West, Seward Meridian
- 7 Sections 1 - 4
- 8 Sections 10 - 15
- 9 Sections 22 - 24

10 * Sec. 2. AS 41.21.140(a) is amended to read:

11 (a) The presently state-owned land and water, and all that
 12 acquired in the future by the state, lying within the parcels describ-
 13 ed in this section are designated as the Kachemak Bay State Wilderness
 14 Park. In order to protect and preserve this land and water for its
 15 unique and exceptional wilderness value, the park is established and
 16 shall be managed as a wilderness park. The land and water lying
 17 within the following described parcels is reserved from all uses
 18 incompatible with its primary function as a wilderness park and is
 19 assigned to the department for control and maintenance:

- 20 (1) Township 8 South, Range 11 West, Seward Meridian
- 21 Section 9: S 1/2
- 22 Section 10: S 1/2
- 23 Section 11: S 1/2
- 24 Section 12: S 1/2
- 25 Sections 13 - 16
- 26 Sections 19 - 36
- 27 (2) Township 9 South, Range 8 West, Seward Meridian
- 28 Section 2: W1/2
- 29 Sections 3 - 6

- 1 (3) Township 9 South, Range 9 West, Seward Meridian
- 2 Sections 1 - 12
- 3 Sections 14 - 23
- 4 Sections 26 - 34
- 5 (4) Township 9 South, Range 10 West, Seward Meridian
- 6 Sections 1 - 3
- 7 Sections 10 - 15
- 8 Sections 22 - 27
- 9 Sections 34 - 36
- 10 (5) [(2)] Township 9 South, Range 12 West, Seward Meridian
- 11 Section 7
- 12 Section 8: S 1/2 and NW 1/4
- 13 Section 13: S 1/2
- 14 Section 14: S 1/2
- 15 Sections 15 - 36
- 16 (6) [(3)] Township 9 South, Range 13 West, Seward Meridian
- 17 Section 11: NE 1/4
- 18 Sections 12 - 13
- 19 (7) [(4)] Township 10 South, Range 9 West, Seward Meridian
- 20 Sections 5 - 7
- 21 (8) [(5)] Township 10 South, Range 10 West, Seward Meridian
- 22 (9) [(6)] Township 10 South, Range 11 West, Seward Meridian
- 23 (10) [(7)] Township 10 South, Range 12 West, Seward Meridian
- 24 (11) [(8)] Township 11 South, Range 10 West, Seward Meridian
- 25 (12) [(9)] Township 11 South, Range 11 West, Seward Meridian
- 26 (13) [(10)] Township 11 South, Range 12 West, Seward Merid-
- 27 ian
- 28 Sections 1 - 10
- 29 Section 11: W 1/2 and E 1/2

1

Sections 12 - 17

2

Sections 21 - 24.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version SHB 244 (RES)
Publish Date : _____

REQUEST: _____

Revision Date: _____
Title : HB 244

Agency Affected: Fish and Game
BRU: _____

Sponsor: Navarre & Swackhammer
Requestor: _____

Components : _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Bruce H. Baker Phone: 465-4105
Division: Habitat Date: _____

Approved by Commissioner: Norman Aldrich Date: 4-16-87
Agency: _____

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary

RECEIVED
APR 20 1987



STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS

DEPARTMENT Fish and Game	DIVISION Habitat	BILL NUMBER HB 244	SPONSOR Navarre & Swackhammer
DEPARTMENT POSITION Support with amendment			
PREPARED BY BB Habitat Division	DATE 4/14/87	COMMISSIONER'S SIGNATURE <i>[Signature]</i>	DATE 4/16/87

SUMMARY

OTHER AGENCIES AFFECTED BY BILL None Known	CONSTITUENT GROUP(S) AFFECTED BY BILL Recreational, commercial fishermen; hunters; Homer area residents
ORGANIZATIONAL SUPPORT FOR BILL None Known	ORGANIZATIONAL OPPOSITION TO BILL None Known

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT
To increase the size of Kachemak Bay State Park and Kachemak Bay State Wilderness Park.

