

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 80/2

4276 SRES SB 338 - SB 343 1/56

# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION  
POUCH WF-STATE CAPITOL  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3795

*continuing appropriations*

September 24, 1985

Senator Jay Kerttula, Chairman  
Legislative Budget and Audit Committee  
Pouch Z  
Palmer, Alaska 99645

Dear Senator:

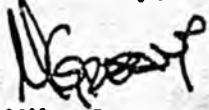
Enclosed is the transcript of the September 19 hearing on the notice to stay the court's earlier order regarding the appropriations for: Susitna, Bradley Lake and Power Cost Equalization.

The court granted a partial stay which allows the Power Cost Equalization program to continue and makes the Bradley Lake appropriations available for the current financing proposal. The order regarding the Susitna appropriations stands -- the monies must be returned to the General Fund.

The state will proceed with its appeal to the Supreme Court regarding the constitutionality of the continuing appropriations. The court clarified that it held the continuing appropriations unconstitutional on the basis of Article IX, Section 7 which prohibits the dedication of funds.

As a practical matter, this partial stay allows time for the Legislature in regular session to deal with these issues -- obviating the need for a Special Session.

Sincerely,



Mike Greany, Director  
Legislative Finance Division

cc: Legislative Budget and Audit Committee members (without enclosure)  
Gerry Wilkerson, Director, Legislative Audit

enclosure

MG/gs

BY: V. Fischer

AMENDMENT # 1

SB 338 Page 1, line 15 Sec. 4 is amended to read:

\* Sec. 4. The sum of \$200,000,000 is appropriated from the general fund to the power development fund (AS 44.83.382) for the purpose of Railbelt energy development.  
[EQUITY INVESTMENT IN AND RATE STABILIZATION FOR THE SUSITNA RIVER HYDROELECTRIC PROJECT.]

BY: V. Fischer

AMENDMENT #2

SB 338 Page 1, line 9 add new Section 1 to read:

\* Sec. 1. Ch 171, SLA 1984 page 47, line 10 is amended to read:

[CONTINUING] Appropriation for [SUS. RIVER HYDROELECTRIC PROJECT] Railbelt energy development. The sum of \$100,000,000 is appropriated on July 1, 1984 [AND THE SUM OF \$200,000,000 ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR] from the general fund to the authority for deposit in the power development fund (AS 44.83.382) for the purpose of Railbelt energy development. [EQUITY INVESTMENT IN AND RATE STABILIZATION FOR THE SUSITNA HYDROELECTRIC PROJECT.]

Renumber following sections accordingly.

1/2/86

APRN AK News Nightly Story of 12/18:

PETER KENYON (REPORTER):

"The Governor's comments came in an interview Wednesday on the budget. He said some media accounts of the lack of Susitna money in his Susitna budget could be misleading since there is sixteen million dollars in the Alaska Power Authority budget that will go toward the FERC licensing process for Susitna. He also said he intends to introduce legislation to reappropriate the \$200 million that was knocked out of the Power Development Fund by Judge Brian Shortell - he found the continuing appropriations unconstitutional. And once that money is legally back in the Power Development Fund Sheffield said he'd like to see nearly ten million dollars used for actual design work on Susitna.

Governor Sheffield: "And we will ear. . . 9.7 million of that 200 million dollars to go into advanced construction design and engineering for Susitna"

KENYON: That idea has already been approved by the APA Board and it marks the first real step outside the licensing process for Susitna. APA Executive Director Bob Heath acknowledged that this ten million dollars does mark a new step forward for the project.

HEATH "It represents what might be called the first part of, the first little bit of construction if you will. We intend to move an existing camp into a permanent location, expand that camp, build an airstrip, and very possibly - and this is subject to some discussion - put a pioneer road back in there, and do some geotechnical work.

PETER K The future of Susitna is still in doubt but this design money gives Susitna supporters more to think about than just plowing through federal licensing paperwork.

Bob Heath: I guess you could say it's the first physical phase of the project up until now we've done a lot of studying and a lot of thinking and a lot of pieces of paper. This is the first physical piece.

PETER KENYON: Susitna is now scheduled to come on line by 1999 Governor Sheffield says there are still conditions to be met but if they are, he'll endorse the project.

Sheffield: Well, I've always endorsed Susitna but always said, Peter, that we're not going to build it until we know who we're going to sell the power to and how we are going to finance it. It's just a necessary item, but to be able to make that decision down the road whether we are ever going to have Susitna or not.

The APA met with Southcentral utilities representatives Monday and hopes to have an agreement within a couple of months. In Juneau, This is Peter Kenyon.

my copy



## Alaska Environmental Lobby, Inc.

204 N. Franklin Street, Suite 3 Juneau, Alaska 99801

907-586-2345

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TESTIMONY ON RAILBELT ENERGY OVERVIEW AND SB 338  
BEFORE THE SENATE RESOURCES COMMITTEE  
JANUARY 29, 1986

SCOTT HIGHLEYMAN,  
EXECUTIVE DIRECTOR

---

Thank you, Madame Chair. For the record my name is Scott Highleyman, Executive Director of the Alaska Environmental Lobby. The Environmental Lobby represents 20 conservation groups from around the state.

Thank you for the opportunity to comment on railbelt energy and specifically on the bill before the committee to reappropriate 200 million dollars for the Susitna hydroelectric project. I am especially pleased to be in front of the Resources Committee of the state's policy-making body to discuss energy policy. The last few days have shown the need for new policy direction in our state energy planning. Many people from around the state look forward to policy leadership from this committee.

Heretofore, the Susitna project has been the centerpiece of railbelt energy policy. Discussion from all sides of the issue has focused on the merits and debits of one massive project. Left in the shadow of Devil's Canyon and Watana has been discussion of viable alternatives and options. With the startling issue of the draft financing report last Friday at the APA hearing, we now have the opportunity and obligation to reassess the state's energy needs, its obligations and the direction it should proceed. I urge this committee to start with a clean slate, re-assess our policy, and begin with new assumptions.

As a helpful beginning, the environmental community would like to offer an outline of a viable, new energy policy for Alaska:

The State, in conjunction with the private sector, should formulate and implement a comprehensive energy program for the Railbelt which results in an adequate supply of energy at the lowest reasonable cost to the consumer, the State, and the environment.

ALASKA CENTER FOR THE ENVIRONMENT • ALASKA CHAPTER, SIERRA CLUB • JUNEAU GROUP, SIERRA CLUB • SITKA GROUP, SIERRA CLUB  
KNIK GROUP, SIERRA CLUB • DENALI GROUP, SIERRA CLUB • ANCHORAGE AUDUBON SOCIETY • ARCTIC AUDUBON SOCIETY  
DENALI CITIZENS' COUNCIL • ALASKA FRIENDS OF THE EARTH • JUNEAU AUDUBON SOCIETY • KACHEMAK BAY CONSERVATION SOCIETY  
KENAI PENINSULA AUDUBON SOCIETY • KODIAK AUDUBON SOCIETY • LYNN CANAL CONSERVATION • ALASKA WILDERNESS GUIDES ASSOCIATION  
SITKA CONSERVATION SOCIETY • NORTHERN ALASKA ENVIRONMENTAL CENTER • SOUTHEAST ALASKA CONSERVATION COUNCIL

These thoughts are more fully discussed in a report entitled "Alaska's Energy Future" prepared for today's committee hearing by the Northern Alaska Environmental Center, Trustees for Alaska, and the Alaska Public Interest Research Group. Very briefly, I'd like to highlight the key provisions contained in this new energy policy:

\*\*\*Recognition that environmental quality and economic health are both vital human needs.

\*\*\*An emphasis on the private sector as a provider of energy. The state should act in the role of guide--providing incentives where necessary to encourage programs and regulation where necessary to protect the public.

\*\*\*Consideration of all potential supplies of energy, including energy conservation.

\*\*\*A rational bias towards small or medium-sized energy projects, quickly installed that can satisfy demand while not relying on long-range projection.

\*\*\*An emphasis in energy planning on least cost to the state and not least price to the consumer.

\*\*\*Careful consideration of the environmental costs of proposed projects including the loss of intangible benefits such as wilderness to Alaskan lifestyles.

With such an energy policy fixed in our minds, it's much easier to see viable, readily available, energy sources for the railbelt that do not include the Susitna project. The thermal alternative found by the FERC staff to be the most attractive energy source for the railbelt--more attractive than Susitna--is in place or presently feasible. The entire issue of North Slope Gas needs to be seriously studied. And, the economic use of conservation as a net producer of energy in Alaska has hardly begun. If I may, I'd like to give some constructive suggestions in the area of conservation:

\*\*\*Implement a program to improve the heat retention of residential and commercial buildings. One approach would be a State-funded financial incentive rewarding property tax-payers that have energy efficient buildings. Buildings could be given an energy conservation assessment on a voluntary basis resulting in an efficiency rating. Based on the rating, a percentage of property tax would be paid by the State to the respective municipality for that building.

\*\*\*Load management incentives could be established to encourage utilities to improve their load factor. The state could allow cooperatives and investor-owned utilities to deduct from their state revenue tax expenses for load

management. Because the tax is nominal, the revenue the State would lose would be insignificant and in large part returned to the public via lower electric rates. But although the tax is not very much, utilities would not pass up the opportunity for a tax deduction.

Given the trend nation-wide in the utility business, it probably won't take very much state prodding in the form of incentives to get utilities more interested in conservation as a part of their profit-making, energy-producing business. The Chugach Electric CARES program, in which five percent loans are available to qualifying consumers for energy-saving house improvements, is a good example of the way in which utilities can--and undoubtedly will--capitalize on conservation as good business.

Now, I come to specific comments on action this committee--in its policy-making role--can make today. I am encouraged by the tough questions you were asking the APA today. I hope you will continue to keep asking tough questions when the Authority brings another version of the Susitna Dam up from the dead. If they propose a single dam--the so-called high Devil's Canyon project--I implore you to reject this proposal just as it was rejected by Kaiser Engineering and the APA staff themselves in the late 1970's. Remember that the three phase project discussed by the prestigious bond consultants in their draft financial report just five days ago was chosen by the APA as the most feasible project to finance. The consultants concluded we could finance it only if we were willing to raid the Permanent Fund. Since Devil's Canyon is a smaller project, perhaps it could be financed with "only" a state income tax !!

