

Bill Summary
2nd Session of the 57th Legislature

Bill No.:	SB 1433
Version:	INT
Request No.:	2814
Author:	Sen. David
Date:	01/15/2020

Bill Analysis

SB 1433 increases the bond revenue cap for the Grand River Dam Authority from \$1.41 billion to \$4.17 billion. The cap shall be adjusted annually beginning January 1, 2021, in accordance with the Consumer Price Index.

Prepared by: Kalen Taylor

Fiscal Analysis

FY'21 Impact: None

Full Year Impact: None

SB 1433 raises GRDA's bonding limit from \$1.41 billion to \$4.17 billion beginning on January 1, 2021. The new limit will also be adjusted annually for inflation. As of 12/31/19, GRDA has \$1.038 billion in outstanding bonds. GRDA is requesting an indexing in their bonding authority because, if significant growth in its electric load in the MidAmerica Industrial Park or its Oklahoma customer communities requires the construction of new electric generation or transmission infrastructure, GRDA will be able to meet those economic development needs. Additionally, the Southwest Power Pool, as part of its ongoing transmission planning process, regularly issues notices to member utilities to construct major transmission projects to ensure grid reliability throughout the region. GRDA must have access to adequate capital to uphold its responsibility as a transmission owning member of the SPP. The additional sales of electricity would generate the revenue needed to cover the increase in debt service, or incremental new debt issued as a result of the advanced refunding of existing debt, would result in interest savings to fund additional debt service costs. GRDA's issuance of debt, in any form, is not a pledge of the credit of the State of Oklahoma.

Prepared by: Grand River Dam Authority