ANALYSIS OF BILL/PROGRAM EFFECTS
The bill would extend the Kachemak Bay State Park and Kachemak Bay State Wilderness Park to include portions of Kachemak Bay, the outer Kenai coast, Nuka Island, and the Cottonwood Creek/Eastland Creek area on the north shore of Kachemak Bay.
The park extension would include portions of Kachemak Bay Critical Habitat Area.

AMENDMENTS PROPOSED
Amend AS 41.21.131(a) to read: "(a) The presently state-owned land and water, excluding tide and submerged land, and all that acquired in the future by the state;
This amendment is necessary to prevent additions to Kachemak Bay State Park from encroaching into the existing Kachemak Bay State Critical Habitat Area. The critical habitat area is managed for protection of fish and wildlife habitat and should not be made a scenic park.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

Original sponsors: Navarre and Swackhammer

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
2 CS FOR HOUSE BILL NO. 244 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL
6 For an Act entitled: "An Act relating to the addition of land to Kachemak
7 Bay State Park and Kachemak Bay State Wilderness
8 Park."

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

10 * Section 1. LEGISLATIVE FINDINGS. The legislature, in its designation
11 of additional land to the Kachemak Bay State Wilderness Park, intends that
12 the land within the park be managed for its primitive recreational values
13 without preventing reasonable access to inholdings in the Petrof View
14 subdivision. On Nuka Island, in recognition of planning conducted by the
15 commissioner of natural resources under AS 38.04.065, the legislature
16 intends that the island support

- 17 (1) a commercial lodge in a suitable place;
18 (2) renovation of existing facilities at Herring Pete's Cove;
19 (3) the construction and operation of one or two public use
20 cabins;
21 (4) docks, trails, and moorings necessary to provide for recre-
22 ational use; and
23 (5) maintenance of Berger Bay in an undeveloped state.

24 * Sec. 2. AS 41.21.131(a) is amended to read:

25 (a) The presently state-owned land and water, and all that
26 acquired in the future by the state, lying within the parcels describ-
27 ed in this section are designated as the Kachemak Bay State Park. In
28 order to protect and preserve this land and water for its unique and
29 exceptional scenic value, the park is established and shall be managed

1 as a scenic park. The land and water lying within the following
2 described parcels is reserved from all uses incompatible with its
3 primary function as a scenic park and is assigned to the department
4 for control, development and maintenance:

5 (1) Township 5 South, Range 10 West, Seward Meridian
6 Chugachik Island
7 Sections 31 - 32

