

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 8672

2786 SRES • TAPE LOGS - APPOINTMENT CONFIRMATIONS











# TAPE LOG

1984

tape no. ~~520~~ SEC 89

date 4/25/84 to

committee:

bill numbers: SB 269 | SB 288 | SB 289 | SB 407 | HB 479 | | |

other information:

Page 1

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
4/25/84		SB 289	
3:12 pm	008		Sen. Fahrenkamp
	016		Skip Harding
	098		Sen. Sturgulowski
	103		Skip Harding
	149		Sen. Sturgulowski
	161		Sen. Fahrenkamp
	168		Vic Fischer
	171		Harding
	174		Vic Fischer
	180		Sen. Ziegler
	192		Harding
	202		Sen. Fahrenkamp
	216		Harding
	231		Mulcahy
	244		Harding
	252		Sen. Fahrenkamp
	259		Harding
	268		Sen. Fahrenkamp
	271		Vic Fischer
	294		Harding
	306		Sen. Paul Fischer
	309		Harding
	314		P. Fischer

# TAPE LOG

1989

date 4/25/84 to

committee:

bill numbers:

other information:

Page 2

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
4/25/84		SB 289	
	319		Harding
	327		Sen. P. Fischer
	329		Harding
	335		Ron Sommerville
	378		Sen. Sturgulewski
	382		Sen. Fahrenkamp
	384		Sen. Mulcahy move CS
	388	HB 479	Sen. Fahrenkamp
	390		Skip Harding
	411		Sen. Mulcahy
	421		Sen. Paul Fischer
	424		Skip Harding
	431		Lisa Nelson
	439		Sen. Mulcahy
	447		Sen. Fahrenkamp
	454		Kay Brown
	468		Sen. Fahrenkamp
	470		George Day
	482		Sen. Fahrenkamp
	<del>486</del>		Sen. Sturgulewski
	495		Kay Brown
	502		Sen. Fahrenkamp
	504		Kay Brown

# TAPE LOG

1984

tape no. \_\_\_\_\_

committee: \_\_\_\_\_ date \_\_\_\_\_ to \_\_\_\_\_

bill numbers: 

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other information: page 3

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
4/25		SB 288	
	520		Sen. Fahrenkamp
	530		Sen. V. Fischer
	543		Sen. Fahrenkamp
	545		Sen. P. Fischer
	552		Sen. V. Fischer
	556		Sen. P. Fischer
	562		Sen. B. Fahrenkamp move SB 288
		SB 407	
	584		Randy Bayliss
	660		Sen. Fahrenkamp
	671		Sen. Vic Fischer
	688		Phil Holdsworth
	702		Sen. V. Fischer move and
	725		Holdsworth
	739		Sen. Ziegler
	740		Holdsworth
	751		Sen. V. Fischer
	772		Sen. Sturgulowski
	779		Randy Bayliss
	788		Holdsworth
	794		Sen. Sturgulowski
	807		Randy Bayliss
	823		Jim Palmer



COMMITTEE  
TAPE LOG

1984

tape no. SRC 90

committee:

date 4/27/84 to

bill numbers: SSJR 38 <sup>HB</sup> 479 | | | | |

other information: Briefing on Korean Cattle Project

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
4/27/84		SSJR 38	
3:08 p	002		Sen. Fahrenkamp
	115		Sen. V. Fischer
	053		Sen. Mulcahy
	060		Sen. V. Fischer
	069	HB 479	Sen. Fahrenkamp
	080		Sen. Mulcahy
	092		Attn Neil Johannsen
	118		Sen. Sturgulewski
	120	Korean Cattle Project	Sen. Paul Fischer
	127		Bob Breeze
	211		Sen. Sturgulewski
	216		Bob Breeze
	255		Sen. Vic Fischer
	258		Bob Breeze
	270		Vic Fischer
	273		Breeze
	278		Sen. Mulcahy
	289		Breeze
	295		Sen. Mulcahy adjourned.

# TAPE LOG

1984

committee: \_\_\_\_\_

date 5/3/04 to \_\_\_\_\_

numbers: HB 650 | | | | | | |

information: \_\_\_\_\_

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
5/3/04			
3:12pm		HB 650	
	006		Sen. Fahrenkamp
	034		Bill Heim
	050		Sen. Fahrenkamp
	056		Bill Heim
	069		Sen. Paul Fischer
	071		Bill Heim
	079		Sen. Paul Fischer
	084		Bill Heim
	090		Jeff Smith
	106		Sen. Fahrenkamp
	110		Jeff Smith
	115		Sen. Sturgulewski
	122		Jeff Smith
	128		Sen. Fahrenkamp
	137		Sen. Sturgulewski
	140		Jeff Smith
	150		Sen. Sturgulewski
	160		Jeff Smith
	164		Sen. Sturgulewski
	167		Sen. Elias
	174		Sen. Fahrenkamp
	188		Rose Palmquist

# TAPE LOG

1984

tape no. \_\_\_\_\_

committee: \_\_\_\_\_

date 5/3/84 to \_\_\_\_\_

bill numbers:

other information: \_\_\_\_\_

page 2

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
	245		Sen. Sturgulewski
	260		Sen. Fahrenkamp
	271		Rose Palmquist
	279		Senator Eliason
	288		Sen. Sturgulewski
	293		Rose Palmquist
	300		Jeff Smith
	325		Sen. Sturgulewski
	332		Jeff Smith
	336		Sen. Sturgulewski
	340		Jeff Smith
	351		Sen. Eliason
	358		Smith
	360		Sen. Eliason
	363		Smith
	367		Sen. Fahrenkamp
	370		Sen. Eliason
	375		Jeff Smith
	384		Sen. Fahrenkamp
	387		Jeff Smith
	397		Sen. Sturgulewski
	397		Smith
	400		Sturgulewski
	402		Smith

# TAPE LOG

1984

tape no. \_\_\_\_\_

committee: \_\_\_\_\_

date 5/3/84 to \_\_\_\_\_

bill numbers: 

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other information: page 3

Date/ Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
	403		Sturgulewski
	406		Smith
	411		Sen. Fahrenkamp
	434		Sturgulewski
	435		Sen. P. Fischer
	437		Sen. Fahrenkamp
	438		Sen. P. Fischer
	440		Sen. Fahrenkamp
	446		Sen. Eliason
	447		Sen. Fahrenkamp
	450		Sen. Sturgulewski
	454		Sen. Eliason
	460		Sen. Fahrenkamp
	462		Sen. Eliason
	475		Sen. Sturgulewski
	485		Sen. Paul Fischer
	487		Sen. Eliason
	491		Sen. Fahrenkamp
	493		Sen. Eliason
	496		Sen. Sturgulewski
	501		Sen. Eliason
	505		Sen. Fahrenkamp
	510		Sen. Ziegler
	519		Sen. Fahrenkamp
	522		Sturgulewski
	571		

# TAPE LOG

1984

tape no. SRC 92

committee:

date 5/4/84 to \_\_\_\_\_

bill numbers: HB650 | | | | |

other information: Bristol Bay Cooperative Management Plan

Date/ Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
5/4/84			
2:11 p		HB650	
	003		Sen. Fahrenkamp
	025		Sen. Eliason
		BBCMP	
	030		Sen. Fahrenkamp
	045		Bob Arnold
	064		Frank Rue
	085		Sen. Fahrenkamp
	095		Frank Rue
	176		Sen. Fahrenkamp
	183		Frank Rue
	200		Sen. Fahrenkamp
	208		Don Glass
	341		Sen. Fahrenkamp
	349		Don Glass
	360		Sen. Fahrenkamp
	368		Debra Borah
	492		Paula Easley
	599		Sen. Fahrenkamp
	607		Jerry Leboff
	663		William Johnson
	733		Jim Jinks
	846		Sen. Fahrenkamp

# TAPE LOG

1984

tape no. \_\_\_\_\_

committee: \_\_\_\_\_

date 5/4/84 to \_\_\_\_\_

bill numbers: 

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other information:

BBCMP

page 2

Date/ Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
		BBCMP	
	849		Rep. Nermann
	870		Sen. Fahrenkamp
	881		George Day
	910		Sen. Sturgulowski
	916		Sen. Fahrenkamp
	919		Phil Daniel
	982		Sen. Fahrenkamp
	987		Bob Arnold
	003		Sen. Vic Fischer
	007		Bob Arnold
	012		V. Fischer
	023		Rick Davidge
	036		Sen. Fahrenkamp
	040		Rick Davidge
	059		Sen. Sturgulowski
	078		Rick Davidge
	113		Sen. Sturgulowski
	129		Rick Davidge
	158		Sen. Fahrenkamp
	162		Rick Davidge
	178		Sen. V. Fischer
	182		Davidge
	199		Sen. V. Fischer

# TAPE LOG

1984

tape no. \_\_\_\_\_

committee: \_\_\_\_\_

date 5/4/84 to \_\_\_\_\_

bill numbers: 

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other information: BBCMP page 3

Date/ Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
		BBCMP	
	202		Rick Davidge
	217		Sen. V. Fischer
	226		Rick Davidge
	242		Sen. Fahrenkamp
	243		Sen. V. Fischer
	248		Bruce Baker
	<del>252</del>		
	250		Sen. V. Fischer
	252		Bruce Baker
	261		Sen. Fahrenkamp
	265		Bruce Baker
	282		Sen. Fahrenkamp
	284		Bruce Baker
	295		Sen. Fahrenkamp
	302		Baker.
	327		Eliason
	333		Baker
	351		Mike McGinnis
	353		V. Fischer
	359		Baker
	363		Mike McGinnis
	368		Sen. V. Fischer
	372		Sen. B. Fahrenkamp
			adjourned 4:26

# TAPE LOG

1984

tape no. SPC 93

committee:

date 5/7/84 to

bill numbers: HB 298 | | | | |

other information: Board of Fisheries appointments

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
5/7/84		<del>HB 298</del>	
3:06	002	Board of Fish	Sen. Fahrenkamp
		HB 298	
	024		Sen. Sturgulewski
	032		Bob Heath
	067		Sen. Sturgulewski
	083		Bob Heath
	088		Sen. Sturgulewski
	104		Bob Heath
	113		Sen. Fahrenkamp
	114		Heath
	119		Sen. Fahrenkamp
	128		Heath
	141		Sen. Fahrenkamp
	143		Heath
	147		Sturgulewski
	159		Heath
	167		Sen. Fahrenkamp
	173		Tom Koester
	213		Sen. Fahrenkamp
	216		Sen. Sturgulewski
	218		Tom Koester
	227		Sen. Sturgulewski
	229		Koester



# TAPE LOG

1984

tape no. ~~22~~ SKC 99

committee:

date 5/11/84 to

bill numbers: STR 32 | SB 522 | HB 509 | | | | |

other information:

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
5/11/84			
3:08 pm		HB 509	
	005		Sen. Fahrenkamp
	015		Bob Rutchman
	076		Sen. Mulcahy
	084		Bob Rutchman
	102		Sen. Sturgulewski
	108		Bob Rutchman
	115		Sen. Fahrenkamp
	119		Bob Rutchman
	125		Sen. Fahrenkamp
	127		Sen. Eliason
	132		Bob Rutchman
	136		Sen. Eliason
	140		Bob Rutchman
	146		Sen. Paul Fischer
	153		Bob Rutchman
	160		Sen. Eliason
	169		Bob Rutchman
	169		Sen. Eliason
	173		Larry Vavra
	177		Sen. Fahrenkamp
	181		Larry Vavra
	190		Sen. Eliason

# TAPE LOG

1984

tape no. \_\_\_\_\_

committee: \_\_\_\_\_

date 5/11/84 to \_\_\_\_\_

bill numbers: \_\_\_\_\_

other information: \_\_\_\_\_

page 2

Date/ Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
		HB 509	
	194		Larry Vavra
	204		Sen. Eliason
	207		Sen. Fahrenkamp
	209		Larry Vavra
	210		Sen. Sturgulewski
	213		Larry Vavra
	219		Sen. Mulcahy
	224		Sen. Fahrenkamp
	228		Rep. Bussel
	236		Sen. Fahrenkamp
	238		RAY PLUMMER
	267		Sen. Fahrenkamp
	277		Sen. Sturgulewski
	286		Ray Plummer
	298		Sen. Eliason
	302		Ray Plummer
	306		Sen. Eliason
	310		Ray Plummer
	322		Sen. Eliason
	326		Ray Plummer
	334		Sen. Eliason
	340		Ray Plummer
	346		Sen. Fahrenkamp

# TAPE LOG

1984

tape no. \_\_\_\_\_

committee: \_\_\_\_\_

date 5/11/84 to \_\_\_\_\_

bill numbers: 

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other information: \_\_\_\_\_

page 3

Date/ Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
	350		Rep. Bussell
	359		Sen. Fahrenkamp
	363		Sen. Mulcahy
	372		Sen. Eliason
	378		Rep. Bussell
	382		Sen. Fahrenkamp
		GJR 32	
		SB 522	
	405		Pete McDowell
	443		Sen. Sturgulewski
	450		Pete McDowell
	451		Sen. Sturgulewski
	453		Pete McDowell
	457		Sen. Sturgulewski
	463		Pete McDowell
	468		Sen. Sturgulewski
	470		Pete McDowell
	478		Sen. Eliason
	480		Pete McDowell
	489		Sen. Eliason
	493		Pete McDowell
	500		Sen. Eliason
	505		Mc Dowell
	510		Sen. Sturgulewski

# TAPE LOG

1984

tape no. \_\_\_\_\_

committee: \_\_\_\_\_

date 5/11/84 to \_\_\_\_\_

bill numbers: 

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other information: \_\_\_\_\_

Page 4

Date/ Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
	526		Mc Dowell
	543		Sen. Mulcahy
	550		Mc Dowell
	562		Sen. Mulcahy
	575		Mc Dowell
	584		Sen. Mulcahy
	590		Mc Dowell
	593		Sen. Mulcahy
	597		Mc Dowell
	604		Sen. Mulcahy
	628		Mc Dowell
	652		Sen. Mulcahy
	670		Mc Dowell
	675		Sen. Mulcahy
	686		Mc Dowell
	704		Sen. Mulcahy
	705		Sen. Fahrenkamp
	710		Mc Dowell
	720		Sen. Fahrenkamp
	732		Sen. Paul Fischer
	742		Mc Dowell
	751		Sen. Fahrenkamp
	761		Mc Dowell
	768		Sen. Fahrenkamp

# TAPE LOG 1984

tape no. \_\_\_\_\_

committee: \_\_\_\_\_

date 5/11/84 to \_\_\_\_\_

bill numbers: 

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other information: \_\_\_\_\_

Pages 5

Date/ Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
	<del>777</del>		
	772		Mc Dowell
	778		Sen. Eliason
	786		Mc Dowell
	789		Sen. Eliason
	795		Mc Dowell
	799		Sen. Eliason
	802		Sen. Paul Fischer
	808		Sen. Sturgulewski
	818		Mc Dowell
	820		Sen. Sturgulewski
	823		Mc Dowell
	829		Sen. Sturgulewski
	835		Sen. Vic Fischer
	845		Mc Dowell
	857		Sen. Vic Fischer
	860		Mc Dowell
	873		Sen. Vic Fischer
	881		Mc Dowell
	888		Sen. Vic Fischer
	897		Mc Dowell
	902		Sen. Fahrenkamp
	913		Sen. Vic Fischer
	921		Sen. Sturgulewski



# TAPE LOG

1984

tape no. SEC 95

committee: \_\_\_\_\_

date 5/14/84 to \_\_\_\_\_

bill numbers: 

<sup>HB</sup> 188	<sup>HB</sup> 453	<sup>HB</sup> 546	<sup>HB</sup> 709			
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other information:

Date/ Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
5/14			
3:13		HB 188	
	003		Sen. Fahrenkamp
	010		Dave Stancliff
	042		Sen. Fahrenkamp
	046		Stancliff
	056		Paddy McGuire
	066		Sen. Mulcahy
	072		Sen. Fahrenkamp
	077		Carole Wilson
	086		Sen. Mulcahy
	090	<sup>HB</sup> 546	Sen. Fahrenkamp
	096		Dave Stancliff
	125		Sen. Fahrenkamp
	129		Lisa Nelson
	164		Sen. Fahrenkamp
	168		Sen. Sturgulewski
	170		Lisa Nelson
	177		Ron Sommerille
	201		Sen. Mulcahy, moved 546
	204	<del>HB</del>	Sen. Sturgulewski
	207		Sen. Mulcahy
	220	HB 458	Sen. Fahrenkamp
	249		Rep. Bettisworth



# TAPE LOG

1984

tape no. SLC 96

committee: \_\_\_\_\_

date 5/16/84 to \_\_\_\_\_

bill numbers: \_\_\_\_\_

other information: Hearing on proposed mining regulations

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
5/16/84			
3:12	005		Sen. Fahrenkamp
	037		Commissioner Winnicke
	060		Sen. Fahrenkamp
	065		Winnicke
	075		Sen. Fahrenkamp
	078		Winnicke
	108		Pedro Denton
	149		Sen. Fahrenkamp
	159		Henry Warner
	202		Helen Warner
	247		Jim Jinks
	330		Sen. Fahrenkamp
	335		Ernie Wolff
	356		Rudy Vetter
	381		Winnicke
	384		Rudy Vetter
	389		Winnicke
	396		Rudy Vetter
	401		Don Stein
	457		Sen. Fahrenkamp
	460		Don Stein
	468		Sen. Fahrenkamp
	474		Roger Burgraff

# TAPE LOG

1984

tape no. \_\_\_\_\_

committee \_\_\_\_\_

date 5/16/82 to \_\_\_\_\_

bill numbers: 

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other information: \_\_\_\_\_

Page 2

Date/ Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
	482		Bob Maynard
	487		Sen. Fahrenkamp
	492		Bob Maynard
	504		Roger Burggraf
	506		Bob Maynard
	519		Sen. Fahrenkamp
	524		Bob Maynard
	543		Commissioner Winnicke
	571		Sen. Fahrenkamp
	574		Roger Burggraf
	635		Paul Metz
	643		Paul Barelka
	720		Wyatt Wickens
	739		Robert Ranck
	752		Walt Weges
	766		Sen. Fahrenkamp
	770		Commissioner Winnicke
	783		Sen. Fahrenkamp
	787		Bob Maynard
	794		Pedro Denton
	808		Sen. Fahrenkamp
			adjourned 4:20 p.m.

# COMMITTEE TAPE LOG 1984

tape no. SRC 97

committee: \_\_\_\_\_

date 5/18/84 to \_\_\_\_\_

bill numbers: HB 509 | | | | |

other information: \_\_\_\_\_

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
5/18/84		HB 509	
3:07	008		Sen. Fahrenkamp
	067		Larry Varva
	070		Sen. Fahrenkamp
	076		Larry Varva
	084		Sen. Fahrenkamp
	090		Larry Varva
	102		Ray Plummer
	110		Sen. Fahrenkamp
	122		Ray Plummer
	164		Ed Hein
	170		Sen. Fahrenkamp
	176		Larry Varva
	186		Sen. Mulcahy, moved CSHB509
	196		Sen. Vic Fischer
	203		Ray Plummer
	223		Ed Hein
	230		Sen. Mulcahy
	243		Ed Hein
	247		Sen. Fahrenkamp
	260		Ed Hein
	267		Larry Varva
	276		Sen. Mulcahy
			Sen. Fahrenkamp, adjourned



## RESOURCE BILLS THAT WENT TO GOVERNOR FOR SIGNATURE, 1983-84 LEGISLATURE:

		<u>DATE SIGNED</u>
SB 2	Vessel licenses.	7/15/83
SB 40	University lands.	6/17/83
SB 41	University lands.	6/17/83
SSSB 45	Ag payme. moratorium	7/11/84
SSSB 47	Ag clearing moratorium	7/11/84
SB 51	Shuyak Island Park	7/11/84
SB 79	Toxic and hazardous substances.	7/25/83
SB 108	Tanana Valley State Forest.	7/22/83
SB 120	Soil conservation.	7/15/83
SB 124	Ag. loan act.	7/1/83
SB 128	Marine parks.	7/15/83
SB 136	Stationary fishing gear.	6/13/83
SB 138	Guide licensing and control board.	5/3/83
SB 151	Regional development authorities	7/25/83
SB 156	Hatcheries.	VETO 7/20/83
SB 168	APA amendments.	7/21/83
SB 216	Mining lease location	7/22/83
SB 225	Moose Range	6/1/84
SB 233	Radioactive waste compact.	7/1/83
SB 269	Chevron contract.	5/29/84
SB 278	Waterfowl Stamp	6/1/84
SB 288	Fish Board Composition	VETO 6/21/84
SB 289	Hunting in Parks	6/21/84
SB 301	Furbearer Mgt.	6/8/84
SB 336	Crop Insurance	7/3/84
SB 337	Delta Bison Range	6/20/84
SB 342	Horticulture/Fur & Tree Farming	6/1/84
SB 349	Rec Activities in State Parks	3/14/84
SB 366	Fires on State land	6/5/84
SB 371	Mining	6/7/84
SB 375	Lands	7/5/84
SB 411	Preferential ag. products=hydro pkg.	7/13/84
SB 417	Kenai Mgt. Area	6/1/84
SB 461	Mining grants	6/22/84
SB 479	Forest Products Loan Guarantee	6/4/84
SB 503	Hazardous waste	6/1/84
SR 1	Special ag committee.	2/11/83
SJR 5	Revenue Sharing	5/15/84
SJR 7	Halibut moratorium.	3/17/83
SJR 10	Salmon treaty	3/10/83
SJR 21	Lake Grace hydro.	6/17/83
SJR 29	Pulp mill variance	2/6/84
SJR 42	EPA office in Alaska	3/9/84

RESOURCE BILLS THAT WENT TO GOVERNOR FOR SIGNATURE, 1983-84 LEGISLATURE: cont.

