

# Impact of SB243 on Geothermal Development in Alaska

Paul Thomsen

Director of Policy and Business Development

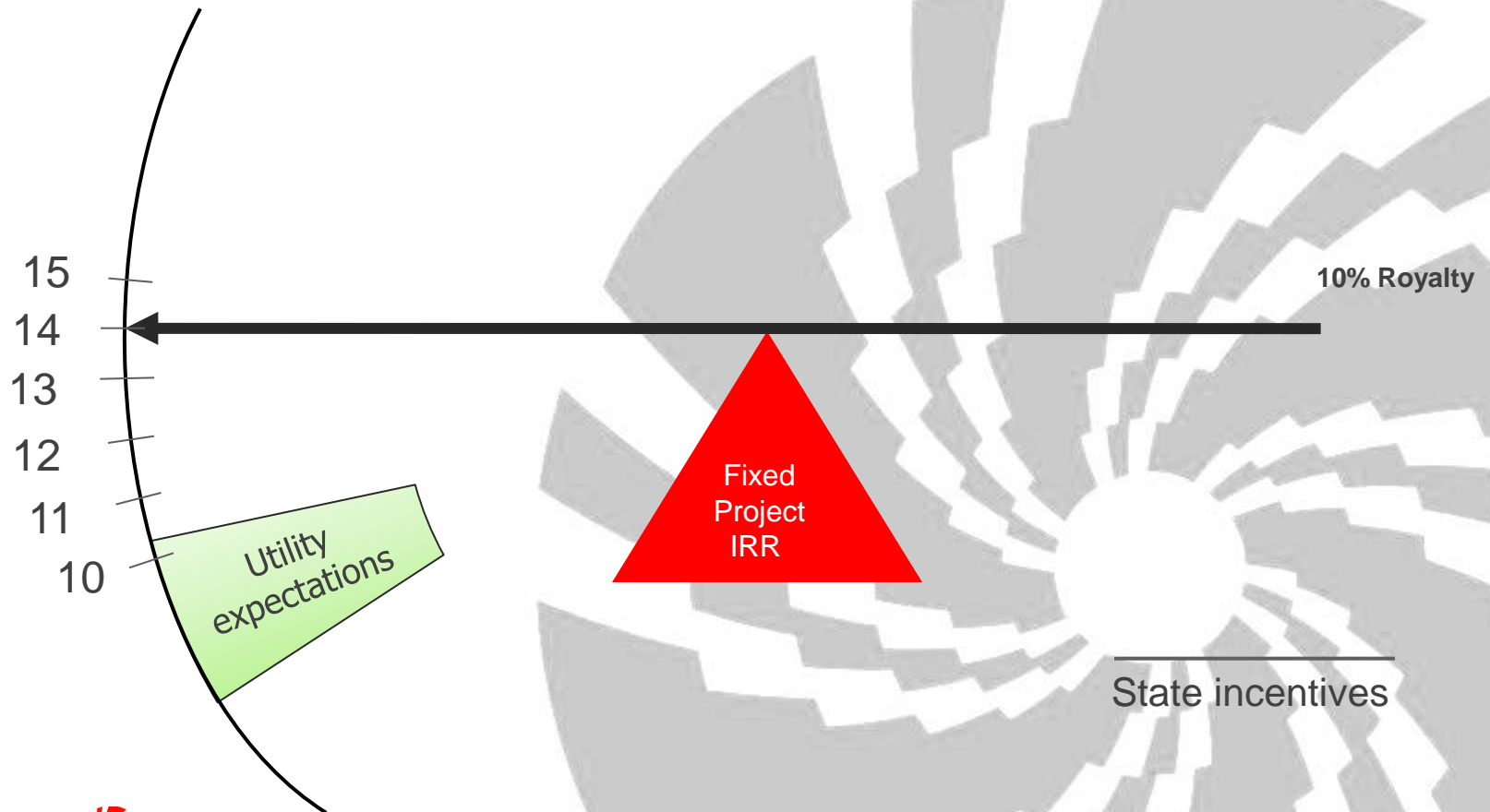
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# Estimated Power Price, Current Conditions

