

HOUSE CONCURRENT RESOLUTION NO. 2

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES RAMRAS, Millett, Johnson, Chenault, Hawker

Introduced: 1/21/09

Referred: House Special Committee on Energy, Resources

A RESOLUTION

1 **Requesting the governor to provide energy security for all Alaskans by pursuing**
2 **development of a natural gas bullet pipeline from the North Slope to the Cook Inlet**
3 **region; and requesting the governor to identify and negotiate with one or more persons**
4 **capable of producing natural gas from the Gubik area, and other areas on the North**
5 **Slope if necessary, in sufficient quantities to support a bullet pipeline project.**

6 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 **WHEREAS** natural gas production in the Cook Inlet region of the state has suffered
8 significant decline, resulting in the closure of the Agrium U.S., Inc., facility in Kenai and the
9 risk of inadequate supplies of natural gas in the Gubik area and elsewhere to consumers that
10 rely on production from the Cook Inlet region; and

11 **WHEREAS** there are significant quantities of natural gas in the Gubik area and
12 elsewhere on the North Slope that could be produced if means for delivering the product to
13 market were available; and

14 **WHEREAS** the major gas pipeline project licensed by the state under AS 43.90
15 (Alaska Gasline Inducement Act) or a similar alternative project that offers five natural gas

1 delivery points in the state is not expected to transport natural gas from the North Slope until
2 after 2016; and

3 **WHEREAS** the people of the state need energy security and access to natural gas now
4 and cannot wait for the completion of the major gas pipeline project from the North Slope;
5 and

6 **WHEREAS** the demand for natural gas in the state is expected to increase steadily;
7 and

8 **WHEREAS** the construction of a smaller gas pipeline, sometimes referred to as a
9 "bullet line," may be capable of delivering the state's natural gas to in-state markets before the
10 major gas pipeline project from the North Slope becomes operational; and

11 **WHEREAS** a commitment to transport 180,000,000,000 cubic feet of natural gas a
12 year to provide approximately 60,000,000,000 cubic feet of natural gas a year for railbelt
13 residential customers, 60,000,000,000 cubic feet of natural gas a year for industrial use,
14 including fertilizer production by Agrium U.S., Inc., and 60,000,000,000 cubic feet of natural
15 gas a year for export will contribute to the economic viability of the bullet pipeline from the
16 North Slope to the Cook Inlet region of the state;

17 **BE IT RESOLVED** that the Alaska State Legislature requests the governor to
18 provide energy security for all Alaskans by taking all action necessary to promote the
19 development of a bullet pipeline for delivering natural gas from the Gubik area and other
20 areas on the North Slope to the Cook Inlet region of the state by identifying one or more
21 persons capable of producing natural gas from the Gubik area in sufficient quantities to
22 support a bullet pipeline project or, if the Gubik area does not have sufficient quantities of
23 natural gas to support a bullet pipeline, from other areas on the North Slope, and negotiating
24 for a commitment of natural gas production on commercially reasonable terms to support the
25 economic viability of the bullet pipeline.