

# Legislative Budget and Audit Committee

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April 23, 2025



## The Alaska Gasline Development Corporation (AGDC)

- Independent, public corporation owned by the State of Alaska (SOA)
- Created by the Alaska State Legislature

## Mission

- Maximize the benefit of Alaska's vast North Slope natural gas resources through the development of infrastructure necessary to move the gas to local and international markets



## HB 4 and SB 138

### What the Legislature empowered AGDC to do

- AS 31.25.080(a) Powers and Duties
  - (1) Determine form of ownership and operating structure
  - (6) Transfer or otherwise dispose of interest in an Alaska LNG project
  - (11) Make and execute agreements and contracts
  - (24) Enter into contracts
- AS 31.25.090(f) Confidentiality

### Why AGDC was given this broad authority

- Why AGDC is independent?
- Why AGDC is a corporation?

## The role of AGDC's Board

- AS 31.25.020 – AGDC governed by a Board of Directors
- AS 31.25.040 – The Board shall manage the assets and business of the corporation

## Why commercial agreements are confidential

- Preserve proprietary competitive advantages
- Trust building
- Protect intellectual property

# Role of AGDC Going Forward

- Represent the State's interest in Alaska LNG
- Provide oversight and governance
- Ensure that Glenfarne meets targets and Alaskans get gas at the lowest possible price
- Develop means for Alaskans to invest in Alaska LNG, as required by statute
- Advise the Legislature on future investment opportunities
- Liaise between Legislature and Glenfarne
- Negotiate with investors and developers for three subprojects
- Utilize and preserve extensive project expertise, knowledge, and national and international relationships

AGDC divested 75% of a wholly-owned subsidiary responsible for advancing Alaska LNG to Glenfarne

## Why Alaska LNG is ready:

- Fully permitted
- Commercial structure
- Federal loan guarantees
- Cook Inlet crisis => project phasing
- Demonstrated economic viability
- Glenfarne => emerging energy leader
- Unprecedented Administration support