8 (2) Township 5 South, Range 11 West, Seward Meridian

9 Section 2: Lot 1, excluding Tract A

10 Section 3: Lots 1 - 8, SW1/4NE1/4, S1/2NW1/4,
11 N1/2SW1/4

12 Section 4: Lots 1 - 4, S1/2N1/2, SE1/4, E1/2SW1/4

13 Section 8: E1/2NE1/4, E1/2SE1/4, NW1/4SE1/4

14 Section 9: Lots 1 and 2, NW1/4NE1/4, NE1/4NW1/4,
15 W1/2NW1/4

16 Section 10: Lot 1

17 Section 16: Lot 1

18 Section 17: Lots 1, 3, 4, NW1/4SW1/4, S1/2NW1/4

19 Section 18: Lot 1, SE1/4, E1/2NE1/4

20 Section 19: Lots 1-6, NW1/4NE1/4, NE1/4NW1/4

21 Section 20: Lot 1

22 Sections 24 - 25, excluding tide and submerged land
23 within the Kachemak Bay Critical Habitat Area

24 Section 26: SE1/4, excluding tide and submerged land
25 within the Kachemak Bay Critical Habitat Area

26 Sections 35 - 36, excluding tide and submerged land
27 within the Kachemak Bay Critical Habitat Area

28 (3) [(2)] Township 6 South, Range 11 West, Seward Meridian

29 (4) [(3)] Township 7 South, Range 11 West, Seward Meridian

1 Sections 1 - 4
2 Section 5: N1/2
3 Sections 7 - 36
4 (5) [(4)] Township 7 South, Range 12 West, Seward Meridian
5 Section 12, except N1/2 NE1/4
6 Section 13
7 Sections 19 - 36
8 (6) [(5)] Township 7 South, Range 13 West, Seward Meridian
9 Sections 25 - 26
10 Sections 35 - 36 [25, 26, 35 AND 36]
11 (7) [(6)] Township 8 South, Range 11 West, Seward Meridian
12 Sections 1 - 8
13 Section 9: N1/2
14 Section 10: N1/2
15 Section 11: N1/2
16 Section 12: N1/2
17 Sections 17 - 18 [17 AND 18]
18 (8) [(7)] Township 8 South, Range 12 West, Seward Meridian
19 (9) [(8)] Township 8 South, Range 13 West, Seward Meridian
20 Sections 1 - 2 [1 AND 2]
21 Sections 10 - 14
22 Section 15: E1/2
23 Section 18: Lot 10 (general grant land only)
24 Section 23: N1/2 and SE1/4
25 Sections 24 - 25 [24 AND 25]
26 Section 26: E1/2
27 Section 35: E1/2
28 Section 36
29 (10) Township 9 South, Range 8 West, Seward Meridian

- 1 Sections 7 - 10
- 2 Sections 15 - 22
- 3 Sections 27 - 34
- 4 (11) Township 9 South, Range 9 West, Seward Meridian
- 5 Section 13
- 6 Sections 24 - 25
- 7 Sections 35 - 36
- 8 (12) [(9)] Township 9 South, Range 12 West, Seward Meridian
- 9 Sections 1 - 6
- 10 Section 8: NE1/4
- 11 Sections 9 - 12
- 12 Section 13: N1/2
- 13 Section 14: N1/2
- 14 (13) [(10)] Township 9 South, Range 13 West, Seward Meridian
- 15 Sections 1 - 2 [1 AND 2]
- 16 (14) Township 10 South, Range 8 West, Seward Meridian
- 17 Sections 4 - 8
- 18 Sections 17 - 19
- 19 (15) Township 10 South, Range 9 West, Seward Meridian
- 20 Sections 1 - 4
- 21 Sections 10 - 15
- 22 Sections 22 - 24

23 * Sec. 3. AS 41.21.140(a) is amended to read:

24 (a) The presently state-owned land and water, and all that

25 acquired in the future by the state, lying within the parcels describ-

26 ed in this section are designated as the Kachemak Bay State Wilderness

27 Park. In order to protect and preserve this land and water for its

28 unique and exceptional wilderness value, the park is established and

29 shall be managed as a wilderness park. The land and water lying

1 within the following described parcels is reserved from all uses
2 incompatible with its primary function as a wilderness park and is
3 assigned to the department for control and maintenance:

4 (1) Township 8 South, Range 11 West, Seward Meridian
5 Section 9: S 1/2
6 Section 10: S 1/2
7 Section 11: S 1/2
8 Section 12: S 1/2
9 Sections 13 - 16
10 Sections 19 - 36

11 (2) Township 9 South, Range 8 West, Seward Meridian
12 Section 2: W1/2
13 Sections 3 - 6

14 (3) Township 9 South, Range 9 West, Seward Meridian
15 Sections 1 - 12
16 Sections 14 - 23
17 Sections 26 - 34

18 (4) Township 9 South, Range 10 West, Seward Meridian
19 Sections 1 - 3
20 Sections 10 - 15
21 Sections 22 - 27
22 Sections 34 - 36

23 (5) [(2)] Township 9 South, Range 12 West, Seward Meridian
24 Section 7
25 Section 8: S 1/2 and NW 1/4
26 Section 13: S 1/2
27 Section 14: S 1/2
28 Sections 15 - 36