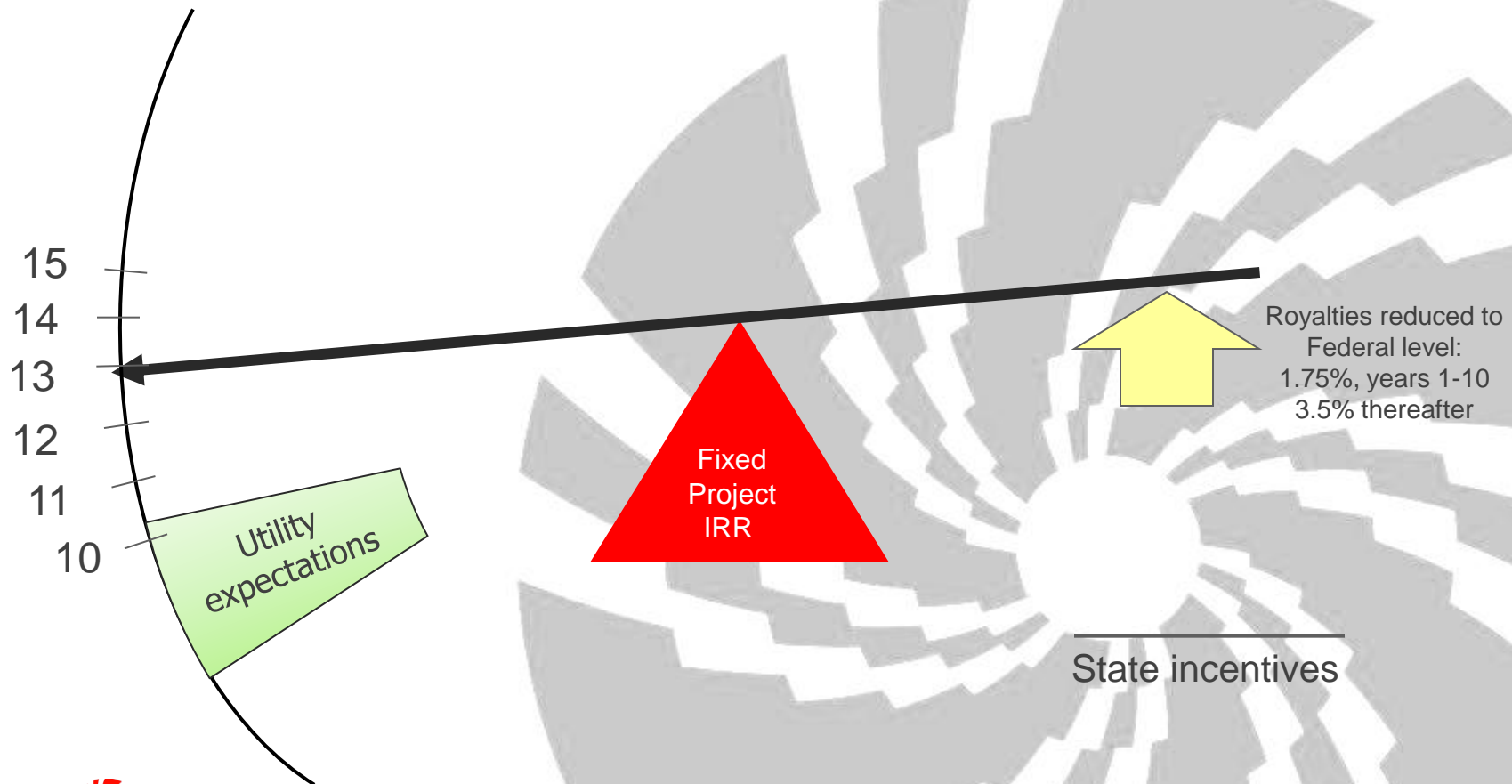
Power price to Railbelt  
utilities [c/kWh]



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# Impact of SB243 on Mt Spurr Power Price

Estimated power price to  
Railbelt utilities [c/kWh]

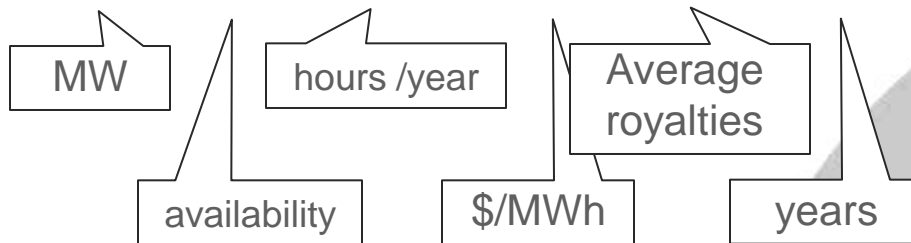


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# Economic Benefits to the State of Alaska