Please do not spend any more money on Susitna. The State is spending over 1.5 million dollars every month for the project. It has already spent 150 million dollars in the last few years. The Draft Plan of Finance for the Susitna project prepared by seven prestigious bond experts recommends on page three of the report:

Prior to the commitment of any additional funds for the Project, the Power Authority believes it is imperative that a comprehensive and feasible financing program be agreed to by all parties....However, it is important to point out that, given the magnitude of the financing requirements, good business practice dictates that power sales agreements setting forth the obligations of the Utilities be in place before any borrowing begins. Furthermore, memoranda of understanding should be in place before further funds are expended on the Project.

It is ironic that the APA's own draft financing plan five days ago called for a halt to money spent on the project; it would be tragic for this committee to pass out a bill five days later reappropriating 200 million dollars for the Susitna hydroelectric project. Please take the time to reexamine the need for this appropriation and the opportunity to give a new direction to state energy policy.

Thank you.

RAILBELT ENERGY OUTLINE

1. Overview from APA Executive Director Bob Heath
  - A. Status of Projects
    - 1) Susitna
    - 2) Bradley
  - B. Amended FERC License
  - C. Preliminary Plan of Finance
  
2. SB 338 - Reappropriation of Power Funds  
Committee Substitute available
  
3. SB 123 - Governor's bill regarding Power  
Development Fund interest  
Sponsor Substitute available
  
4. This meeting is being teleconferenced on a listen-  
only basis because of the limited time we have  
available today. There will be many other  
opportunities for the public to comment on this  
subject in the near future.

# Alaska State Legislature

ARLISS STURGULEWSKI, Chairman  
BETTYE FAHRENKAMP, Vice Chairman  
JACK COGHILL  
DICK ELIASON  
VIC FISCHER  
RICK HALFORD  
FRED ZHAROFF



POUCH V  
JUNEAU, ALASKA. 99811  
(907) 485-4907

## Senate Committee on Resources

M E M O R A N D U M

January 28, 1986

TO: All Members  
Senate Resources Committee

FROM: Staff, <sup>H</sup> Senate Resources Committee

RE: CSSB 338

CSSB 338 would correct the state statutes as required by the courts ruling that the continuing appropriation for power projects violated constitutional provisions.

The CSSB 338 repeals the continuing appropriations for the Susitna hydroelectric project, the Bradley Lake hydroelectric project, and the power cost equalization fund, and reappropriates those funds as specific appropriations.

There are no additional funds appropriated.

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

BILL SHEFFIELD, GOVERNOR

REPLY TO:

1031 W 4th AVENUE  
SUITE 200  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 276-3550

1st NATIONAL CENTER  
100 CUSHMAN ST.  
SUITE 400  
FAIRBANKS, ALASKA 99701  
PHONE: (907) 452-1568

POUCH K - STATE CAPITOL  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3600

January 29, 1985

Hon. Arliss Sturgulewski  
Alaska State Senate  
P.O. Box V  
Juneau, AK 99811

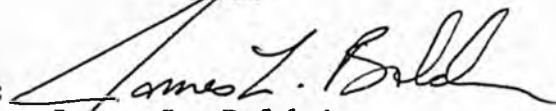
Re: Review of proposed CSSB 338

Dear Senator Sturgulewski:

We have reviewed the proposed committee substitute for SB 338. This bill appears to make the amendments necessary to maintain the status quo for appropriations made for the power cost equalization program, Bradley Lake, and Susitna River hydro-electric projects. The original version appeared to delete the fiscal year 1985 installments of the continuing appropriations in dispute in Trustees for Alaska, et al. v. State, No. 3AN-84-12053 CIV (Super. Court, 3d Jud. Dist.). Please let me know if we can be of further assistance.

Sincerely yours,

HAROLD M. BROWN  
ATTORNEY GENERAL

By:   
James L. Baldwin  
Assistant Attorney General

JLB/pjg

1/2/86

APRN AK News Nightly Story of 12/18:

*Frank  
w/ Susitna*

PETER KENYON (REPORTER):

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Governor Sheffield: "And we will earmark 9.7 million of that 200 million dollars to go into advanced construction design and engineering for Susitna"

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HEATH "It represents what might be called the first part of, the first little bit of construction if you will. We intend to move an existing camp into a permanent location, expand that camp, build an airstrip, and very possibly - and this is subject to some discussion - put a pioneer road back in there, and do some geotechnical work.

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The APA met with Southcentral utilities representatives Monday and hopes to have an agreement within a couple of months. In Juneau, This is Peter Kenyon.

Cramer  
01/16/86 ✓

Original sponsor: Sturgulewski

Funding Information

General Fund	\$271,700,000
Other Funds	- 271,700,000
	- 0 -

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 338 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making and amending appropriations for the  
7 Alaska Power Authority for the Susitna River hydro-  
8 electric project, Bradley Lake hydroelectric project,  
9 and the power cost equalization fund; and providing  
10 for an effective date."

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

12 \* Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna  
13 Hydroelectric Project Financing - \$200,000,000) is repealed.

14 \* Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake  
15 Hydroelectric Financing - \$50,000,000) is repealed.

16 \* Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost  
17 Equalization - \$21,700,000) is repealed.

18 \* Sec. 4. The sum of \$200,000,000 is appropriated from the general fund  
19 to the power development fund (AS 44.83.382) for the purpose of equity  
20 investment in, and rate stabilization for, the Susitna River hydroelectric  
21 project.

22 \* Sec. 5. The sum of \$50,000,000 is appropriated from the general fund  
23 to the power development fund (AS 44.83.382) for the purpose of equity  
24 investment in, and rate stabilization for, the Bradley Lake hydroelectric  
25 project.

26 \* Sec. 6. The sum of \$21,700,000 is appropriated from the general fund  
27 to the power cost equalization fund (AS 44.83.162) for the purpose of  
28 providing power cost equalization assistance to utilities.

29 \* Sec. 7. This Act takes effect immediately in accordance with

1 AS 01.10.070(c).

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Original sponsor: Sturgulewski

Funding Information

General Fund \$271,700,000  
Other Funds - 271,700,000  
- 0 -

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2 CS FOR SENATE BILL NO. 338 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making, amending, and repealing appropria-  
7 tions for the Alaska Power Authority for the <sup>Palmetto</sup> Susitna  
8 <sup>Angoon River</sup> hydroelectric project, Bradley Lake hydroelec-  
9 tric project, and the power cost equalization fund;  
10 and providing for an effective date."

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21 project.

22 \* Sec. 5. The sum of \$50,000,000 is appropriated from the general fund  
23 to the power development fund (AS 44.83.382) for the purpose of equity  
24 investment in, and rate stabilization for, the Bradley Lake hydroelectric  
25 project.

26 \* Sec. 6. The sum of \$21,700,000 is appropriated from the general fund  
27 to the power cost equalization fund (AS 44.83.162) for the purpose of  
28 providing power cost equalization assistance to utilities.

29 \* Sec. 7. AS 44.83.165 is amended to read:

1           Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST EQUAL-  
2           IZATION. The sum of \$16,300,000 is appropriated on July 1, 1984 [,  
3           AND THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSE-  
4           QUENT FISCAL YEAR] from the general fund to the power cost equaliza-  
5           tion fund (AS 44.83.162).

6 \* Sec. 8. AS 44.83.410 is amended to read:

7           Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR SUSITNA RIVER  
8           HYDROELECTRIC PROJECT. The sum of \$100,000,000 is appropriated on  
9           July 1, 1984 [AND THE SUM OF \$200,000,000 IS APPROPRIATED ON JULY 1 OF  
10           EACH SUBSEQUENT FISCAL YEAR] from the general fund to the authority  
11           for deposit in the power development fund (AS 44.83.382) for the pur-  
12           pose of equity investment in, and rate stabilization for, the Susitna  
13           River hydroelectric project.

14 \* Sec. 9. AS 44.83.420 is amended to read:

15           Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE  
16           HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on July  
17           1, 1984 [OF EACH FISCAL YEAR] from the general fund to the authority  
18           for deposit in the power development fund (AS 44.83.382) for the pur-  
19           pose of equity investment in, and rate stabilization for, the Bradley  
20           Lake hydroelectric project.

21 \* Sec. 10. Obligations, encumbrances, and expenditures incurred against  
22           appropriations repealed or amended in this Act are considered obligations,  
23           encumbrances, and expenditures of the appropriations enacted in secs. 4 - 6  
24           of this Act. The appropriations enacted in secs. 4 - 6 of this Act do not  
25           appropriate any more money than was previously appropriated by the appro-  
26           priations amended or repealed in secs. 1 - 3 and 7 - 9 of this Act.

27 \* Sec. 11. The appropriations in secs. 4 and 5 of this Act are for  
28           capital projects, and lapse in accordance with AS 37.25.020.

29 \* Sec. 12. Sections 1 - 9 of this Act are retroactive to July 1, 1985.

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\* Sec. 13. This Act takes effect immediately in accordance with AS 01.-  
10.070(c).

Call  
Terry  
Cramer 230

Cramer ✓  
2/10/86

Original sponsor: Sturgulewski

Funding Information

General Fund \$271,700,000  
Other Funds - 271,700,000  
- 0 -

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 338 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making, amending, and repealing appropri-  
7 ations for the Alaska Power Authority for Railbelt  
8 energy development, Bradley Lake hydroelectric  
9 project, and the power cost equalization fund; and  
10 providing for an effective date."

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

12 \* Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna  
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14 \* Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake  
15 Hydroelectric Financing - \$50,000,000) is repealed.

16 \* Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost  
17 Equalization - \$21,700,000) is repealed.

18 *OK* \* Sec. 4. The sum of \$200,000,000 is appropriated from the general fund  
19 to the power development fund (AS 44.83.382) for the purpose of Railbelt  
20 energy development.

21 *OK* \* Sec. 5. The sum of \$50,000,000 is appropriated from the general fund  
22 to the power development fund (AS 44.83.382) for the purpose of <sup>FINANCING</sup> ~~of equity~~  
23 investment in, and rate stabilization for, the Bradley Lake hydroelectric  
24 project.

25 *OK* \* Sec. 6. The sum of \$21,700,000 is appropriated from the general fund  
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29 Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST

1 EQUALIZATION. The sum of \$16,300,000 is appropriated on July 1, 1984,  
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3 QUENT FISCAL YEAR] from the general fund to the power cost equaliza-  
4 tion fund (AS 44.83.162).

5 \* Sec. 8. AS 44.83.410 is amended to read:

6 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY  
7 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum of  
8 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF  
9 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR  
10 from the general fund to the authority for deposit in the power  
11 development fund (AS 44.83.382) for the purpose of Railbelt energy  
12 development [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE  
13 SUSITNA RIVER HYDROELECTRIC PROJECT].