		<u>DATE SIGNED</u>
HB 118	Bear tags.	6/30/83
HB 130	Homesteads.	7/27/83
HB 151	House of Wickersham	7/28/83
HB 156	Grain reserve	7/27/83
HB 163	Harass hunters	VETO 7/25/83
HB 187	Fur farming	6/20/83
HB 188	Big game guides	6/19/84
HB 258	investment tax credit	5/28/84
HB 267	Herring stripping	5/3/83
HB 284	Marine mammal.	7/21/83
HB 298	NPRA	6/8/84
HB 314	Appropriation to Oil and Gas Committee.	VETO 7/14/83
HB 320	Tesoro contract	5/29/84
HB 376	Limited Entry	7/3/84
HB 379	Seismic hazard.	7/27/83
HB 381	Salmon pricing.	7/8/83
HB 404	Fish and Game amendments	7/2/84
HB 479	Park citations	6/14/84
HB 509	Aviation fuel suppliers	VETO 6/20/84
HB 542	Refuse disposal sites	6/5/84
HB 546	Hinder hunters	VETO 6/19/84
HB 552	\$ Bison range	5/25/84
HB 576	Whittier land grant	6/1/84
HB 680	Oil and Gas	6/6/84
HB 709	Historical site fees	6/5/84
HCR 15	Oil and gas committee.	6/30/83
HJR 19	Foreign vessel observers	5/18/84
HCR 27	Trapping.	7/13/83
HCR 31	Kenai River.	7/13/83
HJR 38	Market natural gas.	6/29/83
HCR 45	ATV's	4/4/84
HJR 56	Yukon Quest	2/22/84
HJR 73	Halibut	7/14/84

BILLS THAT PASSED RESOURCES BUT DIDN'T PASS LEGISLATURE: (1983-84)

		<u>STATUS</u>
SB 11	APA projects	Senate Finance
SB 52	Licensing commercial fishing	House Finance
SB 101	Fish and game violations	House Judiciary (in HB 404)
SB 139	Transporter laws	House Judiciary
SB 202	Yakataga Forest	House Rules
SB 219	Permit reform	House Finance
SB 222	Title 38 revisors bill	House Rules
SB 272	Eklutna water project	House Finance
SB 279	Salmon pricing	Senate Finance
SB 297	Land Clearing Acct	House Resources
SB 298	Land Clearing Acct \$	Senate Judiciary
SB 322	Ag Board Membership	House Rules
SB 335	Grain Reserve Program	House Resources (adopted H. version HB 535)
SB 338	\$ to Bison Range	House Resources (adopted H. version HB 552)
SB 339	Extend life AAAC	Senate Rules
SB 369	Ag. & Forest Facilities	House Resources
SB 378	Fairs	Senate Finance
SB 379	Fish tax credit	Senate Finance
SB 391	Hunting license fees	Senate Finance
SB 399	Trespass	Senate Judiciary
SB 407	Reclassify streams	Fail House
SB 462	\$ Mining grants	Senate Finance (\$3 mil in DEC/DNR budget)
SB 480	Commodity marketing	House Rules
SJR 3	Ag. rights	Senate Rules
SJR 12	Oil export.	House Judiciary
SCR 19	Trails.	House Rules
SJR 24	Natural gas contracts.	House Resources
SJR 25	Birch Creek	House Rules
SJR 31	Orcas	House Judiciary
SJR 32	Major Projects Fund	Senate Judiciary
SJR 38	Nuclear Free Arctic	House State Affairs
SCR 42	Sportfish Salmon	House Resource
SCR 44	Gravel	Senate Finance
SJR 44	ANILCA Center	Senate Labor & Commerce
HB 589	Watana/Bradley	Senate Finance (passed as SB 411)
HB 624	Homesite Qualifications	Senate Rules (in SB 375)
HB 650	Loans	House (passed as SB 409)
HB 684	\$ Watana/Bradley	Senate Finance (passed as SB 409)
HCR 37	Economic development policy	Senate Rules

BILLS IN RESOURCES COMMITTEE AT END OF 1984/84 LEGISLATURE:

		<u>SPONSOR</u>
SB 3	Appropriate for Susitna construction	Kerttula
SB 5	Residents' priority for taking big game	V. Fischer
SR 12	Maximum length of salmon seine vessels.	Ziegler
SB 14	Establish State forests	Ziegler
SB 23	Outdoor recreation and historic projects.	V. Fischer
SB 32	Rural electrification loans.	Moss
SB 39	Personal use fishery	V. Fischer
SB 43	Homesteads	Moss (HB 140 passed)
SB 44	Development of small farms.	Moss
SB 46	Disposal of state in-kind royalty oil and gas	Moss
SB 62	Feasibility study - Copper River Basin natural gas	Moss
SB 102	Homesteads	GOVERNOR (HB 140 passed)
SB 112	Repeal assessed value of certain real property	Ferguson
SB 119	Sitka Pioneer State Park	Eliason
SB 140	Electric cooperative revolving loan fund	Fahrenkamp
SB 141	Appropriation to electric revolving loan fund	Fahrenkamp
SB 181	Appropriation to DNR for land deficiency entitlement	Faiks, et al
SB 191	Taxation of fish processors	Ferguson
SB 206	Livestock pavilion at State Fair	Kerttula
SB 207	Compensation for fish and game board members	Ferguson
SSSB 232	State indemnification under seafood processing permit procedures	GOVERNOR
SB 237	Preservation of agricultural land	Moss
SB 248	Management and disposal of State land	Ferguson
SB 249	LaTouche Island \$\$ for PWS Harbors	P. Fischer
SB 259	Appointments to Board of Fisheries	V. Fischer
SB 270	Eklutna Water Project	Halford
SB 280	Land discounts	Kerttula
SB 309	Repeal 25¢ hunting license	P. Fischer
SB 324	Veterans Discount on State Land Disposals	V. Fischer (in SB 375)
SB 340	Taxation of Ag. Preference land by municip.	Moss
SB 344	Defects in title of the State to Land	Eliason (in SB 375)
SB 355	Qualifications for patents to homesites	Ray (in SB 375)
SB 356	Preference right to land	Josephson
SB 357	Management plans & Regs. by Bd. of Fisheries	P. Fischer
SB 358	Repealing Exp. Date of Ag Action Council	Kerttula
SB 380	Amending an approp. to the Permanent Fund	GOVERNOR
SB 392	Copper River Basin State Forest	Moss
SB 401	Toklat River critical habitat area	GOVERNOR
SB 412	Alternative Technology & Energy Loan Fund	V. Fischer
SB 413	Alternative Energy Business Loan Fund	V. Fischer
SB 416	Clarifying authority of Bd. of Fish over guided sport fishing activities	GOVERNOR
SB 422	Limited Entry	GOVERNOR
SB 423	Alaska Power Authority	GOVERNOR
SB 429	Reindeer R & D facility on Seward Pen.	Ferguson
SB 440	Protection of agricultural land	Kerttula
SB 442	State land grant to Whittier	P. Fischer (passed as HB 576)

BILLS IN RESOURCES COMMITTEE AT END OF 1984/84 LEGISLATURE: cont.

		<u>SPONSOR</u>
SB 443	Rural Electrification Loan Fund	Moss
SB 450	Hazardous Waste disposal facility	V. Fischer
SB 459	Oil and Gas unitization agreements	Fahrenkamp
SB 473	Establishing Alaska Fisheries Council	Kerttula
SB 486	Storage & disposal of hazardous waste	Josephson
SB 487	Composition of the Board of Fisheries	Halford
SB 492	Waste/Big Game Animals/Taking Marine Mammals	GOVERNOR
SB 507	Concessionaires in State Parks	Finance
SB 522	How dedicated MFP revenues shall be spent	Resources
SB 523	MFP appropriation	Resources
SB 530	Appropriation to the APA	Resources
SB 534	Detention of vessels for oil pollution damage	Resources
SR 2	Cross Island Well	Bennett
SR 3	Subdivision plan review regulations	P. Fischer
SR 8	Establish an office of Mines in Ketchikan	Ziegler
SJR 8	Canadian requirements for Alaska fishing vessels	Ziegler
SCR 11	Livestock pavilion at Alaska State Fair	Kerttula
SCR 34	Joint Ag. Committee	Moss
SJR 37	Northland Gold Co. on Tuluksuk River	Sackett
SJR 40	Request Feds to reject ADFG request to reassume mgmt of certain marine mammals	Ferguson
HB 256	Permits for develop. in spawning streams	Flood
HB 458	Relating to Ag rights to land	Bettisworth
HB 529	Vet Discount on State land disposals	Uehling (with SB 375)
HB 639	Historic Properties Development	Hermann
HJR 75	Relating to crude exports	H. Resources

ALASKA

POWER

AUTHORITY

BRIEFING

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
PAUL FISCHER  
VIC FISCHER  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
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JUNEAU, ALASKA 99811  
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## Senate

### Committee on Resources

#### MINUTES

February 13, 1984  
3:10 pm

Senate Finance  
5th floor, Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp, Chairman	Senator Sackett
Senator Ziegler, Vice Chair	Senator Pettyjohn
Senator Eliason	
Senator P. Fischer	
Senator V. Fischer	
Senator Mulcahy	
Senator Sturgulewski	

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#### CALENDAR

Briefing by Alaska Power Authority.

JOINT MEETING WITH SENATE STATE AFFAIRS AND SENATE LABOR AND COMMERCE.

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Larry Crawford, Executive Director, Alaska Power Authority, briefed the Committees on the duties and functions of the Alaska Power Authority. Using slides and charts, he discussed the Authority's goals and objectives, organization, legislative mandate, programs and projects, its project development process, the results of recent accounting and management audits, and the need for new legislation. He also answered questions on the status of negotiations with the "four dam pool" communities on signing power sale agreements. The process of developing financing plans for hydro projects was also discussed.

Dick Lyon, Commissioner, Department of Commerce and Economic Development, answered questions on the amount of money in the Governor's FY 85 budget for obtaining FERC licensing for the Susitna project.

The meeting adjourned at 4:30 pm.

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
PAUL FISCHER  
VIC FISCHER  
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## Senate

### Committee on Resources

#### MEMORANDUM

TO: Senate Resources Committee Members  
Senate State Affairs Committee Members  
Senate Labor and Commerce Committee Members

FROM: Senate Resources Committee Staff

RE: Committee Meeting, Monday, February 13, 1984

DATE: February 13, 1984

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Attached is additional background information for today's briefing by Larry Crawford, Executive Director, Alaska Power Authority (APA).

