

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672

962 SCOMM44: HOUSE POWER ALTERNATIVES STUDY COMM. 1979-80 962

LLOYD R. GEORGE, a Democrat, serves in the Arkansas House of Representatives.

HAROLD E. GERKE, a Democrat, has been speaker of the Montana House of Representatives for three terms. He has served in the Montana Legislature for 16 years. Gerke is a member of the Legislative Audit, Legislative Improvement, Branch Banking, Judicial Reform and other committees. He is particularly interested in fiscal policy relating to energy production and conservation. Before becoming a legislator, Gerke served three terms on the Billings City Council and one term as mayor.

JACK L. GINGRASS, a Democrat, has served ten years in the Michigan House of Representatives, where he is currently treasurer. Gingrass is a member of the Consumers Public Utilities and Conservation, Recreation and Environment committees. He attended Northern Michigan University.

RYAN DE GRAFFENRIED, JR. is a Democratic senator in the Alabama Legislature.

JIM HARTDEGEN has served three and one-half years in the Arizona State Legislature. A Republican, he is vice chairman of the Natural Resources and Energy Committee and a member of the Agriculture, Commerce, and Environmental Affairs committees. He is involved in the Special Interim House Committee on Atomic Energy and the Arizona Ground Water Management Study Commission. Hartdegen is Safety Inspector for the U.S. Copper Mine.

MARTIN HATCHER is a Colorado state senator. A Democrat, he was first elected in 1974. He chairs the Audit Committee and is a member of Agriculture, Natural Resources and Energy, Transportation, and Business Affairs and Labor committees. Hatcher is interested in energy impact and development, in water, and in natural resources. A professor with a Ph.D. in speech and theatre from the University of Denver, he has published articles on Colorado history and the arts.

EMERY E. HEDLUND has been a Democratic legislator in the Idaho House of Representatives for 20 years. He serves on the House Appropriations, and Resources and Conservation committees. His major legislative interests are in resources and conservation. Hedlund is the owner of a hardware business.

OLEN HENDRIX has served in the Arkansas Senate since 1958. A Democrat, he is chairman of the Senate Committee on Insurance and Commerce. He also serves on the Senate Committee on Revenue and Taxation, the Committee on Committees, the Efficiency Committee, the Energy Committee, the Joint Budget Committee, and the Arkansas Legislative Council. Hendrix is president of a bank and is a farmer who owns extensive holdings in timber lands.

R. LARS HERSETH, the minority leader in the South Dakota House, has been a legislator for six years. He serves on the Taxation and State Affairs committees and has been a member of the committees on Transportation, Agriculture and Natural Resources. Herseth is interested in taxation, natural resources, energy and railroad transportation. He is the state director for S.D.Q.H.R.A. Herseth graduated from the University of South Dakota.

PAUL HESS is a Republican senator in the Kansas Legislature. He was first elected in 1972 and re-elected in 1976. He serves on the Energy and Judiciary committees. He is vice chairman of Appropriations and chairs Commercial and Financial Institutions. Hess is also chairman of the NCSL Energy Committee, 1978-80. Hess is interested in energy and appropriations. He is a practicing

attorney with a J.D. degree from the University of Kansas. Hess has traveled extensively (to more than 30 countries), both as a legislator and a private citizen. He has written several magazine articles for the NCSL monthly publication.

WILLIAM F. HILSMEIER is serving his third term as a Republican representative in the Colorado House. He chairs the House Transportation and Energy Committee and is a member of the Health, Environment, Welfare and Institutions Committee. Hilsmeier has sponsored legislation dealing with energy conservation, air pollution, education, tax reduction, welfare reform and traffic laws. Between sessions of the General Assembly he organized and chaired Colorado's First Energy Symposium. From 1966 to 1971 Hilsmeier was a scientific administrator for NOAA having worked six years in Oak Ridge, Tennessee as a research meteorologist. Prior to that he served four years as a weather forecaster for the U.S. Air Force. Hilsmeier is now an insurance agent for the MFA Insurance Companies.

CAL HOBSON is a Democratic state representative in the Oklahoma Legislature. He is vice chairman of the Public Utility Regulation Committee and serves on the Appropriations and Budget, Environment and Natural Resources, and Public Safety and Penal Affairs committees. His primary legislative interests are energy, budget and tax issues. Hobson received a B.A. from the University of Oklahoma.

BARBARA HOLME was elected to the Colorado State Senate in 1974 and re-elected in 1976. From 1976 to 1978 she was Senate Democratic Caucus chairman, and since 1978 she has been the Senate Democratic assistant leader (whip). Holme is a member of the Senate committees on Finance, on Health, Environment, Welfare and Institutions, and Appropriations. Her main legislative interests include: tax reform, preservation of Denver as a good place to live, housing, regulation of public utilities, energy conservation, and air pollution. She is the author and prime senate sponsor of SB 416, enacted by the 1975 session, which encourages lenders to make mortgages and home improvement loans in older neighborhoods. Holme was appointed by the Governor to the Highway Legislative Review Committee in 1978. She was one of 50 women chosen from across the country to attend the Washington Institute for Women in Politics, May 1978, and she received a citation for outstanding service by the Colorado Social Legislation Committee 1978. Holme holds a B.A. from Stanford University.

DAVIS S. HOLMES, JR. represents the fourth senate district in the Michigan Legislature. He served in the Michigan House from 1959 to 1974 and has been in the Senate since March, 1974. Holmes is chairman of the Michigan Democratic Black Caucus and was a delegate to the 1974 Democratic Charter Conference. He serves on the following committees: Appropriations, Subcommittee on Public Health, Subcommittee on General Government, Capital Outlay, Senate Democratic Caucus, and Highways and Transportation. Holmes attended Virginia State College and did graduate work at the University of Michigan. He is employed as an UAW-AFL-CIO aide.

ROLLIN K. HOWELL has served as a state representative in the Iowa House since 1973. He is the Floyd County Democratic Party chairperson and the ranking minority member of the House Energy Committee. Howell also serves on the Ways and Means, County Government, Natural Resources, Budget, and Ethics committees. His major legislative interests include solar energy access and incentives, gasohol development and promotion, home insulation and weatherization. Howell is a farmer.

SHERRY F. HUBER has served two years as a Republican state representative with the Maine Legislature. She is a member of the Energy and Natural Resources and Audit and Program Review committees. Huber is currently serving on the New England Energy Congress Implementation Committee. In 1978-79 she served as a delegate to the New England Energy Congress.

HERB HUENNEKENS is a member of the Montana House of Representatives. A Democrat, Huennekens chairs the Taxation Committee. He is a member of the Natural Resources, Rules and the Joint Revenue Oversight committees. His legislative interests include energy, utility plant siting, strip mine reclamation, air and water pollution and land use planning. Huennekens is a retired meteorologist, hydrologist and rancher. He graduated from the University of Wisconsin.

HUBERT H. HUMPHREY, III is a Democratic senator in the Minnesota Legislature. He was first elected in 1972 for a four-year term and re-elected in 1976. Humphrey is a member of the Education Committee and the Senate Education Subcommittee on School Finance, and the Subcommittee on Special Education/Special Needs. He serves on Energy and Housing and chairs the Energy Subcommittee. He is a member of the Finance Committee and chairman of State Departments Subcommittee. Humphrey also chairs the Minnesota Interstate Cooperation Commission, Council of State Governments, and the Senate Hennepin County Delegation. His recently sponsored bills include: 1. energy, pollution, solar energy, equipment quality standards and performance disclosure, 2. residential housing rehabilitation, HFA loans and grants, and 3. the Energy Conservation Act of 1976. An attorney with nine years active practice of law, he is a graduate of American University in Washington D.C. (B.A. in political science) and of the University of Minnesota Law School (J.D.).

LAURENCE E. JACOBSEN is a Republican state senator in the Nevada Legislature. He was assemblyman for 16 years, and former speaker of the Assembly. Jacobsen chairs the Legislative Commission and is a member of the Finance, Transportation and Natural Resources committees. He is a petroleum distributor for the Union Oil Company of California.

GENE JOHNS is serving his fourth term in the Illinois Senate. He is chairman of the Democratic Caucus, the Committee on Committees and the Rules Committee. Johns is a member of the Executive, Executive Appointments, Appropriations I and II committees and vice chairman of the Higher Education Committee. He chairs the Model School for the Deaf and Hard of Hearing Study Commission and serves on various other commissions including Economic Development, Energy Resources and the Special Joint Committee on Environment. Johns is a graduate of the Southern Illinois University where he majored in government. As administrator of the Department of Business and Economic Development in Herrin, he directed the development of the first two economic development districts in Illinois. Johns owns a petroleum distributorship and is a licensed real estate broker.

ANNE JUST has served two terms in the Vermont House of Representatives. A Democrat, Just serves on the Joint Energy and Commerce committees. Her legislative interests include energy and land use.

TED KAPLAN is a second term Democratic representative in the North Carolina General Assembly. He is chairman of the State Properties Committee and vice chairman of Natural and Economic Resources. Kaplan is a member of Alcoholic

Beverage Control, Appropriations, Constitutional Amendments and Mental Health committees. He attended Guilford College.

JOHN F. KELLY is minority whip of the Michigan State Senate. A Democrat, Kelly has been a senator since 1978. He chairs the Corporations and Economic Development, Juvenile Services and Commercialization of Hydro Power committees. Kelly received his A.B. degree in education from the University of Michigan and his master's degree in public administration from Wayne State University.

VERNON N. KERR has been a New Mexico state representative since 1971. A Republican, he serves on the Appropriations and Finance Committee and is subcommittee chairman for Health and Environment. He is also a member of the committees on Printing and Supplies, Energy and Natural Resources, and Radioactive Waste Consultation. Kerr holds B.A. and M.S. degrees in organic chemistry from New Mexico Highlands University and is a staff member of the Los Alamos Scientific Laboratory. He has several scientific publications to his credit, plus newspaper articles on radioactive waste disposal in the WIPP site and an article on New Mexico's Solar Rights Law. Among his civic activities he lists the steering committee of New Mexicans for Jobs and Energy.

HARRIET KEYSERLING has served as a Democratic representative in the South Carolina Legislature since January 1977. She is a member of the House Judiciary and the Joint Legislative Energy committees. She chairs the Conservation Subcommittee. Keyserling serves on the NCSL Task Force on the Arts, the NCSL Executive Committee, and the OTA Panel on Nuclear Waste. She has a B.A. degree from Barnard College with a major in economics.

MARY N. KILMARX, a Democrat, has served three terms in the Rhode Island House. She chairs the Joint Committee on Environment and is a member of the Corporations Committee. Kilmarx formerly served on the governor's Task Force on Land Management, the governor's Sewage Facility Task Force, the Energy Facility Task Force, the Energy Facility Siting Commission, and the Consumer Advisory Board of the Public Utilities Commission. She has sponsored legislation in government operations, women's issues, health and safety, and in environmental matters (environmental rights, litter, water quality, bottle bill, oil spills). Kilmarx is interested in conservation and encouragement of renewable sources, i.e., tax incentives for solar and hydro amendments to statewide building code, life cycle cost analysis, co-generation, and energy facility siting. Related legislative interests are water quality, land use, and control of hazardous substances including waste oil. Kilmarx graduated from Mount Holyoke.

DICK KLOUBEC is a Republican state representative in the North Dakota House. He was first elected in 1972 and reelected in 1976 and 1978. Kloubec serves on the North Dakota Legislative Council and chairs the Natural Resources Committee. He is a member of the committees on Industry, Business and Labor. Kloubec graduated from North Dakota State University and is now a business executive.

NATHAN G. KNIGHT serves as a state representative in the Georgia General Assembly. He is the House Democratic majority whip.

FRANKLIN J. KNOLL is serving his third year as a Democratic senator in the state of Minnesota. Knoll is vice chairman of the Energy and Housing Committee and chairman of the Subcommittee on Housing. He received his B.A.

in chemistry and biology from St. Johns University and J.D. from the University of Minnesota Law School.

JOSEPH T. KURODA is a Democratic senator of the Hawaii State Senate. He is chairman of the Tourism Committee, Vice-Chairman of Intergovernmental Relations and member of the Consumer Protection and Commerce, Education, and Judiciary committees. Kuroda attended the University of Hawaii and received a B.Ed. and masters in Education.

W. CRAIG LAWING, a Democrat, is president pro tempore of the North Carolina Senate. He chairs the committee on Rules and Operations of the Senate.

JOHN E. LEE, a Democrat, has served in the Mississippi State Senate since 1976. He is a member of the committees on Finance, Highways and Transportation, Oil and Gas, and Agriculture. He has a B.S. from Mississippi State University.

C. W. "BILL" LEWIS is a Republican member of the Arizona House of Representatives. He is a member of the Appropriations, Transportation, Health, Banking and Insurance, Tourism, Environmental Concerns and Rules Committees. He is editor of Wildlife Views and associate editor of the Arizona Farmer & Ranchman. Lewis received a B.A. from Tusculum College in Tennessee.

FRANK LEWIS has been a senator in the Nebraska Legislature since 1972. He chairs the Executive Board of the Legislative Council and is a present or former member of the committees on Banking, Commerce and Insurance, Business and Labor, Miscellaneous Subjects, Urban Affairs, Public Health and Welfare, Nebraska Retirement Systems, and Legislative Audit Review. He also serves on the Committee on Committees and the Advisory Committee for Postsecondary Education. Lewis is a member of interstate education committees and Nebraska Commissioner to the Education Commission of the States. He attended East Central College in Ada, Oklahoma and was a teacher and administrator in public schools from 1961-72. He is now a member of the board of directors of the Center State Bank in Center, Nebraska and Bellevue Cable Television-United Television Corporation. He also does independent public relations consultant work and is associated with Pre-paid Legal Services in Ada, Oklahoma.

PAUL LONGORIA, a Democrat from Edinburg, Texas, has been in the Texas Senate for seven years. Prior to that, he was a member of the House of Representatives for ten years. A practicing attorney, Senator Longoria received his J.D. from the University of Texas. He is the chairman of an Interim Study Committee on Gasahol and also serves on the standing Committee on Finance.

DAVID E. LUCAS is a Democratic representative in the Georgia Legislature. He was one of two blacks elected to the Georgia House in 1974, the first since the reconstruction period. Lucas serves on the following committees: Human Relations and Aging, Motor Vehicles, Motor Carriers, and the University System of Georgia. In 1979 he was coordinator of the first energy conference held for minority elected officials in the country in Atlanta, Georgia (CMES). Lucas received a B.S. degree in political science from the Tuskegee Institute and is presently enrolled in the Atlanta Law School. Since 1976 he has been co-owner, vice president and head football coach of the Macon Chiefs Football, Inc. In 1978 he started a supply company and in 1979 the Taff Cellulose Manufacturing and Insulation Company of which he is president. Lucas has won several athletic honors and awards for civic service.

JAMES A. McBREAIRTY, a Republican, is serving his first term in the Maine Senate. Previously he served for four years in the House. McBreairty chairs the Energy and Natural Resources, and the Audit and Program Review committees. He has also been a member of the committees on Natural Resources, and Appropriations and Financial Affairs.

KATHLEEN McBRIDE is a first term Democratic state representative from Montana. She is vice-chairperson of the Montana Renewable Energy Advisory Council. McBride is interested in particular renewable energy and natural resources. She received her M.S. from the University of Montana and B.S. from the University of Redlands. She is a geologist.

MARY McCLURE has served as a Republican state senator in the South Dakota Legislature since 1975. She is president pro tempore of the Senate and chairs the Judiciary, Interim Rules Review, and Intergovernmental Cooperation committees. McClure is also a member of the committees on Legislative Procedure, State Affairs, and Health Rules Sunset, and she serves on the executive board of the Legislative Research Council. In the past she has served on Transportation, and Interim Agriculture and Natural Resources committees. McClure is interested in administrative oversight and water development. She graduated from the University of South Dakota.