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17 July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the  
18 authority for deposit in the power development fund (AS 44.83.382) for  
19 the purpose of equity investment in, <sup>FINANCING</sup> and rate stabilization for, the  
20 Bradley Lake hydroelectric project.

21 \* Sec. 10. Obligations, encumbrances, and expenditures incurred against  
22 appropriations repealed or amended in this Act are considered obligations,  
23 encumbrances, and expenditures of the appropriations enacted in secs. 4 - 9  
24 of this Act. The appropriations enacted in secs. 4 - 6 of this Act do not  
25 appropriate any more money than was previously appropriated by the appro-  
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2 10.070(c).  
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Original sponsor: Rules/governor

Funding Information

General Fund	\$271,700,000
Other Funds	<u>(271,700,000)</u>
	-0-

1 IN THE HOUSE

BY THE HOUSE SPECIAL  
COMMITTEE ON STATE LOANS

2 CS FOR HOUSE BILL NO. 477 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making, amending, and repealing appropri-  
7 tions for energy programs; and providing for an  
8 effective date."

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

10 \* Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna  
11 Hydroelectric Project Financing - \$200,000,000) is repealed.

12 \* Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake  
13 Hydroelectric Financing - \$50,000,000) is repealed.

14 \* Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost  
15 Equalization - \$21,700,000) is repealed.

16 X \* Sec. 4. The sum of \$200,000,000 is appropriated from the general fund  
17 to the Railbelt energy fund (AS 44.25.050) for the purpose of Railbelt  
18 energy development.

19 \* Sec. 5. The sum of \$50,000,000 is appropriated from the general fund  
20 to the power development fund (AS 44.83.382) for the purpose of financing  
21 the Bradley Lake hydroelectric project.

22 \* Sec. 6. The sum of \$21,700,000 is appropriated from the general fund  
23 to the power cost equalization fund (AS 44.83.162) for the purpose of  
24 providing power cost equalization assistance to utilities.

25 \* Sec. 7. AS 44.83.165 is amended to read:

26 Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST EQUAL-  
27 IZATION. The sum of \$16,300,000 is appropriated on July 1, 1984, [AND  
28 THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT  
29 FISCAL YEAR] from the general fund to the power cost equalization fund

1 (AS 44.83.162).

2 \* Sec. 8. AS 44.83.410 is amended to read:

3 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY  
4 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum of  
5 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF  
6 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR]  
7 from the general fund to the authority for deposit in the power devel-  
8 opment fund (AS 44.83.382) for the purpose of Railbelt energy develop-  
9 ment [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE SUSITNA  
10 RIVER HYDROELECTRIC PROJECT].

11 \* Sec. 9. AS 44.83.420 is amended to read:

12 Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE  
13 HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on  
14 July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the  
15 authority for deposit in the power development fund (AS 44.83.382) for  
16 the purpose of financing [EQUITY INVESTMENT IN, AND RATE STABILIZA-  
17 TION FOR,] the Bradley Lake hydroelectric project.

18 X  
19 \* Sec. 10. The unexpended, unobligated, and unencumbered balance of the  
20 appropriation in sec. 8 of this Act is repealed and reappropriated to the  
21 Railbelt energy fund (AS 44.25.050).

22 \* Sec. 11. Obligations, encumbrances, and expenditures incurred against  
23 appropriations repealed or amended in secs. 1 - 3 and 7 - 9 of this Act are  
24 considered obligations, encumbrances, and expenditures of the appropria-  
25 tions enacted in secs. 4 - 6 of this Act. The appropriations enacted in  
26 secs. 4 - 6 and 10 of this Act do not appropriate any more money than was  
27 previously appropriated by the appropriations amended or repealed in secs.-  
28 1 - 3 and 7 - 9 of this Act.

29 \* Sec. 12. The appropriations in secs. 4, 5, and 10 of this Act are for  
capital projects, and lapse in accordance with AS 37.25.020.

1 \* Sec. 13. Sections 1 - 3 and 5 - 9 of this Act are retroactive to  
2 July 1, 1985.

3 \* Sec. 14. This Act takes effect on the effective date of an Act creat-  
4 ing the Railbelt energy fund.  
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14-2064 ✓  
Cramer  
4/9/86

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Railbelt energy council; and  
7 providing for an effective date."

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

9 \* Section 1. FINDINGS. The legislature finds that

10 (1) state energy policy should change from a policy of assuming  
11 responsibility for providing low cost power to a policy of assisting the  
12 private sector to provide adequate power at reasonable cost;

13 (2) state funds available for energy development should be used  
14 as leverage to assist in financing projects that utilities cannot finance  
15 themselves;

16 (3) utilities should be encouraged to assume the responsibility  
17 of generating regional power rather than relying on the state;

18 (4) energy planning and financing must be efficient and  
19 cost-effective;

20 (5) the Railbelt energy fund should be used as leverage to  
21 develop power sources that will meet investment criteria.

22 \* Sec. 2. COUNCIL CREATED. (a) The Railbelt energy council is estab-  
23 lished to

24 (1) recommend how Railbelt energy funds can best be directed to  
25 meet the future energy needs of southcentral Alaska;

26 (2) recommend the best unified options for planning, financing,  
27 constructing, and managin' power facilities; and

28 (3) cooperate with the Alaska Power Authority to examine the  
29 feasibility and desirability of smaller Susitna hydroelectric projects.

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(b) Membership on the council consists of two members appointed by the governor, one of whom must represent an energy supplier; two senators appointed by the president of the senate; two members of the house of representative appointed by the speaker of the house; and one representative from each of the seven Railbelt utilities. *7<sup>th</sup>*

(c) By February 15, 1987, the council shall report its recommendations to the legislature.

\* Sec. 3. This Act is repealed June 30, 1987.

\* Sec. 4. This Act takes effect immediately in accordance with AS 01.-10.070(c).

*Keypad  
some qualification  
for utilities rep.*

Original sponsor: Rules/governor

<u>Funding Information</u>	
General Fund	\$271,700,000
Other Funds	<u>(271,700,000)</u>
	-0-

1 IN THE HOUSE

(SB 338)

BY THE HOUSE SPECIAL COMMITTEE ON STATE LOANS

2 CS FOR HOUSE BILL NO. 477 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making, amending, and repealing appropria-  
7 tions for energy programs; and providing for an  
8 effective date."

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

10 \* Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna  
11 Hydroelectric Project Financing - \$200,000,000) is repealed.

12 \* Sec. 2. Section 3, ch. 96, SLA 1985, page 5, line 5 (Bradley Lake  
13 Hydroelectric Financing - \$50,000,000) is repealed.

14 \* Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost  
15 Equalization - \$21,700,000) is repealed.

16 X \* Sec. 4. The sum of \$200,000,000 is appropriated from the general fund  
17 to the Railbelt energy fund (AS 44.25.050) for the purpose of Railbelt  
18 energy development.

19 \* Sec. 5. The sum of \$50,000,000 is appropriated from the general fund  
20 to the power development fund (AS 44.83.382) for the purpose of financing  
21 the Bradley Lake hydroelectric project.

22 \* Sec. 6. The sum of \$21,700,000 is appropriated from the general fund  
23 to the power cost equalization fund (AS 44.83.162) for the purpose of  
24 providing power cost equalization assistance to utilities.

25 \* Sec. 7. AS 44.83.165 is amended to read:

26 Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST EQUAL-  
27 IZATION. The sum of \$16,300,000 is appropriated on July 1, 1984, [AND  
28 THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT  
29 FISCAL YEAR] from the general fund to the power cost equalization fund

1 (AS 44.83.162).

2 \* Sec. 8. AS 44.83.410 is amended to read:

3 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERG  
4 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum o  
5 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM O  
6 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR  
7 from the general fund to the authority for deposit in the power devel-  
8 opment fund (AS 44.83.382) for the purpose of Railbelt energy develop-  
9 ment [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE SUSITNA  
10 RIVER HYDROELECTRIC PROJECT].

11 \* Sec. 9. AS 44.83.420 is amended to read:

12 Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE  
13 HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated or  
14 July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the  
15 authority for deposit in the power development fund (AS 44.83.382) for  
16 the purpose of financing [EQUITY INVESTMENT IN, AND RATE STABILIZA-  
17 TION FOR,] the Bradley Lake hydroelectric project.

18 \* Sec. 10. The unexpended, unobligated, and unencumbered balance of the  
19 appropriation in sec. 8 of this Act is repealed and reappropriated to the  
20 Railbelt energy fund (AS 44.25.050).

21 \* Sec. 11. Obligations, encumbrances, and expenditures incurred against  
22 appropriations repealed or amended in secs. 1 - 3 and 7 - 9 of this Act are  
23 considered obligations, encumbrances, and expenditures of the appropria-  
24 tions enacted in secs. 4 - 6 of this Act. The appropriations enacted in  
25 secs. 4 - 6 and 10 of this Act do not appropriate any more money than was  
26 previously appropriated by the appropriations amended or repealed in secs.  
27 1 - 3 and 7 - 9 of this Act.

28 \* Sec. 12. The appropriations in secs. 4, 5, and 10 of this Act are for  
29 capital projects, and lapse in accordance with AS 37.25.020.

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Sec. 13. Sections 1 - 3 and 5 - 9 of this Act are retroactive to July 1, 1985.

\* Sec. 14. This Act takes effect on the effective date of an Act creating the Railbelt energy fund.

Introduced: 4/11/86  
Referred: Finance

PH

Funding Information  
General Fund \$4,000,000  
Other Funds -0-  
\$4,000,000

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 SENATE BILL NO. 477

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Alaska  
7 Power Authority for the Devil Canyon dam project; and  
8 providing for an effective date."

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

10 \* Section 1. The sum of \$4,000,000 is appropriated from the Railbelt  
11 energy fund in the general fund to the Alaska Power Authority for preparing  
12 a feasibility study and a plan of finance for the Devil Canyon dam project  
13 in accordance with AS 44.83.181.

14 \* Sec. 2. It is the intent of the legislature that the Alaska Power  
15 Authority report regularly as requested to the Legislative Budget and Audit  
16 Committee on progress on the Devil Canyon dam project.

17 \* Sec. 3. The appropriation made by this Act is for a capital project  
18 and is subject to AS 37.25.020.

19 \* Sec. 4. This Act takes effect July 1, 1987.