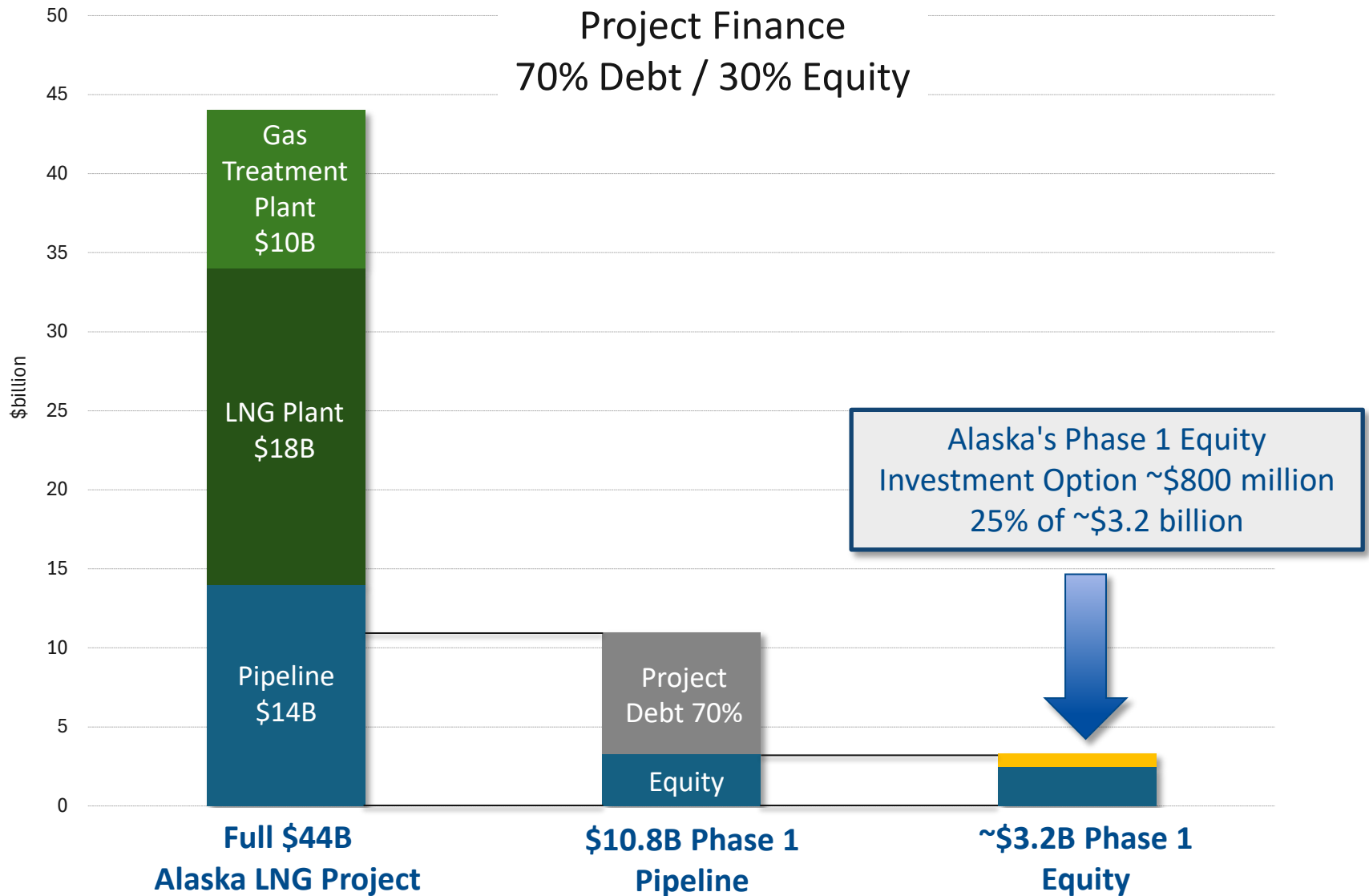
## What's been secured

- Gas for Alaskans as top priority
- All costs covered until FID option
- 25% of 8 Star in perpetuity
- 25% of developer economics

## Future opportunities

- Up to 25% equity investment in each sub-project
- Opportunities for Alaskans to invest

# Alaska's Phase 1 Equity Option





# Understanding the State's Risk

- There is NO risk to the state until the State decides to invest further. Glenfarne assumes 100% of development cost and risk
- State assumes risk only if a decision is made to invest
- First equity investment decision for Phase 1 Pipeline could come as early as 4th quarter of 2025
- The State will have access to confidential project documents available to all investors

All potential investors will have access to confidential FEED documents and background materials necessary to fulfill their due diligence when making huge financial investments

Other Alaskan entities could take advantage of reserved 25%, such as Alaska Native Corporations

Legislature's decision:

- Should we invest?
- How much?
- How will investment be funded?
- How to perform due diligence?

# Reference Slides

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ALASKA  
**GASLINE**  
DEVELOPMENT CORP.



## North Slope Gas Supply

- 40 Tcf of gas reserves in PBU and PTU
- 122 Tcf of total “Proved Producing Reserves” in Alaska\*
- Potential supply from Great Bear Pantheon