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

$$50 * 0.95 * 8760 * 130 * 2.8\% * 25 = \text{\$38 million}$$



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

$$50 * 0.95 * 8760 * 10 * 25 = \text{\$104 million}$$

\$/MWh reduction in power price

## ■ 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



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# 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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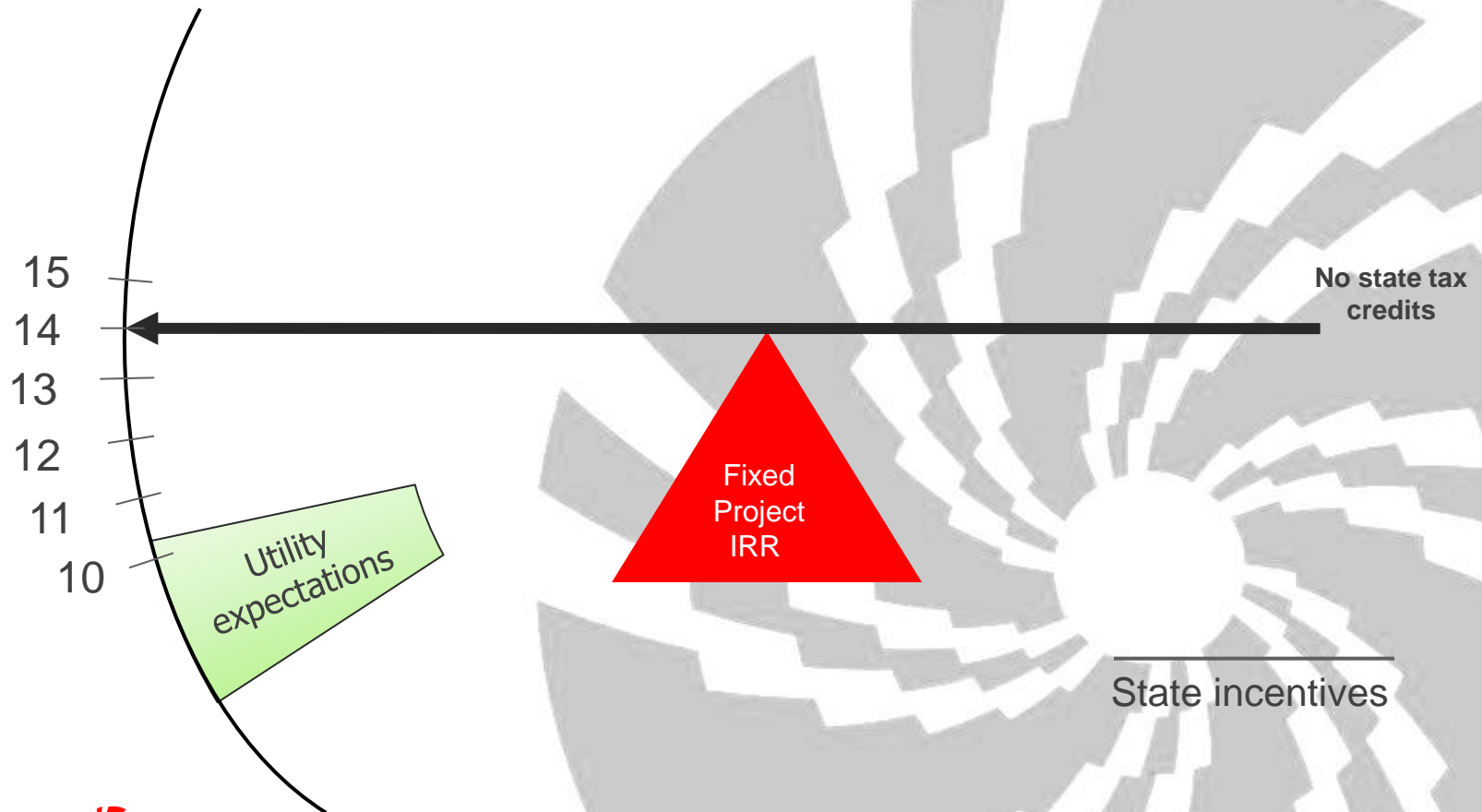
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# Estimated Power Price, Current Conditions