Offered: 3/26/86  
Referred: Finance

Original sponsor: Rules/governor

Funding Information

General Fund \$271,700,000  
Other Funds (271,700,000)

-0-

BY THE HOUSE SPECIAL  
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 477 (Loans)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making, amending, and repealing appropria-  
7 tions for energy programs; and providing for an  
8 effective date."

9

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

10

\* Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna  
11 Hydroelectric Project Financing - \$200,000,000) is repealed.

12

\* Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake  
13 Hydroelectric Financing - \$50,000,000) is repealed.

14

\* Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost  
15 Equalization - \$21,700,000) is repealed.

16

\* Sec. 4. The sum of \$200,000,000 is appropriated from the general fund  
17 to the Railbelt energy fund (AS 44.25.050) for the purpose of Railbelt  
18 energy development.

19

\* Sec. 5. The sum of \$50,000,000 is appropriated from the general fund  
20 to the power development fund (AS 44.83.382) for the purpose of financing  
21 the Bradley Lake hydroelectric project.

22

\* Sec. 6. The sum of \$21,700,000 is appropriated from the general fund  
23 to the power cost equalization fund (AS 44.83.162) for the purpose of  
24 providing power cost equalization assistance to utilities.

25

\* Sec. 7. AS 44.83.165 is amended to read:

26

Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST EQUAL-

27

IZATION. The sum of \$16,300,000 is appropriated on July 1, 1984, [AND

28

THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT

29

FISCAL YEAR] from the general fund to the power cost equalization fund

1 (AS 44.83.162).

2 \* Sec. 8. AS 44.83.410 is amended to read:

3 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY  
4 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum of  
5 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF  
6 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR]  
7 from the general fund to the authority for deposit in the power devel-  
8 opment fund (AS 44.83.382) for the purpose of kailbelt energy develop-  
9 ment [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE SUSITNA  
10 RIVER HYDROELECTRIC PROJECT].

11 \* Sec. 9. AS 44.83.420 is amended to read:

12 Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE  
13 HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on  
14 July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the  
15 authority for deposit in the power development fund (AS 44.83.382) for  
16 the purpose of financing [EQUITY INVESTMENT IN, AND RATE STABILIZA-  
17 TION FOR,] the Bradley Lake hydroelectric project.

18 \* Sec. 10. The unexpended, unobligated, and unencumbered balance of the  
19 appropriation in sec. 8 of this Act is repealed and reappropriated to the  
20 Railbelt energy fund (AS 44.25.050).

21 \* Sec. 11. Obligations, encumbrances, and expenditures incurred against  
22 appropriations repealed or amended in secs. 1 - 3 and 7 - 9 of this Act are  
23 considered obligations, encumbrances, and expenditures of the appropria-  
24 tions enacted in secs. 4 - 6 of this Act. The appropriations enacted in  
25 secs. 4 - 6 and 10 of this Act do not appropriate any more money than was  
26 previously appropriated by the appropriations amended or repealed in secs.-  
27 1 - 3 and 7 - 9 of this Act.

28 \* Sec. 12. The appropriations in secs. 4, 5, and 10 of this Act are for  
29 capital projects, and lapse in accordance with AS 37.25.020.

1       \* Sec. 13. Sections 1 - 3 and 5 - 9 of this Act are retroactive to  
2 July 1, 1985.

3       \* Sec. 14. This Act takes effect on the effective date of an Act creat-  
4 ing the Railbelt energy fund.

Cramer ✓  
3/28/86

Original sponsor: Sturgulewski

Funding Information

General Fund	\$271,700,000
Other Funds	- 271,700,000
	- 0 -

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 338 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making, amending, and repealing appropria-  
7 tions for energy programs; and providing for an  
8 effective date."

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

10 \* Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna  
11 Hydroelectric Project Financing - \$200,000,000) is repealed.

12 \* Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake  
13 Hydroelectric Financing - \$50,000,000) is repealed.

14 \* Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost  
15 Equalization - \$21,700,000) is repealed.

16 \* Sec. 4. The sum of \$200,000,000 is appropriated from the general fund  
17 to the Railbelt energy fund (AS 44.25.050) for the purpose of Railbelt  
18 energy development.

19 \* Sec. 5. The sum of \$50,000,000 is appropriated from the general fund  
20 to the power development fund (AS 44.83.382) for the purpose of financing  
21 the Bradley Lake hydroelectric project.

22 \* Sec. 6. The sum of \$21,700,000 is appropriated from the general fund  
23 to the power cost equalization fund (AS 44.83.162) for the purpose of  
24 providing power cost equalization assistance to utilities.

25 \* Sec. 7. AS 44.83.165 is amended to read:

26 Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST EQUAL-  
27 IZATION. The sum of \$16,300,000 is appropriated on July 1, 1984, [AND  
28 THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT  
29 FISCAL YEAR] from the general fund to the power cost equalization fund

1 (AS 44.83.162).

2 \* Sec. 8. AS 44.83.410 is amended to read:

3 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY  
4 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum of  
5 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF  
6 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR]  
7 from the general fund to the authority for deposit in the power devel-  
8 opment fund (AS 44.83.382) for the purpose of Railbelt energy develop-  
9 ment [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE SUSITNA  
10 RIVER HYDROELECTRIC PROJECT].

11 \* Sec. 9. AS 44.83.420 is amended to read:

12 Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE  
13 HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on  
14 July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the  
15 authority for deposit in the power development fund (AS 44.83.382) for  
16 the purpose of financing [EQUITY INVESTMENT IN, AND RATE STABILIZA-  
17 TION FOR,] the Bradley Lake hydroelectric project.

18 \* Sec. 10. The unexpended, unobligated, and unencumbered balance of the  
19 appropriation in sec. 8 of this Act is repealed and reappropriated to the  
20 Railbelt energy fund (AS 44.25.050).

21 \* Sec. 11. Obligations, encumbrances, and expenditures incurred against  
22 appropriations repealed or amended in secs. 1 - 3 and 7 - 9 of this Act are  
23 considered obligations, encumbrances, and expenditures of the appropria-  
24 tions enacted in secs. 4 - 6 of this Act. The appropriations enacted in  
25 secs. 4 - 6 and 10 of this Act do not appropriate any more money than was  
26 previously appropriated by the appropriations amended or repealed in secs.-  
27 1 - 3 and 7 - 9 of this Act.

28 \* Sec. 12. The appropriations in secs. 4, 5, and 10 of this Act are for  
29 capital projects, and lapse in accordance with AS 37.25.020.

1 \* Sec. 13. Sections 1 - 3 and 5 - 9 of this Act are retroactive to  
2 July 1, 1985.

3 \* Sec. 14. This Act takes effect on the effective date of an Act creat-  
4 ing the Railbelt energy fund.

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Offered: 2/24/86  
Referred: Finance

Original sponsor: Sturgulewski

Funding Information  
General Fund \$271,700,000  
Other Funds - 271,700,000  
- 0 -

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

CS FOR SENATE BILL NO. 338 (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making, amending, and repealing appropriations for the Alaska Power Authority for Railbelt energy development, Bradley Lake hydroelectric project, and the power cost equalization fund; and providing for an effective date."

7

8

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

9

\* Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna Hydroelectric Project Financing - \$200,000,000) is repealed.

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\* Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake Hydroelectric Financing - \$50,000,000) is repealed.

12

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\* Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost Equalization - \$21,700,000) is repealed.

14

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\* Sec. 4. The sum of \$200,000,000 is appropriated from the general fund to the power development fund (AS 44.83.382) for the purpose of Railbelt energy development.

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\* Sec. 5. The sum of \$50,000,000 is appropriated from the general fund to the power development fund (AS 44.83.382) for the purpose of equity investment in, and rate stabilization for, the Bradley Lake hydroelectric project.

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\* Sec. 6. The sum of \$21,700,000 is appropriated from the general fund to the power cost equalization fund (AS 44.83.162) for the purpose of providing power cost equalization assistance to utilities.

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\* Sec. 7. AS 44.83.165 is amended to read:

22

Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST

1 EQUALIZATION. The sum of \$16,300,000 is appropriated on July 1, 1984,  
2 [AND THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSE-  
3 QUENT FISCAL YEAR] from the general fund to the power cost equaliza-  
4 tion fund (AS 44.83.162).

5 \* Sec. 8. AS 44.83.410 is amended to read:

6 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY  
7 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum of  
8 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF  
9 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR]  
10 from the general fund to the authority for deposit in the power  
11 development fund (AS 44.83.382) for the purpose of Railbelt energy  
12 development [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE  
13 SUSITNA RIVER HYDROELECTRIC PROJECT].

14 \* Sec. 9. AS 44.83.420 is amended to read:

15 Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE  
16 HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on  
17 July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the  
18 authority for deposit in the power development fund (AS 44.83.382) for  
19 the purpose of equity investment in, and rate stabilization for, the  
20 Bradley Lake hydroelectric project.

21 \* Sec. 10. Obligations, encumbrances, and expenditures incurred against  
22 appropriations repealed or amended in this Act are considered obligations,  
23 encumbrances, and expenditures of the appropriations enacted in secs. 4 - 6  
24 of this Act. The appropriations enacted in secs. 4 - 6 of this Act do not  
25 appropriate any more money than was previously appropriated by the appro-  
26 priations amended or repealed in secs. 1 - 3 and 7 - 9 of this Act.

27 \* Sec. 11. The appropriations in secs. 4 and 5 of this Act are for  
28 capital projects, and lapse in accordance with AS 37.25.020.

29 \* Sec. 12. Sections 1 - 9 of this Act are retroactive to July 1, 1985.

1 \* Sec. 13. This Act takes effect immediately in accordance with AS 01.-  
2 10.070(c).

Introduced: 1/13/86  
Referred: Resources and Finance

Funding Information  
General Fund \$271,700,000  
Other Funds -0-  
\$271,700,000

1 IN THE SENATE

BY STURGULEWSKI

2

SENATE BILL NO. 338

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act repealing appropriations and reappropriating  
money; and providing for an effective date."

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

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\* Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna  
Hydroelectric Project Financing - \$200,000,000) is repealed.

10

11

\* Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake  
Hydroelectric Financing - \$50,000,000) is repealed.

12

13

\* Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost  
Equalization - \$21,700,000) is repealed.

14

15

\* Sec. 4. The sum of \$200,000,000 is appropriated from the general fund  
to the power development fund (AS 44.83.382) for the purpose of equity  
investment in, and rate stabilization for, the Susitna River hydroelectric  
project.

