

# Finance Sub-Committee Meeting

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February 18, 2025



- Who we are
- Budget Request
- Economic Value to the State
- Exclusivity Agreement with Glenfarne
- Role of AGDC

## The Alaska Gasline Development Corporation (AGDC)

- Independent, public corporation owned by the State of Alaska (SOA)
- Created by the Alaska State Legislature

### Mission

- Maximize the benefit of Alaska's vast North Slope natural gas resources through the development of infrastructure necessary to move the gas to local and international markets

## Current Owner and Developer of the Alaska LNG Project

- Transitioning project to private ownership under qualified developers

ALASKA GASLINE  
DEVELOPMENT CORP. 



# Alaska LNG Overview

## North Slope Gas Supply

- 40 Tcf of gas reserves in PBU and PTU
- 122 Tcf of total “Proved Producing Reserves” in Alaska\*
- Early Supply from Great Bear Pantheon

## Arctic Carbon Capture (ACC)

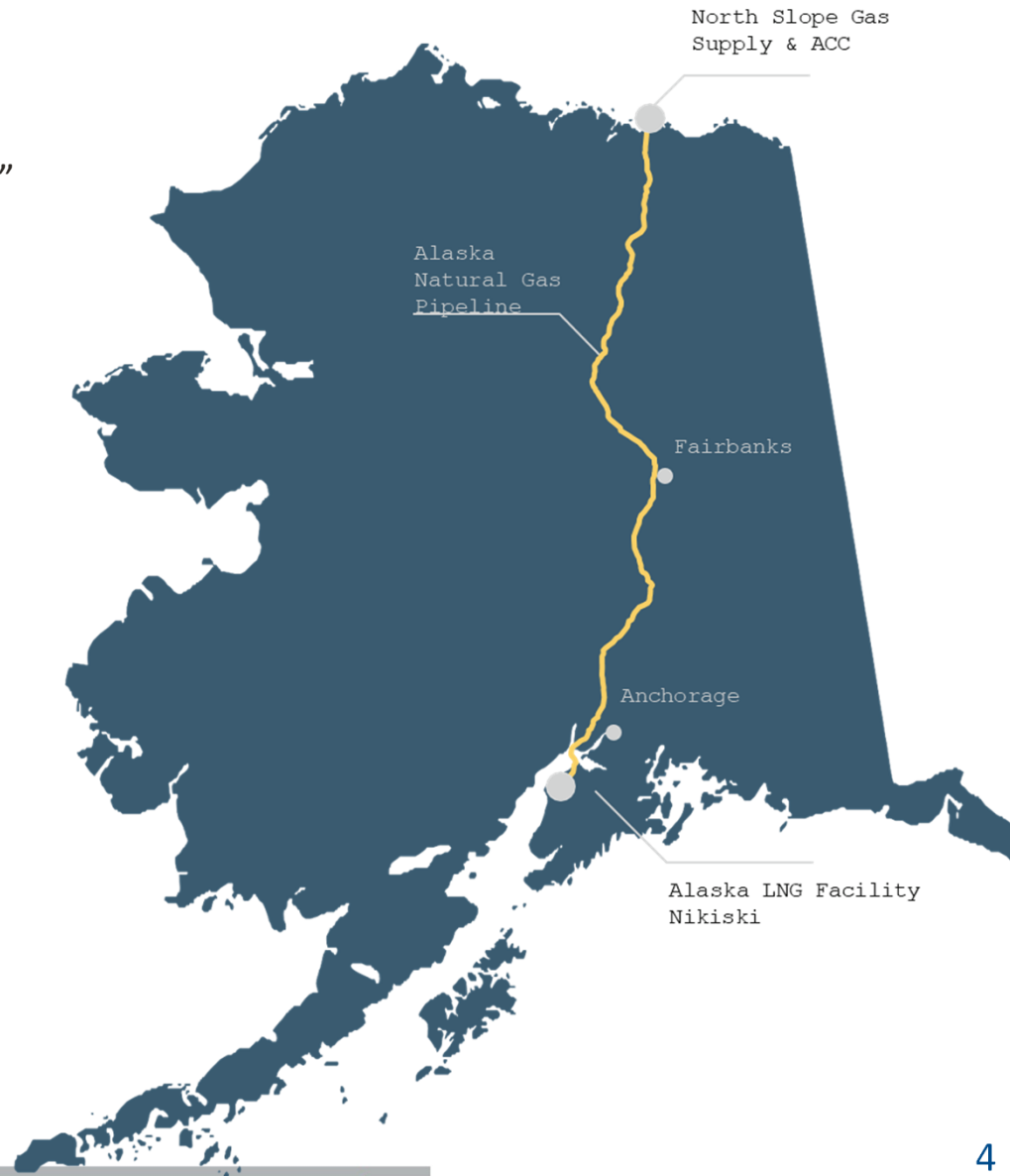
- Adjacent to existing PBU gas plants, will remove and sequester 7 million tons of CO<sub>2</sub> annually and condition gas to LNG specifications