HARRIS B. McDOWELL, III has served as a Democratic state senator in the Pennsylvania Legislature since 1976. He is chairman of the Senate Energy Committee and is a member of the Joint Finance, and Administrative Services committees. He is interested in an equitable energy policy, legislative reform and fiscal responsibility. McDowell attended the University of Delaware and Georgetown University. He is a self-employed business consultant.

BRUCE McMILLAN is a Republican state representative in the Wyoming House of Representatives where he has served for eight years. He chairs the House Committee on Mines, Minerals and Industrial Development and is a member of Health and Social Services Committee. He has also served on the Travel, Recreation and Wildlife, and Transportation and Highways committees. McMillan is interested in energy and its related growth problems. He graduated from the University of Wyoming and is the president of an agribusiness.

GERALD K. MACHIDA has been a state senator in Hawaii for five years. A Democrat, Machida is chairman of the Senate Agriculture Committee. He is vice chairman of the Senate Tourism Committee and a member of the Education, Health, Judiciary, and Transportation committees. His major legislative interests are economic development and education.

DONALD E. MAINEY is a state representative from Kansas serving his fourth term. A Democrat, he is house minority whip. Mainey is a member of the Energy and Natural Resources, Interstate Cooperation and Calendar and Printing committees. His legislative interests are energy and natural resources, transportation and related issues.

JAMES C. "CON" MALONEY, has been a Mississippi state senator since 1971. He chairs the Mississippi Corrections Committee, is vice chairman of the Banking Committee and a member of the Finance, Oil and Gas, Elections, Judiciary and Rules committees. Maloney is president of Cowboy Maloney's Appliance Centers, a director of the Jackson Chamber of Commerce and the Better Business Bureau. He is a graduate of Millsaps College and recognized in Who's Who in American Politics.

FRANKLIN B. MANN, a Democrat is a representative in the Florida Legislature.

ROBERT H. MILLER, a Republican, has served five terms in the Kansas House of Representatives. He chairs the House Committee on Energy and Natural Resources and is vice chairman of the Rules and Journal, and the Federal and State Affairs committees. Miller's major legislative interests are in energy, water, environmental issues, transportation, health care and rural development. He is a farmer and has a B.S. degree in agricultural economics.

WILLIAM W. MONTGOMERY is a legislator in the Indiana General Assembly. A Republican, he was elected in 1978. Montgomery is a member of the Public Policy and Veterans Affairs, Insurance and Corporations and Human Affairs committees, as well as Interim Study Committee on Energy Policy and on Bail Bonding. He is totally committed to the free market concept and the energy policy. He feels the issue is: How are we going to move ourselves in 20 years? Montgomery is a businessman with B.A. and J.D. degrees.

JACK M. MORGAN has been a New Mexico state senator since January 1, 1973. A Republican, he chairs the Southwest Regional Energy Council. Morgan is a member of the Senate Finance and Conservation committees as well as the Legislative Interim Energy and Environment Committee. He received a B.B.A. and Doctor of Law degree from the University of Texas.

G. F. MORTIMER is a Republican representative in the South Dakota Legislature. He has served in the House for 14 years. Mortimer chairs the Agriculture and Natural Resources Committee as well as the Retirement Law Commission. He is also a member of the Health and Welfare Committee. His legislative interests include the Medical School, the State School lands, game, fish, agriculture, education, taxes, highways, and a reduction in government spending. Mortimer is a retired postmaster and proud grandfather.

AL MUELLER has been a Missouri state senator since 1970. A Democrat, he chairs the Energy Committee and serves on the Gubernatorial Appointments and Local Government committees. He is interested in energy, consumer affairs, and local government. Mueller has received the "Legislator of the Year Award" by the St. Louis Globe-Democrat. He has a B.A. degree in business administration from St. Mary's University in Texas.

JOE NEAL is a state senator from Nevada. A Democrat, he is chairman of the Economic Opportunity Board, Natural Resources Committee, and the Greater Las Vegas Plan as well as delegate to the White House Conference on Energy. Neal is a member of the Legislature Committee and vice chairman of the Human Resources Committee. He has a B.A. in political science and history and has done post-graduate work in law.

SARAH LEE NEAL has been a Democratic member of the West Virginia House of Representatives for eight years. Neal chairs the Agriculture Committee and Sub-committee on Appropriations. Her major legislative interests are in the agriculture issues in her area, preparing the state budget, conservation of energy and utilities, and costs for persons on fixed incomes. Neal is a real estate broker.

KEN NELSON, a member of the Democratic Farm Labor Party, was first elected to the Minnesota House of Representatives in 1971. In 1978 he chaired the House Select Committee on Energy. At present, he serves on the Energy and Utilities, Education, and Criminal Justice committees. Nelson has done

graduate work in energy policy at the University of Minnesota Hubert Humphrey Institute. He is interested in energy legislation to promote conservation and develop renewable and alternative energy systems for Minnesota.

KNOX NELSON, is president pro tempore of the Arkansas Senate. His political career began in 1956 when he was first elected to the Arkansas House. After two terms in the House, he was elected to the Senate where he has served since 1960. He is a member and past chairman of the Legislative Council and serves on the Joint Budget Committee on State Agencies and Governmental Affairs. He chairs the Joint Communications Study Committee and the Southern Legislative Conference Energy Committee. Nelson is president and founder of the Knox Nelson Oil Company in Pine Bluff, and is a farmer.

BOBBY G. NEWMAN, a Democrat, serves in the Arkansas House of Representatives.

RAY NIELSEN, a Democrat, has served in the Utah House of Representatives since 1973. He is minority leader of the Natural Resources and chairman of the Natural Resources Appropriations committees. Nielsen serves also on the Energy Task Force and on Transportation. He is interested in energy, water, resources, and mining. Nielsen is retired from the Corps of Engineers. He has won the U.S. Military Star, the France Military Croix de Guerre and the Columbia Military Order of Cordoba. Nielsen is a graduate of the Corps of Engineers Advanced Engineering School, Ft. Belvoir, Virginia.

TOM NORTON is a Democratic state representative in the Massachusetts Legislature where he has served for seven years. He chairs the committees on Energy, and Science and Technology, and the special committee to study liquid natural gas. Norton attended Bridgewater State College in Massachusetts.

BERNARD F. O'BRIEN, a Democrat, is a state representative in the Pennsylvania House. He is minority chairman of the Mines and Energy Management Committee.

DONALD R. O'LEARY, a Democrat, serves in the Maine Senate.

RALPH OMSTEAD, a Republican, is serving his first term as speaker of the Idaho House of Representatives. He was elected to that position in 1979 after having served six years in the House. For four years he was a member of the Revenue and Taxation Committee, and for two years he chaired the Revenue Projection Committee. He also served on the Appropriations Committee and was chairman of the House Ways and Means Committee. Prior to becoming a legislator, Olmstead was a commissioner of the Twin Falls County Highway District for 15 years. He graduated from the University of California, College of Agriculture, at Davis and is presently engaged in a ranching business.

ANGELO F. ORAZIO has been a New York assemblyman since 1975. A Democrat, he chairs the Energy Committee and is a member of the Education, Labor, Environmental Conservation, and Real Property Taxation committees. He was chairman of the Legislative Commission on Energy Systems from 1977 to 78. Orazio is an engineer with an undergraduate degree from Rensselaer Polytechnic Institute and a graduate degree from Yale University. He is the patent holder for the "Pulse Compression Radar System".

NAOMI W. OTTERNESS is serving her first term as a Connecticut state representative. A Democrat, she is on the Human Services, Education, and Energy and Public Utilities committees. Her legislative interests are energy

conservation and alternatives, delivery of mental health services, and equalization. Otterness received her B.S. from the University of Wisconsin in mathematics, chemistry and education and an M.S. from the University of Southern California in chemistry.

JAMES K. OTTS is a fifth year Democratic state representative in the New Mexico Legislature. He chairs the Business and Industry Committee, is vice-chairman of the Radioactive Waste Consultation Committee and a member of the Education Committee. He attended Southwestern Agriculture College and received the Outstanding Leadership Award--Southwestern Council, 1974-78.

ROY PECK is a state senator in the Wyoming Legislature. A Republican, he has served in the Senate since 1971. Peck is a member of the Mines, Minerals and Industrial Development Committee and of Political Subdivisions. Peck is interested in energy, economic planning, education, and travel and recreation. He is the co-publisher of the Riverton Daily Ranger and other newspapers. Peck holds a B.A. in journalism from the University of Wyoming. He has won the Wyoming Distinguished Citizen Award.

JOHN PELTON is a second term Republican state representative from Iowa. He chairs the Iowa House Energy Committee and also serves on the Commerce and Judiciary committees. In his first term Pelton was a member of the Natural Resources committee. An attorney and community college instructor, Pelton received B.A., M.A. and J.D. degrees from the University of Iowa.

RICHARD H. PIERCE was elected to the Maine Senate in 1974. A Republican, he serves as assistant majority leader. He chairs the Leadership Council and the Election Laws Committee. Pierce is an educational consultant. He graduated from Boston University (A.B.) and the University of Maine (M.S.Ed.)

JOE RAY, a Democrat, has served in the Arkansas Senate since 1972. During his four terms in the Senate he has been appointed to the Committee on Revenue and Taxation, the Committee on Agriculture, Economics and Industrial Resources, the Efficiency Sub-Committee, the Joint Committee on Retirement and Social Security and the Energy Committee. A farmer, he was a pioneer in the development of the Arkansas poultry industry. He is also a director of the State Bank of Danville, Arkansas.

ROLLAND W. REDLIN has been a North Dakota state senator for 16 years. A Democrat, he serves as assistant minority leader (whip). Redlin is a member of the Natural Resources and the Finances and Taxation committees. He chairs the Natural Resources Information Systems Task Force of NCSL and is a member of the National Advisory Council of SBA. Redlin is interested in natural resources development with particular emphasis on fossil fuels and water resources. A former U.S. Congressman, Redlin is vice president of First Western Bank of Minot and a part-time farmer.

JAMES D. REEVES is serving his second term as a Republican representative in the Colorado Legislature. He is chairman of the Energy Coordinating Council and a member of the Transportation and Energy and Local Government committees. Reeves holds a B.A. and an M.A. in public administration.

SANDY RICHARDS is a Democratic sophomore state representative in the Oregon Legislature. She chairs the Aging and Minority Affairs Committee and co-chairs the Arson Committee. She is also a member of the Judiciary Committee and of the NCSL Energy Committee. Previously, she has served on the committees on Environment and Energy, and Energy Review.

FRED A. RISSE, a Democrat, is president pro tempore of the Wisconsin senate, an office he has held since 1975. He was elected to the State Assembly in 1956, 58 and 60 and has served in the Senate since 1962. Risser was Senate minority leader in 1967, 69, 71 and 73. He chairs the Senate Organization and Joint Organization committees, the special committees on Definition of Death and State Employment Relations, the Joint Committee on Employment Relations and the Joint Survey Committee on Debt Management. He is vice chairman of the Building Commission and Bond Board, and the Special Committee on Determinate Sentencing. Risser holds a B.A. and LL.B. from the University of Oregon and is a member of the Oregon, Wisconsin, and Dane County Bar Associations.

BRIAN ROGERS is a Democratic representative in the Alaska State House, serving his first term in finance. He chairs the University and Social Services subcommittees and is co-chairman of the Constitutional Convention and Power Alternatives committees. Rogers is secretary of No Nukes of the North. He is active in many publications such as Alaska's Energy Policy: Issues & Options (1978) and Small Farm Policies: Options for Fairbanks (1979). He has attended Trinity College, Brown University and the University of Alaska, and is currently a research writer.

GEORGE F. ROSKIE has been a Republican senator in the Montana Legislature since 1975. He chairs the Senate Natural Resources Committee and the Interim Energy Forecasting Study. He is also vice chairman of the Energy and Resources Committee of the C.S.G. Western Conference and serves on the C.S.G. Ad Hoc Committee on Pacific Northwest Energy Legislation. Roskie, a retired assistant regional forecaster (U.S.F.S. Alaska), is also a member of the Western States Legislatures Forestry Task Force. He is interested in natural resources, particularly land use management, all phases of energy, taxation as it affects energy and natural resources, and in the states' role in the national energy program--development, production, distribution and conservation. Roskie holds a B.S. in forest and range management from the University of Montana.

JAMES L. "JIM" RUSSELL- Serving his third term in the Missouri House of Representatives, Russell represents the people of the sixth district in Northwest Missouri. A Democrat, he chairs the House Commerce Committee and the Subcommittee on Radiation Control. He is also a member of the Agriculture and Energy and Atomic Energy committees, as well as the National Gasohol Commission. Russell is a graduate of the University of Missouri at Columbia with bachelor and master of science degrees.

CHET SCOTT, JR. serves in the Vermont Senate. A Republican, he was a member of the House from 1973 to 1974 and has been a senator since 1976. Scott serves on the committees on Education, and Energy and Natural Resources, and he chairs the Vermont Joint Energy Committee. He represents the Senate of the New England Energy Congress on the United States Council of State Governments. Scott is interested in alternative energy sources, natural resources and utilities. He has a degree in business administration and is manager of accounting for a corporation.

ROBERT C. SCOTT is a Democratic delegate in the Virginia General Assembly, where he has served for one session. He is a member of the Health, Welfare and Institutions, and Claims committees. Scott's major legislative interests include lifeline utility rates, a rate structure to provide base amount of energy at an affordable price and to increase the rate as use increases. Another concern is the Neighborhood Assistance Act. This act would allow

corporations to receive a tax credit for contributions to an impoverished area to aid in rehabilitation. Scott graduated from Harvard with a B.A. and Boston Law College with a J.D. degree.

CLYDE M. SEE, JR., a Democrat, is speaker of the West Virginia House of Delegates and former majority leader. He chairs the House Rules Committee, co-chairs the Purchasing Practices and Procedures Commission, is ex officio chairman of Joint Rules and the Joint Committee on Government and Finance. See is an attorney with a B.A. and J.D. from West Virginia University. He co-authored a report on South African Coal liquefaction.

ARTHUR H. SHELDON represents the 22nd legislative district from Montana. A Democrat, he has served in the Legislature for 16 years and is now chairman of the Natural Resources Committee. He is also a member of the Business and Industry Committee. Sheldon graduated from Montana State University.

GEORGE H. SHELDON is a Democratic representative in the Florida Legislature. He chairs the House Committee on Regulatory Reform and is a member of Appropriations; Health and Rehabilitative Services; Corrections, Probation and Parole committees; and the Select Committee on Energy. An attorney, he is a graduate of Florida State University.

DOUGLAS H. SILLERS, an Independent Republican, has been a Minnesota state senator for eight years. He also served 10 years in the Minnesota House. Sillers is a member of the committees on Taxes, Special General Corrections, Judiciary, Education, Energy and Housing, and the Joint Committee on Land Preservation. A farmer and legislator, Sillers is the author of a weekly column.

MARVIN A. SKIE is serving his second term as Republican representative in the South Dakota State Legislature. He is a member of the Local Government, Agriculture and Natural Resources, and Water Energy Interim committees. Skie has held such positions as former Wing Commander of South Dakota State Civil Air Patrol, and former Executive Director of the State of South Dakota Farm Bureau. Skie is a retired commercial pilot.

STEVEN V. SKLAR, a Democratic delegate from Maryland, has served in the Legislature for 11 years. He is chairman of the Nuclear Energy Subcommittee for the National Conference of State Legislatures. Presently he is a member of the Joint Energy, House Environmental Matters, and Administrative, Executive and Legislative Review committees. Sklar is an attorney and a graduate of the University of Pennsylvania, Wharton School of Finance with a B.S. in economics and the University of Maryland School of Law with a LL.B. degree.