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\* Sec. 5. The sum of \$50,000,000 is appropriated from the general fund  
to the power development fund (AS 44.83.382) for the purpose of equity  
investment in, and rate stabilization for, the Bradley Lake hydroelectric  
project.

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\* Sec. 6. The sum of \$21,700,000 is appropriated from the general fund  
to the power cost equalization fund (AS 44.83.162) for the purpose of  
providing power cost equalization assistance to utilities.

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\* Sec. 7. This Act takes effect immediately in accordance with AS 01.-  
10.070(c).

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SB 338

MEMORANDUM

3/25/86

TO: Rep. John Sund

FROM: J. Hartle *JH*  
*RA*

*CS SB 338 (Fin)*

RE: Sectional analysis of CSHB 477 (Loans)

- Section 1. Repeals continuing appropriation for Susitna.
- Section 2. Repeals continuing appropriation for Bradley Lake.
- Section 3. Repeals continuing appropriation for PCE. (*Power Cost Equalization*)
- Section 4. Reappropriates \$200 million repealed in section 1, to the Railbelt Energy Fund (HB 699).
- Section 5. Reappropriates \$50 million repealed in section 2, to the Power Development Fund in the APA.
- Section 6. Reappropriates \$21.7 million repealed in section 3, to the PCE Fund.
- Section 7. Appropriates \$16.3 to PCE and repeals the continuing nature of the appropriation.
- Section 8. Appropriates \$100 million to the Power Development Fund for the purpose of Railbelt Energy Development, repeals the continuing nature of the appropriation.
- Section 9. Appropriates \$50 million to the Power Development Fund for Bradley Lake, repeals the continuing nature of this appropriation.
- Section 10. Repeals and reappropriates the unexpended and unobligated portion of the \$100 million appropriation amended in section 8 to the Railbelt Energy fund.
- Section 11. Makes clear that no new funds are appropriated in this Act, and that obligations, encumbrances and expenditures incurred against appropriations amended or repealed are legal.

Section 12. States that appropriations made here are capital and do not lapse at the end of the fiscal year.

Section 13. Effective date for the sections appropriating money that has had encumbrances made against them.

Section 14. Makes the Act effective on the creation of the Railbelt Energy Fund (HB 699)



# ALASKA RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC.

237 E. FIREWEED LANE • SUITE 301  
ANCHORAGE, ALASKA 99503 • (907) 276-3235

April 1, 1986

Senator Jan Faiks, Co-Chairman  
Senate Finance Committee  
Pouch V  
Juneau, AK 99811

Dear Senator Faiks:

At the March 27 hearing of the Senate Finance Committee on SB 338, ARECA staff was asked to present to the Committee the association's recommendations for a "working group" on Railbelt energy.

The electric cooperatives serving the Railbelt commend the legislature for its commitment to resolving the energy crisis our consumers will face in the not-too-distant future.

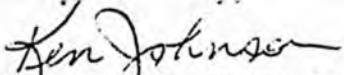
The establishment of a dedicated "working group," serving in an advisory capacity to both the legislature and the Alaska Power Authority, could help bring together the technical experts and policy makers responsible for changing the future course of Railbelt energy development.

To best maximize existing resources, and to involve the various groups who must be part of the decision making process on Railbelt energy, ARECA believes the advisory group should be comprised of:

- one member from each of the seven Railbelt utilities;
- one member from both the House and Senate;
- one public member;
- the executive director of the APA;

We must all work in harmony to develop a long-term energy plan to meeting the needs of Railbelt consumers. The legislature's formal establishment of an advisory group would be the first step in the development of that plan.

Respectfully,

  
Kenneth S. Johnson  
Director of Information

cc Senate Finance Committee Members  
Senate Resource Committee Members

DEMOCRACY IN ACTION

STATE OF ALASKA  
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 29, 1986

SUBJECT: CSSB 338 (Finance)  
(Appropriations for Energy Programs)

TO: Senator Jan Faiks  
Co-Chairman, Senate Finance

FROM: Teresa B. Cramer *TBC*  
Legislative Counsel

Enclosed is the draft CSSB 338 (Finance) you requested. Sections 4, 8, and 10 appropriate money to the Railbelt energy fund. That fund would be created under HB 699, which states that the legislature may appropriate money from the fund to assist in meeting Railbelt energy needs.

There is a question concerning how the constitutional prohibition against dedication of funds applies to the Railbelt energy fund. Article IX, Section 7 of the Alaska Constitution states

DEDICATED FUNDS. The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska. (Section 15 establishes the permanent fund.)

If a strict interpretation of the prohibition in this section is taken, the legislature may not limit the future use of money by an appropriation to a special fund. A more relaxed reading of the section would find that the appropriation by the legislature serves to meet the constitutional objective and the amount appropriated loses its status as "proceeds of any state tax or license." It would retain any limit as to use imposed by the appropriation. Of course, a

future legislature could repeal the restrictive purpose and appropriate the money for any purpose it wished, since one legislature may not bind another.

In State v. Alex, 646 P.2d 203, at 210, (Alaska 1982), the Alaska Supreme Court discusses the purpose of the amendment that changed the wording of the constitutional section from prohibiting the dedication of "all revenues" to the present language prohibiting the dedication of "proceeds of any state tax or license." The court noted

The committee's spokesman stated that the purpose of the proposed amendment was to allow for the setting up of certain special funds, such as sinking funds for the repayment of bonds, but to prohibit the earmarking of any special tax to that sinking fund. Thus, the change did not seek to exempt some sources of revenue from the prohibition, but was intended instead to allow necessary dedication of funds once they were received and placed in the general fund. Review of the convention discussion shows that the amendment was not intended to limit the prohibition of earmarking. (Citations omitted)

The examples that support that dedication after receipt include retirement contributions and the proceeds of bond sales. It is not clear whether the appropriation for the Railbelt energy fund would receive similar treatment by the court.

In an opinion issued November 30, 1982, the attorney general discussed the constitutionality of "Dedication of Money to Specific Purposes on a Continuing Basis When Appropriated." The opinion states, at 12 -13,

A question of the proper application of the dedicated funds prohibition arises when money is appropriated to a revolving loan fund or other special reserve fund or account. . . . Special reserve funds involve essentially the setting aside of money for certain specified future needs or conditions which may or may not occur. When this is done, it might be argued that the legislature has made an impermissible dedication with respect to the future use of the money placed in those funds and accounts.

Senator Faiks  
Page 3  
March 29, 1986

We believe the better view is that the dedication prohibition does not apply to money once appropriated by the legislature, regardless of whether the appropriation contemplates that the money will be expended. Usually appropriations authorize money to be spent. In other cases, however, the legislature may prefer to establish by general law a continuing loan program and finance it through a one-time appropriation or to reserve money in a special fund or account for future use for limited purposes. A strong argument can be made that money once appropriated, regardless of the mechanism utilized, loses its character as revenue for the purpose of the dedicated funds prohibition because the purpose of the prohibition, i.e., that the legislature retain control over state revenues, has been satisfied. (Citations omitted, emphasis in original.)

If the present legislation is challenged in court, and the court holds that the Railbelt energy fund constitutes an improper dedication of funds, it is likely that the result will be that the Railbelt fund will be treated as an account in the general fund, for the legislature to appropriate from as it sees fit.

If I may be of further assistance, please advise.

TC:ml  
me1/048

COMMITTEE REPORT  
SENATE

FURTHER:

FINANCE

1/13/86

Date

2/21/86

Mr. President

The Committee on RESOURCES considered SB 338  
repealing appropriations and reappropriating money; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 338 (Res)  
new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT" [ ] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Rich Halford  
Dennis P. ...  
...  
...

V. Fischer - with  
letter of intent  
protecting the  
capital of the  
Railbelt Fund.

MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

COMM RPT. (RES)

Adis Stupulski  
Chairman

Do Pass  
Chairman recommendation

*Henry Cramer ✓  
Jim Ballman ✓  
A.P.A. ✓*

Original sponsor: Sturgulewski

<u>Funding Information</u>	
General Fund	\$271,700,000
Other Funds	- 271,700,000
	<u>- 0 -</u>

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 338 (Resources) →

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making, amending, and repealing appropria-  
7 tions for the Alaska Power Authority for Railbelt  
8 energy development, Bradley Lake hydroelectric  
9 project, and the power cost equalization fund; and  
10 providing for an effective date."

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

12 \* Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna  
13 Hydroelectric Project Financing - \$200,000,000) is repealed.

14 \* Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake  
15 Hydroelectric Financing - \$50,000,000) is repealed.

16 \* Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost  
17 Equalization - \$21,700,000) is repealed.

18 \* Sec. 4. The sum of \$200,000,000 is appropriated from the general fund  
19 to the power development fund (AS 44.83.382) for the purpose of Railbelt  
20 energy development.

21 \* Sec. 5. The sum of \$50,000,000 is appropriated from the general fund  
22 to the power development fund (AS 44.83.382) for the purpose of equity  
23 investment in, and rate stabilization for, the Bradley Lake hydroelectric  
24 project.

25 \* Sec. 6. The sum of \$21,700,000 is appropriated from the general fund  
26 to the power cost equalization fund (AS 44.83.162) for the purpose of  
27 providing power cost equalization assistance to utilities.

28 \* Sec. 7. AS 44.83.165 is amended to read:

29 Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST

*Repeals  
Continuing*

1 EQUALIZATION. The sum of \$16,300,000 is appropriated on July 1, 1984,  
2 [AND THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSE-  
3 QUENT FISCAL YEAR] from the general fund to the power cost equaliza-  
4 tion fund (AS 44.83.162).

5 \* Sec. 8. AS 44.83.410 is amended to read:

*7/85*

6 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY  
7 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum of  
8 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF  
9 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR]  
10 from the general fund to the authority for deposit in the power  
11 development fund (AS 44.83.382) for the purpose of Railbelt energy  
12 development [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE  
13 SUSITNA RIVER HYDROELECTRIC PROJECT].

14 \* Sec. 9. AS 44.83.420 is amended to read:

15 Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE  
16 HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on  
17 July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the  
18 authority for deposit in the power development fund (AS 44.83.382) for  
19 the purpose of equity investment in, and rate stabilization for, the  
20 Bradley Lake hydroelectric project.

*also expenditures*

21 \* Sec. 10. Obligations, encumbrances, and expenditures incurred against  
22 appropriations repealed or amended in this Act are considered obligations,  
23 encumbrances, and expenditures of the appropriations enacted in secs. 4 - 6  
24 of this Act. The appropriations enacted in secs. 4 - 6 of this Act do not  
25 appropriate any more money than was previously appropriated by the appro-  
26 priations amended or repealed in secs. 1 - 3 and 7 - 9 of this Act.