## Arctic Carbon Capture (ACC)

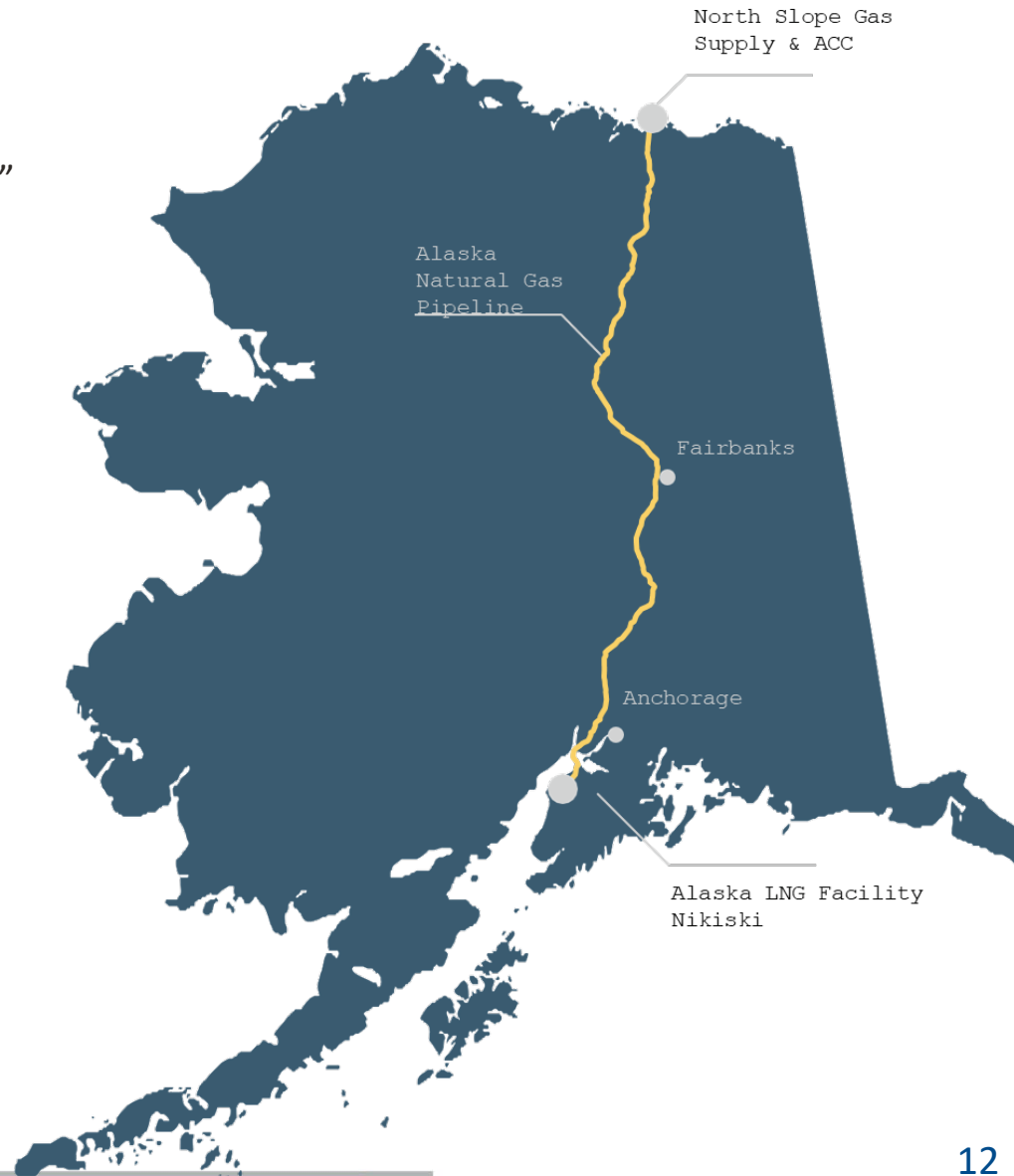
- Adjacent to existing PBU gas plants, will remove and sequester 7 million tons of CO<sub>2</sub> annually and condition gas to LNG specifications

## Natural Gas Pipeline

- 807-mile pipeline from Prudhoe Bay to Nikiski, follows existing oil pipeline and highway system, with gas delivered to Alaska communities and the LNG plant

## Alaska LNG Facility

- 20-MTPA LNG facility located in Nikiski near the legacy Kenai LNG Plant



\*[https://www.eia.gov/naturalgas/crudeoilreserves/pdf/Table\\_8.pdf](https://www.eia.gov/naturalgas/crudeoilreserves/pdf/Table_8.pdf)

