

CS FOR SENATE BILL NO. 50(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 4/16/15

Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act amending the definition of 'qualified energy development'; relating to the
2 financing authorization through the Alaska Industrial Development and Export
3 Authority of a liquefied natural gas production plant and natural gas energy projects
4 and distribution systems in the state; requiring the Alaska Industrial Development and
5 Export Authority to deliver to the legislature reports relating to the Interior energy
6 project; and providing for an effective date."

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

8 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
9 to read:

10 LEGISLATIVE INTENT. It is the intent of the legislature that

11 (1) the increased geographic flexibility provided in sec. 3 of this Act solely
12 advance the Interior energy project, a project first authorized by the legislature in ch. 26, SLA
13 2013. The goals of the Interior energy project are to bring affordable natural gas to as many

1 residents of Interior Alaska communities as possible as quickly as possible. This Act does not
 2 expand the scope of the project nor authorize any other activity beyond accomplishing those
 3 stated goals;

4 (2) the Alaska Industrial Development and Export Authority use an open and
 5 competitive solicitation process to select private entities to participate in developing the
 6 liquefied natural gas production plant capacity and affiliated infrastructure described in this
 7 Act.

8 * **Sec. 2.** AS 44.88.900(16) is amended to read:

9 (16) "qualified energy development" means a development in the state
 10 that involves

11 (A) transmission, generation, conservation, storage, or
 12 distribution of heat or electricity;

13 (B) liquefaction, regasification, distribution, storage, or use of
 14 natural gas; **in this subparagraph, "distribution" does not include**
 15 [EXCEPT] a natural gas pipeline project for transporting natural gas from the
 16 North Slope or Cook Inlet to market **unless the pipeline has a diameter of 12**
 17 **inches or less and transports the natural gas to Interior Alaska;**

18 (C) distribution or storage of refined petroleum products;

19 * **Sec. 3.** The uncodified law of the State of Alaska enacted in sec. 11(a), ch. 26, SLA 2013,
 20 is amended to read:

21 (a) The Alaska Industrial Development and Export Authority, through the
 22 Alaska Industrial Development and Export Authority sustainable energy transmission
 23 and supply development fund (AS 44.88.660), may provide financing up to a principal
 24 amount of \$275,000,000 for the development, construction, and installation of, and the
 25 start-up costs of operation and maintenance for, a liquefied natural gas production
 26 plant and system and affiliated infrastructure **in the state that will provide natural**
 27 **gas to Interior Alaska as a primary market** [ON THE NORTH SLOPE] and [A]
 28 natural gas **delivery and** distribution **systems** [SYSTEM] and affiliated infrastructure
 29 **that will provide natural gas to** [IN] Interior Alaska.

30 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
 31 read:

1 REPORT. (a) The Alaska Industrial Development and Export Authority shall submit
2 quarterly to the legislature a written report on the Interior energy project. The authority shall
3 deliver the report to the senate secretary and the chief clerk of the house of representatives
4 and notify the legislature that the report is available. The report must include

5 (1) a description of project progress on all components;

6 (2) an update on the status of local distribution infrastructure buildout;

7 (3) to-date and anticipated conversions; and

8 (4) a financial accounting of funds expended and funds anticipated to be spent,
9 including loans, grants, and bonds.

10 (b) If requested, the Alaska Industrial Development and Export Authority shall
11 provide a project briefing on the Interior energy project to the Legislative Budget and Audit
12 Committee.

13 * **Sec. 5.** Section 4 of this Act is repealed June 30, 2025.

14 * **Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).