27 \* Sec. 11. The appropriations in secs. 4 and 5 of this Act are for  
28 capital projects, and lapse in accordance with AS 37.25.020.

29 \* Sec. 12. Sections 1 - 9 of this Act are retroactive to July 1, 1985.

*going back  
to '85  
approp*

1 \* Sec. 13. This Act takes effect immediately in accordance with AS 01.-  
2 10.070(c).  
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Introduced: 4/11/86  
Referred: Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 476

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to hydroelectric projects; and  
7 providing for an effective date."

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

9 \* Section 1. FINDINGS. The legislature finds that

10 (1) the Alaska Power Authority has not fully complied with the  
11 applicable statutes in developing the Susitna hydroelectric project;

12 (2) the Alaska Power Authority has not followed a consistent and  
13 prudent decision-making process designed to resolve the Railbelt energy  
14 needs in the most effective manner and at least cost to the consumer and  
15 the state;

16 (3) the state has spent approximately \$145,000,000 on studies  
17 and licensing activities related to the Susitna River hydroelectric proj-  
18 ect;

19 (4) the studies conclude that the Susitna project represented  
20 the best long-term solution to the Railbelt energy needs;

21 (5) coordination and cooperation between the Alaska Power Au-  
22 thority and utilities during the Susitna project left much to be desired.

23 \* Sec. 2. INTENT. (a) The legislature intends that the authority  
24 provide for a comparative analysis by an independent expert of all reason-  
25 able alternatives to the proposed project as an integral component of the  
26 feasibility study under AS 44.83.181(b)(3).

27 (b) The legislature further intends that the Office of Management and  
28 Budget comply with AS 44.83.183 and submit its recommendations to the  
29 legislature in writing no later than April 15, 1987, and that the authority

1 refrain from submitting the license application for the Devil Canyon dam  
2 project until the project is approved by the legislature under AS 44.83.-  
3 185(c).

4 \* Sec. 3. AS 44.83.181(a) is amended to read:

5 (a) Unless the reconnaissance study has been disapproved by the  
6 office of management and budget under AS 44.83.179, the authority  
7 shall complete a feasibility study and plan of finance for each pro-  
8 posed project. The authority shall complete and attach conditional  
9 power sale agreements with the appropriate utilities to the plan of  
10 finance.

11 \* Sec. 4. AS 44.83.185(b) is amended to read:

12 (b) The authority may not proceed with work on the engineering  
13 or design phase of a proposed new project for which legislative ap-  
14 proval is required until the legislature approves the proposed new  
15 project. The authority may not proceed with work on the final design  
16 phase of a proposed new project and may not submit an application to  
17 the Federal Energy Regulatory Commission unless the legislature has  
18 approved submission of the application. However, the authority may  
19 proceed with other [THE] engineering or design work necessary to meet  
20 the requirements for submission of a license application for the  
21 proposed new project to the Federal Energy Regulatory Commission  
22 without obtaining legislative approval of the proposed new project.

23 \* Sec. 5. AS 44.83.330 is amended to read:

24 Sec. 44.83.330. CONSTRUCTION, MAINTENANCE AND OPERATION OF  
25 PROJECT. If the legislature approves the project under AS 44.83.185  
26 [WITHIN ONE YEAR AFTER APPROVAL OF ITS PRELIMINARY REPORT SUBMITTED  
27 UNDER AS 44.83.320(b)], the authority may enter into a contract for  
28 the construction of the Susitna River hydroelectric project or a part  
29 of the project in a manner consistent with the purpose of the project

1 as described in AS 44.83.310.

2 \* Sec. 6. AS 44.83.340(a) is amended to read:

3 (a) If the Susitna River hydroelectric project is approved by  
4 the legislature [UNDER AS 44.83.325], beginning in 1983 the authority  
5 shall prepare an annual report which explains in detail

6 (1) the status of construction on the Susitna River hydro-  
7 electric project;

8 (2) the completion date of any phase of the Susitna River  
9 hydroelectric project which has been completed and the reasons for any  
10 deviation between the completion date and the expected completion date  
11 stated in the preliminary report required under AS 44.83.320(b);

12 (3) the actual cost of any phase of the Susitna River  
13 hydroelectric project which has been completed and the reasons for any  
14 deviation between the actual cost and the expected cost stated in the  
15 preliminary report required under AS 44.83.320(b);

16 (4) the federal and state permits necessary to begin or  
17 continue construction of the Susitna River hydroelectric project, the  
18 actual dates on which the federal and state permits necessary to begin  
19 or continue construction were obtained, and the reasons for any de-  
20 viation between the actual dates and the expected dates stated in the  
21 preliminary report required under AS 44.83.320(a) or in the earlier  
22 annual reports required under this section;

23 (5) any other information the authority considers appropri-  
24 ate or necessary to adequately inform the governor and the legislature  
25 of the status of the Susitna River hydroelectric project.

26 \* Sec. 7. Because of the extensive and numerous studies of the Susitna  
27 River hydroelectric sites, the Devil Canyon project is exempt from the  
28 requirements of AS 44.83.177 - 44.83.179.

29 \* Sec. 8. Section 10, ch. 169, SLA 1984 is repealed.

1       \* Sec. 9. AS 44.83.325 is repealed.

2       \* Sec. 10. LEGISLATIVE APPROVAL OF THE DEVIL CANYON DAM PROJECT.     The  
3 authority shall report regularly as requested to the Legislative Budget and  
4 Audit Committee on progress on the Devil Canyon dam project. The authority  
5 may not advertise for bid proposals for the feasibility study unless the  
6 committee approves. The authority may not award the contract for the study  
7 unless the committee approves.

8       \* Sec. 11. This Act takes effect immediately in accordance with AS 01.-  
9 10.070(c).



# RECORDS CERTIFICATION

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

James A. Smith  
Signature of Camera Operator

11/24/89  
Date

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# Alaska State Legislature

ARLISS STURGULEWSKI, Chairman  
BETTYE FAHRENKAMP, Vice Chairman  
JACK COGHILL  
DICK ELIASON  
VIC FISCHER  
RICK HALFORD  
FRED ZHAROFF



POUCH V  
JUNEAU, ALASKA. 99811  
(907) 465-4907

## Senate Committee on Resources

M E M O R A N D U M

February 24, 1986

TO: All Members  
Senate Resources Committee

FROM: Staff<sup>1</sup>; Senate Resources Committee

RE: SB 343 "An Act relating to the conservation and protection of natural rangelands; and providing for an effective date"

SB 343 would protect naturally occurring rangelands within the state for the perpetuation of person, commercial, and other beneficial uses under the principles of multiple-use and sustained yield management.

The bill originated as a request from the Reindeer Herders Association and is supported by the Alaska Association of Soil and Water Conservation Districts. The Department of Natural Resources supports the bill with the addition of a definition of naturally occurring rangelands and recommends that the establishment of rangelands occurs through the department's planning process.

The fiscal note is zero.

#### Enclosures:

DNR fiscal note (zero)  
DNR analysis  
Letter from Kawerak, Inc.  
Letter from Alaska Soil & Water Conservation Districts  
Public Opinion Message from Eric Nashlund, Copper Center

Bradley  
3/24/86

Original sponsor: Ferguson by request

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 343 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to protection of natural range-  
7 land."

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

9 \* Section 1. The legislature finds that there is a substantial public  
10 purpose in the protection of existing naturally occurring rangeland and for  
11 the establishment of state owned or acquired land valuable for grazing as  
12 state grazing preserves for the perpetuation of personal, commercial, and  
13 other beneficial uses of the resources under the principles of multiple-use  
14 and sustained-yield management. In this section, "naturally occurring  
15 rangeland" means state land where cattle, sheep, or reindeer are grazing  
16 <sup>OR MAY GRAZE</sup> under lease or permit of the commissioner of natural resources.

17 \* Sec. 2. The commissioner of natural resources shall report to the  
18 Second Session of the Fifteenth State Legislature within the first 10 days  
19 of the session on state land recommended for protection as state grazing  
20 preserves.  
21  
22  
23  
24  
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DELTA

DFH2001I INVALID TRANSACTION IDENTIFICATION - PLEASE RESUBMIT 14:31:11  
DFH2001I INVALID TRANSACTION IDENTIFICATION - PLEASE RESUBMIT 14:31:11

\*\*\*\*\*  
\*  
\* DELIVER TO: LTCJ  
\*  
\* ORIGINAL  
\* SENT 02/24/86 TIME: 15:05  
\* FROM: LIODJT  
\* SUBJECT: SB343  
\* PRINT DATE: 02/24/86 TIME: 15:12  
\*  
\*\*\*\*\*

LIZA...DELTA'S PARTICIPANT FOR THE SEN. RES. TELECONFERENCE ON  
FOREST  
LANDS IS WANTING TO OFFER TESTIMONY OF SB343...THE PARTICIPANTS  
NAME IS MIKE CARLSON, P.O. BOX 953, DELTA JUNCTION, ALASKA 99737

Offered: 3/25/86  
Referred: Rules

Original sponsor: Ferguson by request

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 343 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to protection of natural range-  
7 land."

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

9 \* Section 1. The legislature finds that there is a substantial public  
10 purpose in the protection of existing naturally occurring rangeland and for  
11 the establishment of state owned or acquired land valuable for grazing as  
12 state grazing preserves for the perpetuation of personal, commercial, and  
13 other beneficial uses of the resources under the principles of multiple-use  
14 and sustained-yield management. In this section, "naturally occurring  
15 rangeland" means state land where cattle, sheep, or reindeer are grazing  
16 or may graze under lease or permit of the commissioner of natural  
17 resources.

18 \* Sec. 2. The commissioner of natural resources shall report to the  
19 Second Session of the Fifteenth State Legislature within the first 10 days  
20 of the session on state land recommended for protection as state grazing  
21 preserves.