## Natural Gas Pipeline

- 807-mile pipeline from Prudhoe Bay to Nikiski, follows existing oil pipeline and highway system, with gas delivered to Alaska communities and the LNG plant

## Alaska LNG Facility

- 20-MTPA LNG facility located in Nikiski near the legacy Kenai LNG Plant



\*[https://www.eia.gov/naturalgas/crudeoilreserves/pdf/Table\\_8.pdf](https://www.eia.gov/naturalgas/crudeoilreserves/pdf/Table_8.pdf)

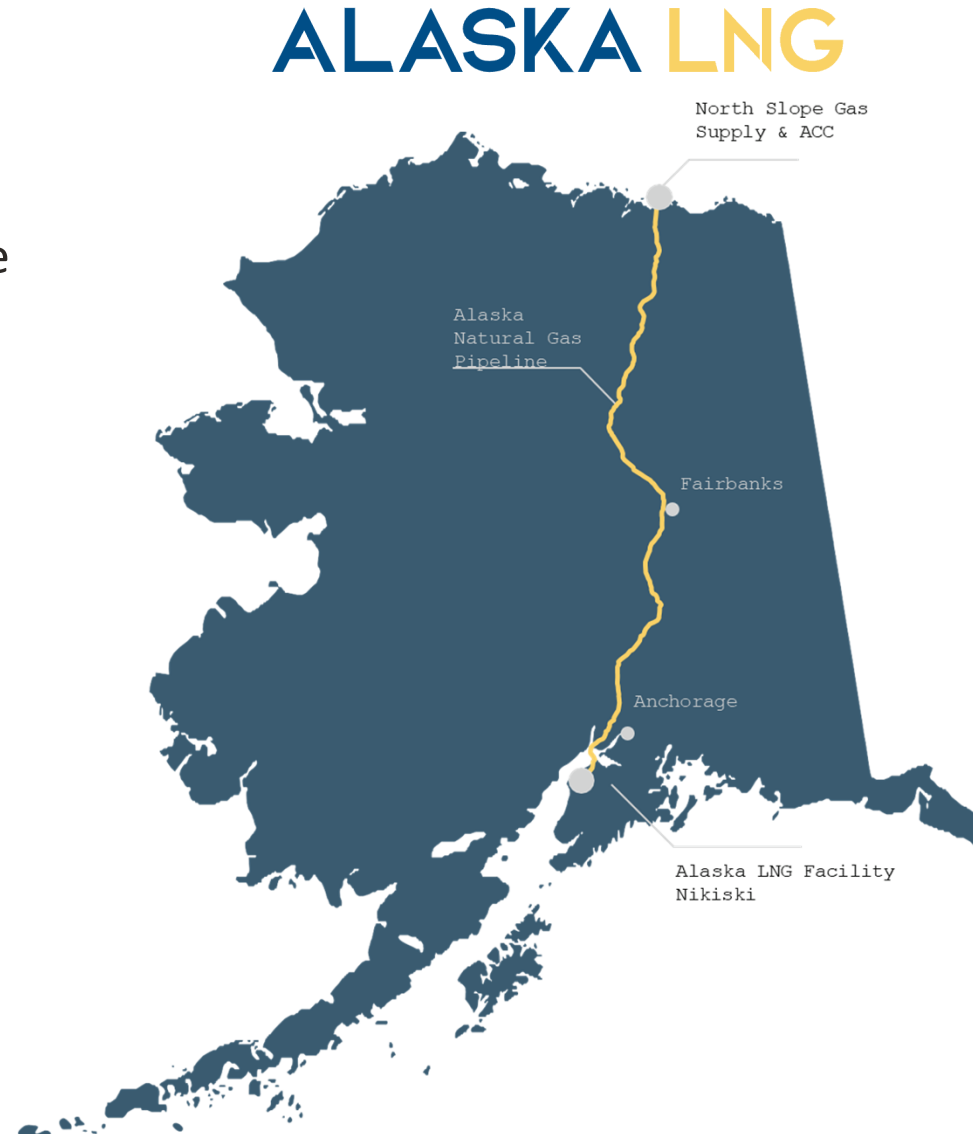
# Phase 1 of Alaska LNG

**Alaska LNG** is a **fully permitted** integrated \$43.8 LNG export, pipeline, and gas treatment project

**Phase 1** is the pre-build of the pipeline from the North Slope of Alaska to Southcentral Alaska – \$10.8 bn

**Phase 2** is the construction of North Slope gas treatment and LNG export facilities – \$33 bn

*By phasing Alaska LNG, Alaska can utilize existing permits to quickly provide gas for Alaskans and provide infrastructure for future LNG exports and industrial use*



# FY 2026 Budget Request

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# FY26 Operating Budget Request

FY26 Operating Budget Request (in thousands of dollars)	
Personal Services	\$1,888.0
Travel	\$47.1
Services (Contracts)	\$1,171.8
Commodities	\$40.0
<b>Total GF Request</b>	<b>\$2,487.5</b>

**FY25 Operating Budget was one-time only, as is this request**



## \$4,200.0 General Fund Request – Provides funding for:

- Technical and legal expertise needed for development of agreements/ contracts with investor(s), utilities, base industrial customers, gas purchase and gas sale agreements
- Expertise to work with Department of Energy on the establishment of loan guarantees
- Maintain compliance and secure data management systems, geographic information systems capabilities, and stakeholder databases
