

Alaska Propane Project – The Private Sector Venture

Good Afternoon, my name is Mary Ann Pease and I am the owner of MAP Consulting. Over the past decade, I have been involved in various aspects of oil, energy and gas consulting services for a whole host of companies. Most recently my efforts have focused on the Propane Project for ANGDA. This project is timely and could be an attractive alternative for many rural communities today.

-bringing together all value chain

ANGDA developed a ***Alaska Propane Consortium*** approach to promoting and advancing the concept of shipping Propane from the North Slope prior to and with a gas pipeline. We have held 2 major forums and conferences here in Anchorage and another in Fairbanks. North Slope propane is readily available on the North Slope and with the proper commercial arrangement with the Producers, the private sector could start delivering propane today as an attractive alternative to diesel... The concept is to start small with existing propane facilities and then work with the private sector to build ^{and expand} the necessary storage and delivery infrastructure to support distribution to Interior and rural Alaska. ~~and perhaps~~

I have also worked with **ROUSH CleanTech**, who has been working with the Propane Education & Research Council (PERC) and Ford Motor Company since 2006 to develop liquid propane

autogas fuel systems for a variety of Ford vehicles. As a matter of fact, 2 of these ROUSH propane fuel injected FORD 250 trucks are being driven in Alaska today by the SOA fleet services, several companies that have a presence on the North Slope, as well as the Fleet services companies supporting North Slope Activities. There is definitely a sense that fleet service conversion to propane is a viable option (compared to trucking ULSD North), especially given the resource available on the North Slope today. There is an opportunity for a substantial cost saving for fleet vehicles on the North Slope and also attractive savings for rural communities depending on the logistics involved. Propane also offers environmental advantages as a cleaner burning fuel and much lower maintenance costs for equipment.

I have participated in the In-state bullet line project on behalf of the **Pacific Propane Gas Association** (which was founded in 1961) and represents propane marketers and related businesses throughout Alaska, Hawaii, Oregon and Washington. PPGA maintains its core principles of education, safety and training to promote high standards of practice in the propane industry and to help its members compete in the energy marketplace. The Pacific Propane Gas Assoc. has been

an active participant in the Alaska Propane Consortium and propane advancement throughout our state and nationwide.

The cost of trucking propane from the North Slope and then utilizing barges with ISO containers to delivery points along the river communities is a very timely and commercially viable project. Deliveries could start today versus 10-20 years out and is not dependent upon propane imported from Canada.

CONCLUSION:

I encourage the legislature to support all efforts to continue participation in options related to propane conversion for Interior and Rural communities, many of which will never see any benefits from a gas line for their home heating needs. Similar to the development of the storage and infrastructure for diesel, there is an opportunity to build out storage for this very viable alternative that could be utilized for home heating and cooking in many communities. I have been working closely with the Northwest Arctic Borough and the energy coordinator-Ingemar Mattiasson – can document the demand, need and cost savings from propane even today – and that is using propane from Prince Rupert rather than our North Slope!

Finally, it is important to note that we really need to get support, recognition and perhaps language from the legislature on the inclusion of propane as an **alternative fuel**. Discussions with the Alaska Energy Authority clearly indicate that Propane is not on their radar screen because it is not *renewable* and is not *locally sourced* (such as burning wood, or using wind). Propane is the best alternative for lowering the cost of energy for rural Alaska and certainly compliments the renewable program as well.

Thank you for your time and consideration of the Alaska propane project as an attractive, clean burning, affordable alternative to diesel.