# STATE OF ALASKA



DEPARTMENT OF NATURAL RESOURCES

## SOIL AND WATER CONSERVATION BOARD

Bill Sheffield, Governor

PO Box 949, Palmer, Alaska 99645

Susan Jane Brook  
Gustavus

Lawrence T Davis  
Nome

Norman Cosgrove  
Delta Junction

Peter C Roberts  
Homer

Mark A Weaver  
Palmer

*FA*

APR 14 1986

April 10, 1986

Senator Arliss Sturgulewski  
PO Box V  
Juneau, AK 99811

RE: HB 482, SB 343, SB 406

Dear Senator Sturgulewski:

We support protection of naturally occurring rangelands through enactment of legislation which would create a system of state grazing preserves. The preferred bill for accomplishing this is SB 406, as opposed to HB 482 or SB 343. While the latter two would study the proposal, SB 406 would create the grazing preserves.

Attached is a copy of a letter which exemplifies the need to create the grazing preserves as soon as possible. We do not feel that further studies are necessary. Range vegetation surveys have already been completed on the lands involved, indicating their high value for grazing. Additionally, the lands involved are already under grazing permit or lease from the federal or state governments.

The resource data has already been acquired, the lands are already being used for grazing purposes, and there should be no impediment to establishing the grazing preserves. Time is of the essence to prevent further erosion of the grazing potential of these lands through encroachment of private property.

Thank you.

Sincerely,

Larry Davis  
Chairman



# STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

## SOIL AND WATER CONSERVATION BOARD

PO Box 949, Palmer, Alaska 99645



Bill Sheffield, Governor

Susan Jane Brook  
Gustavus

Lawrence T Davis  
Nome

Norman Cosgrove  
Delta Junction

Peter C Roberts  
Homer

Mark A Weaver  
Palmer

April 9, 1986

Honorable Esther Wunnicke, Commissioner  
Alaska Department of Natural Resources  
PO Box M  
Juneau, Alaska 99811

RE: Land Disposal Conflict with the Seward Peninsula Reindeer Industry

Dear Commissioner Wunnicke:

We have received notice that DNR plans to proceed this summer with disposal of certain lands on the Seward Peninsula. This disposal (Pilgrim Homestead), is scheduled to be followed by another disposal the following year (Grand Central Subdivision). We feel that recent court decisions warrant a new look at DNR's plans for land disposals on the traditional reindeer grazing lands of the Seward Peninsula.

It had been argued that, based on western common law, Alaska is an "open range" state, in which a livestock owner is not held liable for damages caused by his livestock to another person's property. However, based on the Anderson case at Homer, the courts have determined that western common law, and hence "open range", does not exist. Also addressed in the court decisions is the repeal of Alaska's "fence out" law.

The "fence out" law, effective in Alaska from 1949 thru 1977, required that property had to be enclosed by a legal fence in order for that property owner to hold a livestock owner liable for damage done to the property owner's land by the livestock owner's animals. Chapter 55, SLA 77 repealed the "fence out" provisions from Alaska law. The court decisions have determined that absent the "fence out" law, common law would protect the interests of private property over that of the livestock owner, thereby making the livestock owner liable for damage caused by his livestock in trespass on the property owner's land.

Davis to Commissioner Wunnicke

April 10, 1986

Page 2

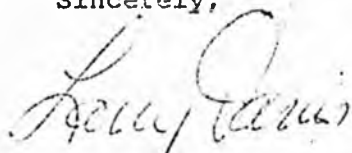
If a reindeer herder wants to avoid liability for damage to private property, he would have to fence his grazing area. Based on the prohibitive cost of fencing to the livestock owner, the effect of DNR's Seward Peninsula land disposal plans would be to create a problem where presently one does not exist, and quite possibly, could lead to the elimination of the Seward Peninsula reindeer industry.

With the significance of the reindeer industry to the diversification of Alaska's economy, as well as its importance as a local food source, we feel DNR should make every effort to support the industry. There are no other areas of the state as well suited for reindeer herding as the Seward Peninsula. The federal government has recognized the importance of the reindeer industry to the Seward Peninsula by providing for continued reindeer grazing within the ANILCA created, Bering Land Bridge National Preserve.

Commissioner, we request that you recognize the importance of the Seward Peninsula reindeer industry by prohibiting any state land actions there which would jeopardize the industry. In light of the court decisions and the fact that the issues inherent were not considered in plans for disposal of the subject lands, we formally request that you prohibit any land disposals on the Seward Peninsula.

Thank you for your consideration.

Sincerely,



Larry Davis  
Chairman

cc: Reindeer Herders Association  
Richard B. Thompson

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH M  
JUNEAU, ALASKA 99811  
PHONE: 907-465-2400

February 13, 1986

The Honorable John G. Fuller  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Fuller:

As you requested, the Department of Natural Resources has reviewed HB 482 which provides protection for naturally occurring rangelands in Alaska. The department supports the use of Alaska's rangelands for grazing as a part of its objectives to make maximum use of State land resources.

The importance of insuring the protection of naturally occurring rangelands has been recognized in the Alaska Association of Soil and Water Conservation Districts' resolution AASWCD 85-10 (attached). Additional support for the resolution has come from the Reindeer Herders Association. These two groups are particularly concerned about the protection of traditional grazing areas on Kodiak Island and reindeer grazing areas on the Seward Peninsula.

Section 1 of HB 482 finds that there is substantial benefit in the protection of existing, naturally occurring rangelands in Alaska under the principles of multiple use and sustained yield. The department concurs with this finding. The department does not object to the establishment of grazing preserves as long as they are recommended through a comprehensive resource planning process, evaluating other natural resource potential besides grazing. We are also concerned that preserves should not require fire protection beyond that already in place. The preserves should be managed for other compatible uses. The flexibility to meet all of these concerns exists in the bill as it is proposed.

A definition of naturally occurring rangelands is needed within the bill. We would suggest that naturally occurring rangelands are those lands where cattle, sheep, or reindeer are currently grazing under lease or permit. Additionally, more than 50 percent of the area to be included in a grazing preserve for cattle or sheep should be naturally vegetated to grasses or forbs.

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH M  
JUNEAU, ALASKA 99811  
PHONE: 907-465-2400

February 21, 1986

The Honorable Arliss Sturgulewski  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Sturgulewski:

As you requested, the Department of Natural Resources has reviewed SB 343 which provides protection for naturally occurring rangelands in Alaska. The department supports the use of Alaska's rangelands for grazing as a part of its objectives to make maximum use of State land resources.

The importance of insuring the protection of naturally occurring rangelands has been recognized in the Alaska Association of Soil and Water Conservation Districts' resolution AASWCD 85-10 (attached). Additional support for the resolution has come from the Reindeer Herders Association. These two groups are particularly concerned about the protection of traditional grazing areas on Kodiak Island and reindeer grazing areas on the Seward Peninsula.

Section 1 of SB 343 finds that there is substantial benefit in the protection of existing, naturally occurring rangelands in Alaska under the principles of multiple use and sustained yield. The department concurs with this finding. The department does not object to the establishment of grazing preserves as long as they are recommended through a comprehensive resource planning process, evaluating other natural resource potential besides grazing. We are also concerned that preserves should not require fire protection beyond that already in place. The preserves should be managed for other compatible uses. The flexibility to meet all of these concerns exists in the bill as it is proposed.

A definition of naturally occurring rangelands is needed within the bill. We would suggest that naturally occurring rangelands are those lands where cattle, sheep, or reindeer are currently grazing under lease or permit. Additionally,

The Hon. Arliss Sturgulewski -2-

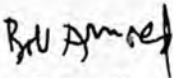
February 21, 1986

more than 50 percent of the area to be included in a grazing preserve for cattle or sheep should be naturally vegetated to grasses or forbs.

Section 2 asks the department to report to the Second Session of the Fifteenth State Legislature on State land recommended for protection as grazing preserves. Again, this should be done through the department's area planning process. The additional fiscal impact to the department of this legislation should be zero if the identification and recommendation of grazing preserves is done through this planning process. Since area plans are amenable, we would hope that any grazing preserve legislation would provide the opportunity through area plans (AS 38.04) to review grazing preserves on a regular basis for additions, deletions, or modifications.

If you need additional information on grazing issues, please let me know.

Sincerely,

  
for Esther C. Wunnicke  
Commissioner

Enclosure

cc: Senator Coghill  
Senator Ferguson  
Senator Zharoff

SUBJECT OF RESOLUTION Kodiak Island Grazing Preserve  
ORIGIN OF RESOLUTION Alaska Association of Soil and Water Conservation  
Districts  
DATE OF ORIGIN October 19, 1985

WHEREAS, grazing and red meat production are valuable to the state's economy and represent an important link in the state's agricultural industry; and

WHEREAS, due to favorable environmental factors the natural grasslands on the peninsula of Kodiak Island located between Chiniak Bay and Ugak Bay afford grazing year round; and

WHEREAS, such rangeland constitutes unique and irreplaceable resources of statewide importance;

THEREFORE BE IT RESOLVED, that the Legislature of the State of Alaska protect those rangelands by enacting the attached bill, entitled "An Act relating to the conservation and protection of natural rangelands" further identified as exhibit I of this resolution.

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to:

Governor Bill Sheffield  
Senate Resources Committee  
House Resources Committee  
Commissioner Esther Wunnicke

ACTION TAKEN BY AASWCD STANDING COMMITTEE \_\_\_\_\_

ACTION TAKEN BY AASWCD RESOLUTIONS COMMITTEE \_\_\_\_\_

ACTION TAKEN BY AASWCD PASSED



## KAWERAK, INC.

P.O. BOX 948 • NOME, ALASKA 99762

(907) 443-5231

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SHISHMAREF  
SOLOMON  
STEBBINS  
ST. MICHAEL  
TELLER  
UNALAKLEET  
WALES  
WHITE MOUNTAIN

Representative John G. Fuller  
Pouch V  
Juneau, Ak 99811

Dear Representative Fuller:

It was good to see you on Front Street near the Post Office the other day. As I mentioned, the Reindeer Herders' Association (RHA) is interested in supporting a Bill relating to the conservation and protection of natural rangelands.

I have been in touch with Jim Burton of Kodiak, a member of the Alaska Association of Soil and Water Conservation, District (AASWCD). He referred me to Senator Zharoff's office regarding Resolution No. AASWCD 35-10 and a proposed bill, (enclosed) which would create State Grazing Preserves. The Management Plans section of the proposed bill gives a very comprehensive list of multiple land uses other than grazing permits and leases.

Reindeer have been on the Seward Peninsula for almost 100 years and this should set some precedent for future land use designation. The reindeer herd distributions outside the Seward Peninsula are at Shaktoolik, Stebbins, Islands of Hagemeister, St. Paul, Umnak, Atka, Kodiak and St. Lawrence; as well as on the Baldwin Peninsula.