- Keep permits current and interface with State of Alaska and federal regulators ranging from water quality, culture resources, material sites, and highway use agreements
- Payment of permit fees and lease costs
- Support AGDC's role as minority owner representing the State's interests during FEED with technical, regulatory, and project management expertise



# Economic Value to the State of Alaska

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“It is the intent of the legislature that the Alaska Gasline Development Corporation continue to work towards meeting the critical energy needs of Alaskans by advancing a pipeline project proposal which would deliver North Slope natural gas to Alaska's utilities, businesses, and homeowners. Further, it is the intent of the legislature that the Alaska Gasline Development Corporation complete an independent third-party review of a project proposal that would commercialize North Slope gas and present that analysis to the legislature by December 20, 2024. **It is the further intent of the legislature that if analysis shows a positive economic value to the state, all parties would work toward Front End Engineering and Design for Phase 1 of a pipeline project.**”

At the direction of the Alaska Legislature, Wood Mackenzie was contracted to complete an independent third-party economic assessment of the Alaska LNG Phase 1 Pipeline.

The analysis shows a positive economic value to the state.

# Wood Mackenzie Study

- At the direction of the Alaska Legislature, AGDC contracted with Wood Mackenzie to perform an independent third-party economic assessment of the Phase 1 gas pipeline
- Wood Mackenzie's key findings are:
  - The Phase 1 pipeline can match or beat the cost of imported LNG
  - The Phase 1 pipeline will create significant new jobs and economic activity in Alaska
  - Phase 1 increases the likelihood of full project success