29 (6) [(3)] Township 9 South, Range 13 West, Seward Meridian

1 Section 11: NE 1/4
2 Sections 12 - 13
3 (7) [(4)] Township 10 South, Range 9 West, Seward Meridian
4 Sections 5 - 7
5 (8) [(5)] Township 10 South, Range 10 West, Seward Meridian
6 (9) [(6)] Township 10 South, Range 11 West, Seward Meridian
7 (10) [(7)] Township 10 South, Range 12 West, Seward Meridian
8 (11) [(8)] Township 11 South, Range 10 West, Seward Meridian
9 (12) [(9)] Township 11 South, Range 11 West, Seward Meridian
10 (13) [(10)] Township 11 South, Range 12 West, Seward Merid-
11 ian
12 Sections 1 - 10
13 Section 11: W 1/2 and E 1/2
14 Sections 12 - 17
15 Sections 21 - 24.

1 IN THE HOUSE

BY NAVARRE AND SWACKHAMMER

2

HOUSE BILL NO. 244

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the addition of land to Kachemak

7

Bay State Park and Kachemak Bay State Wilderness

8

Park."

9

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

10

* Section 1. AS 41.21.131(a) is amended to read:

11

(a) The presently state-owned land and water, and all that

12

acquired in the future by the state, lying within the parcels describ-

13

ed in this section are designated as the Kachemak Bay State Park. In

14

order to protect and preserve this land and water for its unique and

15

exceptional scenic value, the park is established and shall be managed

16

as a scenic park. The land and water lying within the following

17

described parcels is reserved from all uses incompatible with its

18

primary function as a scenic park and is assigned to the department

19

for control, development and maintenance:

20

(1) Township 5 South, Range 10 West, Seward Meridian

21

Chugachik Island

22

Sections 19 - 20

23

Section 28: W1/2

24

Sections 29 - 32

25

(2) Township 5 South, Range 11 West, Seward Meridian

26

Section 2: Lot 1, excluding Tract A

27

Section 3: Lots 1 - 8, SW1/4NE1/4, S1/2NW1/4,

28

N1/2SW1/4

29

Section 4: Lots 1 - 4, S1/2N1/2, SE1/4, E1/2SW1/4

1 Section 8: E1/2NE1/4, E1/2SE1/4, NW1/4SE1/4
2 Section 9: Lots 1 and 2, NW1/4NE1/4, NE1/4NW1/4,
3 W1/2NW1/4
4 Section 10: Lot 1
5 Section 16: Lot 1
6 Section 17: Lots 1, 3, 4, NW1/4SW1/4, S1/2NW1/4
7 Section 18: Lot 1, SE1/4, E1/2NE1/4
8 Section 19: Lots 1-6, NW1/4NE1/4, NE1/4NW1/4
9 Section 20: Lot 1
10 Sections 24 - 25
11 Section 26: SE1/4
12 Sections 35 - 36
13 (3) [(2)] Township 6 South, Range 11 West, Seward Meridian
14 (4) [(3)] Township 7 South, Range 11 West, Seward Meridian
15 Sections 1 - 4
16 Section 5: N1/2
17 Sections 7 - 36
18 (5) [(4)] Township 7 South, Range 12 West, Seward Meridian
19 Section 12, except N1/2 NE1/4
20 Section 13
21 Sections 19 - 36
22 (6) [(5)] Township 7 South, Range 13 West, Seward Meridian
23 Sections 25 - 26
24 Sections 35 - 36 [25, 26, 35 AND 36]
25 (7) [(6)] Township 8 South, Range 11 West, Seward Meridian
26 Sections 1 - 8
27 Section 9: N1/2
28 Section 10: N1/2
29 Section 11: N1/2