- 1) Summary of Recent Audits/Reviews of the Alaska Power Authority
- 2) Briefing papers submitted by the Alaska Power Authority

Today's meeting will be held from 3:00 pm - 5:00 pm in the Senate Finance Committee Room.

ALASKA POWER AUTHORITY  
Legislative Briefing  
Senate Resources, State Affairs, and Labor and Commerce Committees  
Presented By  
Larry D. Crawford, Executive Director

INTRODUCTION

The State of Alaska's direct participation in the development of power projects is unique when compared to the other 49 states. This uniqueness lies both in the extent to which the State finances public power projects and in the absence of both interstate and intrastate power grids in Alaska that would permit the transfer of electricity throughout the State or to and from other States and Canada.

Much of Alaska remains undeveloped or underdeveloped, with no statewide or regional electrification program. The Power Authority is attempting to fill this void, but the power supply planning process is an evolving one, and the Power Authority, together with the Administration and the Legislature, is still developing policies and procedures to meet electrical energy needs throughout the State as equitably and economically as possible. It should be noted that it has been difficult to develop a statewide electrification program, as the Power Authority's efforts have been limited by staff and budget.

Sound power project development is contingent on good power supply planning. Electric power supply planning in Alaska has not been well defined and has not been fully integrated with local and regional electrical system planning. Therefore, the Power Authority is proposing to prepare a long range electrification plan for the State to be reviewed and updated annually.

Long range planning by the Power Authority will conform to State policy, which is to develop Alaska's energy resources to strengthen and diversify the economy and improve the standard of living by providing electrical energy at the lowest reasonable economic, social and environmental costs, with an emphasis on local and renewable resources. In many cases hydroelectric projects have been found to be the most economic and viable long term power supply option. Nevertheless, a critical problem with hydroelectric projects is their high construction costs which, coupled with comparatively low utilization in the early years, typically causes wholesale power rates to be higher than the cost of electricity from thermal sources in the early project years. This makes it extremely difficult for a single utility, or even a consortium of utilities, to embark on a hydroelectric project, even when it proves to be the most economic power supply source over the life of that project.

Higher initial power costs are offset through legislative appropriations that directly fund a portion of the cost of a project. Administered by the Power Authority, these appropriations reduce the amount of capital that must be borrowed for the development of power projects. This, in turn, directly lowers the wholesale cost of electricity compared to the cost if the power project were entirely debt financed. But power project financing is just one of the ongoing responsibilities -- although a major and highly visible activity -- of the Power Authority.

### MANDATE

The Power Authority is authorized by the Legislature to conduct reconnaissance and feasibility studies; issue bonds and administer other loan and grant programs; design, construct, and operate power projects; and enter into contracts for power sales. The extent of the Power Authority's involvement in any power project depends on local needs, resources and preferences, project financial requirements, and State budget considerations.

This authority, granted by the Legislature through the establishment of the Power Authority as a public corporation in 1976 (AS 44.56.030), has been amended and its responsibilities expanded through subsequent legislation. In meeting its legislative mandates, the Power Authority identifies, evaluates, develops, and operates electrical power production and conservation facilities throughout Alaska, utilizing the most appropriate technology -- except nuclear generation -- from among those commercially available.

### GOALS AND OBJECTIVES

The goal of the Power Authority, consistent with its legislative mandate and the Administration's stated policy for natural resource management, is the orderly and economic development of hydroelectric, fossil fuel, coal, geothermal, and other electrical energy resources in order that they may contribute in a substantial way to the economic vitality of the State.

Specific objectives for the remainder of FY 1984 are shown in Attachment 1. Objectives for FY 85, shown in Attachment 2 are contingent upon the level of funding received by the Power Authority.

### ORGANIZATION

The Power Authority, initially funded and staffed in 1978, is governed under executive and legislative oversight by a seven-member Board of Directors appointed by the Governor. The Board includes four members of the Governor's Cabinet and three public members. An Executive Director, currently Mr. Larry D. Crawford, is responsible for the day to day management of the Power Authority. The agency is currently undergoing a management review designed to increase its operating efficiency and provide recommendations for power supply planning.

The Power Authority's organizational structure is designed for the effective development and administration of programs and projects that fall under its purview, including power project development and the operation of completed projects. The full development of a power production project involves a five step process designed to meet local, regional, and statewide electrical energy needs.

### PROJECT DEVELOPMENT PROCESS

Step one of the development process is a reconnaissance study to assess the electrical energy and space heating needs of a region or community. The reconnaissance study identifies those power supply options that merit more detailed evaluation.

Next, a feasibility study, based on reconnaissance study recommendations, is conducted to analyze the technical, economic, social and environmental viability of the power supply plan in question. The result of the feasibility study is a recommendation for the best electrical energy supply alternative for the region or community to be served. After the best project alternative is determined to be economically and financially feasible, a financing plan is submitted to the Legislature for approval. Statutory mandates state that design work cannot begin until the Legislature authorizes the project and new Power Authority policy also dictates that any substantial design work will not be initiated on new projects until power sales agreements are signed.

After legislative approval comes licensing and design. Major projects require licenses and permits from various State and Federal agencies, including a Federal Energy Regulatory Commission (FERC) license if the project is hydroelectric. Design includes the preparation of the technical design, plans and specifications. The design phase also includes the development of bid requests to be released for competitive bid by construction and material supply contractors. For large projects, the Power Authority contracts with an engineering firm to accomplish the technical design and manage the various studies required for FERC licensing. Due to the large commitment of technical personnel required during this stage, it is doubtful if the Power Authority will develop the capability to accomplish internally the design of large power projects.

Project construction begins once the design is completed and all required licenses and permits have been obtained. The Power Authority may contract with a large engineering or construction firm to assist in construction management activities. As a policy on larger projects, the Power Authority does not allow the firm designing the project to also act as the construction management firm.

The final step in this process is the operation of the completed power project. When a project is completed, the Power Authority either operates the facility independently or enters into an operating agreement with a local utility. The Power Authority sells power wholesale to local utilities, which then retail it to consumers. As the agency develops and operates additional power projects, it will increasingly assume a role as a generation and transmission entity.

#### PROGRAMS AND PROJECTS

The Power Authority conducts several legislatively approved programs ranging from the project development programs to the administration of loans and grants. These programs both support the project development process and provide the budgetary framework by which the Power Authority fulfills its mission. The widest ranging of these programs is the Energy Program for Alaska.

##### Energy Program for Alaska

This program, adopted by the Legislature in 1981, provides for State construction, ownership, and operation of power generating projects throughout the State. Program objectives are achieved by providing financing through the Power Authority for the development of new power projects and the acquisition of existing projects. The Energy Program includes a check and balance system for project development and approval, through which a project's feasibility must be approved by the Legislature before expenditures for

design and construction can begin. Following legislative approval and funding, the Power Authority designs and constructs the project, which is then owned by the State.

Under the Energy Program for Alaska, the Power Authority acquired the Solomon Gulch project, then being constructed by Copper Valley Electric Association. This project serves Valdez and Glennallen. The Swan Lake project, then being developed by Ketchikan Public Utilities, was also acquired under this program. In addition, the Power Authority assumed responsibility for developing and constructing the Tye Lake project for Wrangell and Petersburg, and the Terror Lake project near Kodiak.

These hydroelectric projects are known as the Four Project Pool, which has become the cornerstone of the Energy Program for Alaska. The Solomon Gulch project is in commercial operation; the Tye project is now providing test power to Wrangell and Petersburg; Swan Lake is providing test power to Ketchikan; and the Terror Lake project is now 95 percent complete with power projected to be on line in September 1984. With the completion of these projects, the role of the Power Authority in power generation, transmission, and the wholesale marketing of electrical energy is significantly expanding.

When the Legislature began appropriating funds in 1979 for the construction of hydroelectric projects, it was intended that these projects were to be fully financed by the State. However, declining State revenues resulting from a drop in international oil prices has forced the abandonment, at least for the foreseeable future, of full State funding of these projects. Lower oil prices have also made the short term cost of hydro power from new projects less advantageous, when compared to the cost of diesel generated electricity, than it once was expected to be. Power Authority economic and financial analyses have necessarily assumed conservative long term oil price increases. Increased energy consumption associated with improved economic activity, a decline in the value of the dollar, or disruptions in oil supplies could cause significant oil price increases.

In the face of the financial reality of declining State revenue, the Legislature amended the Energy Program for Alaska with House Bill 9 (HB 9) in 1982. The original legislation had established a single wholesale power rate for all Power Authority projects in the State. HB 9 changed this by pooling the debt service of the Power Authority projects.

To meet the requirements of HB 9 and the needs of consumers in the communities served by the Four Project Pool as equitably as possible, on February 6, 1984 the Alaska Power Authority proposed new power sales agreements with those communities. The projects serve Valdez-Glennallen, Ketchikan, Wrangell-Petersburg, and Kodiak. These agreements are the result of several months of negotiation and extensive coordination between the Power Authority, the utilities to be served by the projects, financial institutions, the Governor's Office, and the legislative leadership. Under the agreements, initial consumer rates for the four hydroelectric projects are designed not to exceed the cost of diesel-generated power, and, in the long-run, will provide more favorable rates. They should provide significant benefits to the communities served by the projects as well as communities to be served by future projects that will be included in the program.

The agreements include a \$64 million rate-stabilization plan to reduce the early year power costs. Approximately \$35 million of the rate-stabilization plan will require a legislative appropriation this session, with the remainder coming from bond proceeds and interest earnings.

The February 6, 1984 proposed agreement is currently under review by the five affected communities. Power Authority Board action is scheduled for February 22, 1984.

Now that the Four Project Pool is being completed and coming on line under existing legislation, an in-depth review by the Legislature and Administration of the Energy Program for Alaska is needed to ensure that the Energy Program will benefit all Alaskans.

The Power Authority will recommend to the 1985 Legislature expanding the Energy Program to include the Bradley Lake Hydroelectric Projects. Construction is continuing on the Anchorage-Fairbanks Intertie which is also part of the Energy Program with a scheduled completion for December 1984. This project will, for the first time, allow electrical energy transmission between these two generation and load centers.

#### Reconnaissance Program

This program provides for surveys of all electric power sources available to regions and communities in the State and evaluations of the supply alternatives, including more efficient use of existing diesel and fuel oil generation facilities. Reconnaissance studies consider power supply options, including conservation, geothermal, wood and peat, tidal, coal, natural gas, and solar energy sources. Subsequent phases of project development are based on reconnaissance study results.

#### Power Project Loan Fund

Based on specific legislative appropriations, this long term loan program provides State assistance to local utilities or units of government for the development of new power production facilities or improvement or expansion of existing facilities.

