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Senator Robin Taylor District A

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Taylor Shores Up Four Dam Pool Agency

(JUNEAU) – Sen. Robin Taylor (R-Wrangell) introduced legislation on Monday that would resolve legal issues remaining from last year’s sale of the Four Dam Pool.

Under the direction of the 21st Legislature, the Alaska Energy Authority sold its rights and interests in the hydroelectric facilities of the Four Dam Pool - the power facilities at Tyee Lake, Swan Lake, Solomon Gulch and Terror Lake. The sale had two benefits, placing the dams under local control and providing funds to help create a \$120 million power cost equalization (PCE) endowment to subsidize rural power.

The communities and utilities that purchased the Four Dam Pool have created a Joint Action Agency (JAA) that will own the pool projects. During the legal review of this new organization, questions were raised concerning the JAA’s legal status, its powers, and its relationship with the member utilities. Senate Bill 84 will resolve these issues so that the sale of the Four Dam Pool projects can be completed as envisioned by the Legislature.

The bill clarifies the JAA’s status with regard to taxes, regulation, and its relationship with the member utilities. SB 84 would:

- Grant the JAA the eminent domain powers key to allowing it to be classified as a government entity for federal tax purposes, enabling the JAA to issue tax-exempt bonds and otherwise operate on a tax-exempt basis.
- Exempt the JAA from state and local taxation.
- Give the JAA a separate and distinct legal existence from its member utilities, preventing claims against the agency from being asserted against its members.
- Keep the JAA exempt from Regulatory Commission of Alaska oversight, as all but one of its member utilities are exempt.

“The sale of the Four Dam Pool provided the opportunity for local utilities to lower power costs for their communities through ownership of the hydroelectric facilities,” said Taylor. “SB 84 will remove the last few barriers to the successful completion of this goal.”

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Comments from Sen. Taylor are available on the Majority Actuality Line, 800-478-6540.