



## PRESS RELEASE

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# **AIDEA Board Approves Interior Gas Utility Loan**

## *Financing Provided to Advance Natural Gas Distribution System*

(Anchorage) – The Alaska Industrial Development and Export Authority (AIDEA) Board on Thursday approved a Sustainable Energy Transmission and Supply Development Fund (SETS) loan to advance natural gas distribution system development in Fairbanks and North Pole.

The loan to Interior Alaska Natural Gas Utility (IGU) is for \$29,680,000. In April 2014, AIDEA’s Board approved an \$8,100,000 loan to IGU to fund initial work on the development of their distribution system. This new loan enables IGU to move forward on Phases 1, 2 and 3 of their 6-year plan to build out their certificated service area. Phase 1 construction in the North Pole area will begin this summer. IGU expects to put approximately 73 miles of pipe in the ground to more than 140 multi-family/commercial structures and more than 2,100 residential services. With this loan, IGU is also enabled to continue right of way acquisition, purchase equipment and materials, install temporary storage and perform design work for Phases 2 and 3 of their distribution system.

Over the next roughly 18 months, IGU anticipates approximately 165 construction jobs will be created. Contracting for design engineering firms, construction cost estimators, right of way agents, permitting specialists, environmental scientists and survey teams is forecast to employ between 35 to 40 additional professionals. The project is further expected to support 260 local jobs, of which 240 are indirectly supported at other Fairbanks North Star Borough businesses and 20 are permanent jobs once gas operations begin.

This SETS loan is part of the Interior Energy Project. The project was approved by the 28<sup>th</sup> Legislature in 2013, and includes financial tools that can help develop natural gas distribution in Fairbanks and North Pole. The goal is to bring low cost natural gas to as many Interior Alaskans as possible – as soon as possible.

The Alaska Industrial Development and Export Authority is a public corporation of the state. AIDEA’s purpose is to promote, develop and advance the general prosperity and economic welfare of the people of Alaska.

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