BILL SMITH serves in the Alabama Senate. A Democrat, he was a member of the House from 1974-78. Smith chairs the Governmental Affairs and Sunset committees and is vice chairman of the Energy Advisory Committee. He is also a member of the Finance and Taxation, Health and Welfare committees. He is interested in the new constitution for Alabama, energy sources and credits, health problems, child abuse and transportation problems. Smith graduated from Tennessee Tech. University with a B.S. in mathematics. He is a partner with Smith and Wilburn Associates, consultants in transportation and community planning and traffic engineering.

GLADE M. SOWARDS a Republican state senator from Utah has served 11 years in

the Legislature. He was speaker of the House from 1977 to 1978. Sowards chairs the Energy and Natural Resources Committee, is a member of Appropriations--Natural Resources, and vice chairman of the NCSL Energy Committee. His legislative interests are energy and natural resources, and science and technology. Sowards is president of H. S. Sowards & Sons, Incorporated, which specializes in oil jobbing. He graduated from the University of Utah with a B.S. degree in accounting.

JUDITH STAHL is a Republican state representative from New Hampshire. Some legislative positions held by Stahl include: Delegate to the White House Conference on Library and Information Services, past chairperson of the School Volunteers Advisory Board; member of New Hampshire Committee on Children and Youth and the vice chairperson of the House Science and Technology Committee. She received a B.S. in education from the University of Lowell. Stahl is particularly interested in the conservation of energy.

JESS STAIRS has served three years as a Republican state representative in the Pennsylvania Legislature. He is vice chairman of the Mines and Energy Committee and a member of the Agriculture and Game and Fishing committees. Stairs received his B.S. and M.Ed. degrees from Pennsylvania State University.

IRVING J. STOLBERG is a Democratic state representative in the Connecticut Legislature. He was elected to the Connecticut General Assembly in 1971 and chairs the Finance Revenue and Bonding Committee as well as Human Services, Legislative Internships Program and the National Conference of State Legislatures Human Resources committees. Stolberg is interested in tax reform, social services, education, economic conversion, and the energy program funding. He is a professor of geography with a B.A. from U.C.L.A., and Ph.D. from the University of Boston.

ANN STRAND is a Democratic state representative in the Wyoming Legislature. She is a member of the Mines, Minerals, & Industrial Development Committee with sub-committee assignments in Solid Waste Disposal and Mining Claims Validation. Her major interests are in mine safety and health, energy conservation and a fair and equitable resolution of problems confronting industry and the citizens of the state in production, allocation, distribution, development and costs. Strand has a B.A. from Piedmont College and has done graduate work at the University of Wyoming.

THERON L. STRINDEN represents the 24th legislative district in the North Dakota State Senate. He has served in the Legislature for 16 years and is now chairman of the Republican Senate Caucus and Senate president pro tempore. He serves on the Appropriations Committee and is interested in taxation, the control of excessive government growth, education and fiscal responsibility. Strinden is a businessman.

JOSEPH STROHL, a Democratic senator in the Wisconsin Legislature, is a member of the Select Energy, Utilities and Natural Resources committees. He was an aide to U.S. Representative Les Aspin from 1970-1978. Strohl's major legislative interests include energy, utility reform, nuclear energy, and environmental protection. He graduated from North Michigan University with a B.S. in political science.

WILLIAM TELEK is a first term, state representative in the Pennsylvania Legislature. A Republican, he is secretary of the Mines & Energy Management Committee. He is also a member of the Military & Veterans Affairs and the

Conservation committees. Telek received a M.Ed. from Pennsylvania State University.

DON THORSON is a first term representative of the 45th district of the Wyoming State Legislature. A Republican, he is a member of the Mines, Minerals, and Industrial Development and Revenue committees. Thorson is president of Toco Corporation in oil production. He graduated as a geophysical engineer from the Colorado School of Mines.

DAN TONKOVICH is a West Virginia state senator. A Democrat, he also served two terms in the West Virginia House of Delegates. He has been a member of the Finance, Labor Confirmations, Public Institutions, and Transportation committees and vice chairman of the Senate Health Committee. Tonkovich has been instrumental in efforts to improve procedures and processes in his legislature. In 1979, he successfully sponsored a measure permitting standing committees to conduct interim studies. Tonkovich is a real estate agent and public relations management consultant, and he serves on the LEGIS/50 Business Advisory Council. He received a bachelor's degree from West Liberty State College and a master's degree in public administration from the Maxwell School of Citizenship at Syracuse University.

THOMAS E. TOWE, a Democrat, has served in the Montana State Senate since 1971. He is a member of the interim committees on Corrections Policy and Facility Needs, Revenue Oversight and Coal Tax Oversight (liaison) and serves on the Senate Taxation and Senate Judiciary committees. In 1974 he was vice-chairman of the interim committee on taxation of coal and other fossil fuels. Towe has successfully sponsored utility legislation opposed by the Montana Power Company and also sponsored the highest coal tax in the nation which has not reduced the mining of coal. He has also worked on alternative energy research. An attorney, he is a graduate of Earlham College, the University of Montana and Georgetown University. He has authored numerous articles for major legal publications.

DIEMER DURLAND TRUE, a Republican senator in the Wyoming Legislature, was first elected to the Wyoming House in 1972, reelected in 1974 and elected to the Senate in 1976. He is chairman of the Mines, Minerals and Industrial Development Subcommittee and has served on the House Transportation and Highways Committee and Judiciary Committee of the Senate. True is vice president of Black Hills Oil Marketers, Inc. and president of Midland Financial Corporation. He graduated from Northwestern University.

J. CHRIS ULLO is serving his third term as Democratic state representative in the Louisiana Legislature. He is a member of the Natural Resources, Judiciary, and the Southwest Regional Energy committees. His major legislative interests are energy and natural resources, property taxes and local government. Ullo was awarded Legislative Conservationist of the Year in 1977. He attended Tulane University of engineering.

CLIFFORD T. UWAIN is serving his second term as a state representative in the Hawaii Legislature. A Democrat, he chairs the Energy Committee and is a member of the committees on Education, Higher Education, Culture and Art, Agriculture, Ecology, Ocean and Marine Resources, Water and Land Use. Uwaine is a graduate of the University of Hawaii (B.Ed. and M.Ed.).

DALE M. VOLKER is a Republican-Conservative state senator in the New York Legislature. He was elected to the New York State Assembly in 1972 and first

elected to the Senate in February 1975. Volker chairs the Senate Energy Committee. He is a member of the committees on Mental Hygiene and Addiction, Crime and Corrections, Codes (Criminal Justice), Civil Service and Pensions, Aging, and the Selective Committee on Crime. His major legislative interests are in crime and energy. Volker is an attorney and graduated from Canisius College and S.U.N.Y. at Buffalo Law School (LL.B., J.D.).

PETER VON REICHBAUER is a Democratic senator in the Washington Legislature. He chairs the Parks and Recreation Committee.

VERNON E. WAGNER, a Republican, is speaker of the North Dakota House of Representatives. He has been a representative for 18 years. Wagner has chaired the Appropriations Committee and is interested in appropriations, finance and health. He holds a B.S. in pharmacy.

JOHN H. WALDROP has been a senator in the Mississippi Legislature for five years. A Democrat, he is a member of the Finance, Highways, Insurance, Judiciary, Agriculture, and Forestry committees. Waldrop has a B.S. degree and is an insurance sales agent.

LORINE M. WALTER is assistant majority whip in the New Hampshire Legislature. A Republican, she is presently a member of the Legislative Utilities Consumers Council, Transportation and the Joint Legislative Committee on the feasibility of Restoring Rail Service. Walter has been active in many various women's organizations.

JAMES GRAVES WARD represents the sixth district in the Florida Legislature. He was first elected in 1976 and re-elected in 1978. His committee assignments include: Appropriations, vice chairman of the Insurance Committee, chairman of the Bank and Finance Subcommittees, Natural Resources, Governor's State Housing Goals Council, Joint State Lands Study Commission. Ward is a graduate of the Southern Technical Institute, where he majored in agricultural engineering technology. He holds a State of Florida general contractor's license and is president of James G. Ward General Contractors, Incorporated.

ALAN WHEAT is a Missouri state representative. A Democrat, he has served in the House for four years. Wheat has sponsored a \$5.1 million "Utilicare" program that will provide assistance to the elderly. He is treasurer of the National Black Caucus of State Legislators.

JOE E. WHITESIDES has served six years as Republican state representative in the Utah Legislature. He is a member of the Energy and Natural Resources and Public Education committees and is chairman of the Rules Committee. He has a M.S. degree.

ARNIE WIGHT has served as a Republican representative on the New Hampshire House since 1977. He chairs the Science & Technology Committee on Growth Management and Economic Development. Wight is a member of the Joint Legislative Committee on Radioactive Waste Management Policy. He is manager for the Eastern Region Plastics Intermediates Department of Rohm and Haas Company.

KATS YAMADA is the Democratic majority floor leader in the Hawaii House of Representatives. He has been a legislator for four years. Yamada is an attorney and earned his J.D. from the University of California at Davis.

LARRY YOUNG is a Democratic delegate in the Maryland General Assembly, where he has served since 1975. He is a member of House Environmental Matters and chairman of the Subcommittee on Health. Young is interested in health, energy, urban policy, and career education. He is president of the Center for Urban Environmental Studies and chairman of the National Caucus of Black State Legislators on Energy. Young won the annual award of the National Environmental Education Association.

ALAN L. ZIRKLE is serving his fourth term as a state representative in the Indiana General Assembly. A Democrat, he is a member of the Government Reorganization, Roads and Transportation; Metropolitan Affairs and Nuclear Energy committees. Zirkle's major legislative interests are fiscal management and alternative energy. He has a B.S. degree from Indiana University.



ENERGY AND YOU

July 1979

Windfall profits tax could hinder U.S. energy goals

The timing couldn't be worse. While Americans face the grim realities of uncertain energy supplies, Congress is working on a windfall profits tax which could create a serious disincentive to future U.S. energy development.

Our country now is at a critical energy crossroad. We urgently need to find and produce more domestic energy supplies and reduce our dependence on foreign oil.

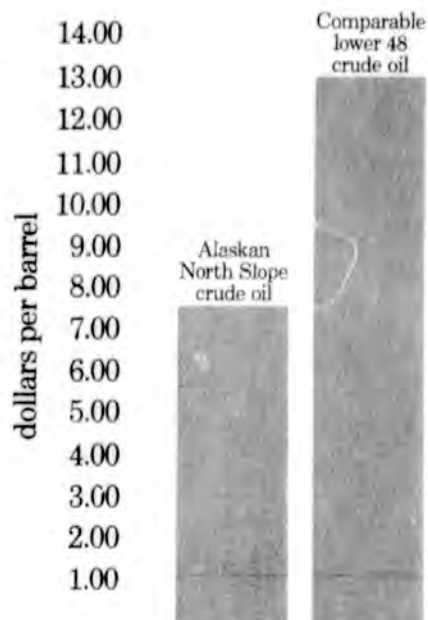
The windfall profit proposal would tax U.S. oil companies on revenues received from decontrol of crude oil prices, instead of allowing producers to reinvest those revenues in domestic energy development. This measure would discourage investment in future energy production, particularly in Alaska, by failing to recognize the financial risk involved in developing frontier oil.

The House Ways and Means Committee passed a stringent windfall profits tax, then the full House reduced the tax by a 236 to 183 vote. This suggests that Congress is beginning to see the impediment to domestic energy development the tax could create. This change may also have been stimulated by the recent announcement by the Organization of Petroleum Exporting Countries (OPEC) to raise crude oil prices and restrict supplies, as well as the President's commitment in Tokyo to limit current and future U.S. oil imports.

President Carter originally exempted Alaska North Slope crude oil from his proposed windfall profits tax, but the House extended the tax to North Slope crude discovered before 1979. Alaska oil would be taxed on any increases above an arbitrary \$7.50 per barrel wellhead ceiling. Similar oil produced in the Lower 48 states would only be taxed when increases in wellhead value went above \$13 per barrel.

Oil producers in the Lower 48 states would receive some benefit from decontrol, even with the windfall profits tax. Alaska oil producers would not receive any

Average wellhead price
subject to
windfall profits tax



benefit from decontrol until wellhead prices exceed \$13 per barrel but would be taxed on revenues above \$7.50 per barrel. Alaska wellhead values are now above the \$7.50 level so imposition of the proposed tax would, in effect, force a rollback in the Alaska wellhead values!

The windfall profits tax is not in keeping with the Administration's original pricing policy for North Slope crude oil. In 1977, the Administration set the ceiling price for North Slope crude at the level of the

ceiling price for the nearest oil field with similar oil—the Cutbank Montana field. As a result, the ceiling price for North Slope crude is now in the range of \$13 per barrel. The administration believed this incentive was needed to encourage investment in developing frontier oil. But the proposed windfall profits tax would substantially diminish that incentive.

Sohio contends that the high exploration and transportation costs of North Slope crude make this tax unfair. It costs from \$7 to \$9 per barrel to bring Alaska North Slope crude oil to U.S. markets compared to about 50 cents per barrel for Lower 48 oil.

Tax is disincentive

"If this new tax on Alaska North Slope crude oil remains in the ultimate legislation," says Sohio Chairman Alton W. Whitehouse Jr., "it will create another major disincentive to present and future oil exploration in Alaska, where the Federal government has estimated 30 percent of the undiscovered oil reserves in the entire United States are to be found."

Some legislators may argue that the tax would not be a disincentive to investment because newly discovered North Slope crude would be exempt from the windfall profits tax. Sohio's response to this argument is, "Who will really believe that?" Past experience now reconfirmed by this new tax shows that Congress keeps changing the rules after the fact. If an oil company drills an expensive well on Alaska's North Slope and finds no oil, no one will come to bail it out. But if the company is successful and finds substantial new oil reserves, it can expect a big after-the-fact penalty.

The regulatory treatment North Slope crude now receives will be significant in determining the development of Alaska's oil reserves in the years ahead.

Return or profitability on risks taken is the key to any company's business decisions. The enormous costs and risks of exploration and development of Alaska's oil reserves and after-the-fact changing of the rules are important factors in considering Arctic energy development.

If the government is trying to encourage greater development of U.S. energy supplies, it doesn't make sense to increase taxes on the basic form of energy we now rely on—oil and gas—just to bridge the gap to alternative forms of energy for the future.

The Senate Finance Committee is expected to take action on the windfall profits tax in July. Sohio is calling on members of the committee to take a long hard look at the possible consequences of the tax.

Want the latest information on Sohio's gasoline supplies and other company news?

If you are in the Ohio area, dial "Connections"—the company's new telephone newswire. There is a new message daily. Callers in the Cleveland area may phone 687-1722; elsewhere in Ohio, dial 800-362-4088. The latter toll-free number is available only in Ohio.

Letters to members of the Senate Finance Committee expressing the need for the U.S. to create incentives for developing domestic energy supplies would be timely. Your letter would especially help. Thanks. Write:

Senator Max Baucus (D-Mont.)
Senator Lloyd Bentsen (D-Tex.)
Senator David L. Boren (D-Okla.)
Senator Bill Bradley (D-N.J.)
Senator Harry F. Byrd, Jr. (D-Va.)
Senator John H. Chafee (R-R.I.)
Senator John C. Danforth (R-Mo.)
Senator Robert Dole (R-Kans.)
Senator David Durenberger (R-Minn.)
Senator Mike Gravel (D-Alaska)
Senator H. John Heinz III (R-Penna.)
Senator Russell B. Long (D-La.)
Senator Spark M. Matsunaga (D-Hawaii)
Senator Daniel P. Moynihan (D-N.Y.)
Senator Gaylord Nelson (D-Wis.)
Senator Bob Packwood (R-Oreg.)
Senator Abraham Ribicoff (D-Conn.)
Senator William V. Roth, Jr. (R-Del.)
Senator Herman E. Talmadge (D-Ga.)
Senator Malcolm Wallop (R-Wyo.)

