

2025 ENSTAR Update

January 24, 2025



Utility Duty to Serve

This duty is not shared by producers, IPPs, or anyone else in this state. It is our obligation alone.

Sec. 42.05.291. Standards of service and facilities.

(a) Each public utility shall furnish and maintain adequate, efficient, and safe service and facilities. This service shall be reasonably continuous and without unreasonable interruption or delay.

Establishing the Path Forward

April 2022: Hilcorp Announcement

- Creation of the Utility Working Group ENSTAR, Chugach, MEA, HEA, GVEA, IGU



February 2023: Approval of the creation of a Reg Asset, “we grant ENSTAR authority to defer all necessary and prudent third-party costs incurred during its participation in the multiparty working group for studying and securing long-term gas supplies in the Cook Inlet.”

June 28, 2023: BRG & ENSTAR presented our key options to the commission, which included the Floating Storage Regas Unit and a variety of other LNG solutions.

Assessment of Options

June 2023 - December 2024:

Over 30 CAs and NDAs signed

For each proposal:

- *Does it make operational sense?*

For each entity:

- *Are they fit? Are they able?*

BRG created a prioritized system of scoring different options with guidance from the Utility Working Group. Options were scored based on ten criteria.

Uniformly, the top three criteria received the highest priority scores.

1. Schedule Risk
2. Reliability of supply during operations
3. Delivered cost of supply per Mcf
4. Flexibility/Scalability
5. Project Complexity
6. Permitting
7. Environmental impact
8. Size of direct investment by utilities
9. Local economic impact
10. Carbon efficiency

Cook Inlet Gas Negotiations

New Furie Contract submitted 12-31-2024

Year	Volumes	Price (with & w/out royalty relief)
2026	3 BCF	\$12.30 or \$13.69 per MCF
2027	9.5 BCF	
2028	10.77 BCF	
2029	9.12 BCF	
2030	7.2 BCF	

CINGSA Expansion – Well Side



CINGSA Expansion – Facility Side

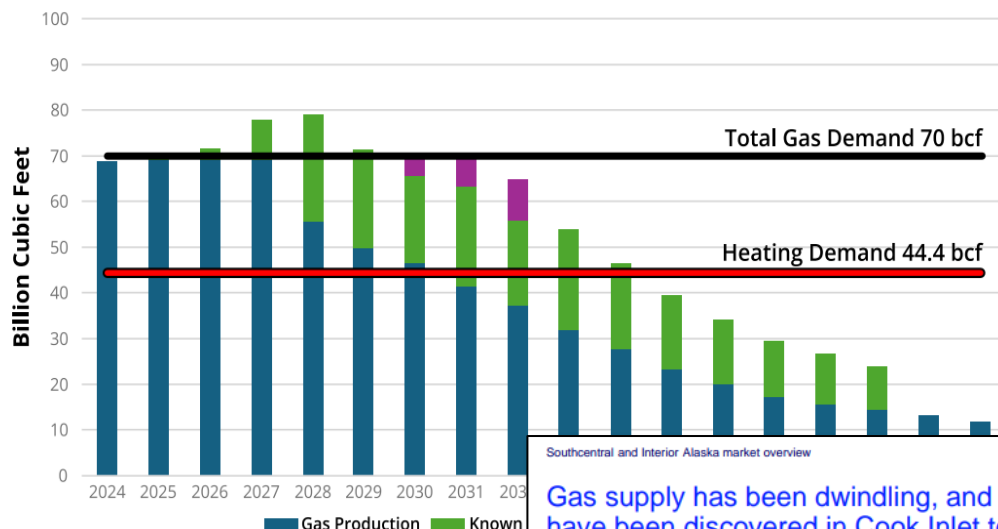


Gas Supply Communications

"RUNWAY" OF COOK INLET GAS



Cook Inlet Gas Production

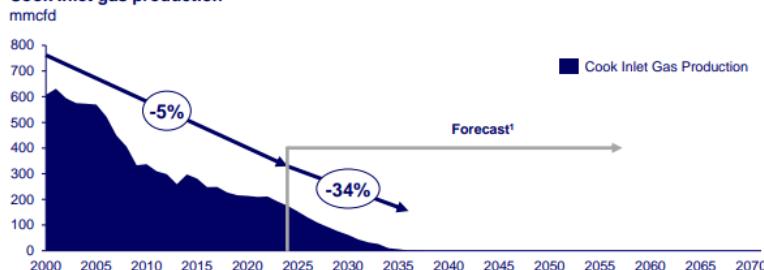


Southcentral and Interior Alaska market overview

Wood Mackenzie

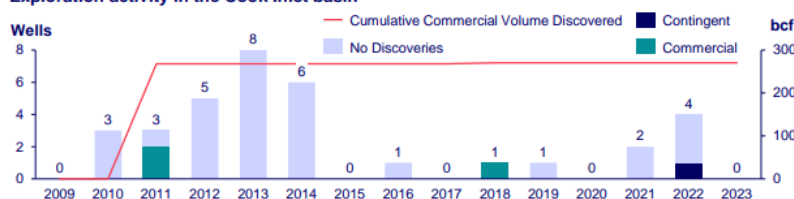
Gas supply has been dwindling, and despite exploration efforts by operators, no new volumes have been discovered in Cook Inlet to replenish the reserves