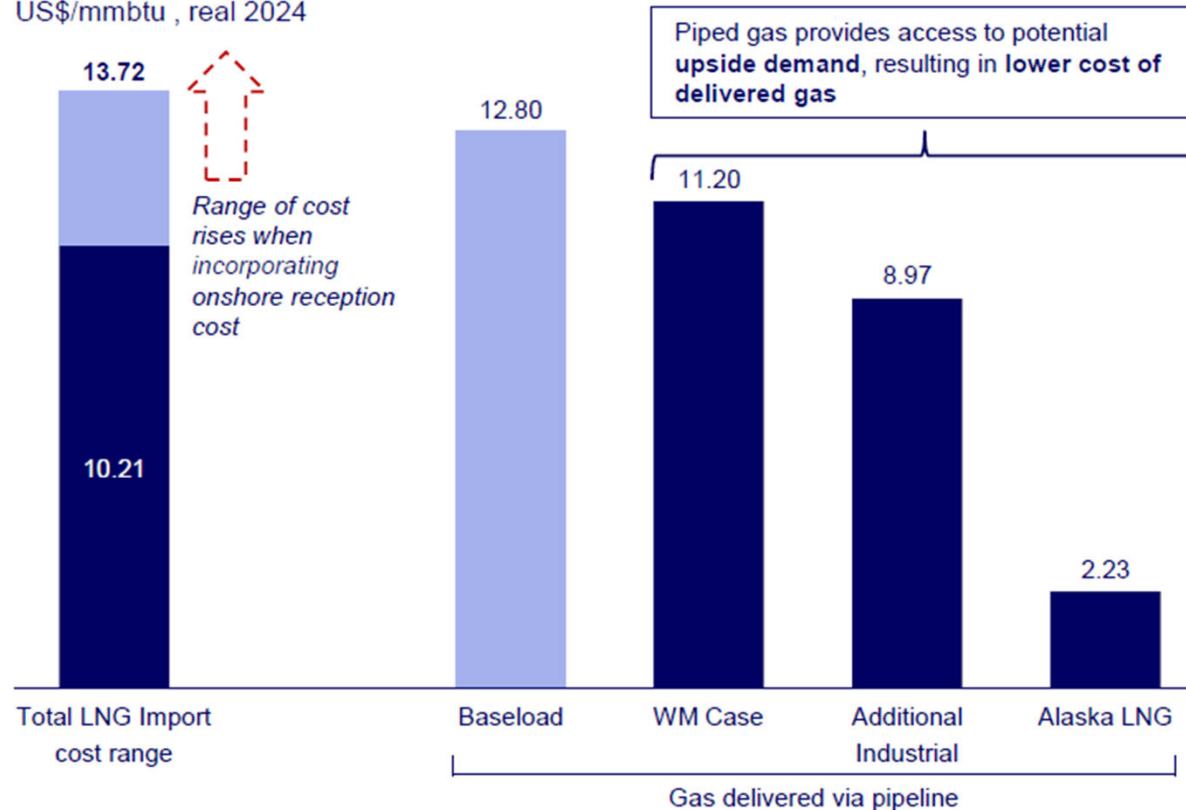


# Wood Mackenzie Analysis

The Wood Mackenzie Analysis shows that the Phase 1 pipeline can deliver gas at or below the cost of imported LNG with just domestic demand. As new Anchor Customers develop, Alaskans will benefit from lower cost energy.

