

CITY OF HOMER
HOMER, ALASKA

RESOLUTION 91-09

A RESOLUTION OF THE HOMER CITY COUNCIL URGING
ELECTRICAL INTERTIE CONSTRUCTION SUPPORTED BY
STATE FUNDING.

WHEREAS, the Interties Reserve Account was established with \$100 million in unexpended funds from the Railbelt Energy Fund, which was originally established to be used exclusively to meet the energy needs of Alaskans in the Railbelt region; and

WHEREAS, the Railbelt Energy Council endorsed use of a portion of the Railbelt Energy Fund to upgrade the Anchorage-Fairbanks electrical intertie system; and

WHEREAS, Alaskans in other regions of the state continue to enjoy the benefits of state-financed energy projects and the Bush continues to receive annual energy cost assistance through the Power Cost Equalization program; and

WHEREAS, a study by the North American Reliability Council has determined that the existing railbelt intertied transmission system is below accepted industry reliability standards in the Lower 48 states; and

WHEREAS, utility sponsored studies show that two new sections of 138 kilovolt intertie line would have positive benefit-cost ratios and would yield many millions of dollars in benefits; and

WHEREAS, because of limited existing intertie capacity, the full generation benefits of the Bradley Lake Hydro Project would not be realized without intertie upgrades; and

WHEREAS, a new electrical transmission line between Healy and Fairbanks will enable the Usibelli Coal Company's Healy Coal Project to deliver its full output to the Fairbanks electrical load center; and

WHEREAS, the transfer of economical energy between Southcentral generation sources will be greatly enhanced with a new 138 kilovolt Kenai-Anchorage southern intertie; and

WHEREAS, transmission system reliability and increased control over major power outages will be much improved with the addition of a 138 kilovolt southern intertie; and

WHEREAS, electric utilities serving the Railbelt have pledged to pay interties construction costs above \$125 million and make payments to the state beyond the term of debt service throughout the useful life of the lines.


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NOW, THEREFORE, BE IT RESOLVED, that the Homer City Council urges the Legislature to make an appropriation of \$125 million to the Alaska Energy Authority from the Railbelt Interties Reserve Account and other funds for construction of a new 138 kilovolt line between Healy and Fairbanks transmission system, and the construction of a new 138 kilovolt line between Soldotna and Anchorage.

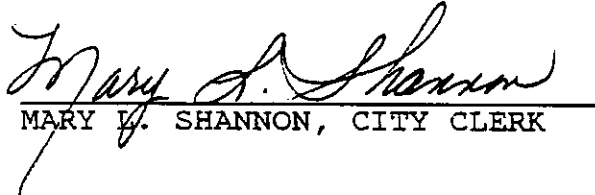
BE IT FURTHER RESOLVED, that the Governor is urges to support this legislative appropriation in its entirety.

ADOPTED BY THE HOMER CITY COUNCIL ON THIS 28th DAY OF January, 1991.

CITY OF HOMER


HARRY E. GREGOIRE, MAYOR

ATTEST:


MARY V. SHANNON, CITY CLERK

NOTE:

THERE IS NO FISCAL IMPACT NOTED REGARDING THIS RESOLUTION.