

September - November 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) have 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

Fairbanks Service Area:

- » AEA/AIDEA are closely monitoring the RCA service area process
- » Analysis of expected conversion rate (to natural gas) within the FNSB
- » Exploring conversion incentives and financing packages for private home owners
- » Coordination with ADEC on the State Implementation Plan (SIP)

North Slope LNG Facility Permitting:

- » Cultural Resources field survey completed September 3-6, 2013
- » Submitted USACE 404(b) wetlands fill permit application
- » Submitted Right-of-Way permit application to Department of Natural Resources
- » Preparing State Pipeline Coordinator's Office permit application for submittal
- » Air emissions modeling and analysis underway for permit application

North Slope LNG Facility:

- » Development of detailed Project Description
- » Technical review of process technology proposed by project proponents
- » Procurement packages developed and issued for long lead time project components
 - Liquefaction process equipment
 - Pad design/construction
- » Feasibility review of propane production

Financial

Financial progress achieved:

- » LNG facility partner and business structure due-diligence and best offer term sheets
- » Developing financing covenants
- » Developing contracts
- » Received authorization from AIDEA Board to expend \$57.5MM for long-lead procurement equipment

Public Outreach

Recent public outreach activities include:

Events

SEPTEMBER

- 4 Alaska Industry Alliance Presentation
- 4 FEDCO Presentation
- 16 Oil & Gas Congress Presentation
- 26 FNSB Assembly Work Session

OCTOBER

- 2 ADEC – Information Table
- 3 Downtown Rotary Club Presentation
- 3 FNSB Assembly Meeting on Air Quality Attendance
- 9 Local Government Project Workshop
- 9 Interior Delegation Project Update
- 6 ADEC State Implementation Plan Information Table
- 17 FNSB Assembly Work Session
- 29 AIDEA Board Meeting

NOVEMBER

- 8 Alaska Trucking Association Presentation
- 14 FNSB Assembly Presentation
- 15 LNG Trucking Industry Roundtable
- 20 ADEC State Implementation Plan Information Table
- 21 NSB Planning Commission Meeting Presentation

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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
- » Monitor Regulatory Commission of Alaska (RCA)'s Service Area Proceeding
- » AEA continues to work with IGU and FNG on modeling a plausible build out scenario

AIDEA Interior Energy Project - Schedule

