

# Impact of SB243 on Geothermal Development in Alaska

Paul Thomsen

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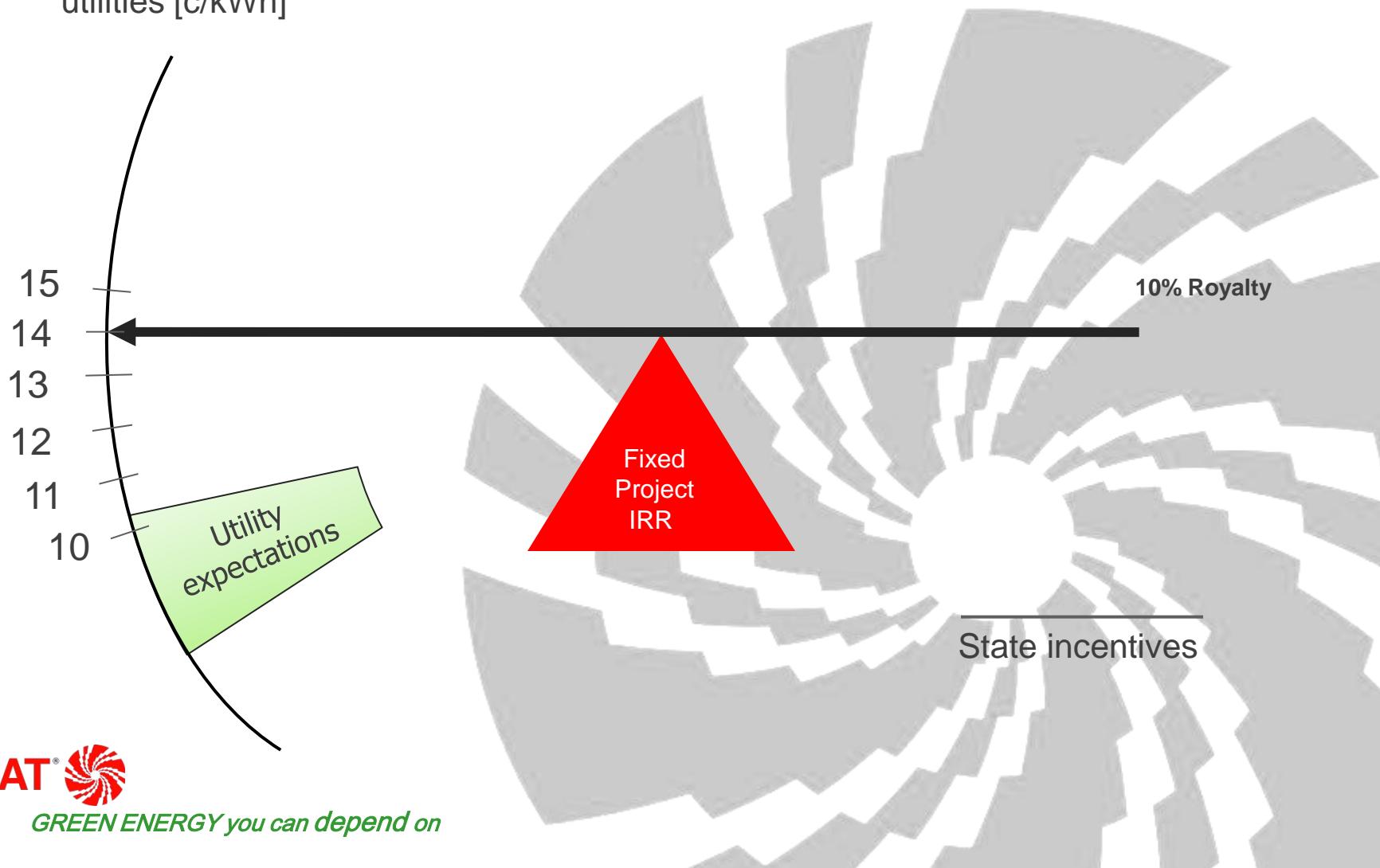