Letters should be sent to the U.S. Senate Office Building, Washington, D.C. 20510

WASHINGTON WATCH



William C. Rountree, Sohio's director of Federal Government Affairs, kicks off this new column with an inside look at the role of a Washington representative. "Washington Watch" will appear regularly in Energy and You. Some months it will alternate with "State Scene." In both columns, Sohio's Federal and state government representatives will provide you with a first-hand report on what's happening with important energy issues in Congress and the state legislatures.

Ten years ago Sohio did not have a Washington office. The pervasive influence government has over all of our lives and over corporate life was not as intense as it is today.

Sohio's experience with government intervention first came with the passage of the Trans Alaska Pipeline Act. It was our initiation by fire to the acceleration of government regulations. We found what it takes to get a pipeline built in an era of extreme regulation.

In recent years there has been a marked trend toward more legislation and more government participation in business—especially the energy industry's business. With this comes an urgent need for an open advocacy of ideas.

As a Washington representative, I advocate Sohio's positions. I see that the company's point of view is considered when legislation is being drafted. I report the company's position fairly and accurately and spell out the impact legislation would have on others. In explaining Sohio's viewpoint, I use as many facts and figures as I can find because my personal credibility is the company's credibility.

If you are honest, open, responsive, and accurate, members of Congress and administrative officials will listen, respect your views, and take your advice many times.

In outlining my responsibilities as a Washington representative, I basically have four functions:

- To provide information to Congress.
- To inform management of government actions which affect the company.
- To assist in the development of the company's position.
- To communicate Sohio's position and work with people so they understand the company's viewpoint.

Washington representatives must become experts on many issues and be able to explain their complexities. They advise members of Congress on the options available to them when they are considering legislation, and help them keep in touch with the interests of the people back home.

There are seven members on Sohio's Federal Government Affairs staff. Four of these staff members are specialists on certain issues and represent the company on these issues when they are before Congress and the Executive Branch. Sohio's Washington staff also interacts with other companies and groups in working to support good legislation.

Government could not function effectively without good lobbyists. We are an essential link in keeping the information flowing between business, government, labor and other interest groups. This information is essential to legislators trying to write workable laws.

House passes Alaska lands bill

In an effort to resolve the Alaska lands conflict, the House voted 268 to 157 to set aside 125 million acres of Federal lands in Alaska, an area larger than the state of California, for national parks and wildlife preserves. The measure restricts oil and gas development, timber



harvesting, and mining. It also prevents access to 67 million acres of classified wilderness areas with significant potential oil and gas reserves. Exploration for oil and gas, minerals, and other natural resources is strictly prohibited in these areas.

The United States Geological Survey says there may be billions of barrels of undiscovered oil in the Arctic National Wildlife Range which falls into the wilderness category. It may never be known whether there is another large oil field in the wildlife range if this legislation passes.

Other provisions

In gaining access to wildlife refuges, oil producers would be required to file for an exploration permit to search for oil, then turn the results of their findings over to the U.S. Interior Department. This would be followed by a competitive lease sale where producers would bid on land tracts for the right to drill wells. The government might even decide against holding a lease sale after producers spent millions of dollars and workhours in exploration. This is hardly an encouraging approach to stimulate investment in non-government dollars.

Although H.R. 39 does not threaten Sohio's Prudhoe Bay operations or its immediate plans in Alaska, it does put a damper on the company's options for future exploration and production in the state.

In recent years, public support for the need to protect the balance of Alaska's natural environment has increased. In response to this concern, the oil industry took unprecedented environmental protection measures in development of the Prudhoe Bay oil field and construction of the pipeline.

Sohio believes preservation of Alaska's wilderness and resource development are not mutually exclusive goals. Both can be achieved if Congress takes a balanced approach in reaching its decision.

Campaign Financing

Will Congress pass the ultimate perk?

A move is underway in Congress to get taxpayers to foot part of the bill for financing general elections.

Senator Edward M. Kennedy (D.-Mass.) and seven other senators introduced a measure which would subsidize Senate election campaigns beginning in 1980. Kennedy estimates the bill, S.623, would cost taxpayers at least \$54 million over the course of a six-year term.

The House Administration Committee last May voted 17 to 8 against reporting a similar bill, H.R. 1, out of committee. But the bill could still make it to the House floor as an amendment to other legislation.

With this proposed public campaign financing, candidates who can certify they have raised a minimum amount in private contributions and agree to comply with a campaign spending limit, would be eligible to receive matching funds from taxpayers.

In a 1978 survey by Civic Service Inc., a public affairs research firm, 67 percent of the public opposed taxpayer campaign subsidies while 21.5 percent approved.

Many think that public campaign financing would give unfair advantage to incumbents over challengers in congressional races. Historically, incumbents have been able to raise more money for campaigning than their challengers. According to the latest Federal Election Commission reports, they raised twice as much as non-incumbents through individual contributions over \$100.

Fringe benefits

Public campaign financing might even discourage good candidates from running for office because the other financial cards are stacked against them.

A recent study by Americans for Democratic Action (ADA) outlines the benefits incumbents have over challengers. At public expense incumbents get:

- Staff, office equipment, and supplies for both Washington and home district offices,
- Travel to and from home district,
- Newsletters touting their achievements,
- Free postage,
- Budget for long distance phone calls,
- Use of computers to store constituents' names and addresses,
- Free use of Congressional television and recording studios to tape messages for local media.

The ADA says this adds up to a half-million dollar advantage over the challenger, not to mention the free press and access to the media incumbents already get just by holding office.

Public campaign financing will not only hurt taxpayers' pocketbooks. Some dollars may go to support candidates they *don't* want elected.

Proponents of public campaign financing claim it would protect the election process from special interest groups like political action committees (PACs). They contend these PACs have too much influence in congressional elections but facts don't support this.

A report by the Federal Election Commission reveals that all PACs—corporate, labor, and non-party—contributed 16 percent of the total funds candidates raised in the 1978 congressional races. Individual contributions accounted for 66 percent and the rest came from other contributions and loans. Sohio has supported a broad-based approach to election campaigns.

Alaska oil tax challenged

Sohio and a group of oil companies have filed suit against the state of Alaska challenging a discriminatory income tax levied against the oil industry last year.

In 1978, the oil industry paid taxes of more than \$160 million. This is about four or five times as much as it would have paid under the old law.

In their challenge, the companies claim the oil industry has repeatedly been singled out for discriminatory tax increases following the discovery of the Prudhoe Bay oil field in 1968. The Alaska Legislature has raised various oil industry taxes 12 times since then. The new tax applies to about 20 companies out of the thousands doing business in the state.

The suit charges that the tax is unconstitutional because it results in double taxation of income. Some income from sales of Alaskan crude in California and elsewhere is taxed outside Alaska, yet Alaska taxes 100 percent of the income, as if it were all earned in Alaska. Since California and other states charge taxes on a pro rata basis the income from the sale of Alaskan crude is taxed at least twice.

The tax further violates the Constitution, the suit notes, by taxing income from offshore wells on the Outer Continental Shelf, which is under the jurisdiction of the Federal government, not the state.

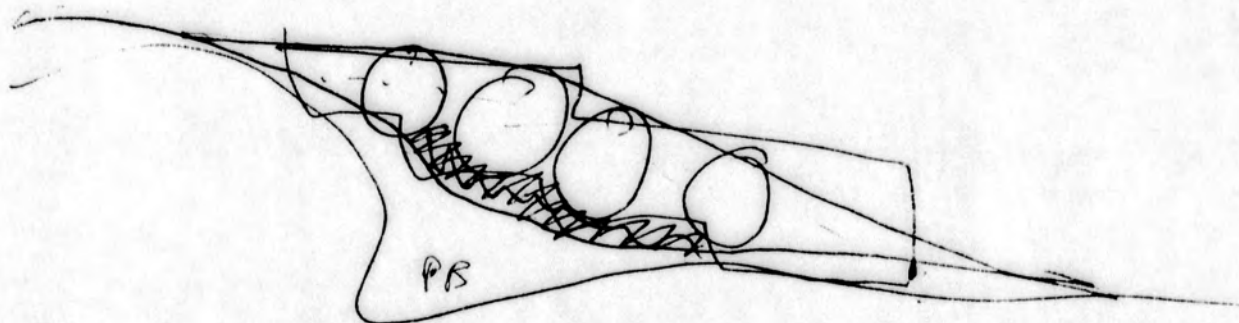
In addition, the companies contend the new law is not proportionate to the volume of business conducted in Alaska or the services rendered by the state.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

Recess

LEGIS/50

The Center for
Legislative Improvement



Whereas the resolution of the energy problem will have to be assisted by a wide variety of distributed as well as centralized energy production systems, and whereas the various distributed energy production systems most appropriate to a state should receive state assistance if the goals of energy independence and security are to be achieved, therefore be it resolved that Legis/50 Town Meeting that greater focus be placed on developing innovative legislation to assist the rapid development of such distributed energy production systems using renewable energy sources since, for many energy poor states this might provide a substantial relief to the present stranglehold by the energy cartels.



Whereas mandated legislation from the federal government such as heating and lighting standards often deal with complex scientific or technological matters, and whereas this legislation is often based on considerable scientific and technological research, and whereas such mandated legislation should be subject to the well informed scrutiny of state legislators, and whereas such mandated legislation generally requires expertise at the state level to adapt the legislation to achieve the stated goals of such legislation for specific state application, therefore be it resolved that Legis/50 town meeting on energy request the federal government to accompany mandated legislation requests with appropriations sufficient to provide staff to demonstrate the appropriateness of the legislation at the specific state level and that the states also be provided with background research information briefs or bibliography used in the development of the legislation at the federal level.

Commerce (incl L + M)

~~State Affairs (Transport,~~

Energy (Oil + Gas, Renewable Energy, Conservation, etc)
Resources (Fisheries, Timber, Agriculture, Parks, etc)

Finance - ~~Appropriation~~ Budget
Revenue

Health + Social Services
Education

Judiciary

Rules

^{Governmental}
~~Community + Regional~~ Affairs

Transportation

S RULES

H RULES

Cotten	Anderson
Parr	~~Matter~~ Gardiner
<u>Brown</u>	
Hayes	
Phillips	

A G E N D A

THE DEPARTMENT
~~OF~~ OF
LEGISLATIVE TOWN MEETING ON ENERGY

December 19, 1979

1. Report on Community Impact Management
Chairman: Representative Bill Edwards (Wyoming)
2. Report on Energy and the Economically Disadvantaged
Chairman: Delegate Larry Young (Maryland)
3. Report on Licensing and Permitting
Chairman: Representative Judith Stahl (New Hampshire)
4. Report on State Energy Emergency Legislation
Chairman: Senator Alfred Alquist (California)
5. Report on Energy Transportation
Chairman: Senator Joseph Strohl (Wisconsin)
6. Report on Nuclear Waste Management
Chairman: Senator Paul Hess (Kansas)
7. Report on Synthetic Fuels
Chairman: Senator Kenneth Buzbee (Illinois)
8. Report on Utility Policies, Conservation, and Emerging
Technologies
Chairman: Representative George Sheldon (Florida)
9. Closing Comments by Jim Arnold, LEGIS/50
- 10.. Closing Comments by Jack Daly, Department of Energy

RECOMMENDATIONS

LEGISLATIVE TOWN MEETING
ON ENERGY

DECEMBER 17-19, 1979

DEPARTMENT OF ENERGY
LEGIS/50

BROWN PALACE HOTEL
Denver, Colorado

COMMUNITY IMPACT

Recommendations:

- ✓ 1) A formal coordination mechanism should be established through one federal office for all federal programs which could help communities impacted by energy exploration and development. Appropriate federal and state statutes dealing with impact should be computerized and readily available to local, state, and federal officials.
- 1 2) We oppose federal legislation that would not allow states to set their own level of severance taxes.
- 0 1 3) State and local governments should have primary responsibility for management of impact problems.
- ✓ 4) Local units of government should be encouraged to establish local mechanisms (such as task forces and energy development boards), broadly representative of all interested public and private sector parties, to review and deal with the problems of impact from energy development.
- ✓ 5) Where appropriate, industry should be required to commit assistance to local communities to deal with impact problems in advance of final decisions of plant siting. (Adopted by 5-3 vote)
- ✓ 6) Funding for planning ought to be available to local communities in advance of exploration and development. (Adopted by 7-1 vote)
- 1 ✓ 7) State and local officials must share in the planning of federal projects in energy exploration and other developments that directly impact their localities.
- ✓ 8) Front end money is essential to impacted communities for services (police, fire, transportation, planning, etc.) and capital construction (sewer, roads, schools, water, etc.) whether from loans or bonds or grants or severance taxes but should not depreciate the local government tax base when the energy development facility is operating.

All recommendations were adopted unanimously unless otherwise indicated.

ENERGY AND THE ECONOMICALLY DISADVANTAGED

Recommendations:

As a result of four hours of testimony and questions and answers by participants, this workshop developed 30 recommendations. The following were abstracted from those 30 recommendations for presentation to and consideration by the Town Meeting. These recommendations are directly susceptible of state legislative action or concern.

- ! ✓ a. There is a need for a massive long-range weatherization program for every residence in America by 1990. This program should address rental property as well as home owners.
- ! ✓ b. Manpower for weatherization programs should not be limited to CETA personnel. The need is to hire and retain qualified workers to undertake this program.
- ! ✓ c. Block Grant programs to the states are recommended because such programs provide the greatest flexibility to the states in designing effective energy programs.
- ✓ d. The present poverty level is 125%. We recommend that this be raised to 150% poverty level for energy assistance and 175% for the elderly.
- ✓ e. States have been depending on federal dollars for energy assistance. We recommend adoption of a formula of 85% federal dollars/15% state dollars for energy assistance programs funding.
- ✓ f. PURPA requires state hearings on innovative rate structures. These hearings should be conducted and completed in a reasonable and judicious period.
- ✓ g. Service charges should be eliminated for all rate payers. These are especially burdensome to the poor and the elderly.
- 7 h. As per DOE's charter, the state intervention unit should be activated immediately, as the states need the expertise which can be provided by this federal resource.
- ! i. Legislatures should enact legislation which will exempt all energy assistance monies from being added to the total income of those who receive AFDC, SSI, and other related payments.
- ✓ j. Despite the present energy crisis, there remains significant numbers of citizens unaware of its seriousness. States must increase public awareness programs about the nature of the crisis, conservation techniques, and governmental assistance programs available.

Energy and the Economically Disadvantaged (Continued):

- ✓ k. State legislatures must become directly involved in evaluation of the 1979 experience as a basis for designing innovative state programs.
- ✓ l. States should provide "intervener groups" with a source of funding to retain expert assistance in interventions into state rate structure and other energy regulatory proceedings. *AKPIRG*

LICENSING AND PERMITTING

Recommendations:

1) Whereas, the regulations promulgated by the Office of Surface Mining to implement the Surface Mining Control and Reclamation Act of 1977 undermine the intent of the Act, which was clear in giving states "Primacy" to develop their own plans; and

Whereas, the Office of Surface Mining has usurped that congressionally mandated authority from the States by issuing regulations so overly specific that states must produce exact duplicates of the federal regulations to get a state plan approved; and

Whereas, U.S. Senate Bill 1403 (S.1403) would free states from the voluminous rules and regulatory overkill that have severely stifled the coal industry from needed energy development; and

Whereas, S.1403 does not nullify the 115 environmental protections in the 1977 law, but instead merely restores to the states the flexibility to produce their own tailor-made plans--a provision specifically mandated by Congress in the Act.

