

Kenai Peninsula Borough  
Assembly

---

**MEMORANDUM**

**TO:** Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

**FROM:** Richard Derkevorkian, Assembly Member (RD) for R. D.

**DATE:** May 17, 2022

**SUBJECT:** Amendment to O2022-08, Amending KPB 5.12.116 to Broaden Economic Development for Independent Power Producers (Johnson, Cox)

---

This amendment would make the "up to" designated period for an IPP exemption the same as for all other economic development proposals. This amendment also provides that the IPP exemption may be extended for an additional period of five consecutive years upon assembly approval.

[Please note the bold underlined language is new and the bold capitalized language in brackets is to be deleted.]

➤ Amend Section 1 of the ordinance, at KPB 5.12.116(C)(1) as follows

**Section 1.** That KPB 5.12.116 is amended as follows:

**5.12.116. Economic development property exemption.**

....

C. Except as provided in 5.12.116(C)(1), the exemption shall be for a designated amount at the assembly's discretion up to fifty percent (50%) of the assessed value of the property, for a designated period up to five consecutive years at the assembly's discretion.

1. Independent Power Producers exemption shall be for a designated period up to **five [FIFTEEN]** consecutive years if the criteria in KPB 5.12.116(B) is met and if the applicant provides the borough assessor proof that the requirements under KPB 5.12.116(C)(1)(a) are satisfied. **This exemption may be extended by assembly resolution for an additional five consecutive years upon request by the applicant. Prior to assembly consideration of the extension request,**

**the applicant must provide complete financial and other necessary documentation related to the proposal to show that an extension is necessary and in the best interests of the borough.**

- i. To qualify as an Independent Power Producer under this section, an entity must
  1. Own and operate a generation facility larger than two-megawatts; and
  2. Sell electricity to a public utility which is regulated by the Regulatory Commission of Alaska

Your consideration of this amendment is appreciated.