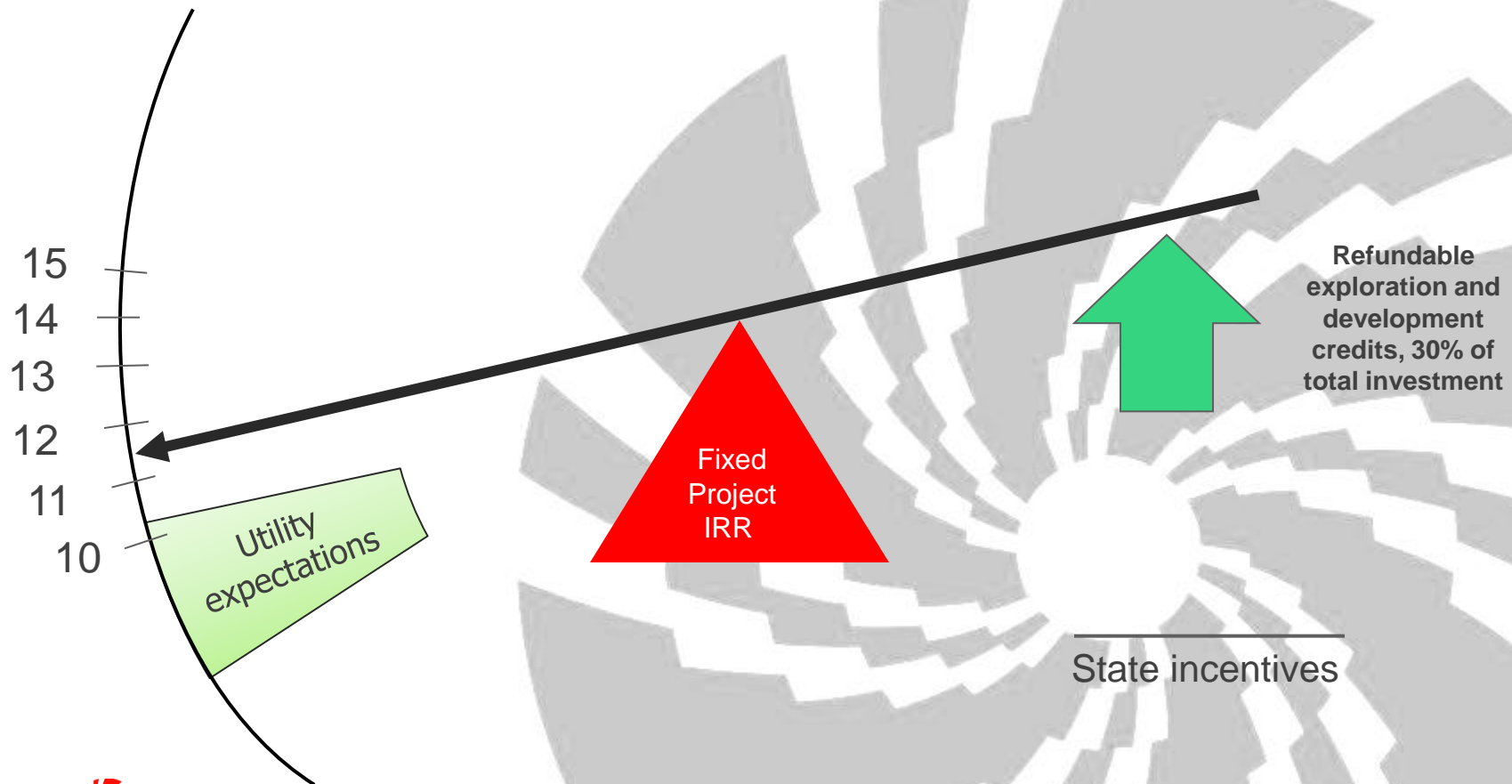
Estimated power price to  
Railbelt utilities [c/kWh]



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Estimated power price to  
Railbelt utilities [c/kWh]



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# Cost and Economic Benefits to the State of AK

## ■ Estimated cost of tax credits:

$$30\% * 275 =$$

**(\$82.5 million)**

Estimated cost of exploration  
and development [\$m]