#### Power Cost Assistance Program

This program reduces the cost of up to 600 kilowatt hours of electricity a month for both residential and commercial customers in rural areas where rates are generally high due to the cost of diesel fuel. The Power Authority pays approximately 40-60 percent of the cost of this electricity following Alaska Public Utilities Commission (APUC) determination of the amount of power that can be subsidized. Ninety-five communities served by fifty-one utilities participated in this program in FY 84.

#### Rural Feasibility Program

This program provides for detailed analyses of power supply alternatives identified in reconnaissance studies. Regional feasibility studies are in progress for the Bristol Bay and Lower Kuskokwim areas. A variety of other

feasibility studies are underway throughout the State, and additional studies will be initiated as information and funding permit.

#### Rural Electrification Program

This program, which began in FY 84, funds the engineering and design of small power production facilities in rural Alaska. Project sites currently under detailed consideration are King Cove, Larsen Bay, Old Harbor, Elfin Cove, Pelican, Atka and Angoon. Under this program, the Power Authority certifies the technical, economic, and financial viability of projects prior to construction.

#### Rural Electrification Revolving Loan Fund

This low interest loan program provides State assistance to local utilities for extending electrical service into unserved areas of the State. Loans are made only to electrical utilities certified by the APUC, and must be approved by the Power Authority and a local advisory committee.

#### Waste Heat Recovery Program

This program provides for the planning, design, and construction of facilities to recover waste heat from existing diesel generators for use in the space heating of nearby buildings. Since 1981, 13 waste heat recovery facilities have been constructed in rural Alaska. Funds are being requested for FY 85 to construct two additional facilities and make detailed evaluations of up to 35 other projects to determine which are the most cost-effective.

#### Susitna

The Susitna Hydroelectric Project is a two dam development on the Susitna River north of Talkeetna that, when completed, will be the largest power project in Alaska history. The Power Authority has submitted a license application to the Federal Energy Regulatory Commission (FERC), which is reviewing the application and preparing a draft Environmental Impact Statement. Through FY 1984 approximately \$92 million in State funds will have been spent on feasibility studies and FERC Licensing activities for this project.

#### Bradley Lake

The Power Authority is also preparing a FERC License application for the Bradley Lake project on the Kenai Peninsula. When on line, this project will meet a portion of the Railbelt power requirements.

#### RESPONSE TO ACCOUNTING AND MANAGEMENT AUDIT:

The legislative Budget and Audit (LB&A) and Office of Management and Budget (OMB) audits and the Power Authority management study have pointed to the need for more rigorous management of programs and projects.

In response to their recommendations, the Power Authority is now placing greater emphasis on planning and marketing, more stringent approaches to project management and development and better coordination between the utilities. In addition, substantial project design work will not proceed until power sales agreements for that project have been signed. This reorientation within the Power Authority will ensure that these management practices are applied to continuing operations as well as one-time projects.

The Power Authority Board of Directors, recognizing that the future role of the Power Authority requires sound planning, has also commissioned a review of current operations, procedural changes, areas of emphasis and scheduling of projects. A report of this review effort is due in mid-March.

#### THE NEED FOR NEW LEGISLATION

To provide for the orderly development of Alaska's electrical energy resources and the State's power production, conservation, and transmission projects, the Power Authority's immediate legislative needs include:

- \* Legislation implementing and ensuring the long-range viability of the Four Project Pool. This includes:
  - Approval and financing of a Rate Stabilization Fund (with a total State appropriation of approximately \$35 million) to off-set the difference between the costs of hydro and diesel-generated electricity during the early years of the project.
  - Classification of the first four pool projects as one project to allow a combined rate for debt service.
  - Authorization for the sale of surplus power from these projects to industrial users at a separate rate.
  - Elimination of the "Susitna Clause" to reduce potential future risk to the Four Project Pool communities.
  - Limitation of the impact of new projects coming into the system on the debt requirement of the first four projects.
- \* Authorization of the Bradley Lake Project as a project in the Energy Program for Alaska at a 1985 bid price of \$375,000,000.
- \* Legislative appropriations for Operating and Capital Budgets sufficient to carry out and oversee the programs and projects for which the Power Authority is responsible.
- \* The Power Authority also requests that the Legislature endorse the establishment of a Major Projects Fund, which could finance new State power projects in addition to other capital intensive State projects.

Some of these needs are being addressed by legislation already introduced. Bills addressing other needs will be introduced as this session progresses. Two bills not included in the Power Authority's legislative package but affecting agency  
1848/152/7

activities amend the Power Cost Assistance Program and the Rural Electrification Loan Fund. The Power Authority is preparing comments on both.

SUMMARY

The Power Authority has, in its seven years of operation, evolved into the primary Statewide agency for electric power planning, development, and power facilities construction. With the completion of the Four Project Pool, the Power Authority also stands on the threshold of becoming a major wholesaler of electrical power. Through its wide range of programs, the Power Authority will continue to offer the residents of Alaska the comprehensive services necessary to meet its legislative mandate. Specific requests for statutory changes and the funding of the agency's Operation and Capital Budgets have been made of this Legislature to facilitate the Energy Program for Alaska. An in-depth review of the Energy Program for Alaska, and the overall scope of the Power Authority is also needed. The Power Authority will conduct such a review and discuss major revisions with legislators during 1984. We plan to recommend to the 1985 Legislature a comprehensive electrification program.

Thank you.

## FY 84 OBJECTIVES

### Angoon

Complete Findings and Recommendations for reconnaissance level investigation; begin feasibility study of best alternative power supply plan.

### Lower Kuskokwim Regional Alternatives

Complete Interim Findings and Recommendations for reconnaissance level investigation for next phase of development of apparent best alternative or alternatives.

### Black Bear Lake

Complete addendum to feasibility study; get OMB review of revised Findings and Recommendations; decide action with respect to the FERC license already submitted; take appropriate action and maintain FERC license application as appropriate.

### Craig/Klawock Intertie

Complete financial analyses in support of utility decisions with respect to loan application for intertie construction; hold public information meetings as necessary in appropriate communities; work with all parties to potential agreement to facilitate purchase of power from Alaska Timber Corporation for sale to Craig and Klawock.

### Bristol Bay Regional Alternatives

Request supplemental appropriation for continuation of base line fisheries data collection; complete Interim Findings and Recommendations including preliminary financial analyses of best alternatives.

### Chester Lake

Meet with residents of Metlakatla and utility representatives to inform with respect to preliminary financial analysis results. Negotiate power sales agreements if public support favors development of the Chester Lake Hydroelectric Project. Initiate aggressive energy conservation program.

### Silver Lake

Complete Interim Findings and Recommendations; perform preliminary financial analyses as necessary.

### Fairbanks District Heating and Chena 6 Station Alternatives

Complete jointly managed feasibility study in support of Municipality's application for State loan for best alternative.

Grant Lake

Complete feasibility study and Findings and Recommendations; OMB review; decision with respect to submittal of FERC license application; preparation of FERC license application.

West Creek

Consider intertie with Northern Canada Power as alternative to West Creek hydro-electric alternative (presently not recommended due to railroad economic problems).

Kake/Petersburg Intertie

Complete feasibility study and Findings and Recommendations.

Larson Bay

Complete Findings and Recommendations; obtain financial analysis and begin power sales discussions as appropriate.

Old Harbor

Complete Findings and Recommendations; obtain financial analysis and begin power sales discussions as appropriate.

King Cove

Complete Findings and Recommendations; obtain financial analysis and begin power sales discussions as appropriate.

Rural Community Feasibility Studies

Meet with Corps of Engineers to obtain current status of their studies of communities named in the State appropriation for this purpose; prepare plan of action and budget for balance of this appropriation incorporating Corps findings and findings of Power Authority reconnaissance studies. Begin feasibility studies of alternatives for named communities as appropriate.

Togiak

Initiate stream gaging for Kurtluk River alternative.

Elim

Initiate stream gaging at Peterson Creek.

Unalaska Geothermal

Complete reconnaissance Findings and Recommendations; initiate summer 1984 field investigations.

Atka

Complete Findings and Recommendations for reconnaissance study incorporating pre-feasibility stream gaging and reassessment of waste heat economics. Begin feasibility confirmation as appropriate.

Elfin Cove

Complete reconnaissance study and provide technical assistance to the community to assist them in planning their own project as requested.

## FY 85 OBJECTIVES

### Statewide Electrification Plan

Develop background data base on communities and regions and assimilate with power supply planning on a regional system basis.

### Energy Program for Alaska

Develop proposed legislation to include the Susitna and Bradley Lake projects into the Energy Program of Alaska. Determine financial and technical impact of such inclusion and ways to mitigate such impact.

### Project Development Process

Refine the project development process so as to include project status with accounting status into a Management Information System in order to meet internal and external demands for status.

ALASKA POWER AUTHORITY

Legislative Briefing

Senate Resources, State Affairs, and Labor and Commerce Committees

Presented By

Larry D. Crawford, Executive Director

INTRODUCTION

The State of Alaska's direct participation in the development of power projects is unique when compared to the other 49 states. This uniqueness lies both in the extent to which the State finances public power projects and in the absence of both interstate and intrastate power grids in Alaska that would permit the transfer of electricity throughout the State or to and from other States and Canada.

Much of Alaska remains undeveloped or underdeveloped, with no statewide or regional electrification program. The Power Authority is attempting to fill this void, but the power supply planning process is an evolving one, and the Power Authority, together with the Administration and the Legislature, is still developing policies and procedures to meet electrical energy needs throughout the State as equitably and economically as possible. It should be noted that it has been difficult to develop a statewide electrification program, as the Power Authority's efforts have been limited by staff and budget.

Sound power project development is contingent on good power supply planning. Electric power supply planning in Alaska has not been well defined and has not been fully integrated with local and regional electrical system planning.

Therefore, the Power Authority is proposing to prepare a long range electrification plan for the State to be reviewed and updated annually.

Long range planning by the Power Authority will conform to State policy, which is to develop Alaska's energy resources to strengthen and diversify the economy and improve the standard of living by providing electrical energy at the lowest reasonable economic, social and environmental costs, with an emphasis on local and renewable resources. In many cases hydroelectric projects have been found to be the most economic and viable long term power supply option. Nevertheless, a critical problem with hydroelectric projects is their high construction costs which, coupled with comparatively low utilization in the early years, typically causes wholesale power rates to be higher than the cost of electricity from thermal sources in the early project years. This makes it extremely difficult for a single utility, or even a consortium of utilities, to embark on a hydroelectric project, even when it proves to be the most economic power supply source over the life of that project.

Higher initial power costs are offset through legislative appropriations that directly fund a portion of the cost of a project. Administered by the Power Authority, these appropriations reduce the amount of capital that must be borrowed for the development of power projects. This, in turn, directly lowers the wholesale cost of electricity compared to the cost if the power project were entirely debt financed. But power project financing is just one of the ongoing responsibilities -- although a major and highly visible activity -- of the Power Authority.

