



March 14, 2013

Representative Kurt Olson  
House Labor & Commerce Committee  
State Capitol, Room 24  
Juneau, Alaska 99801

Re: Senate Bill 23 – AIDEA: LNG Project; Dividends; Financing

Dear Representative Olson,

Please accept this request for your consideration to schedule Senate Bill 23 – AIDEA: LNG Project; Dividends; Financing – before the House Labor & Commerce Committee at your earliest convenience.

As part of the Governor's Interior Energy Plan, SB 23 authorizes the Alaska Industrial Development and Export Authority (AIDEA) to provide financing in conjunction with the private sector for a natural gas liquefaction plant and a natural gas distribution system. The language allows for AIDEA to issue up to \$150 million in bonds for the project and further authorizes \$125 million in direct financing from the Sustainable Energy Transmission and Supply (SETS) fund in the form of loans, guarantees, or any other finance mechanism permitted under SETS. This comprehensive project is designed to move North Slope gas to Interior Alaska, proving for a reliable natural gas supply and reduced energy costs.

The bill will enable AIDEA to participate in direct development project financing, a mechanism designed to encourage economic development projects. Rather than owning an interest in the project, it would permit the authority to engage in project financing by loaning money to a project or guaranteeing a loan for a project and is designed to stimulate economic development in the state.

Additionally, the bill makes a technical change in AS 44.88.088 to accommodate changes required by the Governmental Accounting Standards Board (GASB) to the Authority's audited financial statements.

If you have any questions regarding this bill, please feel free to contact myself at 771-3050, or Sara Fisher-Goad, Executive Director of Alaska Energy Authority, at 771-3012.

Sincerely,

Ted Leonard, CMA, SPHR  
Executive Director