## LNG Import cost comparison vs Gas delivered via pipeline

US\$/mmbtu , real 2024



# Phase 1 Jobs

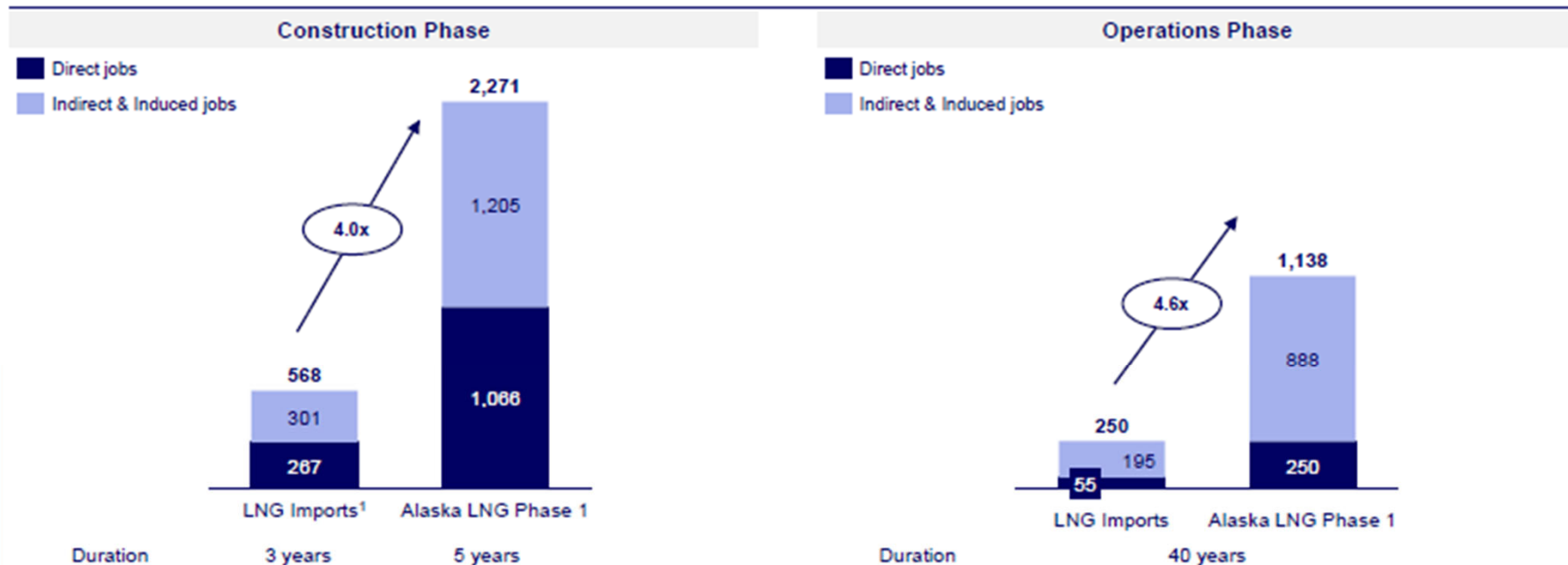
Economic Impact of LNG Pipeline Phase 1



The impact in jobs created from Alaska LNG Phase 1 is 4x larger than the LNG imports alternative mainly due to a larger in-State construction scope

Economic Impact Comparison – LNG Imports vs Alaska LNG Phase 1

Average jobs per year - Direct, indirect, and induced



Source: Wood Mackenzie and AGDC. 1. Refer to appendix for key assumptions

# Economic Impact

Economic Impact of LNG Pipeline Phase 1



Economic impact for Alaska LNG Phase 1 is 7x – 10x larger than the LNG imports alternative with the additional benefit of potential lower gas cost via industry expansion and upside demand

## Economic Impact Comparison – LNG Imports vs Alaska LNG Phase 1

GVA in US\$ billion, 2024 Real

- Marginal FSRU capex considered as only requiring setting up – construction done elsewhere
- No upside for gas demand outside of current baseload consumption
- Impact mainly considering:
  - Dock construction
  - FSRU and dock required labor
  - Local services and materials suppliers
  - Local businesses stimulated

Range of impact

1.4  
LNG Imports In-state economic impact

10.3  
Alaska LNG Phase 1 In-state economic impact

Phase 1 costs are offset by roughly equivalent economic impacts

- Pipeline construction related activity and capital spend directly impacting Alaska economic activity
- Lifetime operational expenditure
- Government revenue from project's corporate taxes
- Government take from upstream gas monetization
- Upside for gas demand (additional industrial) and Fairbanks gas switch from higher emissions fuels

Source: Wood Mackenzie

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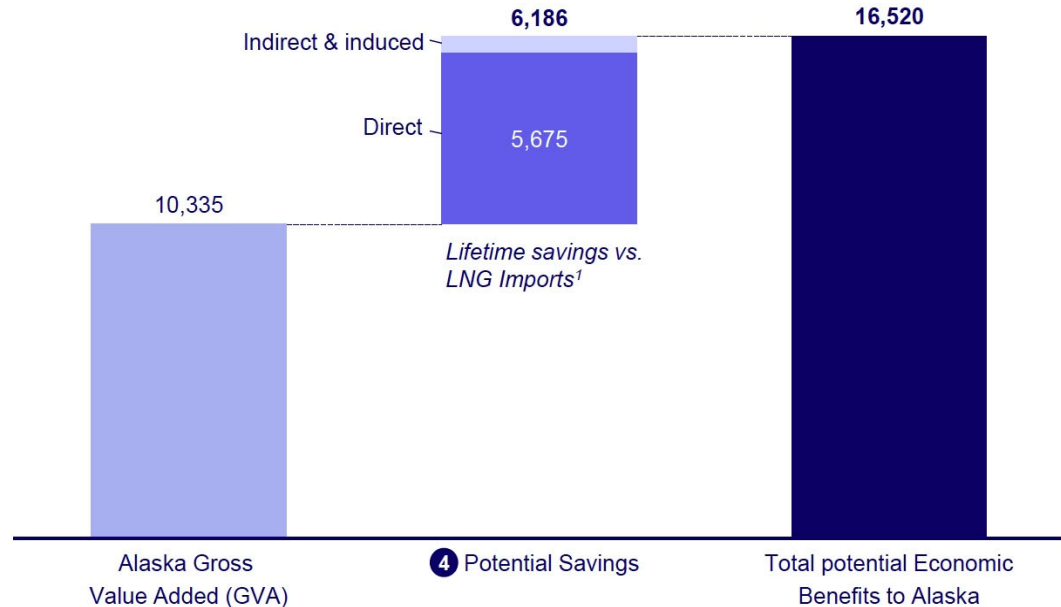
Economic Impact of LNG Pipeline Phase 1