1 Section 12: N1/2
2 Sections 17 - 18 [17 AND 18]
3 (8) [(7)] Township 8 South, Range 12 West, Seward Meridian
4 (9) [(8)] Township 8 South, Range 13 West, Seward Meridian
5 Sections 1 - 2 [1 AND 2]
6 Sections 10 - 14
7 Section 15: E1/2
8 Section 18: Lot 10
9 Section 23: N1/2 and SE1/4
10 Sections 24 - 25 [24 AND 25]
11 Section 26: E1/2
12 Section 35: E1/2
13 Section 36
14 (10) Township 9 South, Range 8 West, Seward Meridian
15 Sections 7 - 10
16 Sections 15 - 22
17 Sections 27 - 34
18 (11) Township 9 South, Range 9 West, Seward Meridian
19 Section 13
20 Sections 24 - 25
21 Sections 35 - 36
22 (12) [(9)] Township 9 South, Range 12 West, Seward Meridian
23 Sections 1 - 6
24 Section 8: NE1/4
25 Sections 9 - 12
26 Section 13: N1/2
27 Section 14: N1/2
28 (13) [(10)] Township 9 South, Range 13 West, Seward Meridian
29 Sections 1 - 2 [1 AND 2]

- 1 (14) Township 9 South, Range 14 West, Seward Meridian
- 2 Section 6: Lot 4
- 3 (15) Township 10 South, Range 8 West, Seward Meridian
- 4 Sections 4 - 8
- 5 Sections 17 - 19
- 6 (16) Township 10 South, Range 9 West, Seward Meridian
- 7 Sections 1 - 4
- 8 Sections 10 - 15
- 9 Sections 22 - 24

10 * Sec. 2. AS 41.21.140(a) is amended to read:

11 (a) The presently state-owned land and water, and all that
 12 acquired in the future by the state, lying within the parcels describ-
 13 ed in this section are designated as the Kachemak Bay State Wilderness
 14 Park. In order to protect and preserve this land and water for its
 15 unique and exceptional wilderness value, the park is established and
 16 shall be managed as a wilderness park. The land and water lying
 17 within the following described parcels is reserved from all uses
 18 incompatible with its primary function as a wilderness park and is
 19 assigned to the department for control and maintenance:

- 20 (1) Township 8 South, Range 11 West, Seward Meridian
- 21 Section 9: S 1/2
- 22 Section 10: S 1/2
- 23 Section 11: S 1/2
- 24 Section 12: S 1/2
- 25 Sections 13 - 16
- 26 Sections 19 - 36
- 27 (2) Township 9 South, Range 8 West, Seward Meridian
- 28 Section 2: W1/2
- 29 Sections 3 - 6

- 1 (3) Township 9 South, Range 9 West, Seward Meridian
2 Sections 1 - 12
3 Sections 14 - 23
4 Sections 26 - 34
5 (4) Township 9 South, Range 10 West, Seward Meridian
6 Sections 1 - 3
7 Sections 10 - 15
8 Sections 22 - 27
9 Sections 34 - 36
10 (5) [(2)] Township 9 South, Range 12 West, Seward Meridian
11 Section 7
12 Section 8: S 1/2 and NW 1/4
13 Section 13: S 1/2
14 Section 14: S 1/2
15 Sections 15 - 36
16 (6) [(3)] Township 9 South, Range 13 West, Seward Meridian
17 Section 11: NE 1/4
18 Sections 12 - 13
19 (7) [(4)] Township 10 South, Range 9 West, Seward Meridian
20 Sections 5 - 7
21 (8) [(5)] Township 10 South, Range 10 West, Seward Meridian
22 (9) [(6)] Township 10 South, Range 11 West, Seward Meridian
23 (10) [(7)] Township 10 South, Range 12 West, Seward Meridian
24 (11) [(8)] Township 11 South, Range 10 West, Seward Meridian
25 (12) [(9)] Township 11 South, Range 11 West, Seward Meridian
26 (13) [(10)] Township 11 South, Range 12 West, Seward Merid-
27 ian
28 Sections 1 - 10
29 Section 11: W 1/2 and E 1/2

- 1 Sections 12 - 17
- 2 Sections 21 - 24.