# Phase 1 of Alaska LNG

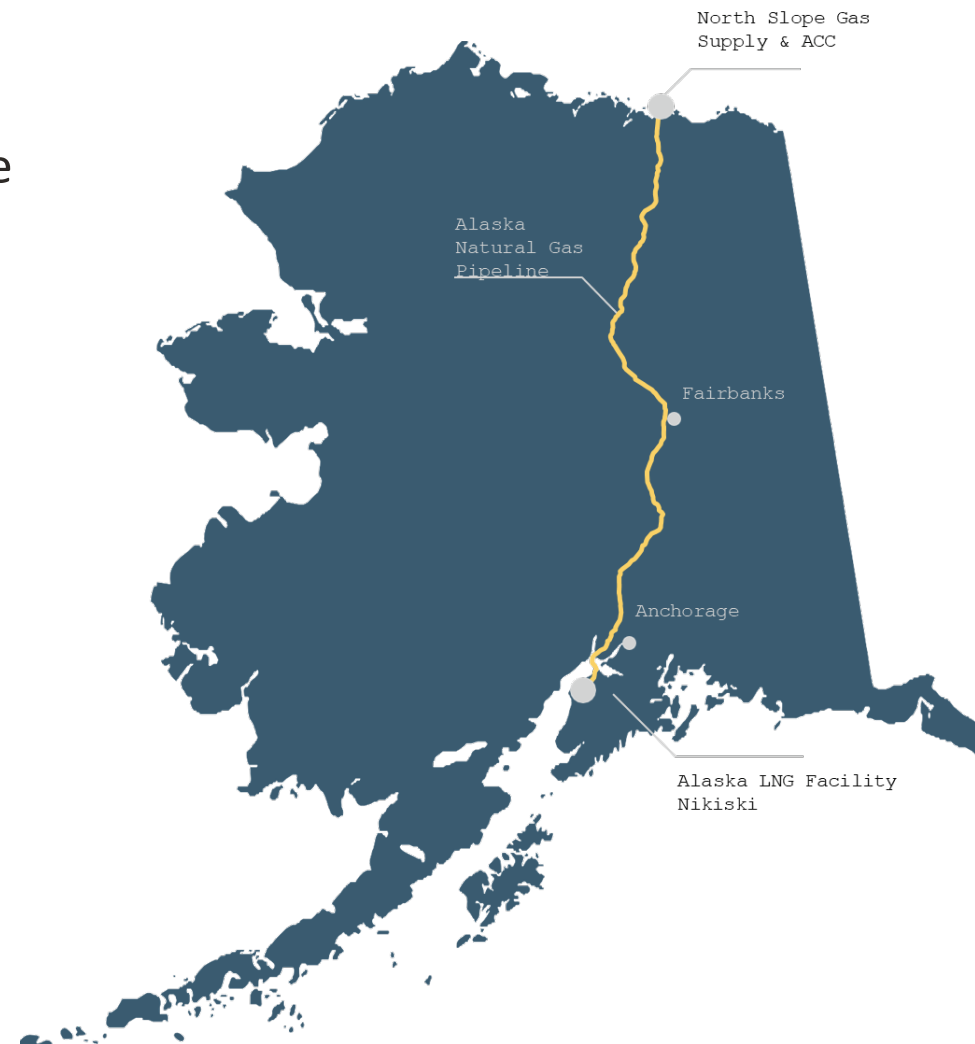
**Alaska LNG** is a fully permitted integrated \$43.8 bn LNG export, pipeline, and gas treatment project

**Phase 1** is the pre-build of the pipeline from the North Slope of Alaska to Southcentral Alaska – \$10.8 bn

**Phase 2** is the construction of North Slope gas treatment and LNG export facilities – \$33 bn

*By phasing Alaska LNG, Alaska can utilize existing permits to quickly provide gas for Alaskans and provide infrastructure for future LNG exports and industrial use*

## ALASKA LNG



# The Alaska Advantage Principles

- The Company will establish and maintain a substantial operational presence in Alaska
- The Company will accept tie-in requests from Alaska customers—as per design, one such tie-in will serve Fairbanks
- In-State customers get the priority right for 500 MMscfd (more than double current demand)
- Capacity will be expanded to accommodate increased demand above the original 500 MMscfd allocation
- The Project may utilize differential rates only where they both:
  1. Help maximize the flow of natural gas through the project, and
  2. Achieve the lowest possible cost of gas for Alaska utility customers

## State of Alaska revenues come from

- Commercialization of natural gas (royalties and production tax)
- Commercialization of unlocked Point Thomson condensate (royalties and production tax)
- Corporate income tax on upstream and midstream
- Property tax on upstream and midstream investments
- Equity investment in Alaska LNG (if elected)
- Developer economics

## Alaska Affordable Energy for Rural Alaska

- Required by Alaska Statute 37.05.610
- Develops energy in areas of the state without access to the pipeline
- The Alaska Affordable Energy Fund is to receive an annual deposit of 20% of state revenue after paying into the Permanent Fund

By FID, the State will have the opportunity to invest up to 25% equity in the construction of the project.