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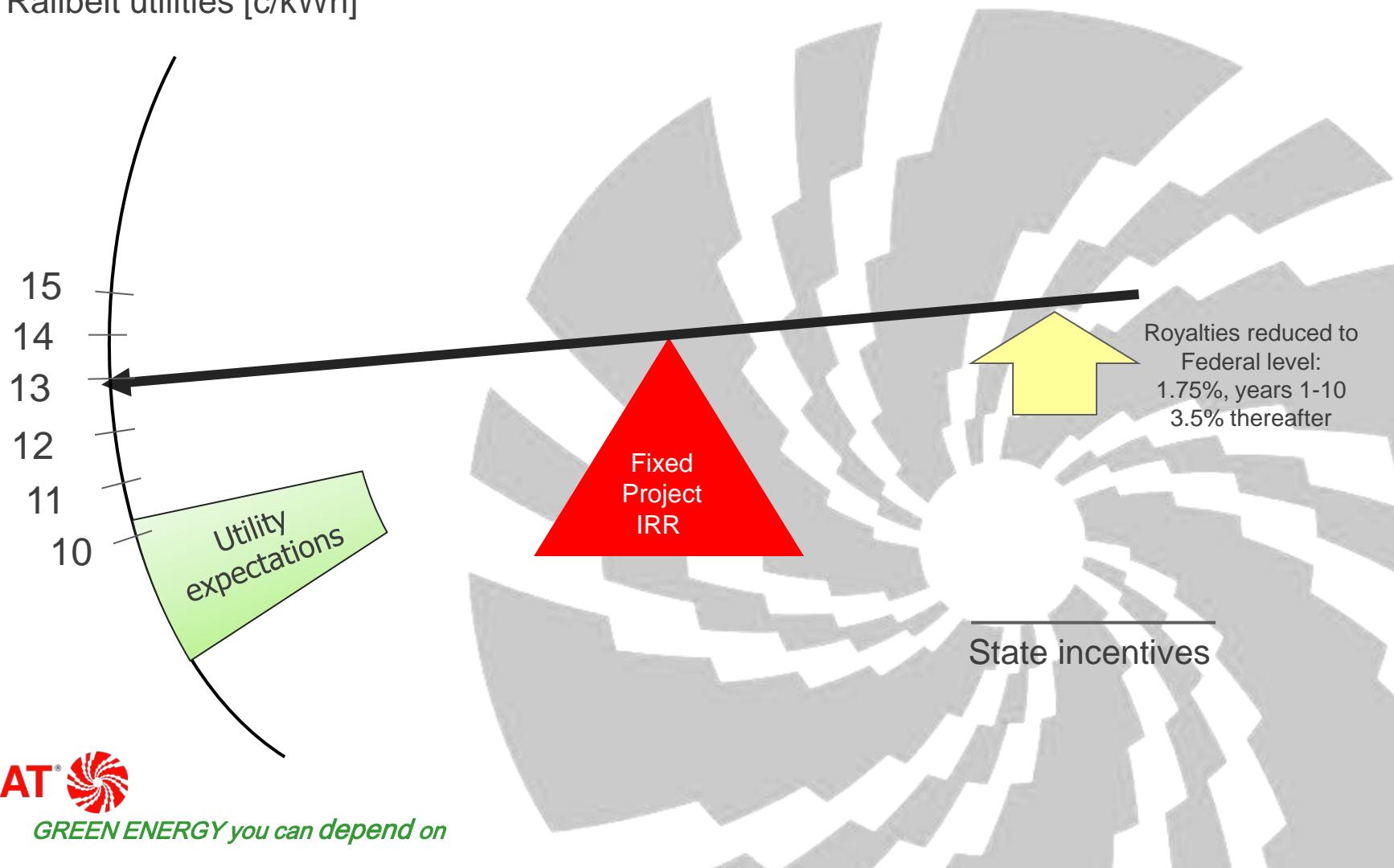
# Estimated Power Price, Current Conditions