Alaska State Legislature



WHILE IN SESSION:
PO BOX V
JUNEAU, ALASKA 99811
(907) 465-3779

CHAIR, RULES COMMITTEE

HOME ADDRESS
PO BOX 169
KENAI, ALASKA 99511
(907) 262-3366

DISTRICT 5

Representative Mike Navarre

May 4, 1987

M E M O R A N D U M

TO: All members, House Finance Committee

FROM: Rep. Mike Navarre

SUBJECT: House Bill 244, "An Act relating to the addition of land to Kachemak Bay State Park and Kachemak Bay State Wilderness Park"

Attached is back-up material for the above legislation. This measure was introduced at the request of the Kachemak Bay State Park Advisory Board. I feel, as they do, that due to the high recreational and /or wilderness value of these lands, it is in the best public interest for them to not only to be maintained as public lands, but to be managed by the Division of Parks and Outdoor Recreation.

I respectfully urge your favorable consideration of CSHB 244 (Resources).

CSHB 244 (Resources)

JUSTIFICATION SUMMARY

NUKA ISLAND and NUKA UPLANDS: 62,766 acres total
42,092 acres land
20,674 acres water

Nuka Island has been identified in the U.S. Congressional Record for inclusion (and originally was) within the boundary designated for the Kenai Fjords National Park. As state land, it obviously cannot be part of the Kenai Fjords, but this is a good illustration of the nationally significant values this island area possesses.

Some of these values include:

Nuka Island area has some of the most varied life representation of littoral and sub-littoral marine ecosystem along Kenai Fjord area.

The outstanding scenic beauty, complementing hiking, fishing, boating, and similar recreational opportunities.

Management of a commercial lease for facility development on the west side of the island corresponds with the current DNR Nuka Island Management Plan. Development of recreational use and tourism growth by the Division of Parks would make Nuka Island the logical "jumping off" point for enjoyment of Kachemak Bay State Wilderness Park, Kenai Fjords National Park, and the island itself.

It is the only potential development link between Seward and Homer, via cruise ship and state ferry system, and is also the only sheltered potential development site from Gore Point to Cape Resurrection that is also safe from earthquake and tsunami waves.

NOTE:

Portions of Nuka Island have been made part of the current pool of lands offered in settlement to the University of Alaska by the DNR, Division of Land and Water Management. While this conflicts with the proposal to convert these lands to park status, the following facts should be given consideration:

1. Nuka Island has been identified by the Kachemak Bay State Park Advisory for inclusion into the park since 1982. The tentative selections by the DNR and University are recent - 1987. The Nuka Island Management Plan, completed in December of 1986, cites the island's high recreational potential.

CSHB 244 (Resources)
JUSTIFICATION SUMMARY (cont'd)

NUKA ISLAND and NUKA UPLANDS, cont'd.

2. In Appendix D of the DNR's Proposed Preliminary Decision ADL 223456 (dated March 24, 1987) creating the pool offered in settlement to the University, the Division of Parks and Outdoor Recreation position concerning the Nuka Island parcels was noted as follows:

"(DPOR) Objects to this transfer due to high public recreation and wildlife values. That division expressed concern that, even with covenants which restrict uses according to the management plan, a careful balancing is needed which may be incompatible with trust principles."

The Division of Land and Water Management has chosen not to follow this recommendation. Comments from agencies outside DNR were apparently not solicited during the preparation of this preliminary decision.

3. Though any conveyance on Nuka Island by the DNR to the University will be subject to the restrictions of the management plan, a question arises as to which agency becomes responsible for amendment of the management plan. It could be reasonably argued that any changes to the existing management plan on lands granted to the University would then become a function of the University, not DNR.

While this legislation is certainly not an attempt to prevent a successful settlement between the University and the state, for the above reasons the prime sponsor of HB 244 feels that the public interest is best served if management of Nuka Island is left to the DNR, Division of Parks and Outdoor Recreation, and not the University.

CSHB 244 (Resources)
JUSTIFICATION SUMMARY (cont'd)

AURORA LAGOON: 2,008 acres total
1,273 acres land
735 acres water

This is a logical boundary adjustment of the park. In discussion with former legislators, it seems apparent that the omission of Aurora Lagoon from the original legislation creating Kachemak Bay State Park was an oversight.