✓ Therefore, be it resolved that the Legis/50 Town Meeting on Energy supports S.1403.

2) Whereas, there is an immediate need to develop energy projects so that the United States may free itself from dependence on foreign oil; and

Whereas, the constantly changing and confusing array of regulations make the siting of energy projects almost impossible or, at best, a very long-range undertaking; and

Whereas, recent studies have indicated that state laws and regulations are not the cause of delays, but that federal inability to implement them in a timely manner have been the major problem; and

Whereas, bills now pending before Congress would give to an Energy Mobilization Board the authority to override substantive state and local laws; and

Whereas, granting such authority to an unelected, single-purpose federal agency would raise serious constitutional questions about the future distribution of authority and responsibility among the three levels of government;

III
Therefore, be it resolved that the Legis/50 Town Meeting on Energy opposes any Energy Mobilization Board with the power to override state and local laws.

Be it further resolved that this resolution be forwarded to the U.S. Congress Conference Committee on S.1308 and H.R. 4985.

Licensing and Permitting (continued):

✓ 3) Be it resolved the Legis/50 Town Meeting on Energy endorse the concepts of the Colorado Joint Review Process on Licensing and Permitting and recommend that a similar process be adopted by all state legislatures.

4) Whereas, the need for flexibility in meeting the energy crisis facing this country is paramount; and

Whereas, one of the fundamental strengths of the federal system is the ability to utilize the varying capabilities of the fifty states in solving their distinct problems, as well as to experiment with alternative approaches to solving common problems.

Therefore, be it resolved that the Legis/50 Town Meeting on Energy believes it is time to put a halt to the practice of unilaterally adopting and enforcing substantive environmental standards and procedural requirements, irrespective of their possible effects on energy policy objectives and the economy, while subjecting any proposed energy development activity to the burden of proving that no harm will be done to the environment as a result of such activity under the force of such standards and procedures, and the Legis/50 Town Meeting on Energy urges the Congress and the administration to conduct a thorough review of any and all applicable policies, statutes, and regulations to ensure that they are consistent, to the maximum extent possible, with the attainment of this nation's stated energy policy goals.

✓ Be it resolved that the Legis/50 Town Meeting on Energy commend the Environmental Protection Agency in its initiatives taken to streamline their permit procedures and encourage other government agencies to do likewise.

5) Be it resolved that each state legislature examine its substantive and procedural laws relating to energy and environmental permitting and revise those statutes where appropriate to:

- ✓ a) Streamline and make uniform its procedural standards;
- ✓ b) Simplify and make uniform the judicial review of permitting decisions;
- ✓ c) Place in being a legislative committee to oversee actions or inactions by each state's executive branch; and
- ✓ d) Require a central information point and cooperative permitting procedures involving both state and local government.

ENERGY EMERGENCY LEGISLATION

Recommendations:

- ✓ 1) State legislatures should enact energy emergency legislation. We recognize that each state is unique and that each state legislature should fashion the emergency legislation to meet its unique needs.
- ✓ 2) All state legislatures should encourage the development of energy sources other than petroleum.

ENERGY TRANSPORTATION

Recommendations:

- 1) Whereas, the Committee on Energy Transportation of the Town Meeting of State Legislatures did not have the opportunity to discuss mass transportation; and

Whereas, the committee believes the issue of transporting people and commodities is vital in developing a comprehensive energy program;

Therefore, be it resolved that the delegates support the Committee on Energy Transportation in expressing its disappointment that the issue of mass transportation was not included in the agenda for the meeting.

- ✓ Be it further resolved that future meetings of this nature include the study of this vital issue.

- 2) Whereas the issues of transportation related to the future of energy independence for the United States are complex and multi-faceted; and

Whereas, the Committee on Energy Transportation concentrated on defining the future problems of transporting energy resources such as coal, natural gas and oil; and

Whereas, the committee found there are substantial problems facing this country regarding the development of alternative and sufficient sources of transportation;

Therefore, be it resolved that the Legislative Town Meeting on Energy supports the following:

- ✓ a) The efforts of the Department of Energy in developing a plan for transporting energy resources, and
- b) The development of state energy resources transportation plans in conjunction with the Department of Energy. State plans should consider the following issues:
 - ✓ --Implementation of low cost solutions to community impact problems caused by increased rail traffic and further evaluation of high cost solutions including the method of financing these solutions.
 - ✓ --Expansion of viable competitive resource delivery systems to be in place by 1990.
 - ✓ --Evaluation of highway improvement needs to meet the transportation requirements.
- ✓ c) Cooperation between the Department of Energy and the states in providing effective means to evaluate and comment on the impact of Department of Transportation and Department of Energy plans on local communities.

NUCLEAR WASTE MANAGEMENT

Recommendations:

- XX
- 1) Given our country's unacceptable dependence on imported oil, nuclear energy and all other energy source alternatives must be considered indispensable components of U.S. energy policy in the pursuit of national energy self-sufficiency.
 - X 2) Congress should enact legislation which will permit the federal government and any state to become full partners through negotiated agreements for determining the process, timetable and impasse procedure to site repositories for the storage of high-level radioactive wastes. The above consultation and concurrence process shall not apply to the siting of repositories for high-level radioactive wastes produced at national defense facilities.
 - 3) Preferably, political considerations should not dictate where nuclear waste facilities are constructed. Rather to best protect the public, facilities should be sited only in locations which are supported by an established record demonstrating geological soundness and environmental acceptability.

Regardless of the future of nuclear power, the fact that large amounts of radioactive nuclear waste exist in solid and liquid forms, from both military and commercial sources, requires that all necessary decisions be made as soon as possible to expedite resolution of the nuclear waste problem. The Department of Energy, Nuclear Regulatory Commission, the President and Congress are urged to act expeditiously in selecting the appropriate technologies, and to fund the necessary programs to solve this problem.

XX If an agreement cannot be reached between a state and the Department of Energy, recognizing the Nuclear Regulatory Commission's statutory licensing authority, Congress, the courts or some independent review authority should resolve the impasse within 60 days after the failure to agree is formally certified by the parties involved.

- X
- 4) It is essential that technologically suitable sites be identified formally by the U.S. Department of Energy as soon as possible in conjunction with consultation and concurrence with the states involved.
 - 5) It is recommended that the National Town Meeting endorse action taken by the U.S. Senate Energy Committee on Dec. 10, 1979 giving the federal government one more year to come up with a plan for long-range disposal of nuclear wastes.

The U.S. ~~this~~ is a federal system, and we must remember rights of the sovereign states. In Alaska we have chosen not to pursue the nuclear option.

~~Does he~~
Is the delegate from Maryland willing to site nuclear waste in his state?

SYNTHETIC FUELS

The Committee on Synthetic Fuels did not develop recommendations for the Town Meeting on Energy.

UTILITY POLICIES, CONSERVATION, AND EMERGING TECHNOLOGIES

The Committee on Utility Policies, Conservation, and Emerging Technologies did not develop recommendations for the Town Meeting on Energy.

SMALL-SCALE HYDROELECTRIC POLICY REPORT FOR ALASKA:
PRELIMINARY LEGISLATIVE
OPTIONS AND RECOMMENDATIONS

Prepared for the Alaska
Joint Special Committee on
Renewable Energy Policy

Energy Program-Small-Scale Hydroelectric Project
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Alaska Policy Report

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I. Introduction

The National Conference of State Legislatures (NCSL) Small-Scale Hydroelectric Policy Project is working with the Alaska Legislature in a review of small-scale hydro policy issues. Project activities were initiated in August, 1979 with a staff visit to Juneau to brief the Joint Special Committee on Renewable Energy Policy about the Small-Hydro Technical Assistance Program and to conduct in-state field research. Following this meeting, the staff assisted the committee in conducting a meeting in Anchorage on September 13, 1979 to identify the issues the committee would consider. Persons from a diverse range of backgrounds and interests participated in this meeting.

On September 14, 1979, the committee and NCSL staff agreed to a workplan outlining the issues that would be studied and laying a future course of action for committee meetings. A copy of the workplan is attached to this document.

This policy report represents the initial research requested by the committee on issues identified in the state workplan. The policy options and recommendations are intended to serve as a base for the formal development of legislative policy on these issues through their discussion.

Introduction

Four issues were identified in the State Workplan for analysis by NCSL: the potential impact of "grandfathered" riparian rights; the potential impact of federal "reserved water rights"; stream-flow maintenance; and integrated water management. The following describes the results of NCSL research on these policy concerns.

Riparian Rights

The 1966 Water Use Act¹ recognized the validity of certain existing water uses,² including riparian³ mining claims. To the extent that such unrecorded "grandfather" rights exist, concern has been expressed regarding potential constraints on small-scale hydro development. It appears, however, that the problem may be administratively resolved under existing statutory authority.

The Water Use Act included a provision⁴ that claimants to existing water rights must file a declaration of appropriation within a finite filing period. The proposed Water Management Regulations⁵ set out such filing schedules. Claims not filed within the specified periods are extinguished.⁶ Thus, a mechanism has been proposed which will allow determination of the extent of "grandfather" water rights, thereby removing an area of uncertainty regarding small-scale hydro development.

Federal Reserved Water Rights

Concern has also been expressed over the extent to which Indian⁷ and other federal⁸ "reserved water rights" might impact small-scale hydro, especially with regard to maintenance of streamflows. Water reservations pursuant to the creation of a federal enclave (e.g., a national monument) do not extend to stream flow maintenance for general environmental and aesthetic purposes.⁹ Moreover, such claims are subject to state court jurisdiction¹⁰ via the McCarren Amendment.¹¹

The situation is less clear with regard to Indian water claims. Reserved Indian water rights (Winters Doctrine) also are subject to state court adjudication,¹² but Alaskan Native¹³ water rights may be "aboriginal" rather than "reserved" (i.e., pursuant to the establishment of a treaty reservation). However, federal land withdrawal pursuant to the Alaska Native Claims Settlement Act of 1971, may be an analogous situation.

These matters have been litigated in Alaska.¹⁴ The Alaska Superior Court for the Third Judicial District found that there has been no Congressional recognition of aboriginal title in Alaska¹⁵ and that in any case, the Winters Doctrine "does apply to...water held by Alaska Natives under aboriginal title..."¹⁶ Thus, it appears

that Alaskan Native water claims will be subject to state court adjudication and quantification, thereby ameliorating the expressed concern regarding small-scale hydro development.

It should be noted in this regard that there is no reason to anticipate frequent conflicts between small-scale hydro developers and Alaskan Native Corporations (ANC's). Given the lack of a power transmission grid in Alaska, it is not likely that small-scale hydro developers will seek to develop remote sites adjacent to ANC's in order to transmit the power elsewhere. In fact, ANC's will be the likely beneficiaries of nearby small-scale hydro projects, which may often be developed as a joint venture. Thus, the potential for conflict over water rights may not be very significant.

Stream Flow Maintenance

The Department of Natural Resources, through its Division of Forest, Land and Water Management has the authority to attach conditions to water rights permits.¹⁷ Under the proposed regulations, such conditions may include a reservation of stream flow¹⁸ at specific points or stretches for specific periods or throughout the year. Such reservations are made in the public interest, including for the protection of fish and wildlife.

HB118, introduced in the last session, would have allowed stream flow reservations independent of water rights applications, as well as providing guidance with regard to a hierarchy of uses and cost-benefit analysis. Such legislation has general support from the Water Management Section and should be reconsidered during the upcoming session.

Integrated Water Management

There are numerous agencies in Alaska with an interest in water management, including planning, construction and permitting agencies. The Departments of Fish and Game, Natural Resources and Environmental Conservation have reached a cooperative agreement regarding their respective authorities (attached). Such inter-agency consolidation and cooperation should be pursued in the comprehensive review of water policy scheduled to begin in July, 1980. NCSL stands ready to assist in this effort and to submit recommendations to implement its conclusions.

Water management planning in Alaska has suffered from inconsistent funding. The Water Resources Board has recommended a shift to capital improvement funding. Its resolution is attached for legislative consideration. In addition, there exists a huge backlog of water applications waiting to be processed. Adequacy of funding and staff to reduce this backlog is of primary importance in order to facilitate efficient water and energy development in Alaska.

ADDENDUM

In regard to conditioning water permits in order to maintain stream flow, the power to continue such conditions upon the granting of a certificate of appropriation is unclear. According to the Water Use Act (§ 46.15.120), a certificate will be granted if the appropriation has been perfected in accordance with the permit conditions and may contain such "information" as may be prescribed by regulation.

HB 186, proposed during the 1979 session, would clarify this situation by amending the Water Use Act (§ 46.15.120) to explicitly authorize the attachment of conditions to certificates of appropriation. This legislation has the general support of the Water Management Section and should be reconsidered during the 1980 session.

FOOTNOTES

¹46.15 AS

²46.15.060 AS

³Riparian water rights are derived from ownership of land immediately adjacent to a source of water

⁴46.15.135 AS

⁵11 AAC 93 (1979) - proposed

⁶11 AAC 93.020

⁷Winters v. US 207 US 564 (1908)

⁸Arizona v. California 373 US 564 (1962); Cappaert v. US 426 US 128 (1976)

⁹US v. New Mexico 564 P. 2d 615 (1977) aff'd 438 US 696 (1978)
It should be noted that the decision in this case related to a National Forest established pursuant to the 1897 Organic Act. A different result may be reached regarding National Forests established subsequent to the 1966 Multiple Use Sustained Yield Act.

¹⁰US v. District Court for Eagle County 401 US 520 (1971)

¹¹43 USC 666

¹²Colorado River Conservation District v. US 424 US 800 (1977)

¹³including Eskimos, Aleuts and Indians

¹⁴Paug-Vik, Inc. v. LeResche No. 77-17158; Superior Court of Alaska, 3rd District (1979)

¹⁵id., Conclusion of Law #20; see also Tee-Hit-Ton Indians v. US 348 US 272 (1954)

¹⁶id., Conclusion of Law #25

¹⁷46.15.100 AS

¹⁸11 AAC 93.120 (b)(1)

III. ENVIRONMENT PERMITS

Introduction

A hydroelectric developer in Alaska must obtain a number of state permits before he can commence construction of a project. (A list of applicable permits is included in Appendix A.) These permits are issued by several departments, including the Department of Natural Resources (DNR), Department of Environmental Conservation (DEC), Department of Fish and Game (DF&G), and Department of Transportation and Public Facilities (DOTPF).

Alaska has made great progress in streamlining the state licensing procedure via passage of the Environmental Procedures Coordination Act in 1977. This report discusses that system and specifies some legislation options for improvements of the system.

This report must be read against the background of possible federal pre-emption under the Federal Power Act. Although the U.S. Supreme Court has held the Act to be superior to state procedures, the Federal Energy Regulatory Commission (FERC) has adopted a policy that small-scale hydroelectric developers should comply with state licensing requirements prior to obtaining a federal license. Thus, Alaska's regulatory policies remain relevant to small-scale hydro.

Environmental Procedures Coordination Act (AS 46.35.010 et seq)

The Environmental Procedures Coordination Act (EPCA) sets forth the goal of streamlining the licensing procedures for any project requiring one or more of the permits listed in AS 46.35.200. The procedure establishes the DEC as the lead coordinating agency. A developer submits a master application to DEC, which the department then circulates among appropriate state agencies. Any agency asserting licensing jurisdiction must indicate which permits will be required. The DEC then transmits the relevant applications to the developer. When each permit application is completed by the developer, the DEC will transmit that application to the appropriate agency.

