

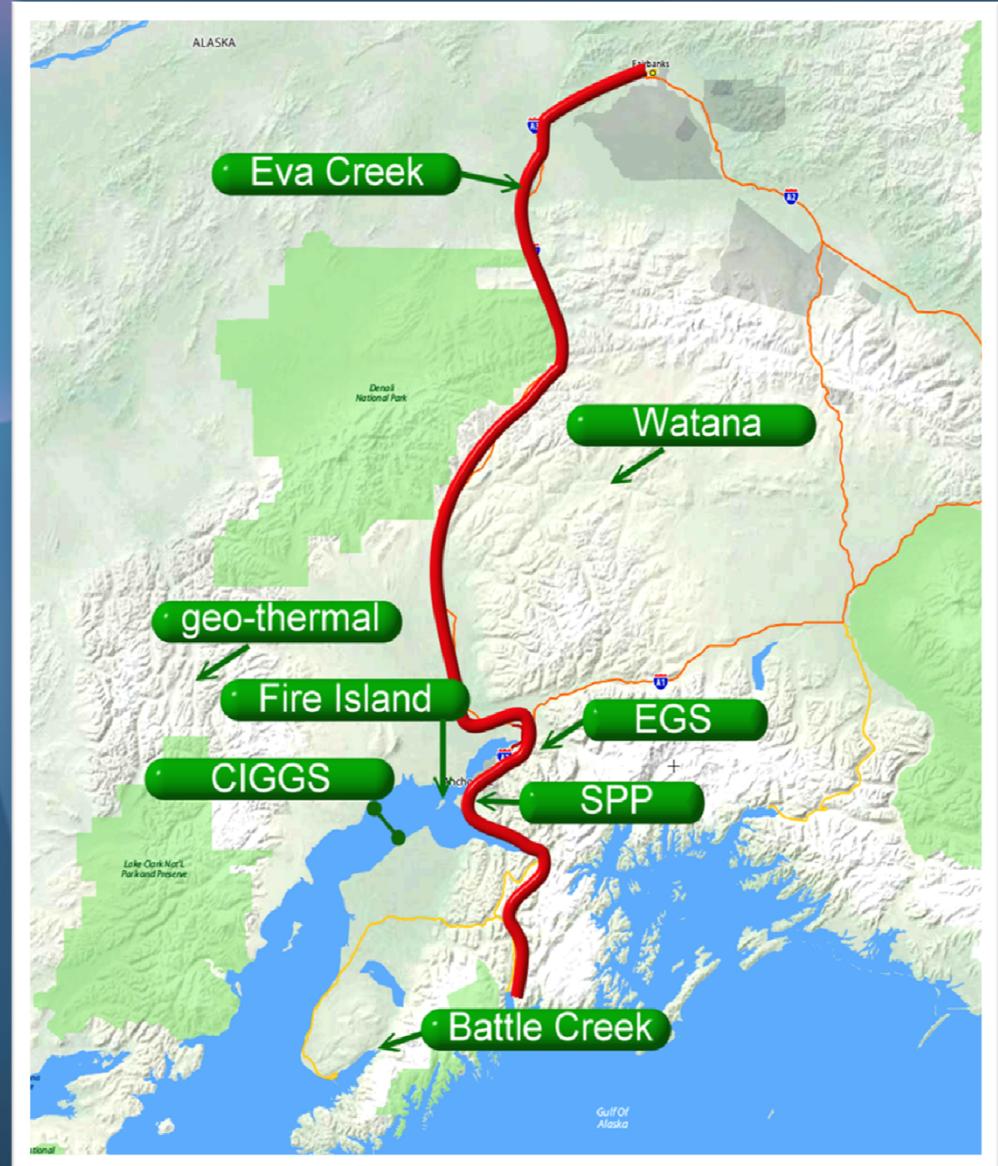
# ARCTEC UPDATE

Joe Griffith, President, ARCTEC  
October 20, 2011



# Railbelt Energy Plan

- Southcentral Power Project
- Eklutna Generation Station
- Battle Creek
- Tx projects
- Geo thermal
- Wind
  - Fire Island
  - Eva Creek
- CIGGS remodel
- LNG import/N. Slope
- Watana hydro



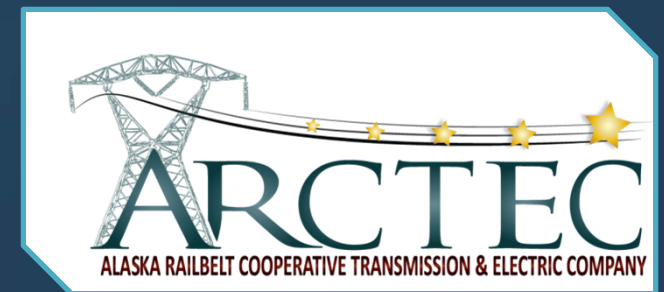
# Working Together In The Railbelt

- ARCTEC
- Intertie Management Committee
- Alaska Energy Authority
- Bradley Lake Project Management Committee
- Eklutna Operating Committee
- Alaska Intertie Agreement
- Legislative efforts
- Independent gas explorers
- Enstar
  - Cook Inlet Natural Gas Storage Alaska
- LNG importation
- Crisis plans & exercises



# Fuel Situation Alternatives

- Cook Inlet exploration
- AGIA spur
- Bullet line
- LNG import, foreign or N. Slope supply
- Propane
- Diesel – last resort





# Gas Situation – Electric Utility Viewpoint

- Important to our members
  - Our members take the hit
  - Gas Shortage = rolling blackouts
  - Electricity runs everything
    - Grease for the economy
    - Heat for businesses and homes
    - Gas station fuel pumps (no fuel for generators)
    - Traffic control
    - Communication systems
    - And so much more...



# Gas Situation – Electric Utility Viewpoint

- Challenge different than that of Enstar
- A quick solution is needed
- Can't wait on \$7-\$10B ASAP line
  - Without export – Electrics and Enstar are the market
- Cook Inlet supply preferred
  - We need to drill
  - Permits must be issued
  - Least expensive option
- LNG importation will happen



# Fuel Situation

<u>Comparison of Cook Inlet Retail Energy Prices (\$/mmbtu)</u>					
<u>ASAP Flowrate (mmscfpd)</u>		<u>500</u>		<u>250</u>	<u>167</u>
<b>ASAP Bullet Line tariff</b>		<b>\$9.63</b>		<b>\$15.26</b>	<b>\$20.89</b>
<b>Current Cook Inlet Gas Cost</b>		<b>\$6.84</b>			
<b>Fuel Oil</b>		<b>\$26.58</b>			
<b>White Birch (\$250/cord)</b>		<b>\$12.32</b>			
<b>LNG Import</b>					
<b>From Sakhalin</b>		<b>\$16</b>			
<b>From Canada</b>		<b>\$13 - \$15</b>			
<b>From North Slope</b>		<b>\$12</b>			
\$80/bbl WTI Oil Price Assumed For Comparison				Heinze ANGDA 08/09/11	

# Questions & discussion