### MANDATE

The Power Authority is authorized by the Legislature to conduct reconnaissance and feasibility studies; issue bonds and administer other loan and grant programs; design, construct, and operate power projects; and enter into contracts for power sales. The extent of the Power Authority's involvement in any power project depends on local needs, resources and preferences, project financial requirements, and State budget considerations.

This authority, granted by the Legislature through the establishment of the Power Authority as a public corporation in 1976 (AS 44.56.030), has been amended and its responsibilities expanded through subsequent legislation. In meeting its legislative mandates, the Power Authority identifies, evaluates, develops, and operates electrical power production and conservation facilities throughout Alaska, utilizing the most appropriate technology -- except nuclear generation -- from among those commercially available.

### GOALS AND OBJECTIVES

The goal of the Power Authority, consistent with its legislative mandate and the Administration's stated policy for natural resource management, is the orderly and economic development of hydroelectric, fossil fuel, coal, geothermal, and other electrical energy resources in order that they may contribute in a substantial way to the economic vitality of the State.

Specific objectives for the remainder of FY 1984 are shown in Attachment 1. Objectives for FY 85, shown in Attachment 2 are contingent upon the level of funding received by the Power Authority.

### ORGANIZATION

The Power Authority, initially funded and staffed in 1978, is governed under executive and legislative oversight by a seven-member Board of Directors appointed by the Governor. The Board includes four members of the Governor's Cabinet and three public members. An Executive Director, currently Mr. Larry D. Crawford, is responsible for the day to day management of the Power Authority. The agency is currently undergoing a management review designed to increase its operating efficiency and provide recommendations for power supply planning.

The Power Authority's organizational structure is designed for the effective development and administration of programs and projects that fall under its purview, including power project development and the operation of completed projects. The full development of a power production project involves a five step process designed to meet local, regional, and statewide electrical energy needs.

### PROJECT DEVELOPMENT PROCESS

Step one of the development process is a reconnaissance study to assess the electrical energy and space heating needs of a region or community. The reconnaissance study identifies those power supply options that merit more detailed evaluation.

Next, a feasibility study, based on reconnaissance study recommendations, is conducted to analyze the technical, economic, social and environmental viability of the power supply plan in question. The result of the feasibility study is a recommendation for the best electrical energy supply alternative for the region or community to be served. After the best project alternative is determined to be economically and financially feasible, a financing plan is submitted to the Legislature for approval. Statutory mandates state that design work cannot begin until the Legislature authorizes the project and new Power Authority policy also dictates that any substantial design work will not be initiated on new projects until power sales agreements are signed.

After legislative approval comes licensing and design. Major projects require licenses and permits from various State and Federal agencies, including a Federal Energy Regulatory Commission (FERC) license if the project is hydroelectric. Design includes the preparation of the technical design, plans and specifications. The design phase also includes the development of bid requests to be released for competitive bid by construction and material supply contractors. For large projects, the Power Authority contracts with an engineering firm to accomplish the technical design and manage the various studies required for FERC licensing. Due to the large commitment of technical personnel required during this stage, it is doubtful if the Power Authority will develop the capability to accomplish internally the design of large power projects.

Project construction begins once the design is completed and all required licenses and permits have been obtained. The Power Authority may contract with a large engineering or construction firm to assist in construction management activities.

As a policy on larger projects, the Power Authority does not allow the firm designing the project to also act as the construction management firm.

The final step in this process is the operation of the completed power project. When a project is completed, the Power Authority either operates the facility independently or enters into an operating agreement with a local utility. The Power Authority sells power wholesale to local utilities, which then retail it to consumers. As the agency develops and operates additional power projects, it will increasingly assume a role as a generation and transmission entity.

#### PROGRAMS AND PROJECTS

The Power Authority conducts several legislatively approved programs ranging from the project development programs to the administration of loans and grants. These programs both support the project development process and provide the budgetary framework by which the Power Authority fulfills its mission. The widest ranging of these programs is the Energy Program for Alaska.

#### Energy Program for Alaska

This program, adopted by the Legislature in 1981, provides for State construction, ownership, and operation of power generating projects throughout the State. Program objectives are achieved by providing financing through the Power Authority for the development of new power projects and the acquisition of existing projects. The Energy Program includes a check and balance system for project development and approval, through which a project's feasibility must be approved by the Legislature before expenditures for

design and construction can begin. Following legislative approval and funding, the Power Authority designs and constructs the project, which is then owned by the State.

Under the Energy Program for Alaska, the Power Authority acquired the Solomon Gulch project, then being constructed by Copper Valley Electric Association. This project serves Valdez and Glennallen. The Swan Lake project, then being developed by Ketchikan Public Utilities, was also acquired under this program. In addition, the Power Authority assumed responsibility for developing and constructing the Tye Lake project for Wrangell and Petersburg, and the Terror Lake project near Kodiak.

These hydroelectric projects are known as the Four Project Pool, which has become the cornerstone of the Energy Program for Alaska. The Solomon Gulch project is in commercial operation; the Tye project is now providing test power to Wrangell and Petersburg; Swan Lake is providing test power to Ketchikan; and the Terror Lake project is now 95 percent complete with power projected to be on line in September 1984. With the completion of these projects, the role of the Power Authority in power generation, transmission, and the wholesale marketing of electrical energy is significantly expanding.

When the Legislature began appropriating funds in 1979 for the construction of hydroelectric projects, it was intended that these projects were to be fully financed by the State. However, declining State revenues resulting from a drop in international oil prices has forced the abandonment, at least for the foreseeable future, of full State funding of these projects. Lower oil prices have also made the short term cost of hydro power from new

projects less advantageous, when compared to the cost of diesel generated electricity, than it once was expected to be. Power Authority economic and financial analyses have necessarily assumed conservative long term oil price increases. Increased energy consumption associated with improved economic activity, any decline in the value of the dollar, or any disruptions in oil supplies could cause significant oil price increases.

In the face of the financial reality of declining State revenue, the Legislature amended the Energy Program for Alaska with House Bill 9 (HB 9) in 1982. The original legislation had established a single wholesale power rate for all Power Authority projects in the State. HB 9 changed this by pooling the debt service of the Power Authority projects.

To meet the requirements of HB 9 and the needs of consumers in the communities served by the Four Project Pool as equitably as possible, on February 6, 1984 the Alaska Power Authority proposed new power sales agreements with those communities. The projects serve Valdez-Glennallen, Ketchikan, Wrangell-Petersburg, and Kodiak. These agreements are the result of several months of negotiation and extensive coordination between the Power Authority, the utilities to be served by the projects, financial institutions, the Governor's Office, and the legislative leadership. Under the agreements, initial consumer rates for the four hydroelectric projects are designed not to exceed the cost of diesel-generated power, and, in the long-run, will provide more favorable rates. They should provide significant benefits to the communities served by the projects.

The agreements include a \$64 million rate-stabilization plan to reduce the early year power costs. Approximately \$35 million of the rate-stabilization plan will require a legislative appropriation this session, with the remainder coming from bond proceeds and interest earnings.

The February 6, 1984 proposed agreement is currently under review by the five affected communities. Power Authority Board action is scheduled for February 22, 1984.

The Power Authority will recommend to the 1985 Legislature expanding the Energy Program to include the Susitna Project. Construction is continuing on the Anchorage-Fairbanks Intertie. This project will, for the first time, allow electrical energy transmission between these two generation and load centers.

An in-depth review of the Energy Program for Alaska by the Legislature and Administration is needed to ensure that the Energy Program will function effectively for the benefit of all Alaskans.

#### Reconnaissance Program

This program provides for surveys of all electric power sources available to regions and communities in the State and evaluations of the supply alternatives, including more efficient use of existing diesel and fuel oil

generation facilities. Reconnaissance studies consider power supply options, including conservation, geothermal, wood and peat, tidal, coal, natural gas, and solar energy sources. Subsequent phases of project development are based on reconnaissance study results.

#### Power Project Loan Fund

Based on specific legislative appropriations, this long term loan program provides State assistance to local utilities or units of government for the development of new power production facilities or improvement or expansion of existing facilities.

#### Power Cost Assistance Program

This program reduces the cost of up to 600 kilowatt hours of electricity a month for both residential and commercial customers in rural areas where rates are generally high due to the cost of diesel fuel. The Power Authority pays approximately 40-60 percent of the cost of this electricity following Alaska Public Utilities Commission (APUC) determination of the amount of power that can be subsidized. Ninety-five communities served by fifty-one utilities participated in this program in FY 84.

#### Rural Feasibility Program

This program provides for detailed analyses of power supply alternatives identified in reconnaissance studies. Regional feasibility studies are in progress for the Bristol Bay and Lower Kuskokwim areas. A variety of other

feasibility studies are underway throughout the State, and additional studies will be initiated as information and funding permit.

#### Rural Electrification Program

This program, which began in FY 84, funds the engineering and design of small power production facilities in rural Alaska. Project sites currently under detailed consideration are King Cove, Larsen Bay, Old Harbor, Eifin Cove, Pelican, Atka and Angoon. Under this program, the Power Authority certifies the technical, economic, and financial viability of projects prior to construction.

#### Rural Electrification Revolving Loan Fund

This low interest loan program provides State assistance to local utilities for extending electrical service into unserved areas of the State. Loans are made only to electrical utilities certified by the APUC, and must be approved by the Power Authority and a local advisory committee.

#### Waste Heat Recovery Program

This program provides for the planning, design, and construction of facilities to recover waste heat from existing diesel generators for use in the space heating of nearby buildings. Since 1981, 13 waste heat recovery facilities have been constructed in rural Alaska. Funds are being requested for FY 85 to construct two additional facilities and make detailed

evaluations of up to 35 other projects to determine which are the most cost-effective.

### Susitna

The Susitna Hydroelectric Project is a two dam development on the Susitna River north of Talkeetna that, when completed, will be the largest power project in Alaska history. The Power Authority has submitted a license application to the Federal Energy Regulatory Commission (FERC), which is reviewing the application and preparing a draft Environmental Impact Statement. Through FY 1984 approximately \$92 million in State funds will have been spent on feasibility studies and FERC Licensing activities for this project.

### Bradley Lake

The Power Authority is now preparing a FERC License application for the Bradley Lake project on the Kenai Peninsula. When on line, this project will meet a portion of the Railbelt power requirements.

## RESPONSE TO ACCOUNTING AND MANAGEMENT AUDITS

The legislative Budget and Audit (LB&A) and Office of Management and Budget (OMB) audits and the Power Authority management study have pointed to the need for more rigorous management of programs and projects.

In response to their recommendations, the Power Authority is now placing greater emphasis on planning and marketing, more stringent approaches to project management and development and better coordination between the utilities. In addition, substantial project design work will not proceed until power sales agreements for that project have been signed. This reorientation within the Power Authority will ensure that these management practices are applied to continuing operations as well as one-time projects.

The Power Authority Board of Directors, recognizing that the future role of the Power Authority requires sound planning, has also commissioned a review of current operations, procedural changes, areas of emphasis and scheduling of projects. A report of this review effort is due in mid-March.