After all permit applications are complete, the DEC will publish notice in a newspaper concerning the project. Information from the public will be received via letter or public hearing. Federal and local government agencies may participate at the public hearing. Within 90 days following the hearing, all agencies must complete their determinations and the DEC will send the developer one document indicating the final decision of each agency.

Should the decision be negative, the developer may request an adjudicatory hearing. If the commissioner of the DEC finds that reasonable issues of fact or law are raised, the hearing will be scheduled, moderated by a hearing officer. At the hearing, the commissioner (or his designee) for each agency which rendered final

decision will review the subject matter applicable to that agency. The commissioner (or designee) may affirm or modify the prior decision. Should the developer remain unsatisfied, he may appeal to the superior court.

EPCA states that although all the permits may be granted, a final decision will be withheld if the developer does not possess the necessary land and water rights. Also, a final decision will be withheld if local government officials do not certify that the project conforms with local ordinances or comprehensive plans (or that such ordinances or plans are not applicable).

Present activities to improve EPCA

In order to improve EPCA, the DEC has compiled Directory of Permits for the state, giving a brief description of the criteria for issuance and subject matter for each permit. This Directory includes more than the list of permits in EPCA, and is an attempt to produce a comprehensive compilation of all state, federal and local permits. The most recent update to the Directory will be available in November, 1979.

The Department of Commerce and Economic Development (DC&ED) is in the process of preparing a Procedures Manual which will include a set of master lists of necessary permits, dependant upon type of project. The manual will also include a description of the necessary procedures relevant to application for a particular permit.

Lastly, the DEC has prepared a set of master lists of necessary permits which is used by DEC. As each project proceeds, the DEC maintains a record of necessary permits, and supplements each list with information furnished by the developer.

Legislative Options and Initiatives

As a result of the NCSL and Joint Committee on Small-Scale Hydro sponsored public workshop, as well as subsequent NCSL field research, several problem areas and possible options regarding EPCA have been identified, including:

1. Does the list of permits contained in EPCA provide a complete set of applicable permits for the small-scale hydro (SSH) developer?

The coordination role of the DEC is limited by statute to those permits specifically included in the EPCA, as well as any additional permits designated by the commissioner. However, it appears that some permits listed in the EPCA are no longer applicable, while other permits not listed are of importance. One approach would be to give the DEC the authority to coordinate "...all permits contained in the Directory

of Permits..." Such a mandate should direct all state agencies to enter the coordinated process. It should be remembered that additional staffing and funding may be required to insure DEC effectiveness.

One consideration regarding inclusion of agencies is whether the Public Utilities Commission should be included in the EPCA process. Primarily, the permits included in EPCA relate to environmental concerns, while the PUC is concerned with the development of Alaska's utility system. The legislature should examine whether it considers the respective policy considerations for these subject areas sufficiently similar to warrant inclusion of the PUC in EPCA. Also, the legislature should consider whether convenience to the developer in the case of small-scale hydro would be fostered by inclusion or exclusion.

2. Would pre-application meetings facilitate the licensing process?

The DEC has informally conducted pre-application meetings between a developer and applicable state agencies before a master application is submitted. This meeting tends to promote communication between the developer and agencies and allows the agencies to express concerns or reservations at an early stage. The legislature may wish to consider whether or not to formally require such a service to be available.

3. Are there conflicts and ambiguities between the EPCA and other statutes?

There are a number of areas where the procedures of the EPCA conflict with other statutes, generating unnecessary confusion. For instance, the notice requirements of some permits are dissimilar from those of EPCA, in terms of time limits, number of publications, proper paper for publication, and financial responsibility for publication (developer or agency). Also, some legislative mandates to the agencies require inter-agency determinations regarding some permits, but these are not provided for in the EPCA. The legislature should consider revisions to eliminate these conflicts.

4. Are public interest groups sufficiently involved in the EPCA process?

Public interest groups are not specifically included in the EPCA process. They may participate at the public hearing, but by this time the developer has completed a master application as well as all permit applications. One option would be to involve public interest groups at initial stages of the process. For instance, DEC might identify such groups and suggest to the developer that he contact them at an early stage.

5. Should state agencies be prohibited from intervening in the FERC licensing procedure?

It appears that state agencies may intervene in the FERC licensing procedure, and air complaints and reservation at that time. Thus, an agency can avoid participation in EPCA, and still intervene later at the FERC level. This effectively negates the goal of the EPCA that all interested agencies make their determinations in the EPCA process. The legislature may wish to prohibit state agencies from participation in the FERC process if that agency failed to participate in the EPCA process. Alternatively, the legislature may wish to prohibit any agency from intervention at the FERC level, mandating all state discussion occur within the EPCA process.

6. Should Alaska parallel the FERC criteria for short form applications?

Under the FERC licensing procedures, facilities at existing dams of less than 1.5 Mw capacity receive a streamlined treatment. Also, facilities at existing dams of 1.5Mw to 15 Mw can use a short form application. The legislature should consider whether Alaska should parallel these criteria in its licensing procedure, and provide an abbreviated procedure for qualifying sites.

7. Should there be a Master Application with all relevant questions, rather than a series of permit applications?

Under the current system, the master application is really designed to provide sufficient information so that an agency can determine whether a particular permit is necessary. The legislature should consider whether a Master Application could be designed which would include all relevant information, thus allowing a developer to deal with only one application rather than many.

Also, the legislature may wish to consider adoption of a General Permit for a class of activities. Such a permit would allow several activities related to a type of enterprise with attendant conditions as specified by the administering agency. For instance, there might be one Hydroelectric Permit, or several classes of Hydro Permits, including Small-Scale Hydro and Large-Scale Hydro, distinguished by power characteristics.

8. Should central authority for a final determination be given to one lead agency?

The DEC is presently given the role of central coordination, but does not have final authority for a decision. Under a lead agency system, one agency would listen to the views of the other and then make an independent decision.

Such a lead agency might perform a function which is absent in Alaska's system. That function is to compare the overall social, economic, environmental, and energy costs with the overall social, economic, environmental,

and energy benefits of a project. Each agency now examines a particular facet of a project, but no one agency makes an overall evaluation weighing all the factors in balance.

If a lead agency system is chosen the role of the DEC should be reexamined. The DEC has a primary mandate of ensuring environmental conservation, and might be in a conflict situation if it also attempted to weigh all other costs and benefits. Perhaps an existing planning agency within the DC&ED, such as the Division of Energy and Power Development, could best perform this role. Alternatively, an Energy Facilities Siting Committee could be created. Development of a comprehensive State Energy Plan would facilitate this type of approach.

This system would have certain advantages and disadvantages compared to the present system. In terms of advantages, it could resolve any interagency conflicts which had arisen, and would offer a larger perspective than that of the individual agencies. It would have a legislative mandate to make an overall evaluation of the project. It would also facilitate the FERC licensing process because it could present the FERC with a uniform view (i.e., the State of Alaska has approved this project with the following conditions and requirements) and allow the FERC to only deal with only one state agency.

This system poses the disadvantage that it will conceivably overrule another agency which has more expertise. The present agencies possess a great deal of technical knowledge in their subject area, and it would be unfortunate to have an agency with less knowledge of the subject matter in a position to override a decision. Also, due to political realities, such a system might produce interagency tension and distrust, and ultimately be less effective.

9. Should a Joint Interim Committee be established to study these and other recommendations?

Some of the options outlined above will require detailed research before the legislature can properly amend statutes. For instance, study of EPCA conflicts vis-a-vis other statutes (No. 3) requires an in-depth analysis of present law. The possibility of a Master Application (No. 4) requires careful drafting to insure that all relevant information is included. The legislature may wish to create a Joint Interim Committee to study those options which the legislature finds most interesting. Staffing and funding should be provided, with a final report from the Committee presented to the legislature at a given time (6 months to 1 year).

IV. FINANCING

INTRODUCTION

The purpose of this set of options is to provide the Alaska Legislature with various methods for stimulating renewable energy resource development. Numerous options have been suggested for modifying the authority of some existing developmental and funding entities and for securing additional development funds. Our selections for accomplishing these purposes are designed to provide for the least amount of change to the existing state structure and/or to serve special needs that currently are not being met.

To accomplish the purposes identified, some degree of state subsidization may be required. Generally, a subsidy is any non compensated transfer of resources from the state treasury. An example of state subsidization is where the state provides direct financing for projects at interest rates below the market rate because such projects are viewed as beneficial to the state's interest.

Constraints should be imposed on any form of state subsidization program to insure that the least cost methods of achieving the desired end is selected and that the degree of subsidization is limited to that desired by the legislature.

There are various methods of achieving this result, two of which are discussed in this report. One method is to insure the feasibility of projects by considering the best alternative for the desired purpose. This may be accomplished by having the project size limited to match a reasonable forecast of end-use demand. A second check is provided by insuring that project financing costs

are minimized by enabling the utilization of financing economies of scale, requiring the selection of the most appropriate method of financing for each project and directing that project subsidies be limited to those necessary to enable the construction of a particular project.

OPTION NUMBER 1 Renewable Resource Planning and Demonstration

The Renewable Resource Planning and Demonstration Option is not designed to provide for actual development of a particular project. Under this option, the Legislature would be responsible for conducting oversight responsibilities specifically geared to requiring action by the Alaska Renewable Resource Corporation in the exercise of their project demonstration and technical assistance functions. In addition, this option calls for the legislature to expand the current responsibilities of the Alaska Power Authority.

The Alaska Power Authority (APA) and the Alaska Renewable Resources Commission (ARRC) could be given a comprehensive planning function. The plans, submitted annually or more frequently to the Governor, Legislature and Department of Commerce and Economic Development, should detail present use and future projections for the use of renewable resources throughout the state.

In addition to planning, the APA could be authorized by appropriate legislation to engage in demonstration projects involving renewable resources. These projects could be financed through legislative appropriations. The ARRC presently has the authority to conduct demonstration projects. An annual or semi-annual reporting requirement may also be appropriate here. The reporting requirements

for demonstration projects should include: technical performance data, costs, and potential commercial application of the demonstration projects; projections of the technology's future contribution to energy supply for each renewable resource; and, projections as to how each renewable resource demonstrated will match end-use demand under various geographic situations, could be required.

This option would have little effect on the status quo from a financial perspective, while at the same time would be providing the Alaska Legislature and Governor, as well as prospective developers, with technical information and comprehensive planning. The planning aspect would be of particular benefit to the State in its attempt to develop a comprehensive energy plan and would insure that renewable resources were appropriately included.

OPTION NUMBER 2 Alaska Renewable Resources Development Corporation

This option would provide the Alaska Renewable Resources Corporation with developmental authority specifically for renewable resources technology projects, and/or for a liberalization of their current loan restrictions. This action would obviously require a change in the legislative charter of the Corporation. The Alaska Renewable Resources Corporation presently has the authority to sponsor research and development of renewable resource technology and to assist in demonstrating their technical and economic feasibility. (ALASKA STAT. § 37.12.010 [1978]). The existing Alaska Renewable Resources Corporation may also loan money to developers under specific circumstances.

Either instead of, or in addition to, granting the Corporation developmental authority, many of the loan restrictions which currently are in effect could be eliminated or modified. For example, loan periods are presently limited to thirty years unless the legislature approves the loan by concurrent resolution. The Corporation could be given discretion to increase the loan retirement period for projects which could justify the need for such longer period.

An increase in the maximum amount per loan could also be permitted. Presently, the per project limit is set at five percent of the resources of the Corporation or \$1,500,000, whichever is less.

Both of these suggestions are desirable for stimulating renewable energy resource development. Most of these projects (hydroelectric projects for example) are very capital intensive and will frequently require loans in excess of the maximum limit. Additionally, many potentially valuable renewable energy projects will require a payback exceeding 30 years.

There presently also exists a limit on the percentage of outstanding corporate stock in any one project which may be held by the Corporation without legislative approval. To provide maximum development flexibility to ARRC, this limitation could be removed.

OPTION NUMBER 3 Exemption of Small Scale Renewable Resource Projects
Developed or Financed by APA From Legislative
Approval

The APA has board authority to develop generating and transmission facilities in Alaska. However, projects, without regard

to size, are subjected to legislative approval. This option is designed to exempt renewable resource projects either developed directly or financed by the APA from legislative approval.

The statutes under which the APA operates would have to be amended to achieve this objective. The exemption could be provided for APA projects of: a limited dollar amount, limited output capacity, or limited to a reasonable forecast of a particular project's end-use demand capacity.

This exemption would be provided by the APA upon a determination that all the requirements of technological and economic feasibility which the APA must currently consider are met. The reasoning behind the exemption is that renewable resource projects of a small scale nature should not be delayed for the period of time required for legislative consideration and approval.

The APA could also be given the authority to issue general obligation bonds, pledging the full faith and credit of the State. This additional bonding authority would round out the APA's financing flexibility. Of course, general obligation bonding would not be appropriate for all APA projects, but could be useful for some, since it should enable a slight saving over revenue bond rates.

Presently, the APA is required to submit details of proposed projects to the Governor to assure that all projects built conform to the Alaska comprehensive energy plan. The energy plan has not been completed and will not likely be so in the near future. A procedure for consultation rather than a requirement for approval from the Governor's Office would, at this point in time, appear to

be more appropriate. This consultation procedure would insure that projects undertaken by the APA will be incorporated in the final energy plan without burdening the APA with the uncertainty and delay in the current process.

As mentioned earlier, the APA has been delegated broad authority by the Legislature to engage in electric generation and transmission projects. It appears, however, that the special opportunities available to the APA have not been fully utilized. This appears to be largely a funding and autonomy problem. It would seem that the ability of the APA to accomplish its intended purpose would be enhanced by according the agency the independence and discretionary authority consistent with the original recognition of its expertise. Thus, in addition to the above suggestions, the APA would benefit from a general appropriation. Legislative control could be assured through the normal continuing exercise of legislative oversight over APA activities and some form of annual review and audit.

OPTION NUMBER 4 Establishment of a State Development Agency
Using the Rural Electric Authority Model

The main purpose behind adoption of a State REA model is to provide for the development and funding of projects for areas of the State of Alaska which are either presently not receiving electricity, or are not adequately receiving such power. Since many areas in Alaska are not located near generation and distribution facilities, individual projects designed to meet the needs of such areas are necessary. Since the Alaska Power Authority has the power to develop projects in any area of the state, this proposal

is intended to supplement, not replace, the Alaska Power Authority.

Another purpose behind the adoption of a Rural Electric Authority (REA) model in Alaska is to serve some of the needs not being met by the Federal REA program currently in effect in Alaska.

One of the most significant problems of the Federal REA program is that of limited funds available to state REA's and the substantial nationwide competition for those funds. Since this option is not designed to substitute the use of Alaska revenues for those provided by the federal programs, but only supplement the federal program, it may be desirable to stipulate that those projects apparently eligible for Federal REA funding attempt to acquire such funding before approval under the state program.

I. Authority

The initial step is to design a structural framework which would be suited to Alaska. The Federal Rural Electrification Act of 1936, as amended, (7 U.S.C. § 901 et seq. [1977]), and the Alaska Electric and Telephone Cooperative Act would provide a model for developing such a system. The Federal REA statute would provide a model for the state level Authority, while the Alaska REA statute would provide guidelines for establishing local cooperatives. Needless to say, both these statutes would have to be revised to meet the specific needs of Alaska but they should be consulted for structural guidance.

II. Financing the State REA

Providing the State Rural Electric Authority with financing sufficient to carry out the purposes of the enactment can take place in a number of ways. First, the Legislature may want to make

a direct appropriation from the general fund or other identifiable source of state revenues such as the Alaska permanent fund.