Power price to Railbelt  
utilities [c/kWh]



# Impact of SB243 on Mt Spurr Power Price

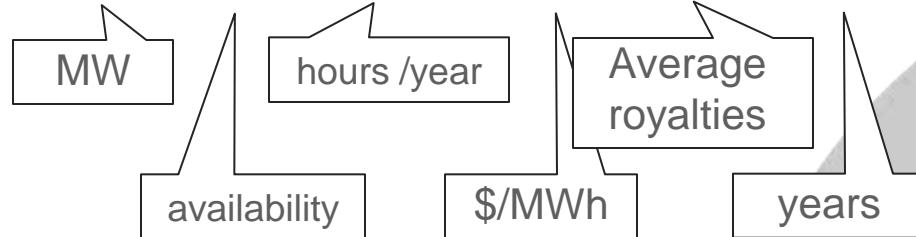
Estimated power price to  
Railbelt utilities [c/kWh]



# Economic Benefits to the State of Alaska

## ■ Estimated royalty payment in 25 years<sup>1</sup>:

$$50 * 0.95 * 8760 * 130 * 2.8\% * 25 =$$



**\$38 million**

## ■ Saving to railbelt ratepayers<sup>1</sup>:

$$50 * 0.95 * 8760 * 10 * 25 =$$

**\$/MWh reduction in power price**

**\$104 million**

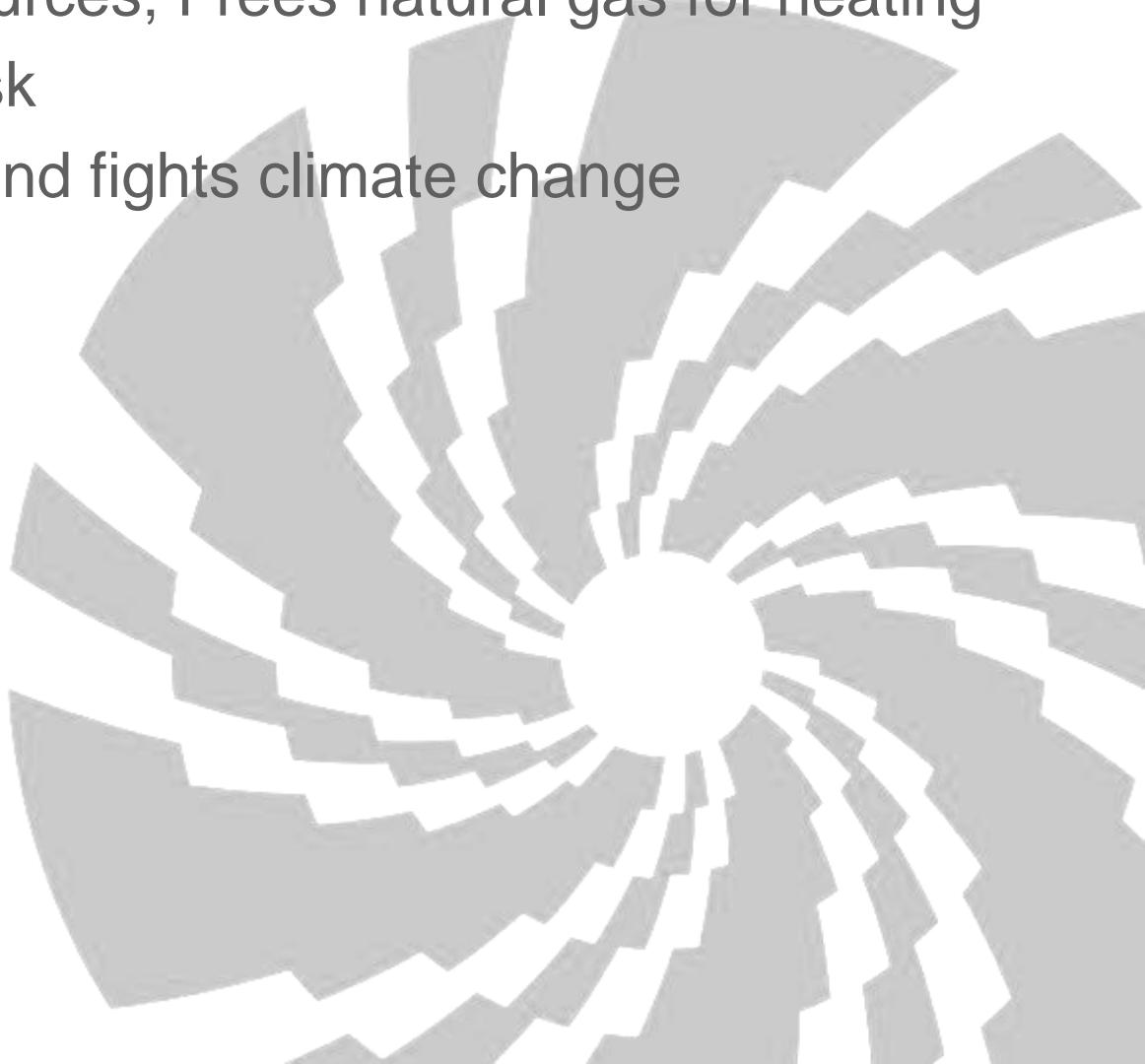
## ■ Total economic benefit:

**>\$140 million**

<sup>1</sup> This is a simplified calculation, not accounting for inflation and other factors that will affect actual payment / saving

# Other Benefits to the State of Alaska

- Diversifies energy sources; Frees natural gas for heating
- Removes fuel cost risk
- Reduces emissions and fights climate change
- Creates green jobs



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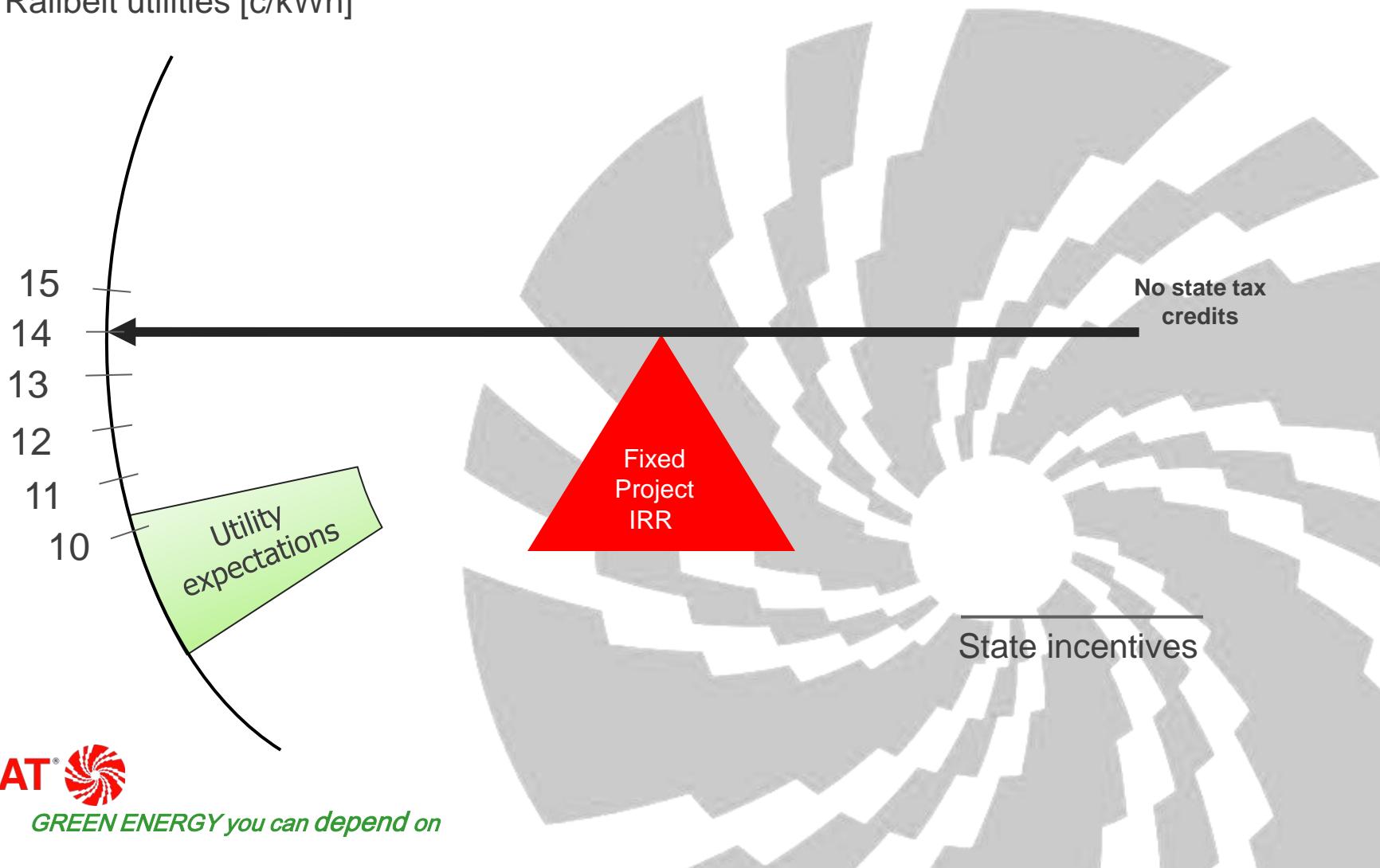
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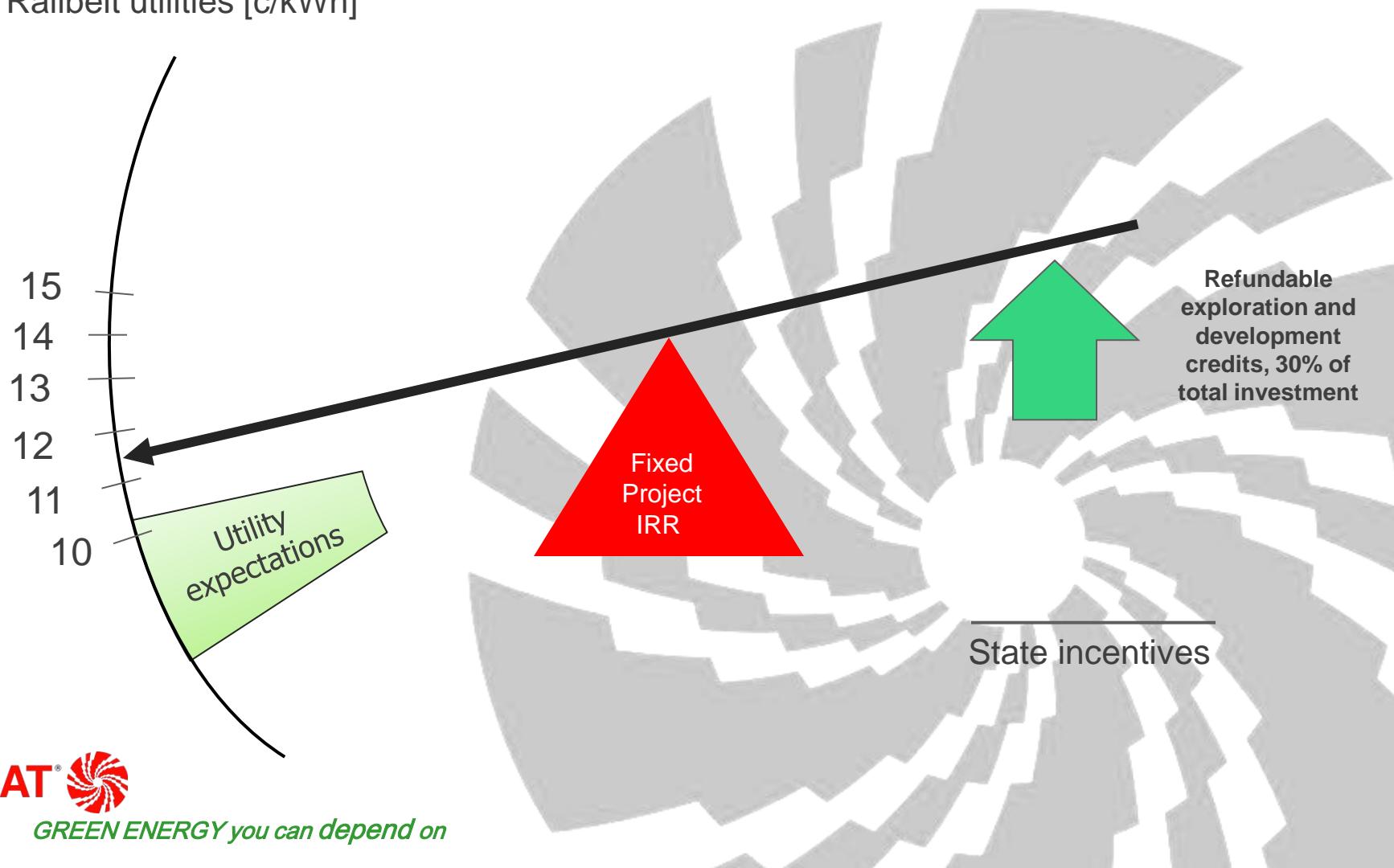
# Estimated Power Price, Current Conditions