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

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

**\$260 million**

MW

hours /year

years

availability

\$/MWh saving

## ■ Total economic benefit:

**>\$175 million**

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



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# Other Benefits to the State of Alaska

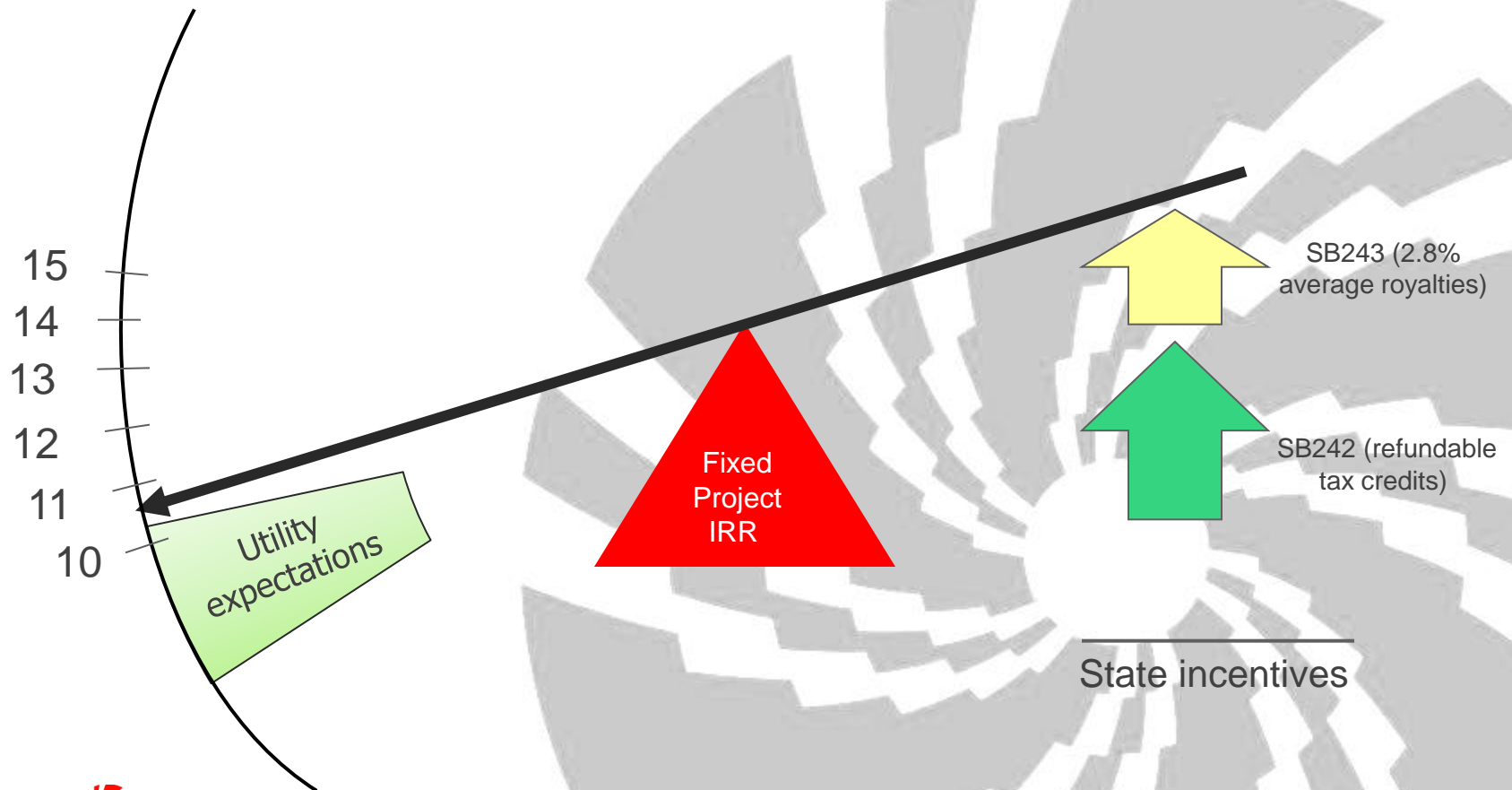
- Diversifies energy sources; Frees natural gas for heating
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# Impact of SB242 + SB243 on Power Price

Estimated power price to  
Railbelt utilities [c/kWh]



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