

**Talking Points**  
**HB 243**

Allows for the Memorandum of Understanding between The Four Dam Pool Power Agency and Alaska Energy Authority that authorizes the sale of the Four Dam Pool Hydroelectric Project *to be amended to Extend from April 11, 2005 to April 11, 2006.*

- Prior to the sale of the Four Dam Pool projects by the State to The Four Dam Pool Power Agency, the Alaska legislature appropriated \$20 million to be used as a loan for the Swan Lake - Lake Tyee transmission intertie.
- During divestiture negotiations, the State and the Four Dam Pool agreed that this \$20 million appropriation be released and used by the State to fund the PCE Endowment.
- In recognition of relinquishing the \$20 million, the State agreed to provide the Four Dam Pool with a \$5 million credit (Intertie Credit) against the purchase price of the Four Dam Pool projects.
- The parties further agreed that the Intertie Credit would not be repayable to the State unless one of the following events take place:
  - (1) the Four Dam Pool abandons efforts to complete the intertie;
  - (2) by April 11, 2005, the Four Dam Pool has not provided AIDEA with an "approved finance plan demonstrating committed funds sufficient to complete" the intertie; or
  - (3) field construction of the intertie is not commenced by April 11, 2010.

The Four Dam Pool is obligated to repay the \$5 million credit within 180 days of notice from AEA. The State and the Four Dam Pool agreed in the divestiture documents that, if the Four Dam Pool were obligated to repay the Intertie Credit, it could exercise the option to borrow \$5 million from AIDEA under the same terms as the original AIDEA loan for the purchase of the projects. At this time, however, the Four Dam Pool is not in the position to borrow these funds from AIDEA because of its recent refinancing commitments.