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Representative Jay Ramras
District 10

Sponsor Statement for House Concurrent Resolution No. 2

Short Title: IN-STATE GAS PIPELINE

Contact: Margaret Dowling, 465-6841

Purpose and Intent HCR 2:

The intent of House Concurrent Resolution No. 2 is to provide energy security for Alaskans. This resolution urges the Governor to take action that will facilitate development of a small natural gas pipeline, commonly referred to as the "bullet line." With completion of a large diameter gas line not expected until 2016 at the earliest, the bullet line, a smaller project that will be easier and quicker to complete, can bridge the gap in natural gas delivery and provide much needed natural gas to communities along its route between the North Slope and Cook Inlet. Because the gas will be extracted and delivered within the state, and for export, the cost of this resource to the ratepayers could be considerably less than the cost of other sources of fuel consumed by Alaska's residents today. Thus, the bullet line will provide certainty of supply and predictability of price for Alaskans along the bullet line route.

The Governor and key agencies in the executive branch are in a unique position to facilitate development of the bullet line. The executive branch has the authority and resources to locate companies or entities in Gubik or elsewhere in the North Slope that have significant quantities of natural gas and to negotiate contracts with those entities to guarantee commercially reasonable terms that will enhance economic viability of a bullet line. The time to act for energy certainty for all Alaskans is now.

Summary HCR 2:

- Requests that the Governor provide energy security for all Alaskans by taking action necessary to support the development of a natural gas pipeline that will deliver natural gas from the North Slope to Cook Inlet.

- Requests that the Governor identify entities in Gubik or elsewhere on the North Slope that have sufficient quantities of natural gas to support a gas line.
- Requests that the Governor negotiate a commitment with the identified entity for gas production on commercially reasonable terms that would support the economic viability of the gas line.

Benefits HCR 2:

- Secures an adequate supply of affordable natural gas for residential and industrial consumers from the North Slope to Cook Inlet.
- Increases jobs, and local and state revenue.