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# House Resources Committee

## ASAP Reconfiguration

March 13, 2015



# Primary Objectives

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- Build a North Slope natural gas project
- Accelerate development of Alaska LNG
- Ensure Alaska has an economically viable alternative if Alaska LNG falters
- Maximize ultimate benefit for Alaskans – revenue, jobs, affordable energy
- Build on previous work and leverage existing funds

# Reconfiguration Strategy

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- Increase the State's leverage and options
- Expand ASAP volume and capacity
- Extend terminus to tidewater
- Design for both in-state and export markets
- Use existing funds
- Build on existing efforts and work products
- Avoid duplication and competition



# Critical Success Factors

- Maintaining alignment between SOA and North Slope producers
- Ensuring SOA's ability to advance independent, economically viable alternative if AK LNG falters
- Obtaining concurrence of AK LNG JVA partners
- Ensuring complementary vs competitive orientation
- Maximizing financial resources to accelerate a FEED decision



# Initial Parameters

- Maintain current 36" diameter pipeline
- Maintain current lean gas specification
- Pursue pipeline and Gas Conditioning Facility (GCF) elements only – no LNG facilities
- Develop Rough Order of Magnitude (ROM) cost and timeline estimates for two increased volume scenarios:
  - 1.4-1.6 Bscfd, ANSI 600
  - 2.4-2.6 Bscfd, ANSI 900
- Present results to AGDC board for review and action

# ASAP Potential Design Scenarios

0.5  
Bcfd

1.4  
Bcfd

2.4  
Bcfd

	ASAP Current	ASAP Option 1A	ASAP Option 1B
<b>Design Objective</b>	Utility grade “lean” gas; low-cost access for Alaskans	Utility grade “lean” gas; low-cost access for Alaskans with additional gas sales to amortize in-state cost	Utility grade “lean” gas; low-cost access for Alaskans with additional gas sales to amortize in-state cost
<b>Facilities</b>			
Gas Treatment	<ul style="list-style-type: none"> <li>Upstream PBU</li> <li>GCF at PBU (~70 acres)</li> <li>Physical solvent technology</li> </ul>	<ul style="list-style-type: none"> <li>Upstream PBU &amp; PTU TBD</li> <li>GCF at PBU (~200 acres)</li> <li>Technology selection required</li> </ul>	<ul style="list-style-type: none"> <li>Upstream PBU &amp; PTU TBD</li> <li>GCF at PBU (~200 acres)</li> <li>Technology selection required</li> </ul>
Pipeline	<ul style="list-style-type: none"> <li>727 mile, 36” mainline (1,480 psi)</li> <li>26 mile, 12” lateral to Fairbanks</li> <li>Compression at GCF</li> </ul>	<ul style="list-style-type: none"> <li>740 mile, 36” mainline (1,480 psi)</li> <li>26 mile, 12” lateral to Fairbanks</li> <li>8-15 Compressor Stations</li> </ul>	<ul style="list-style-type: none"> <li>740 mile, 36” mainline (2,220 psi)</li> <li>26 mile, 12” lateral to Fairbanks</li> <li>8-15 Compressor Stations</li> </ul>
LNG Plant	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>LNG plant by others</li> </ul>	<ul style="list-style-type: none"> <li>LNG plant by others</li> </ul>
<b>Terminus</b>	Near Big Lake ( <i>ENSTAR Beluga pipeline</i> )	Tidewater ( <i>Cook Inlet</i> )	Tidewater ( <i>Cook Inlet</i> )
<b>Design Capacity</b>	0.5 billion cubic feet per day	Approx. 1.4 – 1.6 billion cubic feet per day; ANSI 600	Approx. 2.4 - 2.6 billion cubic feet per day; ANSI 900
<b>Total Cost to FID</b>	~ \$250 million (\$150 million expended to date)	~ 5% of Capital Cost (\$150 million expended to date)	~ 5% of Capital Cost (\$150 million expended to date)
<b>Construction</b>	~ 3.5 years ( <i>after FID in 2019</i> )	~ 5-6 years ( <i>after FID in 2019</i> )	~ 5-6 years ( <i>after FID in 2019</i> )
<b>Completion</b>	2024	2025	2025
<b>Capital Cost</b>	\$10 billion (+/- 20% in 2014)	TBD	TBD

# Board Meeting Results

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- AGDC Board met in Anchorage yesterday
- Board passed Resolution 2015-01
- Subject to withdrawal or modification of AO 271, directs staff to prepare a rough order of magnitude estimate and schedule associated with developing a Class 3 level estimate for the two scenarios
- Work product expected to be completed prior to the next regular board meeting