The cattle and sheep are two other examples of livestock in Alaska that I can think of which would benefit through a multiple-use management plan for Alaska's resources.

The Reindeer Herders' Association is asking for your assistance in sponsoring or co-sponsoring a bill to create and establish state grazing preserves.

I want to thank you for your continued support of the reindeer industry.

Sincerely,

*Henry Ahgupuk*  
Henry Ahgupuk, Director

FEB 4

1986



Alaska Association of Soil and Water Conservation Districts

PO Box 953 - Delta Junction, Alaska 99737

January 30, 1986

The Honorable Arliss Sturgulewski  
Alaska State Legislature  
PO Box V  
Juneau, Alaska 99811

RE: HB 482, SB 343 An Act Relating to the  
protection of natural rangelands.

Dear Senator Sturgulewski:

The Alaska Association of Soil and Water Conservation Districts (AASWCD) supports the legislation identified above, and further recommends that the bills be amended as in our own draft included with this letter.

The draft we've included establishes a system of creating state grazing preserves in Article 1, with Articles 2 and 3 identifying specific State Grazing Preserve areas. (The Kodiak Island State Grazing Preserve and the Seward Peninsula State Grazing Preserve respectively.)

We feel that these natural rangelands are unique and irreplaceable resources of statewide importance, and as such deserve protection for present and future contribution to the economy.

Thank you for the opportunity to comment.

Sincerely,

Mike Carlson  
President

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an act entitled: An act relating to the conservation and protection of natural rangelands; and providing for an effective date.

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

Section 1. AS 41 is amended by adding a new chapter to read:

CHAPTER 12. CONSERVATION AND PROTECTION OF NATURAL RANGELANDS.

ARTICLE 1. STATE GRAZING PRESERVES

Sec 41.12.010. PURPOSE. The purpose of this chapter is to protect naturally occurring rangelands and to permit the establishment of state owned or acquired land and water areas as state grazing preserves. The primary purpose in the establishment of state grazing preserves is the perpetuation of personal, commercial, and other beneficial uses of resources through multiple-use management and sustained yield.

Sec 41.12.020. MANAGEMENT PLANS. The commissioner shall prepare and may amend management plans to assist in meeting the requirements of this chapter. A management plan prepared under this section may designate incompatible uses and shall permit the following uses:

- (1) grazing permits and leases;
- (2) timber harvest;
- (3) material extraction;
- (4) mineral location and leasing;
- (5) surface lease, consistent with AS 38.05.070, for uses other than grazing;
- (6) recreation;
- (7) wildlife and fisheries habitat management;
- (8) hunting, fishing, and trapping; and
- (9) other traditional, compatible uses.

ARTICLE 2. KODIAK ISLAND STATE GRAZING PRESERVE

Sec 41.12.200. KODIAK ISLAND STATE GRAZING PRESERVE. Subject to valid existing rights, the state owned or acquired land and water lying within the parcels described in this section is designated as the Kodiak Island State Grazing Preserve.

SEWARD MERIDIAN

T 29 S, R 19 W, Secs. 31-36

T 29 S, R 20 W, Secs. 7, 12-14, 19-24, 25-35

T 29 S, R 21 W, Secs. 24-36

T 29 S, R 22 W, Secs. 33-36

T 30 S, R's 19-22 W

T 31 S, R's 19-21 W

T 31 S, R 22 W, Secs. 1-12

T 32 S, R 19 W Secs. 3-6, 9

T 32 S R 20 W, Secs. 1-5, 9, 10.

ARTICLE 3. SEWARD PENINSULA GRAZING PRESERVE

Sec 41.12.300. SEWARD PENINSULA GRAZING PRESERVE. Subject to valid existing rights, the state owned or acquired land and water lying within the parcels described in this section is designated as the Seward Peninsula State Grazing Preserve.

KATEEL RIVER MERIDIAN

T 1 N, R's 10-20, 28-44 W

T 2 N, R's 10-20, 28-44 W

T 3 N, R's 10-20, 28-43 W

T 4 N, R's 10-19, 28-39 W

T 5 N, R's 10-22, 28-37 W

T 6 N, R's 10-22, 30-37 W

T 7 N, R's 10-21 W

T 8 N, R's 10-21 W

T 9 N, R's 11-14 W

T 10 N, R's 11, 13, 15 W

T 11 N, R's 8-13, 15 W

T 12 N, R's 10-15 W

T 13 N, R 15 W

T 14 N, R's 15, 16 W

T 15 N, R's 16-18 W

T 16 N, R's 16-18 W  
T 17 N, R's 16, 17 W  
T 18 N R 17 W  
T 1 S, R's 10-20, 28, 29 W  
T 2 S, R's 10-18, 28, 29 W  
T 3 S, R's 10, 28, 29 W  
T 4 S, R's 28, 29 W  
T 5 S, R's 25-30 W  
T 6 S, R's 25-31 W  
T 7 S, R's 26-33 W  
T 8 S, R's 25-38 W  
T 9 S, R's 21, 22, 24-38 W  
T 10 S, R's 20, 21, 23-37 W  
T 11 S, R's 20-38 W  
T 12 S, R's 20, 22, 23, 30-33 W  
T 13 S, R's 20, 21 W.

Section 2. This Act takes effect July 1, 1986.

Frank

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* DELIVER TO: JFOM
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* ORIGINAL
* SENT: 02/10/86 TIME: 13:29
* FROM: LIOGLN
* SUBJECT: FOM
* PRINT DATE: 02/10/86 TIME: 13:30
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\*\*\*\*\* \_E\_Q\_M\_ \*\*\*\*\*

TO: SEN. [REDACTED], FAHRENKAMP, COGHILL, ELIASON,  
FISCHER, V., HALFORD, ZHAROFF

FROM: NAME ERIC NASHLUND  
BOX BOX 271  
TOWN COPPER CENTER 99573  
PHONE 822-3602

RE: BILL NO. SB 343 PROTECTION OF NATURAL RANGE LANDS

THIS BILL MUST BE PASSED TO HELP INSURE A VIABLE RED MEAT  
INDUSTRY IN ALASKA. ONLY THROUGH GRAZING LEASES ON STATE LANDS  
CAN THE LIVESTOCK INDUSTRY BE ECONOMICALLY COMPETITIVE. THROUGH  
GRAZING LEASES, THE STATE PROVIDES FOR MULTIPLE-USE MANAGEMENT.  
ALASKA MUST SEEK TO PROVIDE ITS OWN FOOD.

EOM

Bradley  
3/24/86

Original sponsor: Ferguson by request

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 343 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to protection of natural range-  
7 land."

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

9 \* Section 1. The legislature finds that there is a substantial public  
10 purpose in the protection of existing naturally occurring rangeland and for  
11 the establishment of state owned or acquired land valuable for grazing as  
12 state grazing preserves for the perpetuation of personal, commercial, and  
13 other beneficial uses of the resources under the principles of multiple-use  
14 and sustained-yield management. In this section, "naturally occurring  
15 rangeland" means state land where cattle, sheep, or reindeer ~~are grazing~~  
16 under lease or permit of the commissioner of natural resources. or may graze

17 \* Sec. 2. The commissioner of natural resources shall report to the  
18 Second Session of the Fifteenth State Legislature within the first 10 days  
19 of the session on state land recommended for protection as state grazing  
20 preserves.  
21  
22  
23  
24  
25

MESSAGE

Date 3/3 Time 11:20

For: F

From: Mike Scott

of \_\_\_\_\_

Phone No. \_\_\_\_\_

Telephoned	( )	Called to see you	( )
Please call	( )	Will call again	( )
Returned your call	( )	Urgent	( )

Message B 343 - spoke to Reuben  
Henders Assoc. + passed along  
your message. Sen. Ferguson  
spoke w/ Coghill. Told him he  
had no obj. to Coghill bringing  
an amo but if he did, Ferguson  
 Operator would go along with  
the will of the Committee  
 LAA-16 + DNR.

Introduced: 1/16/86  
Referred: Resources

*Support*  
*grazing*  
*resources*  
*management*

1 ~~IN THE SENATE~~

BY FERGUSON BY REQUEST

2 SENATE BILL NO. 343

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to protection of natural range-  
lands."

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11 for the establishment of state owned or acquired land valuable for grazing  
12 as state grazing preserves for the perpetuation of personal, commercial,  
13 and other beneficial uses of the resources under the principles of multi-  
14 ple-use and sustained-yield management.

15 \* Sec. 2. The commissioner of natural resources shall report to the  
16 Second Session of the Fifteenth State Legislature within the first 10 days  
17 of the session on state land recommended for protection as state grazing  
18 preserves.

*Administrative*  
*Grazing*  
*are can*  
*disturb*  
*occur*  
*etc*

SB 406  
*Reminder*  
*Herders Assoc.*

*Senator Cogbill*

2/13  
SB 406  
*into further*  
*reminder Herders' Assoc*

need to go through planning process

FRANK

\*\*\*\*\*  
 \*  
 \* DELIVER TO: JPOM  
 \*  
 \* ORIGINAL  
 \* SENT: 02/28/86 TIME: 09:49  
 \* FROM: SANDY IKNOKINGK  
 \* SUBJECT: POM  
 \* PRINT DATE: 02/28/86 TIME: 09:49  
 \*  
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8

TO: SENATE RESOURCES COMMITTEE  
 SENATOR STURGULEWSKI - CHAIRPERSON, SENATORS FAHRENKAMP,  
 ELIASON, ZHAROFF, HALFORD, COGHILL, V. FISCHER

FROM: HENRY AHGUPUK, DIRECTOR  
 REINDEER HERDERS ASSOCIATION  
 P.O. BOX 948  
 NOME, ALASKA 99762 PHONE: 443-5231 (W)

RE: SB 343, SB 406, PROTECTION OF NATURAL RANGELANDS

ON BEHALF OF LARRY DAVIS, PRESIDENT OF THE REINDEER HERDERS ASSOCIATION AND ITS MEMBERSHIP, I URGE THE SENATE RESOURCES COMMITTEE TO SUBSTITUTE SB 343 WITH SB 406. R.H.A. HAS ALWAYS ADVOCATED THE PRINCIPLES OF MULTI-USE AND SUSTAINED-YIELD MANAGEMENT OF STATE LANDS AS OUTLINED IN THE MANAGEMENT PLAN OF SB 406 AND RECOGNIZED THE NEED TO PROTECT REINDEER GRAZING ALLOTMENT THAT HAVE ISSUED AND OCCUPIED BY REINDEER ON THE SEWARD PENINSULA.