One landowner in the area has indicated a willingness to grant public easements and some land title if the area is added to the park. The lagoon is currently heavily utilized for recreational pursuits.

Other justification:

Excellent camping and hiking potential.

Potential as a public use cabin site.

Good fishing in area: salmon, crab, clams.

Aurora Lagoon offers not only high scenic and recreational values, but is one of the few areas of safe high tide moorage in this area of Kachemak Bay that is unaffected by inclement weather. In addition, there are good beach landing sites for small craft.

NOTE:

Aurora Lagoon lands are currently contained in the pool of lands offered in settlement to the University of Alaska by the DNR, Division of Land and Water Management. While this conflicts with the proposal to convert these lands to park status, the following facts should be given consideration:

1. The Kachemak Bay State Park Advisory Board identified Aurora Lagoon for inclusion in the Park in 1984, long before it was included in any University settlement.
2. In Appendix D of the DNR's Proposed Preliminary Decision ADL 223456 (dated March 24, 1987) creating the pool offered in settlement to the University, the Division of Parks and Outdoor Recreation position concerning Aurora Lagoon was noted:

"(DPOR) The land should be retained as it is proposed for an addition to Kachemak Bay State Park as partial compensation for land removed from the park by ANSCA and has high recreation and scenic values."

CSHB 244 (Resources)
JUSTIFICATION SUMMARY (cont'd)

AURORA LAGOON, cont'd:

The Division of Land and Water Management has chosen not to follow the Division of Parks recommendation, and comments from resource agencies outside DNR were apparently not solicited during this portion of the decision making process.

Once again, it has never been the intent of this legislation to prevent a successful settlement between the University and the state. It is the prime sponsor's belief, however, that recreational development of Aurora Lagoon by the Division of Parks, rather than the University, far better serves the public interest.

CSHB 244 (Resources)
JUSTIFICATION SUMMARY (cont'd)

BEAR COVE: 1,280 acres total - all uplands

The Bear Cove lands that conflicted with the settlement pool of lands offered to the University are not part of the House Resources Committee version of the bill. The Bear Cove lands remaining in CSHB 244 (Resources) are all uplands. Along with the adjacent Aurora Lagoon parcels, they are also a logical extension of the northern park boundary.

Commercial development (a wilderness lodge) is taking place on private land at nearby Bear Cove, and state park status of these public lands would enhance and encourage recreation in the Bear Cove area. This is an excellent area for trail development, with high scenic and recreational use.

COTTONWOOD CREEK & EASTLAND CREEK 2,310 acres total
all uplands

The Cottonwood-Eastland Creek parcels have been under consideration as potential park for nearly a decade - in 1979, the Division of Parks and Outdoor Recreation completed a recreation development feasibility study on these parcels.

While these lands are not contiguous with the balance of Kachemak Bay State Park, they will meet a need for recreational park land near Homer. The nearest developed state park facility is the Anchor River State Recreational Area (10 miles north of Homer), primarily used for fishing and camping.

There are also identified archaeological sites in the area. The 1979 feasibility study noted this, and recommended investigation, evaluation and excavation, if necessary, to preserve and protect these sites. The prime sponsor feels transfer to park status would help assure this protection.

Other justification for inclusion of these parcels:

High scenic and wildlife values.

Developed road to area.

Strong possibility for year-round use, once facilities are developed.

None of the lands within these parcels are identified within the pool of lands offered the University settlement.

CSHB 244 (Resources)
JUSTIFICATION SUMMARY (cont'd)

McDONALD SPIT 16 acres total (uplands)

This is an extremely small parcel of land at the end of McDonald Spit in Homer, consisting of approximately 16 acres. Currently, there is a good deal of local use of this spit, with increasing tourist use, particularly as a "stop over" for kayakers while boating between Halibut Cove and Seldovia. Aside from the obvious scenic values, there is an eagle nesting area on the spit.

This land is currently in "mental health land" status, and would be included in the park only if this status changed as a result of the mental health land settlement.

