

March 12, 2025

Representative Will Stapp
State Capitol Room 500
Juneau AK, 99801

Re: Support for House Bill 119

Dear Representative Stapp,

On behalf of the Fairbanks Economic Development Corporation (FEDC), I am writing to express our support for House Bill 119, and commencement-in-earnest of state-level discussions regarding construction of the spur-line necessary to allow the greater Fairbanks community affordable access to the natural gas flowing through the AK LNG trans-Alaska gasline.

As early as 2011, it was recognized that the project development plan proposed by the Alaska Gasline Development Corporation (AGDC) posed a challenge for the greater Fairbanks community – all but by-passing, as it does, the Fairbanks North Star Borough and placing the nearest possible system interconnect point(s) nearly 40 miles from Fairbanks’ main natural gas storage and distribution facility. Then AGDC President Fauske sought to mollify local concerns with this situation with repeated, public, verbal assurances that the “Fairbanks Lateral” would be, on a cost of construction and operations basis, “integral to the overall project”.

Still, concern lingered. And those valid community have been heightened in recent years as AGDC’s talking points have evolved to make explicit its position that AGDC does not, in fact, consider the Fairbanks Lateral “integral to the overall project” or consider itself bound in any meaningful way to even assist the community in accruing the resources necessary to construct a Fairbanks spur-line, let alone under a funding/financing schema which, like the Interior Energy Project funding package, might encourage fuel switching from other commodities to natural gas.

FEDC understands that the highest priority for the State of Alaska, as it should be, is to monetize its collectively owned North Slope natural gas resources. However, with sales to whomever, wherever, simply monetizing the gas and increasing income into the State Treasury. FEDC likewise understands that a close second is satisfying the critical energy needs of our neighbors in South Central. Even if a spur-line is never built, returning energy security to Alaska’s most populous, natural gas reliant region. Still, FEDC believes it be would a tragedy – unconscionable, actually – if a trans-Alaska gasline were to either bypass Fairbanks entirely (skirting the extreme north-west corner of the Fairbanks North Star Borough does not and must not be allowed to qualify as “bringing natural gas the FNSB”) or if the gas at start-up is too expensive to encourage or allow local utilities, businesses and residents to beneficially transition to it use.

HB 119 is not a “solution” to the dilemma of how gas gets from the “Big Line” to Fairbanks nor how we ensure the price, to residents of the Golden Heart City and parts beyond, will be reasonably comparable to that borne by South Central rate-payers. It does, however, begin a much needed conversation; one folks in Fairbanks, Rural Alaska and other places not directly along the permitted gasline route have, out of concern we might risk or complicate advancement of the “Big Line”, conscientiously held in abeyance.

As in Anchorage, reliable access to sufficient quantities of affordably-priced energy is an absolute necessity for Fairbanks. Likewise, very high volume of instate sales, including, according to AGDC's Wood Mackenzie report, in the FNSB, is critical to trans-Alaska gasline success. Therefore, commencing the statewide conversation needed to achieve those dual ends, now and in earnest, is both necessary and timely. For these reasons, FEDC supports HB119 and thanks the Sponsor for helping initiate this vitally important discussion.

Respectfully,



Jomo Stewart
President & CEO