

Alaska State Legislature

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REPRESENTATIVE MIKE CHENAULT SPEAKER OF THE ALASKA STATE HOUSE

SPONSOR STATEMENT COMMITTEE SUBSTITUTE FOR HOUSE BILL 9 (RES)

"An act relating to the Alaska Gasline Development Corporation, a subsidiary created by the Alaska Housing Finance Corporation; establishing and relating to the in-state natural gas pipeline fund; making certain information provided to or by the Alaska Gasline Development Corporation exempt from inspection as a public record; relating to the Joint In-State Development Team; relating to the judicial review of a right-of-way lease or the development or construction of an oil or gas pipeline on state land; relating to the lease of a right-of-way by the Alaska Gasline Development Corporation for a gas pipeline transportation corridor; relating to the cost of natural resources, permits, and leases provided to the Alaska Gasline Development Corporation; relating to the review of natural gas transportation contracts by the Regulatory Commission of Alaska; relating to the regulation by the Regulatory Commission of Alaska of an in-state gas pipeline project developed by the Alaska Gasline Development Corporation; relating to the Alaska Natural Gas Development Authority; relating to the procurement of certain services by the Alaska Natural Gas Development Authority; exempting property of a project developed by the Alaska Gasline Development Corporation from property taxes before the commencement of commercial operations; and providing for an effective date."

Nearly two years ago, the Legislature passed HB 369 advancing an instate natural gas pipeline. Since that time, the Alaska Gasline Development Corporation has made tremendous progress developing a project along a solid timeline. It is imperative to maintain that momentum in pursuit of instate gas for Alaskans, while keeping open all options for participating in an aligned project.

Committee Substitute for House Bill 9 (RES) will refine a solid, early proposal into a plan. This legislation does not sanction construction of an instate gas pipeline, but allows AGDC to advance to the stage. The bill will also provide AGDC the tools to build its capacity to be a strong, participating partner in an aligned gasline project.

Along with a comprehensive update on progress to date, this summer AGDC presented the Legislature with a series of recommendations enabling the next stage in project planning. Those recommendations are incorporated within this committee substitute.

It is my intention to provide AGDC the tools that will allow them to refine a plan to the point of whether or not to advance to the construction stage dependent upon the results of an open season that will be conducted next year. The state has invested hundreds of millions of dollars over the years in pursuit of our dream of gas, but we've consistently been held back by various roadblocks, internal and external, political and commercial. I want to clear those for this project.

This legislation is enabling and does no harm. It would facilitate gas development in the state of Alaska even if the project already on the table – AGIA – develops. It would also facilitate instate gas should we see the alignment of interests and projects the Governor is encouraging among commercial parties and others interested in both commercialization of North Slope gas and delivering Alaska's gas to Alaskans.