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To: Alaska Legislature
House Resources Committee

Testimony regarding SB 138

I am a residential consumer of Natural Gas representing myself. I am extremely leery of this Legislation and I believe, based on our track record regarding gas supply, I have good reason to be so. I urge you to thoroughly vet this legislation before passage.

I have listened to the testimony regarding SB138. I am impressed with the analysis and your questions. Thank you for inviting testimony that was not invited by the Senate.

I am sure you have hired the best and the brightest consultants to evaluate this proposition; however, didn't you do that with AGIA? Now six years later after creation of AGIA with over 300 million dollars gone from the state treasury and with at least 130 million more owed to Trans Canada we have neither an inch of pipe purchased nor any application from any producer to AOGCC for release of a single molecule of gas.

My concern is about domestic supply of energy for Alaskans including natural gas. The Alaska State Government has yet to create a comprehensive energy plan that would identify the primary source of renewable and non-renewable energy for each region of the state for electrical generation, space heating, vehicle mobility, local industrial production and energy resources for export. This failure to have a comprehensive plan results in what we see currently as we purchase study after study and/or expend state revenue in a seemingly endless pursuit of the next best idea.

We have spent how much on the "Cook Inlet Renaissance" for supply contracts through 2018? We have spent how much on the AGDC/ASAP project which now seems about to be abandoned for this AKLNG project. AGIA is still restricting volume limits for the AGDC/ASAP project. We won't even consolidate our natural gas demands in the rail belt region as we pursue trucking LNG into Fairbanks. Aren't we now competing with the Cook Inlet gas producers and haven't we created the almost unbelievable situation where, to various degrees, we are expending state funds to pay for three pipe line efforts at the same time (AGIA, AGDC/ASAP, and AKLNG).

Testimony (L.Willis) re: SB138 March 28, 2014.

If the House emulates the Senate, this Legislation will become law. Soon we will be in pre-election pre-feed and once again hopes of Alaskans will rise.

I ask you to not restrict yourselves to a specific time limit to vet this legislation. If for no other reason you should be extremely cautious in your deliberations because we are now in deficit spending. I would like to remind you that we live in a sovereign not an investment bank.

As you proceed toward passage of SB 138 please reflect on testimony from Professor Emeritus Scott Goldsmith who has long been associated with the University of Alaska Institute of Social and Economic Research (ISER). Professor Goldsmith was testifying as a private citizen on March 25th (at 73:10) before Senate Finance. At that hearing, Professor Goldsmith stated that we are now drawing down our cash reserves at a rate of about 7 million dollars per day.

At that rate of spending we will soon enough not be able to afford business as usual in State Government including passing legislation that might cost us millions of dollars just for testing the viability of the AKLNG project as currently envisioned. We need to learn as much as we can, including exploring our options, before passage of SB 138. Thank you. Lynn Willis