

Kenai Peninsula Borough Assembly

MEMORANDUM

TO: Members, Kenai Peninsula Borough Assembly

FROM: Brent Johnson, Assembly President BJ

DATE: April 21, 2022

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

This amendment is brought for clarity purposes to avoid potential confusion related to referencing the local contribution for public school funding required under AS 14.17.410(B)(2). Current KPB 5.12.116(C) provides that 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..."

The exemption amount for Independent Power Producers (IPPs) would be the same as the general economic exemption under KPB 5.12.116(C). The difference between the current economic development exemption and the exemption specific to IPPs is that the IPP-specific exemption is for a designated period up to 15 years compared to the general economic development which is for a designated period up to 5 years.

[Please note the bold underlined language is new and the strikeout bold 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 [FULLY

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EXEMPTED UP TO THE AMOUNT REQUIRED BY AS 14.17.410(B)(2)] for a designated period up to 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.

- 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.