#### THE NEED FOR NEW LEGISLATION

To provide for the orderly development of Alaska's electrical energy resources and the State's power production, conservation, and transmission projects, the Power Authority's immediate legislative needs include:

- \* Legislation implementing and ensuring the long-range viability of the Four Project Pool. This includes:
  - ° Approval and financing of a Rate Stabilization Fund (with a total State appropriation of approximately \$35 million) to off-set the difference between the costs of hydro and diesel-generated electricity during the early years of the project.

- ° Classification of the first four pool projects as one project to allow a combined rate for debt service.
- ° Authorization for the sale of surplus power from these projects to industrial users at a separate rate.
- ° Elimination of the "Susitna Clause" to reduce potential future risk to the Four Project Pool communities.
- ° Limitation of the impact of new projects coming into the system on the debt requirement of the first four projects.
- \* Authorization of the Bradley Lake Project as a project in the Energy Program for Alaska at a 1985 bid price of \$354 million.
- \* Legislative appropriations for Operating and Capital Budgets sufficient to carry out and oversee the programs and projects for which the Power Authority is responsible.
- \* The Power Authority also requests that the Legislature endorse the establishment of a Major Projects Fund, which could finance new State power projects in addition to other capital intensive State projects.

Some of these needs are being addressed by legislation already introduced. Bills addressing other needs will be introduced as this session progresses. Two bills not included in the Power Authority's legislative package but affecting agency

activities amend the Power Cost Assistance Program and the Rural Electrification Loan Fund. The Power Authority is preparing comments on both.

SUMMARY

The Power Authority has, in its six years of operation, evolved into the primary Statewide agency for electric power planning, development, and power facilities construction. With the completion of the Four Project Pool, the Power Authority also stands on the threshold of becoming a major wholesaler of electrical power. Through its wide range of programs, the Power Authority will continue to offer the residents of Alaska the comprehensive services necessary to meet its legislative mandate. Specific requests for statutory changes and the funding of the agency's Operation and Capital Budgets have been made of this Legislature to facilitate the Energy Program for Alaska. An in-depth review of the Energy Program for Alaska, and the overall scope of the Power Authority is also needed. The Power Authority will conduct such a review and discuss major revisions with legislators during 1984. We plan to recommend to the 1985 Legislature a comprehensive electrification program.

Thank you.

## FY 84 OBJECTIVES

### Anchorage-Fairbanks Intertie

Continue construction of the 170 mile transmission line between Willow and Healy.

### Bradley Lake

Submit license application to FERC. Authorization of the Project in the Energy Program.

### Swan Lake

Complete construction; provide test power to Ketchikan; begin commercial power production after power sales agreements are signed.

### Susitna

Continue appropriate action to support the FERC license application.

### Terror Lake

Complete major construction activities on all phases of the project.

### Tyea Lake

Complete construction; provide test power to Wrangell and Petersburg; begin commercial power production after power sales agreements are signed.

Angoon

Complete Findings and Recommendations for reconnaissance level investigation; begin feasibility study of best alternative power supply plan.

Lower Kuskokwim Regional Alternatives

Complete Interim Findings and Recommendations for reconnaissance level investigation for next phase of development of apparent best alternative or alternatives.

Black Bear Lake

Complete addendum to feasibility study; get OMB review of revised Findings and Recommendations; decide action with respect to the FERC license already submitted; take appropriate action and maintain FERC license application as appropriate.

Craig/Klawock Intertie

Complete financial analyses in support of utility decisions with respect to loan application for intertie construction; hold public information meetings as necessary in appropriate communities; work with all parties to potential agreement to facilitate purchase of power from Alaska Timber Corporation for sale to Craig and Klawock.

Bristol Bay Regional Alternatives

Request supplemental appropriation for continuation of base line fisheries data collection; complete Interim Findings and Recommendations including preliminary financial analyses of best alternatives.

Chester Lake

Meet with residents of Metlakatla and utility representatives to inform with respect to preliminary financial analysis results. Negotiate power sales agreements if public support favors development of the Chester Lake Hydroelectric Project. Initiate aggressive energy conservation program.

Silver Lake

Complete Interim Findings and Recommendations; perform preliminary financial analyses as necessary.

Fairbanks District Heating and Chena 6 Station Alternatives

Complete jointly managed feasibility study in support of Municipality's application for State loan for best alternative.

Grant Lake

Complete feasibility study and Findings and Recommendations; OMB review; decision with respect to submittal of FERC license application; preparation of FERC license application.

West Creek

Consider intertie with Northern Canada Power as alternative to West Creek hydroelectric alternative (presently not recommended due to railroad economic problems).

Kake/Petersburg Intertie

Complete feasibility study and Findings and Recommendations.

Larson Bay

Complete Findings and Recommendations; obtain financial analysis and begin power sales discussions as appropriate.

Old Harbor

Complete Findings and Recommendations; obtain financial analysis and begin power sales discussions as appropriate.

King Cove

Complete Findings and Recommendations; obtain financial analysis and begin power sales discussions as appropriate.

Rural Community Feasibility Studies

Meet with Corps of Engineers to obtain current status of their studies of communities named in the State appropriation for this purpose; prepare plan of action and budget for balance of this appropriation incorporating Corps findings and findings of Power Authority reconnaissance studies. Begin feasibility studies of alternatives for named communities as appropriate.

Togiak

Initiate stream gaging for Kurtluk River alternative.

Elim

Initiate stream gaging at Peterson Creek.

Unalaska Geothermal

Complete reconnaissance Findings and Recommendations; initiate summer 1984 field investigations.

Atka

Complete Findings and Recommendations for reconnaissance study incorporating pre-feasibility stream gaging and reassessment of waste heat economics. Begin feasibility confirmation as appropriate.

Elfin Cove

Complete reconnaissance study and provide technical assistance to the community to assist them in planning their own project as requested.

## FY 85 OBJECTIVES

### Statewide Electrification Plan

Develop comprehensive state-wide and regional power plan.

### Energy Program for Alaska

Include the Susitna project in the Energy Program for Alaska.

Prepare comprehensive program and obtain any legislation necessary for the implementation.

### Development of Projects

Initiation of new projects and continuation of existing projects is contingent upon FY 85 funding.

### Organization/Management

Continue to improve the management process and implement recommendations resulting from the current management study.

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
PAUL FISCHER  
VIC FISCHER  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITAL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

## Senate

### Committee on Resources

TO: Senate Resources Committee Members  
FROM: Senate Resources Committee Staff  
RE: Briefing by Alaska Power Authority  
DATE: February 9, 1984

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On Monday, February 13, at 3:00 pm in the Senate Finance Committee Room, Larry Crawford, Executive Director of the Alaska Power Authority will brief the Resources Committee on the various programs and projects of the Alaska Power Authority. Members of the Senate Labor and Commerce and Senate State Affairs committees will also attend.

Attached is a brief outline of the topics Mr. Crawford has been asked to discuss. There will, of course, be time for questions also.

# ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

POUCH V, JUNEAU 99811

(907) 465-4954



## MEMORANDUM

February 1, 1984

TO: Larry Crawford  
Executive Director, APA

FROM: Senator Bettye Fahrenkamp  
Chair, Senate Resources Committee

Senator Vic Fischer  
Chair, Senate State Affairs Committee

Senator Dick Eliason  
Chair, Senate Labor and Commerce Committee

RE: APA Overview Scheduled for Feb. 13, 1984

We have, in consultation with your office, scheduled Monday, Feb. 13, 3-5 p.m. for an overview of the Alaska Power Authority. The meeting will be held in the Senate Finance Room.

You are encouraged to bring whatever staff, handouts, and visual aids you would like to assist in the presentation. A brief handout outlining the programs and projects of the authority as well as any new information that you might have prepared would be helpful to the committees. We would very much appreciate receiving written material in advance so that committee members can have some time prior to the meeting for review. Flip charts would be very useful for displaying information during the presentation.

The committees are principally interested in a status report on programs and projects, an explanation of the management, accounting, and policy changes that have been made at the authority, and any statutory changes that may be requested of the Legislature. We are not interested in technical information concerning dam heights, number of turbines, etc. The following is a suggested outline for the presentation:

- \* overview of programs
  - Energy Program for Alaska
  - loan programs
  - power cost assistance
- \* overview of projects
  - 4-dam pool
  - Green Lake
  - Bradley, Grant, Snettisham, Susitna
  - rural, waste heat
  - interties
- \* response to LB&A and APA accounting and management audits
- \* new direction
  - new roles of Administration, APA Board, director
  - changes in procedures
  - changes in emphasis
  - schedule for completing, initiating projects

-- requested statutory changes

The Senate State Affairs Committee will be scheduling meetings specific to Susitna and its financing later in the month and expects to go into depth on that issue then. Committee members would, however, like a general briefing on the status at this time, particularly regarding the schedule for the update, finance plan, response to the Kentco report, and determining the issues that remain to be addressed.

Should you need more information, the staff contacts are Sandra Schubert, aide to Senator Fahrenkamp (465-3834), and Nancy Lord, aide to Senator Fischer (465-4954). We look forward to meeting with you on February 13.

cc: Governor Sheffield  
Commissioner Dick Lyon



Official Business

# Alaska State Legislature

## Senate Committee on State Affairs

Vic Fischer, Chair • Pouch V  
Juneau, Alaska 99811  
(907) 465-4954

February 10, 1984

TO: Senate Resources, State Affairs, and Labor and Commerce  
Committee Members

FROM: Senate State Affairs Staff

RE: Summary of Recent Audits/Reviews of the Alaska Power Authority

Several accounting and management studies of the Alaska Power Authority have been conducted over the course of the past year. These include a Legislative Budget and Audit report, an accounting audit by Price Waterhouse, and a management and organizational review by C. T. Main. Following is a brief summary of the principal findings and recommendations.

### A Special Report on the Alaska Power Authority, Division of Legislative Audit, August 5, 1983.

The main purpose of the report was to determine if contracting procedures of the APA were in compliance with statutes and administrative procedures. A secondary purpose was to determine the status of projects and their authorization balances. The report made five recommendations:

1. The APA should comply with all applicable statutes and procedures governing contracting.

The study found that 75 of the APA's 176 contracts were not properly executed; the contracts involved totalled over \$30 million.

2. The APA should review its procedure of amending professional service contracts and comply with applicable State statutory and administrative requirements.

The study found that the APA frequently amended contracts as to scope, amount, and period of performance. In 176 contracts there were 194 change orders and contract amendments; 72 of these were for the Tye project. Most of the revisions involved professional services contracts; these amendments accounted for \$40 million and increased professional services contract costs by 63%.

3. The APA should strengthen its internal control over contract administration.

The study found that a complete listing of contracts was not maintained and that the function of controlling contract documents was not centrally located.

