



Fairbanks North Star Borough

Mayor's Office

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****TRANSMITTED VIA ELECTRONIC MAIL****

March 12, 2019

The Honorable Steve Thompson
Alaska State House of Representatives
120 4th Street, Room 3
Juneau, Alaska 99801

RE: Support for HB87 – Liquefied Natural Gas Storage Tax Credit

Representative Thompson:

I write this letter today in support of House Bill 87, an act extending the tax credits for above-ground liquefied natural gas (LNG) storage projects. Thank you as well for your personal support in moving this important piece of legislation forward.

House Bill 87 will extend by 18-months the sunset on tax credits which were established by the Legislature in 2012. Senate Bill 23, in 2012, established tax credits for the construction of above-ground LNG storage tanks with a minimum volume of 25,000 gallons and limited the credits to 50 percent of construction costs up to \$15 million. House Bill 87 will extend the sunset for these tax credits from December 31, 2019 to June 30, 2021.

As you know, our air quality needs significant improvement and Interior residents need access to cheaper and more reliable forms of energy; critical for the health, safety and economic well-being of our community. House Bill 87 will enable the good work of the Interior Energy Project and the Interior Gas Utility to continue build out of natural gas infrastructure and soon, the first natural gas service beyond the city limits of Fairbanks.

Sincerely,

Bryce Ward, Mayor