Cook Inlet gas production



- Cook Inlet production is expected to be depleted by the mid-2030s
- Exploration success in the Cook inlet has been limited:
 - 34 exploration wells drilled in the last 15 years
 - 9% success rate with only three commercial discoveries
 - 270 bcf of reserves discovered in the last 15 years

Exploration activity in the Cook Inlet basin



Source: Wood Mackenzie

1. Compounded Annual Decline Rate is 34% driven by production reaching 0 in 2037.

Source: House Resources Committee Presentations
DNR and Wood Mackenzie
12-9-2024



Glenfarne & ENSTAR

December 16, 2024:

Exclusivity Agreement signed between Glenfarne Group, LLC and ENSTAR

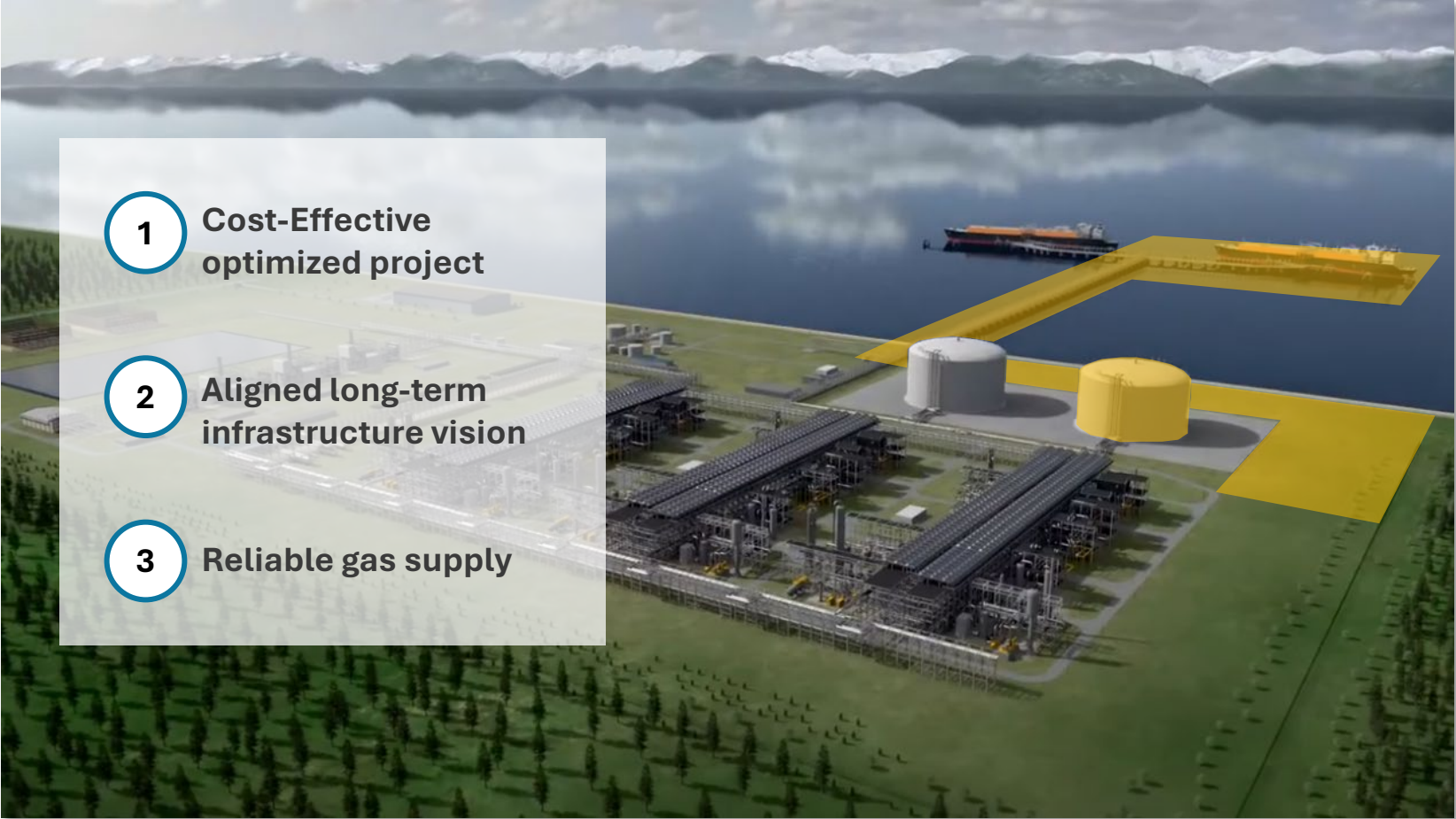
- What is it?
- What it means

January 8, 2025:

Agreement went public



Import Terminal Facilities

- 
- 1 Cost-Effective optimized project
- 2 Aligned long-term infrastructure vision
- 3 Reliable gas supply
- The background image is an aerial rendering of an industrial facility, likely a gas import terminal. It features several large storage tanks, including one prominent yellow one, and complex piping systems. A large ship is docked at a pier in the background, and the facility is situated near a body of water with mountains in the distance. A semi-transparent white box on the left contains the numbered list.

Highlighting the benefits at the AK LNG Site

- 1** Enhanced permitting and construction timeline reduced



- 2** Cost-effective gas supply



- 3** Increased reliability with reduced mooring and ice challenges in Cook Inlet



- 4** Flexibility on imported and local gas



- 5** Onshore reliability and efficiency potentially supported by LNG storage



- 6** Long-term support of Alaska Gas Pipeline





Questions