With potential implied savings (compared to LNG imports) economic benefits to the state add up to ~US\$ 16.6 Bn

**Total Economic Impact Estimated for Alaska LNG Phase 1**  
US\$ million, 2024 Real

- Gas via pipeline has additional economic benefits over the long term:
  - Lifetime **savings** from the **baseload** supplied via Pipeline, compared to LNG add up to **~US\$ 5.7 billion**
  - Savings going back into the economy would also generate indirect and induced impact
  - The pipeline provides potential upside for gas demand and industrial activity
  - Overall potential impact to the state of Alaska is estimated at **~ US\$16.5 billion** or 2.8x in-state capex



Source: Wood Mackenzie, AGDC, the Perryman Group; 1. Considers WM Case Scenario, high-end cost of LNG imports and grossed up with the construction economic multiplier (as proxy)



# Exclusivity Agreement and Introduction to Glenfarne

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# Evolution to Private Development

2013 – 2016

## Producer-Led

Producers provided initial scoping and engagement—important demonstration of *producer* support

2017 – 2022

## State-Led

State-led initial design, permitting, and authorization—important demonstration of *state* support

2023 – Onward

## Developer-Led

Transition to world-class private parties for construction and operations

AGDC entered into an exclusivity agreement with Glenfarne in January 2025

## What is an exclusivity agreement?

- Both parties agree to focus their time and efforts developing legal binding agreements that will lead to the start of Front-End Engineering Design
- AGDC is hopeful that those binding agreements will be in place before the end of the legislative session

# Glenfarne Mission and Vision



## Company Tear Sheet:

**~2.2 GW Power Portfolio**

**12.8 MTPA FERC-Approved  
LNG Export Capacity**

**~800 team members**

*Image: Termovale - Colombia.*



**Glenfarne is a global energy transition specialist that is guided by its core mission and vision.**



**Mission:** To realize the potential of the world's energy transition.



**Vision:** Responsibly grow our renewables, grid stability, and flexible fuels businesses to provide economically viable solutions to our communities and customers to realize the potential of the world's energy transition.



**Glenfarne believes that its core competence is its ability to develop local platforms in end markets (by leveraging assets, knowledge and relationships), built around a core understanding that the market's energy transition journey will be driven by the interaction of domestic gas and global LNG.**

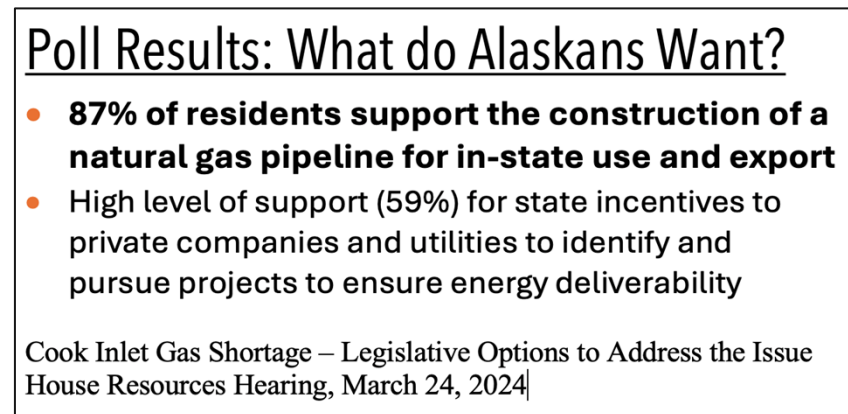
Glenfarne's goal is to construct and operate the Alaska LNG Project, which includes:

- Prioritizing the construction of the Phase 1 Pipeline from the North Slope to Anchorage
  - Goal is to start construction in 2027
  - Bring natural gas to Southcentral in 2031
- Completing construction of the pipeline to Nikiski
- Construction and operation of the Gas Treatment Plant
- Construction and operation of the export liquification facility in Nikiski

# National Priority, Local Benefits

Alaska LNG benefits from strong federal, state, and local support:

- *Robust Federal Support:*
  - Two presidents, unified delegation
  - Executive Order "*Unleashing Alaska's Extraordinary Resource Potential*"
- *Uncommon State Support:*
  - Three governors
  - Business leaders
  - Alaska Native support
  - Leading labor voices





# Rapidly Intensifying Market Interest

- Last week, officials from Japan, South Korea and Taiwan signaled intensifying interest in Alaska LNG through direct investment, long-term purchase agreements, or both
- Accelerating commercial interest adds to project momentum





# Role of AGDC

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## Key Milestones

- Pre-Definitive Agreements:
  - AGDC is leading and funding Alaska LNG Project development
- Pre-FID:
  - Lead Party assumes 75% equity in 8 Star upon signing Definitive Agreements and is responsible for funding all project development costs to FID
- Pre-FID:
  - The State's equity in 8 Star is carried at 25% to FID and AGDC is responsible for project transition functions
- Post-FID:
  - The State has the option, but not the obligation, to invest in up to 25% of capital to construct the Alaska LNG subprojects with AGDC representing the State's interest

# What Else Does AGDC Do?

## AGDC

- Maintains nearly 50 major permits and authorizations
- Continues engagement with future LNG buyers
- AGDC has executed letters of intent and advanced discussion on gas sale purchase agreements (GSPA) with the Producers
- AGDC has signed a GSPA with Great Bear Pantheon for purchase of natural gas for approximately \$1.00 per MMBtu

AGDC.us

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ALASKA  
GASLINE  
DEVELOPMENT CORP.

The logo for Alaska Gasline Development Corp. features the company name in a sans-serif font. To the right of the text is a stylized outline of the state of Alaska, formed by a series of blue stars of varying sizes. One star is positioned at the top right, outside the main cluster of stars that form the state's shape.

# AGDC Common Acronyms

<b>ACC</b>	Arctic Carbon Capture	<b>FEED</b>	Front End Engineering Design
<b>AFN</b>	Alaska Federation of Natives	<b>FERC</b>	Federal Energy Regulatory Commission
<b>AGDC</b>	Alaska Gasline Development Corporation	<b>GTP</b>	Gas Treatment Plant
<b>ANCSA</b>	Alaska Native Claims Settlement Act	<b>HH</b>	Henry Hub
<b>ANVCA</b>	Alaska Native Village Corporation Association	<b>Kbblsd</b>	Thousand Barrels per Day
<b>AOGCC</b>	Alaska Oil and Gas Conservation Commission	<b>LNG</b>	Liquefied Natural Gas
<b>Bbl</b>	Barrel	<b>LOI</b>	Letter of Intent
<b>Bblsd</b>	Barrels per Day	<b>m<sup>3</sup></b>	Cubic Meters
<b>Bcf</b>	Billion Cubic Feet	<b>MMBtu</b>	Metric Million British Thermal Unit
<b>Bcfd</b>	Billion Cubic Feet Per Day	<b>MT</b>	Metric Tons
<b>BLM</b>	Bureau of Land Management	<b>MTPA</b>	Million Tonnes Per Annum
<b>CCS</b>	Carbon Capture and Sequestration	<b>NETL</b>	National Energy Technology Laboratory
<b>CO<sub>2</sub></b>	Carbon Dioxide	<b>NPR-A</b>	National Petroleum Reserve - Alaska
<b>CO<sub>2</sub>E</b>	CO <sub>2</sub> Equivalent	<b>ROW</b>	Right-of-Way
<b>DOE</b>	Department of Energy	<b>TAPS</b>	Trans-Alaska Pipeline System
<b>EA</b>	Environmental Assessment	<b>Tbtu/yr</b>	Trillion British Thermal Units per Year
<b>EIS</b>	Environmental Impact Statement	<b>Tcf</b>	Trillion Cubic Feet
<b>EPC</b>	Engineering, Procurement & Construction	<b>TPA</b>	Tonne per Year