A system of loan advances could be made by the State Treasury from either the general fund or the Alaska permanent fund. These loans could be made providing for a set or accelerating interest rate, a deferred system of interest payments, or for no interest. In determining the interest amount, the current market rates could be used or the legislature could provide an interest subsidy, which would be any amount less than the market rates. The loan period could also be established by statute with or without a provision for extensions.

A revolving loan fund could also be set up, similar to the Power Project Revolving Fund, in the State Treasury. Capital and interest payments made by the individual cooperatives would be paid into this fund for later use by the State REA.

Another option would be to grant to the State REA bonding authority with the state pledging a guarantee on the bonds.

III. Cooperative Membership

Membership necessary to form a cooperative could be designed to accomodate the legislature's perception as to whom the benefits of the Act should innare. One possibility would be to have the Act available to all interests.

An alternative would be to specify those entities who would be qualified under the Act. The selection could include individuals, groups of individuals, all industries or specific industries, municipalities, boroughs, tribes, etc., or any combination of these or others.

Minimum limits as to the number of individuals necessary to create a cooperative may be desirable to assure future accountability. A maximum limit of inhabitants in an area may be imposed so as to insure the benefits of the Act are limited to rural or isolated areas as consistent with the purpose designed to be served by the Act.

IV. Cooperatives - Terms of Assistance and Amounts

The legislature may, for any one project or other cooperative undertaking, desire to place a maximum limitation on the amount which may be disbursed from the State Authority. The State Authority may be granted the appropriate authority by the legislature to distribute funds to the cooperatives in a variety of ways or combinations.

One possibility would be for the State Authority to issue direct loans to the cooperatives at an established interest rate based on market rates or in an amount less than the market rates. Deferred payment may also be desired. It is worth pointing out at this point that any interest rate on loans or other form of assistance which is not equivalent to the outside market rates is in fact a subsidy. Therefore, in establishing a set interest rate below the current market rate the legislature should consider what the market rates are at the time the rates are established so as to identify the extent of the subsidy provided.

Providing grants for projects meeting certain criteria may be available for allocation by the Authority. These grants could be established for feasibility studies, construction, or operation and maintenance.

To attract outside investors, the State REA may be given the authority to guarantee loans. Such guarantees may provide for a pledge of the Authority's appropriations or mortgages or the legislature may provide that the Authority be permitted to pledge the full faith and credit of the state or the general fund or permanent fund specifically.

Guaranteed loans should provide the cooperatives, assuming the project contemplated is otherwise economically feasible, with lower interest loans. Outside investors will also be more likely to invest in cooperative activities with a pledge of the credit of the state insuring repayment.

Another method would be for the State REA to subsidize a percentage of the interest payment on money financed from outside investors. This method could be expanded to provide a subsidy on not only a percentage of the interest, but also on the capital invested. One benefit associated with subsidizing some percentage of the interest on the project's debt is that the merits of the project have been evaluated by the market system prior to application and the precise subsidy necessary to finance the project may be identified and the subsidy limited to that amount.

A loan schedule should be established for cooperatives to undertake feasibility studies. Loans for feasibility studies should be forgivable in the event the project is not built. Some threshold criteria for eligibility for feasibility study loans could be established by the State REA to insure these funds are optimally used.

V. Standards for Review of Project Loans

Special consideration must be devoted to developing standards of review prior to the granting of project loans if renewable resources are deemed a priority for development. Given the capital intensity of most renewable resource projects short-run cost comparisons are ill suited. However, some comparison of alternatives should be made.

Projects proposed by cooperatives should be evaluated considering the best alternative over a period of years. The Federal REA has set the period for comparison purposes at ten years. Due to the high initial cost of renewable resource projects the period used for comparison purposes may need to be extended. Also, a reasonable fuel escalation factor should be used in determining the operating expenses of fossil fuel plants considered as alternatives.

Projects should also be evaluated based on their compatibility with end-use demand, determined by the use of appropriate established forecast methodologies. The methodologies to be used could be established through the promulgation of rules by the Administrator of the State REA. These procedures would insure continuity in evaluating the alternatives.

VI. Qualifying Projects

Many options are available to the legislature in establishing what will be deemed a qualifying project. For instance, the legislature may desire to define a qualifying project as any project which will produce power or energy or used to transport energy. This could be construed to include all types of generating and trans-

mission facilities including the wiring of individual homes or industries. Numerous limitations could be written in to disqualify specific types of generating facilities and/or end-user benefits.

An alternative would be to limit the generation facilities covered by the program to renewable resources, including or excluding cogeneration projects. The types of projects covered under renewable resources should be specified.

As to either of the above definitions of qualifying projects, a size limitation could be adopted. The size limitation could be expressed in terms of megawatts or B.T.U.'s whichever is appropriate for the energy type..

V. FUTURE WORK

Due to time constraints on the NCSL staff, several items outlined in the workplan were not covered in this policy report. The areas of (1) Public Utility Regulation, (2) Insurance, and (3) Federal Interface will be addressed in a future policy report to the committee. Pending the committee's future needs on the issues presented in this policy report and those not considered yet, NCSL staff will prepare additional policy reports, policy options and recommendation papers, and bill drafts as requested.

VI. APPENDICES

- A. List of state permits
- B. State workplan
- C. Resolution 79-8
- D. Cooperative Agreement between Alaska Agencies on Environmental Conservation
- E. HB 178
- F. HB 186

Appendix A

The following is a list of state permits which may be required by a hydroelectric developer. Some permits will apply to all sites; others are site specific. The reader is recommended to review each permit in detail in the Directory of Permits. The page number for each permit is included within the parenthesis, and refers to the March, 1978 edition of the Directory. These page numbers will probably be different in the newest edition of the Directory, due for release in November, 1979. As this list was compiled by use of the older edition of the Directory, the list may contain some discrepancies from present practice.

List of possible permits (some are site specific);

A. Department of Natural Resources (DNR)

1. Water rights - Water Use Permit (DNR-22)
(Question as to status of vested riparian water rights)
2. Land use - proof of ownership or proper lease
If land owned by State of Alaska,
Leasing of Lands-Other Than for the Extraction of Natural
Resources (DNR-10)
3. Miscellaneous Land Use Permit (DNR-12)
4. Right of Way or Easement Permit (DNR-14)
5. Special Land Use Permit (DNR-16)
6. Tidelands Permit (DNR-18)
7. Change or Vacation of Land Plat Approval (DNR-9)
8. Conditional Use Permit
9. Compliance with Soil Conservation Districts regulations
10. Compliance with Alaska Historic Preservation Act

If facility is within a state park, or has access or transmission routes through a state park, the following should be considered:

1. Access Route Permit (DNR-33)
2. Disturbance of Natural Material Permit (DNR-35)
3. Special Land Use Permit (DNR-39)
4. State Park Noncompatible Use Permit (DNR-40)
5. Field Archeology Permit (DNR-37)

B. Department of Environmental Conservation (DEC)

1. Air Quality Control Permit to Open Burn (DEC-1)
2. Air Quality Control Permit to Operate (DEC-4)
3. Discharge into Navigable Waters - Certificate of Reasonable Assurance : (DEC-7)
4. Pesticide Permit (DEC-12)
5. Solid Waste Disposal Permit (DEC-15)
6. Surface Oiling Permit (DEC-15)
7. Waste Water Disposal Permit (DEC-25)

C. Department of Fish & Game (DF&G)

1. Anadromous Fish Protection Permit (DF&G-21)
2. Critical Habitat Areas Permit (DF&G-23)
3. State Game Refuge Land Use Permit (DF&G-24)
4. State Game Sanctuary Permit
5. Requirement of construction of fish ladders or hatcheries

D. Department of Transportation and Public Facilities (DOTPF)

1. Utility Permit for Encroachment within Highway Right-of-Way (DOTPF-9)
2. Encroachment Permit (DOTPF-11)
3. Driveway Permit (DOTPF-13)

E. Department of Commerce & Economic Development (DC&ED)

1. Public Utilities - Certificate of Public Convenience and Necessity (DC&ED-1)

F. Local

1. Certification of compliance with local zoning ordinances or comprehensive plans, or certification that there are no applicable requirements. (AS 46.35.130)

Appendix B

NATIONAL CONFERENCE OF STATE LEGISLATURES

ENERGY PROGRAM -- ALASKA SMALL SCALE HYDROELECTRIC PROJECT

Study Areas

- A. Environmental Permits
 - conflicting statutory mandates (public notice hearing)
 - mechanisms to implement ERCA not in place
 - consolidation of permits and hearings
 - establishment of agencies' response to pending permits for time deadlines
- B. Water Law
 - investigate administrative resolution of the riparian question that is unresolved from the 1966 Water Use Act which adopted the appropriation doctrine for the state
 - joint resolution supporting federal quantification of reserved rights
- C. Public Utility Regulation
 - raise annual business revenue exemption for regulation purposes
 - implementation of PURPA
 - analysis of cream skimming by non-regulated utilities in a regulated utilities service area
- D. Insurance
 - examine authority of state to mandate pooled insurance
- E. Financing
 - state REA funding concept utilizing a portion of the permanent fund use for low interest loans
 - alternate methods of providing feasibility assistance
 - development of discretionary funds for Alaska Power Authority
 - bond guarantee program
 - small-scale hydro tax incentives
 - investigate Renewable Resources Corporation potential for increased financial support to micro hydro
- F. Federal Interface
 - development of memoranda of understanding with regard to the issue of federal jurisdiction in Alaskan projects where such jurisdiction is questionable

Staff ResponsibilitiesStaffStatusTask

Project Introduction	NCSL	completed
Issue Identification	Joint	completed
Research and Analysis	NCSL	in progress
Supplemental Field Research	Joint	in progress

- State staff will conduct interviews and provide support for in state research. State staff will also assist in contact coordination.
- Emphasis will be placed on the issue areas of financing and environmental permits for 1980 session.

Project MilestonesStaffStatus

- State Profile	NCSL	completed
- Options and Recommendations	NCSL	November
- Issue Papers	NCSL	November
- Discussion Bill Drafts	Optional	December
- Draft Legislation	Optional	December
- Commercialization Workshop	NCSL	Summer 1980
- Review of Proposed Legislation	Joint	December

NATIONAL CONFERENCE OF STATE LEGISLATURES

ENERGY PROGRAM -- GEOTHERMAL PROJECT PROPOSED TECHNICAL ASSISTANCE PROGRAM

STATE OF ALASKA

Study Areas

A. Resource Characterization

- distinguish high & low temperature resources
 - temperature threshold
- confirm subsurface ownership separate from water right
- address water law interface
 - property implications
 - protection of existing rights & water quality
 - clarification of application to by product water

B. Resource Access

- simplified procedures for low-temperature uses
 - miscellaneous land use permit/water right
 - unregulated put. residential use/water right
- substitute conforming use section for state withdrawals
- examine designation criteria & acreage limit (max.)
- adjust lower acreage limit for small-scale uses
- set deadline for mining claim diversion

C. Resource Allocation

- adopt firm policy with enforcement power
 - assign jurisdiction

D. Permitting

- remove overlapping jurisdiction re drilling
- distinguish regulation of high & low-temperature wells
- implementation of EPCA

E. Finance

- operator's incentives
 - state investment tax credit/property tax adjustment
 - deferral of royalties

- waive royalties for low-temperature use
 - * implications of temperature threshold
- state loan/bond guarantees or certification
- mandated pool coverage of reservoir risk
- consumer's incentives
 - income tax credits
 - property tax exemptions
 - state/utility loan program (weatherization/TVA)

F. District Heating

- confirm public bonding ability (alternative heat sources)

G. Public Utility Commission

- investigate commission policies
 - discretion to exempt from rate jurisdiction
 - certification control
 - reliability control

Staff Responsibilities

NCSL energy staff, in conjunction with legislative staff, will identify issues, conduct research, analyze policy concerns, investigate administrative responses and prepare legislative proposals, as needed.

<u>Tasks</u>	<u>Staff</u>	<u>Status</u>
Project Introduction	NCSL	completed
Issue Identification	Joint	completed
Research & Analysis	NCSL	in-progress
Supplemental Field Research	Joint ¹	in-progress

Project Milestones

- Policy Profile	NCSL	completed
- Options & Recommendations ²	NCSL	12/79
- Discussion Bill Drafts	Optional	1/80
- Draft Legislation	Optional	2/80
Review of Proposed Legislation	Joint	1980

1- State Staff will conduct occasional in-state interviews and facilitate agency visits. Assistance of Geothermal Specialist in Div. of Energy and Power Development (State Energy Office) will be sought.

2- 1980 legislative proposals in selected areas only: leasing revisions, temperature threshold, DH, allocation, permitting, financing.

STATE OF ALASKA

JAY S. HAMMOND, Governor

WATER RESOURCES BOARD

Resolution 79-8

BUDGETING FOR WATER DATA COLLECTION

WHEREAS data on streamflow, precipitation, and groundwater levels is necessary for flood forecasting, public water supplies, hydro-power, fisheries management, and water rights adjudication, and

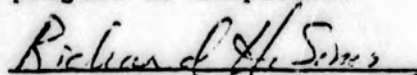
WHEREAS proper statistical development of hydrologic data requires multi-year efforts due to seasonal changes in the hydrologic cycle and yearly or multi-year changes in climate patterns, and

WHEREAS state agency programs to collect hydrologic data have traditionally been funded from the agencies annual operating budget, and

WHEREAS shifting annual priorities or budget cutbacks have sometimes eliminated hydrologic data collection programs in mid-term, thereby negating thousands of dollars of effort and rendering the project valueless;

NOW THEREFORE BE IT RESOLVED that the Board recommends that hydrologic data collection which requires multi-year efforts, be funded through the Capital Improvement Program rather than annual operating budgets to assure year-to-year continuity as well as timely conclusion and reduction of funding when the project is completed.

Adopted August 8, 1979


Richard H. Sims
Chairman

Appendix D

COOPERATIVE AGREEMENT

BETWEEN THE

ALASKA DEPARTMENT OF FISH AND GAME

AND THE

ALASKA DEPARTMENT OF NATURAL RESOURCES

AND THE

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

This Cooperative Agreement is made and entered into this 21st day of June, 1979, by and between the Alaska Department of Fish and Game, hereinafter referred to as Fish and Game, the Alaska Department of Natural Resources, hereinafter referred to as Natural Resources, and the Alaska Department of Environmental Conservation, hereinafter referred to as Environmental Conservation.

WHEREAS, Fish and Game is responsible for the protection, conservation, and management of fish and game within the State of Alaska pursuant to Title 16 of the Alaska Statutes, and

WHEREAS, Natural Resources is responsible for the management of public lands owned by the State of Alaska pursuant to Title 38 of the Alaska Statutes, and is responsible for the determination and adjudication of rights in the waters of the State, and in water appropriation and distribution pursuant to Title 46, Chapter 15 of the Alaska Statutes, and

WHEREAS, the Department of Environmental Conservation is responsible for water pollution control pursuant to Title 46, Chapters 3 and 7 of the Alaska Statutes, and

WHEREAS, the purpose of this Agreement is to provide for mutual cooperation and coordination among the three Departments with regard to water rights permits and certificates, anadromous fish permits, wastewater disposal permits and State water quality certifications;

NOW, THEREFORE, the three Departments hereby agree as follows:

FISH AND GAME AGREES:

1. To send Natural Resources and Environmental Conservation copies of anadromous fish permit applications and locational maps when they are received by Fish and Game.

2. To send Natural Resources and Environmental Conservation copies of anadromous fish permits when they are issued pursuant to AS 16.05.870.