4. The Department of Administration should adequately review and approve sole source contracts in compliance with applicable State statutes and administrative requirements.

The study found that of 77 sole source contracts, 44 did not adequately justify not soliciting competitive bids.

5. The Legislature, in conjunction with the APA, should review the status of various projects to determine if unexpended project funds should be lapsed into the General Fund.

The study found that 28 projects had unobligated balances of over \$14 million; over \$10 million represents the balance of the completed Solomon Gulch project.

In the APA's response to the study, it took the position of general agreement with the first three recommendations but criticized the audit for applying standards and procedures on a retroactive basis that were not thought to apply at the time of the violations. Regarding recommendation #4, the APA disagreed that adequate justification for sole source contracts was not given. On the last recommendation, the APA provided a table of projects, balances, and recommendations regarding disposition of balances.

#### Financial Statements, Price Waterhouse, September 23, 1983.

The balance sheet and statements of revenues and expenses present the financial position of the APA at the end of the 1983 fiscal year. This straight-forward accounting shows combined assets of \$693 million compared to total liabilities of \$295 million.

Price Waterhouse had performed previous audits in 1981 and 1982 in which they included 13 recommendations concerning the development of financial and reporting systems including specific accounting and budgeting methods and procedures. Because these recommendations are now so dated and have assumably been addressed, they are not listed here.

This latest financial statement includes a thorough explanation of the financing, including the short-term notes, of the projects in the Four Dam Pool.

#### APA Management and Organizational Review, Phase I, C. T. Main, Inc., November 1983.

This report addresses the policies of the APA, the decision-making process, the program development process, and organizational issues and alternatives. Phase II, due to be completed in mid-February, will address the organizational needs in more detail and include recommendations on staffing levels, job descriptions, and procedures. A summary of Phase I findings and recommendations follows.

Policy. The report found that APA policy has evolved on a project-by-project or decision-by-decision basis. It recommended that policy be more clearly defined in order to improve operating efficiency,

to enable the Board to guide APA progress, and to minimize the overall project costs which in turn will minimize the cost of power to consumers.

Decision making. The report found that no guidelines exist for the Board decision-making function. It recommended that the Board establish specific policies and procedures for making major decisions in the areas of finance, policy, contracts, change orders, risk, planning, and key personnel matters, and that it should also consider establishing procedures for delegations of authority to the Executive Director.

Project development. The report noted that projects enter the APA development process in a number of ways and stages and that the process and requirements for each project vary considerably. It determined that a project flow chart recently developed by APA staff is too specific and hydro-oriented to be useful as a policy document, and it recommended that the APA annually conduct a public planning process that will establish program goals and a work plan for the APA.

Organization. The report concluded that major organizational changes should be made at the APA. Phase II will include specific recommendations.

APPOINTMENT

CONFIRMATIONS

*file - 2/20/84*

# PHIL SMITH & ASSOCIATES

SRA BOX 1026F/11521 BEACHCOMBER DR./ANCHORAGE, ALASKA 99502/(907) 345-0709

August 13, 1983

Ms. Carol Derfner  
Special Assistant to the Governor  
Office of the Governor  
Pouch "A"  
Juneau, AK 99811

Dear Carol,

In reviewing my materials related to fisheries issues, I remembered and located a copy of my responses to the UFA "Fishpac" questionnaire which was distributed to Legislative Candidates last year. I'm enclosing a copy of the questionnaire and my responses to it for your information, and in support of my candidacy for appointment to the Commercial Fisheries Entry Commission.

Following my completion of the questionnaire last summer, I chanced upon a copy of Governor Sheffield's response to the questionnaire devised for gubernatorial candidates. Frankly, I was delighted to see that our views on the importance of the fishery and fisheries issues generally are almost exactly parallel! This, even though the questions were phrased differently for the different offices.

At any rate, I hope the enclosed is useful. Please give me a call if you have any observations, recommendations, or questions.

Peace to you and yours.

Sincerely,

  
Phil Smith

FEB 20 1984

# FISHPAC

THE FISHERMEN'S POLITICAL ACTION COMMITTEE

197 S. Franklin St.  
Juneau, Alaska 99801  
(907) 586-2820

Dear Candidate,

With peak season employment approaching 50,000 individuals, the commercial fishing industry is Alaska's largest private employer. The industry generates a product with a first wholesale value exceeding \$1.5 billion, making it the largest renewable resource industry in Alaska.

FISHPAC is the political action committee of the United Fishermen of Alaska, the largest organization of commercial fishermen in the United States. The UFA represents 5,000 fishermen, including individuals who belong to the UFA's 18 member groups.

Representatives of each of these groups will meet soon after the August primary to consider endorsements and we would very much appreciate your thoughts on the following issues. We do not ask that you limit your responses to an arbitrary number of words, but that you be specific, concise and to the point. Please make sure we receive your responses no later than Friday, July 16.

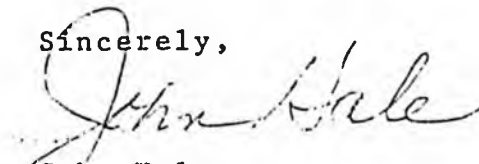
1. Do you feel the State of Alaska should attempt to assume greater responsibility for the management of Alaskan fisheries resources now under federal control and if so, will you, as a legislator, support additional funding for research and enforcement in these areas?
2. What is your assessment of the management of commercial fisheries by the Alaska Dept. of Fish & Game and, as a legislator, what changes, if any, would you seek in the operations of the Dept.?
3. In your opinion, what specific types of renewable and nonrenewable resource development might adversely impact fisheries and how will you, as a legislator, attempt to balance the interests of different resource users and resolve conflicts between them?
4. If the Alaska Supreme Court rules provisions limiting entry to fisheries unconstitutional, will you, as a legislator, support an alternative limited entry program structured to accommodate the court's ruling?
5. Do you feel it is appropriate for the Legislature to involve itself in setting policies concerning management of Alaska's commercial fisheries, including allocations between gear groups?

6. If elected, what specific steps would you take to assist the salmon industry in recovering from the impacts of the botulism incidents, recalls and embargoes?

7. Why should commercial fishermen vote for you?

We wish you luck on the campaign trail and will look forward to receiving your response.

Sincerely,



John Hale  
FISHPAC Coordinator





## "FISHPAC" QUESTIONNAIRE

- 1 -- "DO YOU FEEL THE STATE OF ALASKA SHOULD ATTEMPT TO RESUME GREATER RESPONSIBILITY . . . (IF SO) WOULD YOU SUPPORT ADDITIONAL FUNDING FOR RESEARCH AND ENFORCEMENT IN THESE AREAS?"

Yes!! One of the major battles over which Statehood was fought was the issue of control of the commercial fishery in Alaska. Today, in a climate of decreasing Federal funds for management of Natural Resources, increased Federal pressure for (potentially adverse) oil and other marine resource development, and other Federally-imposed restrictions, it is clear that the "Feds" haven't improved -- in fact, they are less concerned than ever before with the health of Alaska's fishery economy.

Yes. Decreasing funding for research, enhancement, and enforcement of fisheries management by the State is unconscionable, especially because the commercial fishery is vital to the present and future economic health of Alaska.

- 2 -- ". . . ASSESSMENT OF THE MANAGEMENT . . . WHAT CHANGES WOULD YOU SEEK . . .?"

Generally, not too bad. However, management should be provided through cooperation with fishermen, not in opposition to them. Therefore, it should be required in the management process that ADF&G formally involve representatives of fishermen's groups in the development of recommendations to the Board of Fish.

Additionally, in areas in which there is extreme competition (either real or imagined) between user groups such as "sportsmen" and commercial fishermen, (in particular, the Cook Inlet King & Silver Salmon runs), there is a clear need to set up special systems of communication and conciliation. If the Board were to fail to do that, I would seek the necessary legislation to accomplish it.

- 3 -- ". . . TYPES OF RENEWABLE AND NONRENEWABLE RESOURCE DEVELOPMENT ADVERSELY IMPACT FISHERIES . . . HOW BALANCE INTERESTS . . .?"

Renewable resource development which might adversely impact the fishery include both timber harvest (which affects stream temperatures, has the potential of disrupting spawning streams due to deadfalls, road development, etc. and which could negatively affect the ocean if poor mitigation of milling sites is not curtailed) and hydro-electric development (which has the potential of impacting stream flow, water temperature, etc.). Also, competing methods of fishing (such as trawling) could well adversely impact the health of other species (through incidental catch, disruption of habitat, harvest of non-segregated stocks, etc.).

Nonrenewable resource development which might adversely impact the fishery is virtually anything that occurs on the coast and/or the waters off-shore in our State. This would include oil & gas exploration and development, petro-chemical development, mining (shore-based) deep-water mineral development extraction processes, etc.

Other forms of development which could impact the fishery include transportation systems (such as the Knik and Turnagain Arm crossings (both proposed, but presently still in the "study" stage), oil (crude, refined, and natural gas) pipelines and tourism/recreation development which could lead to greater non-commercial pressures on the resources.

Of course, the list could go on indefinitely. Virtually any form of "development," on or near the fisheries habitat could have an adverse impact on the resource itself.

In the Legislature, I believe there is an important responsibility to establish priorities prior to approving development. For instance, I remain reluctant to endorse the Susitna Dam Project, in large measure due to the inadequate data concerning the potentially adverse impact on the fishery. Also, I agree with the Governor's reluctance to accept DOI's leasing plan for the Outer Continental Shelf, again because of the adverse impact on the fishery (not to mention the socio-economic impact on small coastal towns and villages).

That being said, I would only add that the NUMBER ONE priority consideration in making "development" decisions on or near Alaska's coastline should be the adverse impact on the fishery. Clearly, projects should not proceed which would do harm to our most important renewable resource.

4 -- ". . . LIMITED ENTRY . . ."

In 1976, I led the effort of Rural CAP to defeat the proposed repeal of Limited Entry, joining with UFA and other organizations. It was my feeling then (as it remains today) that providing a property right to individuals in a common-property resource is constitutionally questionable; HOWEVER, in spite of that reservation, I have always held that a Limited Entry program is the only way to insure the biological health of the resource and the economic health of the industry.

Therefore, the answer to your question is "YES!"

5 -- ". . . LEGISLATURE INVOLV(ING) ITSELF IN SETTING POLICIES . . . ALLOCATIONS BETWEEN GEAR GROUPS?"

As a general rule, NO, especially insofar as the legislature is composed of increasingly 'urban' individuals who have no particular expertise or even interest in the commercial fishery. Besides (at least in theory), the present system of leaving regulatory matters (including user-group allocation decisions) to the Board(s) of Fish (and Game), based on information from the ADF&G and the Public should work quite well.

When it doesn't (see response to question #2), I still would be reluctant to involve the Legislature in the specific decision-making process, preferring instead to establish a system which would accommodate competing interests through the regulatory mechanism as opposed to the Legislative mechanism.