

Written Justification for Section 040 (a) (1) Exemption Contract with Pegasus Global Holdings, Inc.

Under Section 040(a)(1) of the Legislative Procurement Procedures, I have determined that it is not practicable to solicit large natural resource project consulting services through a competitive procurement method due to the immediate and time-sensitive need for such services. I have also determined that awarding a consulting services contract to Pegasus Global Holdings, Inc. is in the best interest of the Legislative Budget and Audit Committee (Committee).

The Alaska LNG Project is advancing on an accelerated timeline, with the project developer publicly indicating that a Final Investment Decision (FID) may be sought as early as the first quarter of 2026. This compressed schedule substantially limits the time available for legislative review and analysis of the fiscal, governance, and risk implications associated with Alaska's potential participation in a multi-billion-dollar project which may require substantial monetary state investment.

Timely access to specialized, independent expertise is essential to ensure that legislators can meaningfully evaluate project structure, financing assumptions, risk allocation, and alignment with existing statutory frameworks before any irreversible commitments are made. Expert advisory support is required immediately, during the period when legislative input can still materially affect, in order to safeguard the State's exposure and long-term interests.

A standard competitive procurement process would require a minimum of two months to complete and would materially impair the Committee's ability to obtain analysis and advice during this critical decision-making window. In addition, the legislature did not receive advance notice of the specific legislative actions or timelines that may be required in connection with the project. The Committee must therefore be prepared to respond promptly to requests for analysis, scenario modeling, and policy evaluation as information becomes available.

Pegasus Global Holdings, Inc. possesses specialized expertise in large-scale energy and infrastructure projects, including experience with complex project finance, governance structures, and public-sector investment considerations. Pegasus's prior analytical work and familiarity with Alaska's unique fiscal, regulatory, and institutional context enable the firm to provide immediate, high-value support without the delay associated with onboarding a consultant unfamiliar with projects in the state.

For these reasons, I find that an exemption from competitive procurement is warranted: it is not practicable to award a contract by a competitive method, and entering into a contract with Pegasus Global Holdings, Inc. is in the best interest of the Legislative Budget and Audit Committee and the Alaska State Legislature.

Senator Elvi Gray-Jackson
Chair, Legislative Budget and Audit Committee
Procurement Officer