

January 2014

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 advance 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

Natural Gas Distribution Service Area:

- » The RCA granted Interior Alaska Natural Gas Utility (IGU) a certificate of public convenience and necessity to provide natural gas distribution services for the outlying areas.

Permitting:

- » Received Development Permit approval and Resolution of Support from North Slope Borough (NSB) Planning Commission; Resolution is on February NSB Assembly agenda for review.
- » Continue communication with NSB regarding Form 500 Application process.
- » Alternatives analysis and revised project description submitted to US Army Corps of Engineers.
- » Communication with US Fish & Wildlife Service regarding Letter of Authorization application and NSB subsistence concerns.
- » Ongoing air permitting coordination with ADEC.
- » Material Sales Public Notice period initiated by Department of Natural Resources (ADNR).
- » Ongoing efforts with State Pipeline Coordinator's Office for pipeline and pigging pad.
- » Ongoing facility lease efforts with ADNR.

North Slope LNG Facility:

- » Negotiate LNG plant commercial terms.
- » Selection of financial partnership.
- » Pad and facility permitting.
- » Liquefaction Process and Pad Construction Procurement.

LNG Trucking:

- » Continued communication with the Alaska Trucking Association and Department of Transportation regulators.
- » Trucking information presented at December 5, 2013 AIDEA Board Meeting.

Air Quality:

- » Ongoing presence at Department of Environmental Conservation (ADEC) on the State Implementation Plan (SIP) Meetings regarding how IEP may assist in bringing FNSB area into compliance with particulate matter air quality standards.

Public Outreach

Events

DECEMBER						
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				

DECEMBER

5 LNG Trucking Update Presentation

18 AIDEA Board Meeting

JANUARY						
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	

JANUARY

8 ADEC State Implementation Plan Information Table

8 Project Presentation to NSB Planning Commission

14 AIDEA Board Meeting

22 FEDCO Project Presentation

22 Alaska Center for Energy and Power Public Energy Lecture

Indicates an event

Indicates a holiday

InteriorEnergyProject.com

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Continued...



Financial

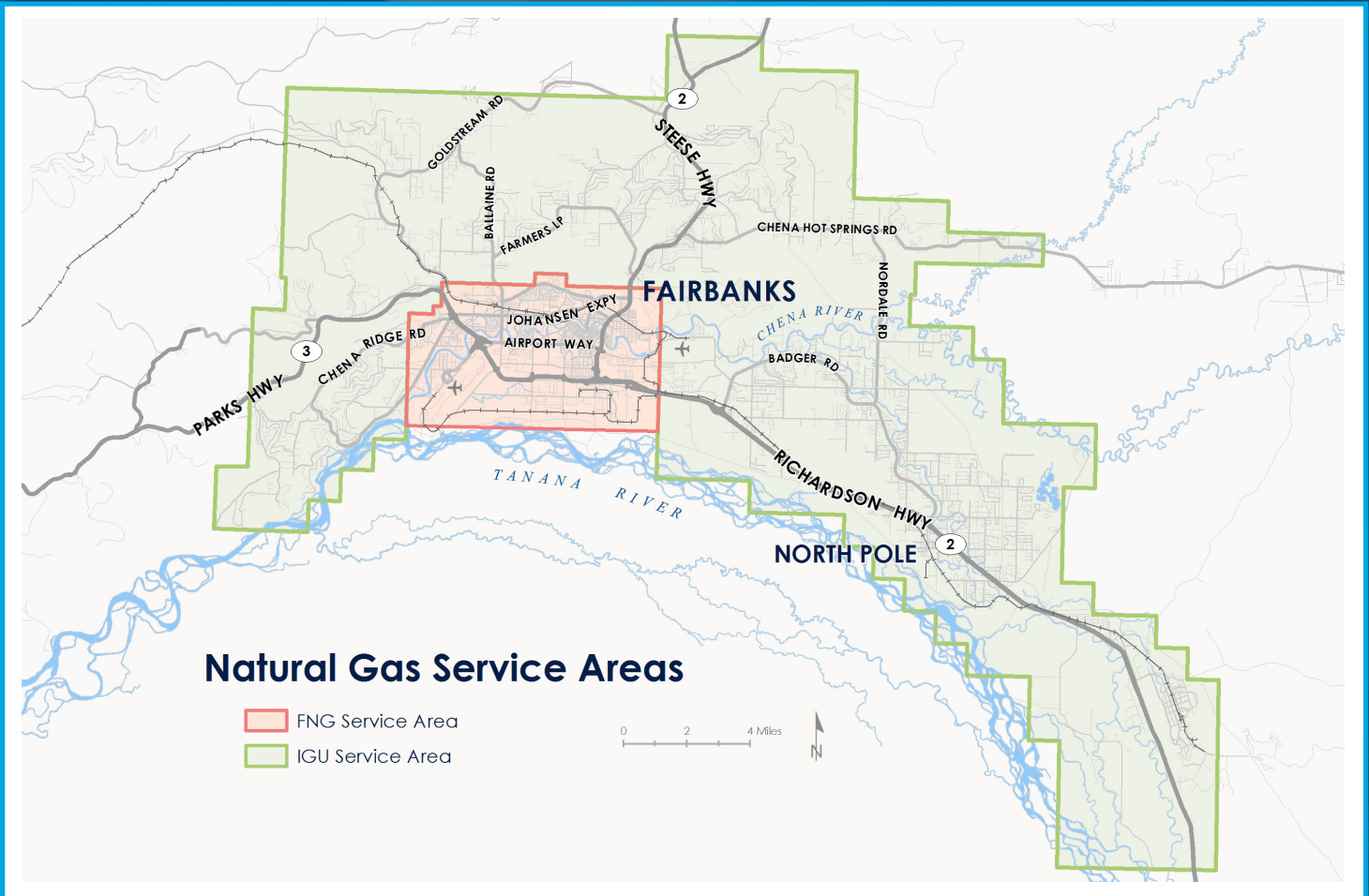
Financial progress achieved:

- » AIDEA Board at January 14, 2014 meeting selected a group headed by MWH Americas, Inc. (MWH) as the LNG North Slope Plant Participant. The MWH group includes NANA WorleyParsons.
- » Following AIDEA Board selection of MWH, the team entered into negotiations on financial terms and structure.
- » Commercial Participant Report posted to Interior Energy Project website.

Next Steps

AIDEA continues to focus on the following key tasks:

- » Finalization of agreements and terms with MWH / NANA WorleyParsons for development of project.
- » North Slope facility pad construction.
- » Acquisition of necessary permits and approvals for North Slope plant.
- » LNG Contract Negotiations.
- » Closing of Business and Finance Agreements.



Project Schedule

AIDEA Interior Energy Project - Schedule

