



330 Wendell Avenue, Suite E, Fairbanks, AK 99701

January 22, 2018

Representative Steve Thompson  
State Capitol, Room 500  
Juneau, AK 99801-1182

Sir,

I am writing you to express my support of House Bill 0261A. If passed, this bill would extend the allowable time for the Alaska Industrial Development and Energy Authority (AIDEA) to issue bonds for the Interior Energy Project (IEP) to June 30, 2023. The IEP has been a huge undertaking and, because of hard work and a supportive community, has made slow and steady progress.

Gas distribution lines have been extended to the majority of the City of Fairbanks, expanding the number of available users from about 1,000 to 5,000. A significant portion of the North Pole community now also has gas distribution lines, adding 1,500 more customers. Construction has started on a Liquefied Natural Gas (LNG) storage facility in South Fairbanks that, when finished, will allow the existing LNG plant to provide additional gas to a few hundred customers. Recently, an agreement between AIDEA and Fairbanks' Interior Gas Utility (IGU) was signed and IGU is ready to take control of the combined community gas utility starting in the spring of this year.

To continue moving forward, and begin producing the gas to reach those 5,500 available users, IGU will need to sell the AIDEA Interior Energy Bonds. The extension of bonding authority until June of 2023 is critical to the goals of the Interior Energy Project. Bringing affordable natural gas to Interior Alaska and providing a clean burning fuel to help improve Fairbanks' air quality.

We appreciate your support of the IEP and the support of your colleges in the legislature. Thank you for the opportunity to express our support for this very critical project.

Respectfully,

Jim Dodson  
President & CEO  
Fairbanks Economic Development Corporation



# Fairbanks North Star Borough

Mayor's Office

907 Terminal Street, PO Box 71267, Fairbanks, Alaska 99701 (907)459-1300 FAX (907)459-1102

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

January 22, 2018

The Honorable Steve Thompson  
State House of Representatives  
Alaska State Capitol  
Juneau, Alaska 99801

RE: Support for HB261

Representative Thompson:

I write this letter today in support of House Bill 261, an act relating to the financing and issuance of bonds for a liquefied natural gas production system and natural gas distribution system. Thank you as well for your personal support in moving this important piece of legislation forward.

SB125 will extend the time and authority for the Alaska Industrial Development and Export Authority (AIDEA) to issue bonds out to 2023. 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. SB125 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,

A handwritten signature in black ink that reads "Karl Kassel".

Karl Kassel, Mayor



January 23, 2018

Representative Steve Thompson  
State Capitol Room 500  
Juneau, AK 99801

Dear Representative Thompson,

On behalf of the Interior Gas Utility (IGU), please accept this letter expressing support for House Bill 261 and extension of the Alaska Industrial Development and Energy Authority's (AIDEA) authorization for bond issuance in support of the Interior Energy Project (IEP) to June 30, 2023. This extension will ensure the totality of the funding tools authorized by the State in 2013 remain available to support development of critical components of the project (expanded liquefaction and distribution infrastructure) and maintains the viability of other invested and deployed state funds.

Should they remain available, the bonds authorized in 2013 in SB 23 will, in the immediate- to short-term, serve as completion funding for expanded liquefaction capacity in the Cook Inlet region and, in the longer-term, financing for expansion of the local natural gas distribution system beyond core-Fairbanks and North Pole into the more environmentally challenged and economically challenging areas of the community. These investments in increased LNG production and natural gas distribution capacity are critical to achieving an optimized total natural gas system (proper balance between liquefaction capacity, LNG storage & regasification capacity, and gas distribution & delivery capacity) and necessary to securing, for interest-bearing return, the SETS funds used in 2014/15 for the above reference infill and build-out of Fairbanks and North Pole distribution systems, and currently being deployed to construct the 5.2 million gallon LNG storage facility in Fairbanks.

The Interior Gas Utility and Fairbanks community greatly appreciate the past efforts of yourself and your colleagues in support of the Interior Energy Project and this current effort to ensure its previously-authorized funding package remains fully available. Therefore, I hope you will add myself and IGU to the list of individuals and organizations supporting HB 261 and advocating for its speedy passage.

