

# August 2013

## Legislative Briefing



### Introduction

The Interior Energy Project (IEP) was introduced by Governor Sean Parnell to find a solution to poor air quality and high energy costs common to Interior Alaska. The Alaska Industrial Development and Export Authority (AIDEA) has been designated to enable the delivery of low-cost liquefied natural gas (LNG) through a financing package approved by the Legislature. The Alaska Energy Authority (AEA) is assessing storage, re-gasification, and distribution to medium-density and high-density Interior residents. This briefing is intended to provide an update on project progress.

### Technical

- » Distribution System:
  - Roundtable workshop with IGU, FNG and FEDCO on August 12 in Fairbanks
    - Established baseline miles of pipe needed to serve possible gas distribution network
    - Discussion of system optimization modeling to assure reliability and peak demand capability
    - Refinement of criteria for natural gas utility service within the FNSB
  - Collaboration on survey to assess customer price sensitivity on conversion cost
- » North Slope LNG Facility Risk Identification and Mitigation Assessment:
  - Long-lead items identified
  - Cost risk
  - Schedule risk
- » North Slope LNG Facility Permitting:
  - Pre-Application meetings held August 20-21, 2013 with local, state, and federal permitting agencies
  - Acquired historical air quality data allowing for streamlined air permitting process
  - Air quality modeling protocol submitted to ADEC for review
  - Permits and logistics to perform a cultural resources field survey September 3-7, 2013

### Financial

- Financial progress achieved:
- » Four responses to AIDEA's June 26 letter received on July 19
  - » Evaluating three potential participants
  - » AIDEA Board approval given to initiate utilization of the \$57.5M capital appropriation for the project

### Public Outreach

The IEP website ([www.interiorenergyproject.com](http://www.interiorenergyproject.com)) was launched in May 2013 and a Public Outreach Plan was completed in July 2013. Recent public outreach activities include:

### Events

August						
s	m	t	w	t	f	s
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

- August 2-11:** Tanana Valley State Fair Attendance
- August 5:** Project Presentation submitted to ADEC Division of Air Quality
- August 10:** Renewable Energy Alaska Project Fair Attendance
- August 12:** FNSB Distribution System Charrette Facilitation
- August 13:** Fairbanks Economic Development Corporation Meeting Attendance
- August 20:** IGU Board Meeting Project Discussion
- August 20:** Interior Delegation Project Update
- August 22:** Alaska State Fair Attendance

Indicates an event    Indicates a holiday

[InteriorEnergyProject.com](http://InteriorEnergyProject.com)

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## Legislative Briefing *Continued...*



### Next Steps

AIDEA continues to focus on the following key tasks:

- » Develop Business Structure / Select Participant(s)
- » Research consumer demand for conversion to gas
- » Conduct Participant(s) Due Diligence
- » Develop Finance Plan
- » Complete field work and permitting for pad construction Spring 2014
- » Monitor Regulatory Commission of Alaska (RCA)'s Service Area Proceeding

### AIDEA Interior Energy Project - Schedule