What does the Legislature need to make informed decisions?

- Construction and cost overrun risks
- Equity and debt finance options
- Construction spending timing and amounts
- Estimated return on equity

What does the State gain as an equity investor?

- 25% of the future profits in each of the sub-projects invested in

Additional roles of the Legislature?

- Analyzing property taxes impacts to project economics and costs to Alaskans



## Department of Revenue

- Property Taxes/Payment in Lieu of Taxes
- Investment opportunities for Alaskans, Alaska companies, and Alaska Native Corporations

## Department of Natural Resources

- Revenue-in-kind/Revenue-in-value
- Permit approvals

## Departments of Fish & Game, Environmental Conservation, and Transportation & Public Facilities

- Permit approvals

## Department of Labor and Workforce Development

- Workforce training

## Completing construction of the gas treatment and liquification plants and exporting natural gas will result in:

- Significantly cheaper gas for Alaskans, potentially in the \$4 to \$5 per MMBtu range
  - Could save railbelt households \$1,000 in annual heating and electric costs
  - Fairbanks residents will save even more
- Potential to attract more industry in Alaska with cheap energy costs
- 1,000 full-time permanent jobs and thousands more indirect jobs created
- Revenues to the State can be hundreds of million per year from State's investments already made
- Revenues can be significantly more if State elects to invest in any sub-project

## Alaska Statute (AS) 31.25 – Article 1. Organization, Administration, and Powers

- AS 31.25.005 Purpose to Develop Natural Gas Pipeline & Provide Economic Benefits and Revenue to the State
- AS 31.25.065 Personnel Exempt from State Personnel Act
- AS 31.25.080(a) Powers and Duties
  - (1) Determine form of ownership and operating structure
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  - (11) Make and execute agreements and contracts
  - (24) Enter into contracts
- AS 31.25.090 Confidentiality
- AS 31.25.101 State Corporation Acting in the Best Interest of the State
- AS 31.25.120 Authority to Create Subsidiaries
- AS 31.25.140 Exemption from State Procurement Code
- SB 138, Section 76 amends uncodified law to provide the means for Alaskans to participate in the ownership of the pipeline

AGDC.us

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ALASKA  
GASLINE  
DEVELOPMENT CORP.

The logo for Alaska Gasline Development Corp. features the text "ALASKA GASLINE DEVELOPMENT CORP." in a blue, sans-serif font. To the right of the text is a stylized outline of the state of Alaska, composed of several blue stars of varying sizes arranged to form the state's shape. A single blue star is positioned above the main outline.

# AGDC Common Acronyms

ACC	Arctic Carbon Capture	FEED	Front End Engineering Design
AFN	Alaska Federation of Natives	FERC	Federal Energy Regulatory Commission
AGDC	Alaska Gasline Development Corporation	GTP	Gas Treatment Plant
ANCSA	Alaska Native Claims Settlement Act	HH	Henry Hub
ANVCA	Alaska Native Village Corporation Association	Kbblsd	Thousand Barrels per Day
AOGCC	Alaska Oil and Gas Conservation Commission	LNG	Liquefied Natural Gas
Bbl	Barrel	LOI	Letter of Intent
Bblsd	Barrels per Day	m <sup>3</sup>	Cubic Meters
Bcf	Billion Cubic Feet	MMBtu	Metric Million British Thermal Unit
Bcfd	Billion Cubic Feet Per Day	MT	Metric Tons
BLM	Bureau of Land Management	MTPA	Million Tonnes Per Annum
CCS	Carbon Capture and Sequestration	NETL	National Energy Technology Laboratory
CO <sub>2</sub>	Carbon Dioxide	NPR-A	National Petroleum Reserve - Alaska
CO <sub>2</sub> E	CO <sub>2</sub> Equivalent	ROW	Right-of-Way
DOE	Department of Energy	TAPS	Trans-Alaska Pipeline System
EA	Environmental Assessment	Tbtu/yr	Trillion British Thermal Units per Year
EIS	Environmental Impact Statement	Tcf	Trillion Cubic Feet
EPC	Engineering, Procurement & Construction	TPA	Tonne per Year