

ALASKA STATE LEGISLATURE

SESSION

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SENATOR BERT K. STEDMAN

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Legislature Passes Bill Authorizing Financing for the Blue Lake Hydroelectric Project, the Bokan-Dotson Ridge Project, and the Niblack Project.

(Juneau) - Today, on the final day of the extended legislative session, the Alaska State Legislature passed Senate Bill 99 which includes three provisions of significant importance to the economy of Southeast Alaska. It authorizes the state to provide financing for the Blue Lake Hydroelectric Project in Sitka as well as two mining projects on Prince of Wales Island; the Bokan-Dotson Ridge mine and the Niblack mine. All three of these provisions were inserted as amendments to Senate Bill 99 which was originally introduced as a bill making technical changes to the Sustainable Energy Transmission and Supply Fund within the Alaska Industrial Development and Export Authority (AIDEA).

The amendment inserted for the Blue Lake Hydroelectric Project authorizes the Alaska Energy Authority to approve up to \$18,600,000 in loans from the power project fund to the City and Borough of Sitka for the financing of this project.

"I'm very pleased to see this loan authorization for the Blue Lake Hydroelectric expansion project pass the finish line," said Senator Stedman (R-Sitka). "It will give the City and Borough of Sitka more options to access low interest loans needed to complete construction with the least amount of burden on the utility rates paid by the residents and businesses in Sitka."

The amendment for the Bokan-Dotson Ridge mine allows AIDEA to issue up to \$145,000,000 in bonds to finance the surface infrastructure of this rare earth element project located on Prince of Wales Island. This project represents an unsurpassed opportunity for Alaska to furnish materials of critical importance to the United States military and green energy technology. Additionally, this project is important for the much needed jobs it will create in Southeast Alaska. During the estimated one and a half years of construction, the onsite workforce will peak at about 300 employees. During operations there will be about 190 employees.

District Q

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The amendment for the Niblack mine project allows AIDEA to issue up to \$125,000,000 in bonds to finance the Gravina Island Industrial Complex near Ketchikan for an ore processing facility. Niblack is a gold, copper, zinc, and silver deposit located on Prince of Wales Island. During mine operations, Niblack has the potential to provide 200 full-time jobs, with about two-thirds of workers at the mine site and one-third at the processing facility.

“Over the past 20 years, Southeast Alaska lost about 30-percent of its economy due to the loss of our timber industry. This has set off a ripple effect in our communities, hurting everything from schools to local businesses,” said Senator Stedman. “These two mining projects offer a very large employment opportunity for Southeast Alaska and will expand our economy beyond fishing, tourism and government, to add mining. This state assistance through the issuance of AIDEA bonds replicates a financing structure that has already proven to work with projects like the Red Dog Mine.”