NATURAL RESOURCES AGREES:

1. To send Fish and Game and Environmental Conservation copies of water rights applications, locational maps and public notices for surface and groundwater appropriations as required by AS 46.15.070(b) during adjudication by Natural Resources. All single family domestic applications of 1,000 gallons per day or less will be exempt from this notice.
2. To identify to Fish and Game and Environmental Conservation by a copy of the posting notice, grandfather water rights cases for surface and groundwater appropriations that are being adjudicated by Natural Resources. All single family domestic declarations of 1,000 gallons per day or less will be exempt from this notice.
3. To send Fish and Game and Environmental Conservation copies of water rights permits and certificates authorized by AS 46.15 when they are issued.

ENVIRONMENTAL CONSERVATION AGREES:

1. To send Natural Resources and Fish and Game copies of wastewater disposal permit applications and locational maps as required by AS 46.03.110(c) when received by Environmental Conservation.
2. To send Natural Resources and Fish and Game copies of public notices of applications and locational maps for State Water Quality Certifications of federally permitted activities received by Environmental Conservation under 18 AAC 15 and P.L. 95-217 except where notice is received from the federal permitting agency.
3. To send Natural Resources and Fish and Game copies of wastewater disposal permits authorized by AS 46.03.100 and P.L. 95-217 when they are issued.
4. To send Natural Resources and Fish and Game copies of State water quality certifications authorized by P.L. 95-217 when they are issued.

FISH AND GAME, NATURAL RESOURCES, AND ENVIRONMENTAL CONSERVATION MUTUALLY AGREE:

1. Each Department will make available to the public appropriate permit application forms from the other two Departments.

2. Each Department will directly contact applicants for permits and certifications of the other Departments, when requiring information additional to the permit or certification applications and maps provided by the issuing Department, and to send a copy of any such written correspondence to the issuing Department.
3. Each Department will reference all interagency correspondence and correspondence to applicants concerning water rights permits and certificates, anadromous fish permits, wastewater disposal permits, and state water quality certifications with the document number assigned by the issuing agency.
4. Each Department will provide comments to the issuing Department on all projects for which applications for water rights permits or certificates, anadromous fish permits, wastewater disposal permits or water quality certifications have been received.
5. Comments upon permit or certification applications will be provided to the issuing Department within the time period stated on the transmittal memo sent by the issuing Department.
6. Each Department may notify another Department in writing that the Department will have no comment regarding a class or type of permit or certification application judged to have minor adverse impacts.
7. To include in water rights permits and certificates, anadromous fish permits, wastewater disposal permits, and state water quality certifications a citation of appropriate statutory authority along with conditions provided by Fish and Game for fish and game resource and habitat protection, conditions provided by Natural Resources for water appropriation and distribution and conditions provided by Environmental Conservation for water quality protection when these conditions are based on the statutory authority of these Departments, and to consider the inclusion of other recommendations provided by these Departments when judged by the issuing Department to be in the best public interest.
8. Prior to issuance, each Department will notify the appropriate Department of recommendations that the issuing Department does not agree to include in a permit or certification.
9. Each Department will be responsible for enforcing permit and certification conditions established pursuant to the authorities of that Department.
10. Each Department's permits and certifications will state that issuance of the permit or certification does not relieve the applicant from the responsibility to obtain permits or authorizations that may be required by other Federal, State, or local agencies. This statement shall direct the applicant to contact Environmental Conservation's Permit Information and Referral Center for information on additional authorizations that may be required.

11. Amendments to this Agreement may be proposed by one Department and shall become effective upon approval by each Department.
12. This Agreement shall become effective 30 days after it has been signed by each Department and shall continue in force until terminated by one Department following one hundred-twenty (120) days notice in writing to the other Departments of that Department's intention to so terminate.

STATE OF ALASKA
DEPARTMENT OF FISH AND GAME

BY

Ronald O. Skoog
Ronald O. Skoog
Commissioner

Date

25 June 79

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES

BY

Robert E. LeResche
Robert E. LeResche
Commissioner

Date

26 June 1979

STATE OF ALASKA
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

BY

Ernest W. Mueller
Ernest W. Mueller
Commissioner

Date

JUN 22 1979

Introduced: 2/2/79
Referred: Resources

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 118

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the maintenance of stream flows
7 and levels of water."

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

9 * Section 1. AS 46.15.030 is amended to read:

10 Sec. 46.15.030. WATERS RESERVED TO THE PEOPLE. Wherever occurring
11 in a natural state, the waters are reserved to the people for common use
12 and are subject to appropriation and beneficial use and to reservation
13 of instream flows and levels of water, as provided in this chapter.

14 * Sec. 2. AS 46.15 is amended by adding a new section to read:

15 Sec. 46.15.145. RESERVATION OF WATER. (a) The state or any
16 political subdivision or agency of the state may apply to the commis-
17 sioner to reserve sufficient water to maintain a specified instream
18 flow or level of water at a specified point on a stream or body of
19 water, or in a specified stretch of stream, throughout the year or for
20 specified times of the year, for protection of fish and wildlife
21 habitat, migration, and propagation, for recreation and park purposes,
22 for navigation and transportation purposes, and for sanitary and water
23 quality purposes.

24 (b) Upon receiving an application, the commissioner shall proceed
25 in accordance with sec. 70 of this chapter.

26 (c) The commissioner shall issue a certificate reserving the
27 water requested if he finds that:

28 (1) the rights of prior appropriators will not be affected
29 by the reservation;

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← should
add fee
agencies
to quantify
federal
reserved
water
rights

add
power?

- 1 (2) a need exists for the reservation;
2 (3) there is unappropriated water in the source sufficient
3 for the reservation; and
4 (4) the proposed reservation is in the public interest.

5 (d) After the issuance of a certificate of reservation, the
6 specified water shall be withdrawn from appropriation and the com-
7 missioner shall reject an application for a permit to appropriate the
8 reserved water.

9 (e) A reservation under this section does not affect any rights
10 in existence when the certificate reserving water is issued.

11 * Sec. 3. AS 46.15.260(1) is amended to read:

12 (1) "appropriate" means to divert, impound, or withdraw a
13 quantity of water from a source of water, or, in the case of a public
14 agency, to reserve water in accordance with sec. 145 of this chapter,
15 for a beneficial use;

16 * Sec. 4. AS 46.15.260(2) is amended to read:

17 (2) "appropriation" means the diversion, impounding or
18 withdrawal of a quantity of water from a source of water, or, in the
19 case of a public agency, the reservation of water in accordance with
20 sec. 145 of this chapter, for a beneficial use;

21 * Sec. 5. AS 46.15.260(3) is amended to read:

22 (3) "beneficial use" means a use of water for the benefit
23 of the appropriator, other persons or the public, that is reasonable
24 and consistent with the public interest, including, but not limited
25 to, domestic, agricultural, irrigation, industrial, manufacturing,
26 fish and shellfish processing, navigation and transportation, mining,
27 power, public, sanitary, fish and wildlife, [AND] recreational uses,
28 and maintenance of water quality;

29 HB 118

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 186

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Water Use Act; and providing
7 for an effective date."

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

9 * Section 1. AS 46.15 is amended by adding new sections to read:

10 Sec. 46.15.069. DETERMINATION OF EXISTING RIGHTS. (a) A
11 claimant of an existing right under AS 46.15.060 shall file a declara-
12 tion of appropriation with the commissioner as set out in this section.
13 The declaration shall be considered correct until a certificate of
14 appropriation is issued or denied. Priority of the right dates from
15 the day work was begun on the appropriation if due diligence was used
16 in completing the work; otherwise, from the day water was applied to
17 the beneficial use.18 (b) The commissioner shall, as soon as practicable, determine
19 the rights of persons owning existing appropriations. To accomplish
20 this, the commissioner shall21 (1) by order set a definite period for filing a declaration
22 of appropriation within a specified area or from a specified source;23 (2) publish notice of the order once a week for three weeks
24 before the beginning of the period in a newspaper of general circula-
25 tion in the affected area;26 (3) give notice of the order by certified mail to any
27 appropriator within the specified area or from the specified source
28 who has requested mailed notice or of whom the commissioner can readily
29 obtain knowledge, including each owner of a recorded mining claim.

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1 (c) The commissioner shall make investigations he considers
2 necessary of rights asserted by declarations filed under this section
3 and shall determine each existing appropriation and mail a summary of
4 that determination to each person who has filed a declaration with
5 respect to the specified area or source. Any person adversely affected
6 by a determination may file with the commissioner a request for a
7 hearing within 15 days after the date the notice is mailed. If a
8 hearing is requested, the commissioner shall send a notice of the time
9 and place of the hearing to each person who has filed a declaration.

10 (d) If a hearing is not requested with respect to a determination,
11 or if, after the hearing, the commissioner finds the determination to
12 have been correctly made, he shall immediately issue a certificate of
13 appropriation. If the commissioner finds the determination to be
14 incorrect, he shall correct it and either issue a certificate of
15 appropriation or refuse the certificate according to his findings.

16 (e) A person aggrieved by the action of the commissioner may
17 appeal to the superior court within 30 days after the date on which
18 that action is final.

19 Sec. 46.15.115. TERMINATION OF PERMITS. (a) If the commissioner
20 has reason to believe that a permit holder has wilfully violated any
21 terms, conditions, restrictions, or limitations of the permit, he may
22 require the holder to show cause why the permit should not be canceled.
23 Notice must be provided to the holder by personal service or by
24 certified mail. Upon giving notice, the commissioner may, and at the
25 request of the applicant shall, hold a hearing. Whenever, after
26 notice and hearing, if any, the commissioner finds that a wilful
27 violation has occurred, he may cancel or suspend the permit or impose
28 conditions on its future use to prevent further violations. Notice of
29 the order or decision must be served personally or sent by certified

1 to the permit holder.

2 (b) If a permit holder fails to notify the commissioner, upon or
3 before the expiration of his permit or any extension of it, that he
4 has perfected his appropriation as provided in AS 46.15.120, the com-
5 missioner may require the holder to show cause why the permit should
6 not be canceled. Notice must be provided to the holder by personal
7 service or by certified mail. Upon giving notice, the commissioner
8 may, and at the request of the applicant shall, hold a hearing. Notice
9 of the order or decision must be served personally or sent by certified
10 mail to the permit holder.

11 (c) Upon termination of a permit under this section, the appro-
12 priation reverts to the state and the water becomes unappropriated
13 water.

14 * Sec. 2. AS 46.15.120 is amended to read:

15 Sec. 46.15.120. CERTIFICATES. Upon completion of construction
16 of the works and commencement of use of water, the permit holder shall
17 notify the commissioner that he has perfected his appropriation. If
18 the commissioner determines that the appropriation has been perfected
19 in substantial accordance with the permit, he shall issue the permit
20 holder a certificate of appropriation. The commissioner may issue the
21 certificate subject to conditions he considers necessary to protect
22 the water rights of other persons and the public interest. [THE
23 CERTIFICATE SHALL SET OUT SUCH INFORMATION AS THE COMMISSIONER MAY
24 PRESCRIBE BY REGULATION.]

25 * Sec. 3. AS 46.15 is amended by adding a new section to read:

26 Sec. 46.15.134. NOTICES; OBJECTIONS. (a) Upon receiving an
27 application, the commissioner shall prepare a notice containing the
28 location and extent of the proposed appropriation, the name and address
29 of the applicant, and other information he considers pertinent. The

(d) If no objection is filed, the commissioner may proceed to make his determination upon the application.

(e) A person aggrieved by the action of the commissioner may appeal to the superior court.

(f) The commissioner may, by regulation, designate types of appropriations which are exempt from this section and provide simplified procedures for ruling on the applications. (§ 1 ch 50 SLA 1966; am § 6 ch 104 SLA 1971; am § 52 ch 71 SLA 1972)

notice must state that within 15 days after publication or service of notice, persons may file with the director written objections, stating the name and address of the objector, and any facts tending to show that rights of the objector or the public interest would be adversely affected by the proposed appropriation.

(b) The commissioner shall have notice published at the applicant's expense in one issue of a newspaper of general circulation in the area of the state in which the water is to be appropriated. The commissioner shall also have notice served personally or by certified mail upon an appropriator of water or applicant for or holder of a permit who, according to the records of the Department of Natural Resources, might be affected by the proposed appropriation, and may serve notice upon any governmental agency, political subdivision or person; notice must also be served upon the Department of Fish and Game and the Department of Environmental Conservation.

(c) Within 15 days after publication or service of notice, an interested person may file an objection. The commissioner may hold hearings upon giving notice and shall grant, deny, or condition the application in whole or in part after receipt of the last objection or after conclusion of the hearing. Notice of the order or decision must be served personally or mailed to any person who has filed an objection.

* Sec. 4. AS 46.15.140 is amended to read:

Sec. 46.15.140. ABANDONMENT, FORFEITURE, AND REVERSION OF APPROPRIATIONS. (a) The commissioner may declare an appropriation to be wholly or partially abandoned and cancel the permit, certificate, or declaration [REVOKE THE CERTIFICATE] of appropriation if an appropriator with intention to abandon, does not make beneficial use of all or a part of his appropriated water. An appropriation so forfeited and abandoned reverts to the state and the water becomes unappropriated

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existing language is adequate. If not, let it be by the C.A. for

1 water.

2 (b) The commissioner may declare an appropriation to be wholly
3 or partially forfeited and shall cancel the permit, certificate, or
4 declaration [REVOKE THE CERTIFICATE] of appropriation if an appro-
5 priator voluntarily fails or neglects, without sufficient cause, to
6 make use of all or a part of his appropriated water for a period of
7 five successive years.

8 * Sec. 5. AS 46.15.150(b) is amended to read:

9 (b) To be entitled to a preference, an applicant must show that
10 his use will be prevented or substantially interfered with by a prior
11 appropriation, [;] the use is a preferred use, [;] the applicant agrees
12 to compensate a permit or certificate holder of of [FOR] the prior appro-
13 priation for any damages occasioned or caused by the preferred use
14 [SUSTAINED BY THE PREFERRED USE], and other information which the
15 commissioner requires by regulation.

16 * Sec. 6. AS 46.15.160(a) is amended to read:

17 (a) The right to use water under an appropriation is [OR PERMIT
18 SHALL BE] appurtenant to the land or place where it has been or is to
19 be beneficially used; however, [PROVIDED, THAT] water supplied by one
20 person to another person's property is [SHALL] not [BE] appurtenant to
21 the property unless the parties so intend. An appurtenant water right
22 passes [SHALL PASS] with a conveyance of the land, or transfer, or by
23 operation of law unless specifically exempted from the conveyance.

24 * Sec. 7. AS 46.15.180 is amended to read:

25 Sec. 46.15.180. CRIMES. A person who constructs works for an
26 appropriation, or diverts, impounds, withdraws, or uses a significant
27 amount of water from any source without a permit or certificate of
28 appropriation; or a person who violates an order of the commissioner
29 to cease and desist from preventing any water from moving to a person

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1 having a prior right to use the same; or who violates an order of the
2 commissioner requiring him to modify a water body alteration that is
3 preventing water from moving to a person having a right to use the
4 water; or who disobeys an order of the commissioner requiring him to
5 take steps to cause the water to so move; or who fails or refuses to
6 install meters, gauges or other measuring devices or control works; or
7 who violates an order establishing corrective control works; or who
8 violates an order establishing corrective controls for an area or for
9 a source of water, or who knowingly makes a false or misleading
10 statement in a declaration of existing rights, is guilty of a misde-
11 meanor. Crimes under this section are in addition to any other crimes
12 provided by law.

13 * Sec. 8. AS 46.15.070 and 46.15.135 are repealed.

14 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
15 10.070(c).

Ken Wonstolen

GEOHERMAL POLICY REPORT FOR ALASKA:
Preliminary Options and Recommendations

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