Sincerely & Respectfully,



Jomo Stewart,  
General Manager

PO Box 70200  
Fairbanks, AK 99707

907 374 4474  
[interiorgas.com](http://interiorgas.com)



February 9, 2018

**Representative Sam Kito**  
Chair, House Labor and Commerce Committee  
State Capitol, Room 403  
Juneau, Alaska 99801

Dear Representative Kito:

I am writing to you today to express support for House Bill 261 (HB 261); An Act relating to the financing and issuance of bonds for a liquefied natural gas production system and natural gas distribution system; and providing for an effective date.”

HB 261 would simply extend the amount of time the Alaska Industrial Development and Export Authority has to issue project bonds in support of the Interior Energy Project. The original authorization was approved by the 28<sup>th</sup> Alaska Legislature with a standard five-year sunset date. Advancement of the project was delayed prompting Representative Steve Thompson to request the proposed time extension.

Negotiations in 2017 advanced the Interior Energy Project to a point that contractual agreements were signed on December 13, 2017 to consolidate the two existing natural gas utilities into a single entity under local control. The transaction is now on track to close by the end of May, at which time continued access to the bond authorization will be a critical component of the utilities’ future plans to increase access. In addition to access to an increased supply of natural gas in the Interior at an affordable price, we understand increased use of natural gas will assist community leaders in their efforts to comply with requirements of the Clean Air Act.

Gene Therriault is the Interior Energy Project Team Lead for AIDEA and is available to provide further background information you may require. Gene has worked closely with Representative Thomson and his staff on HB 261 and will be available to testify on the legislation.

Kind regards,



John Springsteen  
AIDEA CEO/Executive Director



## CITY OF FAIRBANKS

Jim Matherly, Mayor  
800 CUSHMAN STREET  
FAIRBANKS, ALASKA 99701-4615  
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01/31/18

Representative Steve Thompson  
State Capitol  
120 Fourth Street  
Juneau, AK 99801-1182

Re: Support for HB 261

Dear Representative Thompson,

I'm writing to express my support for HB 261. House Bill 261 will provide necessary support for AIDEA to issue bonds for the Interior Energy Project.

The Fairbanks City Council recently unanimously passed Resolution 4823 in support of Senate Bill 125, HB 261's companion bill. This project is of vital importance to Fairbanks and the whole interior; it is necessary to do everything we can to make sure it is a success.

The economic and environmental impact that the Interior Energy Project will have on Fairbanks makes this project a high priority and the City of Fairbanks backs these measures to bring affordable energy to interior Alaska.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Matherly".

Mayor Jim Matherly  
City of Fairbanks



## CITY OF NORTH POLE

*"Where the Spirit of Christmas Lives Year Round"*

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January 29, 2018

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Fax: 907-488-3002

Mayor  
907-488-8584

City Clerk  
907-488-8583

Police  
Department  
907-488-6902

Fire  
Department  
907-488-2232

Utilities  
907-488-6111

Director of  
City Services  
907-488-8593

Finance  
907-488-8594

Representative Steve Thompson  
State Capitol Room 500  
Juneau, AK 99801

Representative Thompson:

Passage of Senate Bill 125 and House Bill 261 is crucial to the viability of the Interior Energy Project (IEP). Without the extension of bonding authority, the Interior Gas Utility (IGU) will be unable to fulfill its mission to provide utility gas service to the urbanized area of the interior, including the City of North Pole and Fairbanks.

Grants, SETS loans and bonding authority were part of the 'building blocks' presented to the interior as part of the IEP under Governor Parnell and it was emphasized that all components of the plan were needed to bring cheaper gas to the interior. Much work has been done to bring the project this far and we are several short months from accomplishing the project and beginning the expansion phases. Bonding authority is essential to the projects ability to raise the necessary funds to be able to complete the project and expand its reach to as many as possible.

Thank you for your support of the IEP.

Sincerely

Bryce J. Ward  
Mayor, City of North Pole, Alaska