Estimated power price to  
Railbelt utilities [c/kWh]



# Impact of SB243 on Mt Spurr Power Price

Estimated power price to  
Railbelt utilities [c/kWh]



# Cost and Economic Benefits to the State of AK

## ■ Estimated cost of tax credits:

30%\* 275 =

## Estimated cost of exploration and development [{\$m}])

**(\$82.5 million)**

## ■ Estimated saving to railbelt ratepayers<sup>1</sup>:

$$50 * 0.95 * 8760 * 25 * 25 =$$

MW

hours /year

years

## availability

## \$/MWh saving

**\$260 million**

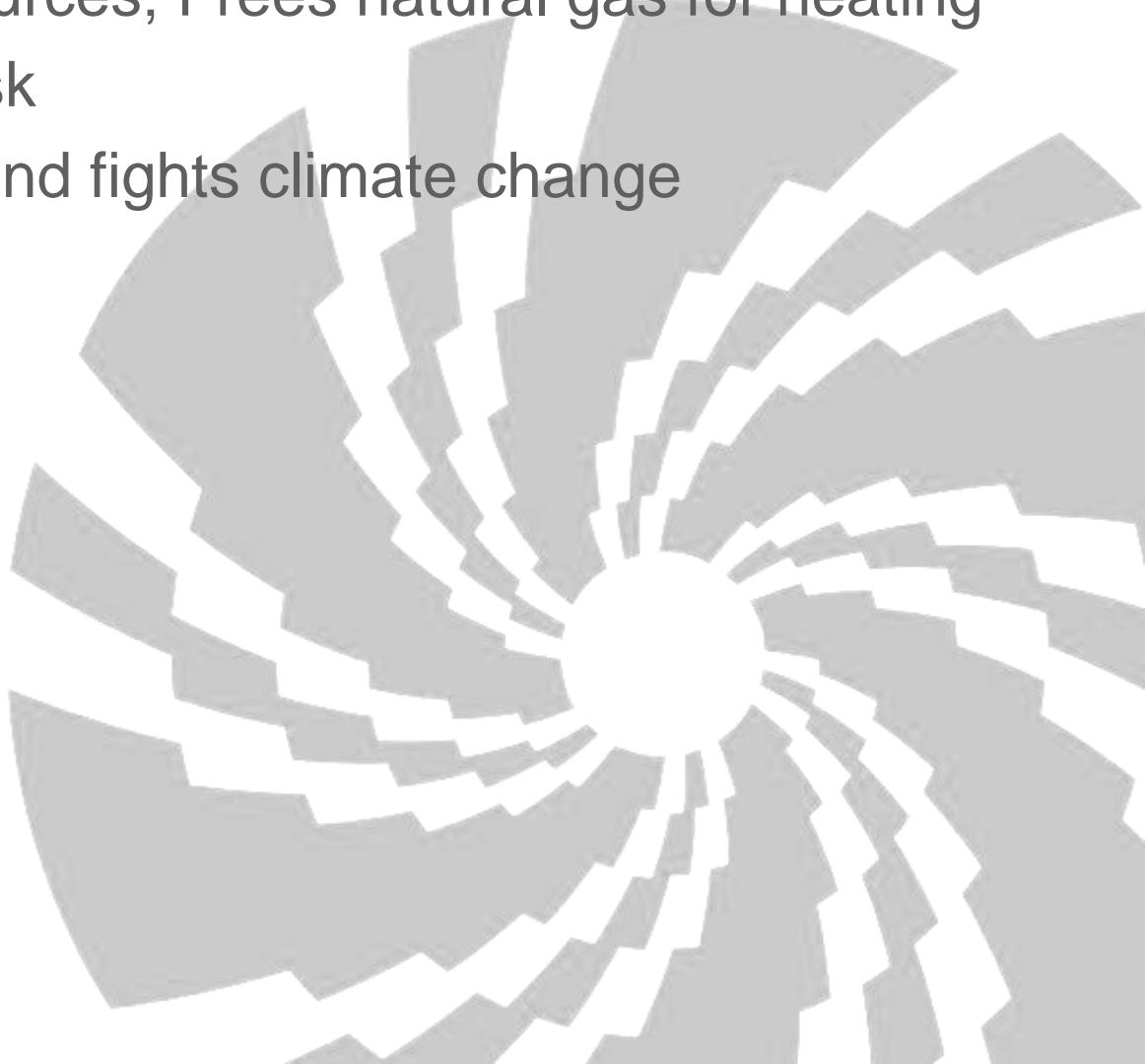
## ■ Total economic benefit:

>\$175 million

<sup>1</sup> This is a simplified calculation, not accounting for inflation and other factors that will affect actual savings.

# Other Benefits to the State of Alaska

- Diversifies energy sources; Frees natural gas for heating
- Removes fuel cost risk
- Reduces emissions and fights climate change
- Creates green jobs



# Impact of SB242 + SB243 on Power Price

Estimated power price to  
Railbelt utilities [c/kWh]

