CHANGES FROM HCR 12 TO CS FOR HCR 12 (ENE)

TITLE CHANGE:

FROM:

Requesting that the governor and the attorney general review and reevaluate the license issued to TransCanada Alaska Company, LLC, and Foothills Pipe Lines Ltd., jointly as licensee, under the Alaska Gasline Inducement Act to determine whether the project proposed by the licensee sufficiently maximizes the benefits to the people of the state and merits continuing the license, taking into consideration economic changes affecting project financing, the availability of liquefied natural gas and natural gas from nonconventional sources, the state's risk of paying treble damages associated with an in state gas pipeline, and the expected budget deficit; and requesting that the governor and the attorney general report the outcome of the review and reevaluation within six months.

TO:

Requesting that the governor and the attorney general review and reevaluate the project proposed by TransCanada Alaska Company, LLC, and Foothills Pipe Lines Ltd., jointly as licensee, under the Alaska Gasline Inducement Act to determine whether the project proposed by the licensee fails to maximize the benefits to the people of the state or is uneconomic, taking into consideration economic changes affecting project financing, the availability of liquefied natural gas and natural gas from nonconventional sources, the state's risk of paying treble damages associated with an in-state gas pipeline, and the expected budget deficit; and requesting that the governor and the attorney general report the outcome of the review and reevaluation within six months.

SECOND "WHEREAS" CHANGED FROM:

WHEREAS aggressive developments of shale and other nonconventional gas resources in the Lower 48, such as the Barnett shale formation in Texas, thought to be the largest onshore natural gas field in the United States, with some experts estimating that it contains up to 30 trillion cubic feet of gas, and the Bakken shale formation of the Williston Basin Province, Montana and North Dakota, which is thought to contain 1.85 trillion cubic feet of associated/dissolved natural gas, and 148,000,000 barrels of natural gas liquids, have brought substantial new domestic natural gas production to market; and

TO:

WHEREAS aggressive developments of shale and other nonconventional gas resources in the Lower 48, such as the Barnett shale formation in Texas, estimated at 30,000,000,000,000 cubic feet of recoverable gas; the Haynesville shale formation across East Texas, Louisiana, and Arkansas, estimated to have 20,000,000,000,000 to

35,000,000,000,00 cubic feet; and the Marcellus shale formation stretching from West Virginia into upstate New York, with recoverable reserves estimated at 50,000,000,000,000 cubic feet, have brought substantial new domestic natural gas production to market and will continue to produce for years into the future; and

THIRD WHEREAS CHANGED FROM:

WHEREAS technological advancements in the field of shale gas recovery have called Into question the economic viability of a long distance, large diameter pipeline; and

TO:

WHEREAS technological advancements in the field of shale gas recovery have lowered costs and prompted increased production, adding to the competition for a long distance, large diameter pipeline; and

FIFTH WHEREAS: Deleted

NEW WHEREAS' :

5) Whereas the cost of incremental production gains in shale gas are less costly, and less risky, than a multibillion-dollar large diameter pipeline; and

6) Whereas increased availability of liquefied natural gas from points around the world also present growing competition in the U.S. market for a gas pipeline from Alaska; and

7) Whereas there is significant capacity available at existing, expanded, new and proposed LNG receiving terminals to serve the U.S. market; and

8) Whereas new LNG production facilities are coming online worldwide, in search of a market, with the U.S. the largest natural gas market in the world;

FIFTEENTH WHEREAS FROM:

WHEREAS the development of a project for the delivery of natural gas from the North Slope before the commencement of commercial operations of the project proposed by TransCanada Alaska Company, LLC, and Foothills Pipe Lines Ltd., jointly as licensee, may require the state to extend to another person preferential royalty or tax treatment or grant of state money for the purpose of facilitating the construction of a natural gas pipeline; and

TO:

WHEREAS the development of a project for the delivery of natural gas from the North Slope before the commencement of commercial operations of the project proposed by TransCanada Alaska Company, LLC, and Foothills Pipe Lines Ltd., jointly as licensee, may require the state to consider fiscal issues related to facilitating the construction of a natural gas pipeline; and

TWENTIETH WHEREAS CHANGED FROM:

WHEREAS the entitlement of TransCanada Alaska Company, LLC, and Foothills Pipe Lines Ltd., jointly as licensee, to a payment by the state of an amount equal to three times the total amount of certain qualified expenditures incurred and paid by the licensee handicaps the state from pursuing **all** reasonable alternatives for the development of a project to deliver natural gas from the North Slope to the people of the state or for export from the state for the benefit of the people of the state; and

TO:
“all” deleted

BE IT RESOLVED CHANGED FROM:

BE IT RESOLVED that the Alaska State Legislature requests that the governor and the attorney general review and reevaluate the license issued to TransCanada Alaska Company, LLC, and Foothills Pipe Lines Ltd., jointly as licensee, under AS 43.90 (Alaska Gasline Inducement Act) to determine whether the project proposed by the licensee sufficiently maximizes the benefits to the people of the state and merits continuing the license, taking into consideration economic changes affecting project financing, the availability of liquefied natural gas and natural gas from nonconventional sources, the state's risk of paying treble damages associated with an in-state gas pipeline, and the expected budget deficit;

TO:

BE IT RESOLVED that the Alaska State Legislature requests that the governor and the attorney general review and reevaluate the project proposed by TransCanada Alaska Company, LLC, and Foothills Pipe Lines Ltd., jointly as licensee, under AS 43.90 (Alaska Gasline Inducement Act) to determine whether the project proposed by the licensee fails to maximize the benefits to the people of the state or is uneconomic, taking into consideration economic changes affecting project financing, the availability of liquefied natural gas and natural gas from nonconventional sources, the state's risk of paying treble damages associated with an in-state gas pipeline, and the expected budget deficit;