

Hugh Short Written Testimony for the House Resources Committee

March 23, 2015

Chairman and and Committee Members,

Thank you for the opportunity to address the House Resources/Senate Resources Committee.

I am honored to be before you today to be considered to serve you, the Governor, and the State of Alaska, as a board member of the Alaska Gasline Development Corporation.

The economic future of the State of Alaska is in a precarious situation with the dramatic drop in oil prices globally. I am thankful to each of you for your leadership and the responsibility that you bear, to lead us through this difficult economic situation toward a sustainable future.

As a board member of AGDC, I would take my responsibility seriously. My top six priorities would include pursuing:

1. competitively priced, reliable in-state gas;
2. Commercialization of ANS gas resources through the sale of LNG to global markets and access for instate demand
3. Creating jobs for Alaskans in the exploration, development, production and transportation of natural gas
4. Increasing opportunities for Alaska-based businesses
5. Providing additional revenues to the State of Alaska and LNG partners
6. Building infrastructure for the development of onshore and offshore oil and gas exploration and production

With that, I would like to briefly discuss my background and how I believe that I would be a qualified and effective board member for AGDC.

I have served in a career in business and finance, most recently as the Chairman and CEO for the Pt Capital family of companies. Pt Capital is in the midst of building a private equity firm that focuses on investments in small to mid-market companies in Alaska, Canada, Iceland and Greenland. Our company is a first for Alaska, as traditional private equity investment in Alaska has been through PE firms that are headquartered outside. I have built this company anchored by one of the largest sovereign wealth funds globally with one of the most pristine reputations, and surrounded by other well-regarded investors.

Additionally, our subsidiary Pt Securities is the most northern FINRA – regulated, SEC-registered, broker/dealer investment bank in North America. Pt Securities works with small and mid-market companies that have needs to raise capital and debt for the growth and development of their business.

Both of these services are first to market companies that have been created to help spur the further development of a strong, financial services sector in Alaska.

During my over two-year tenure as chairman of the Alaska Industrial Development and Export Authority, more than \$530 million in capital and associated contributions by partners were appropriated; in addition the board approved due diligence on another \$295 million in infrastructure development projects, including the first investments in offshore drilling rigs.

As Chairman of the Alaska Energy Authority, concurrent to the Chairmanship of AIDEA, I was responsible for the implementation of the Susitna-Watana Hydroelectric Project. The project will generate 50 percent of the current Railbelt's electric demand, or

2,800,000 megawatt hours (MWh) of annual energy, once it comes online in 2024. The installed capacity is 600 megawatts (MW). As proposed, Susitna-Watana Hydro will include construction of a dam, reservoir and related facilities in a remote part of the Susitna River. Transmission lines connecting into the existing Railbelt transmission system and an access road will also be constructed.

The Alaska Energy Authority is in the early stages of a long, complex permitting process with the Federal Energy Regulatory Commission (FERC), which I led as Chairman of AEA. The anticipated cost is \$5.19 billion, including licensing and construction.

When I took over as Chair of both AEA and AIDEA, performance evaluations had not been completed in a few years. I found this unacceptable and immediately began to work with staff to implement these important management tools. We tied key performance metrics to overall organizational goals of both AEA and AIDEA, and focusing the work of the board on the large strategic items that drove results.

As the President and CEO of Alaska Growth Capital, Alaska's only Business and Industry Development corporation, I was responsible for the deployment of over \$240MM of financing for the construction of a telecommunications network for GCI, utilizing creative finance tools to ensure the best possible cost of capital to support the high cost Arctic, rural built out. The remote communication towers create state of the art communication networks, improving health care, economic opportunities, and life/safety for many in rural Alaska.

In addition to this, I was responsible for the financing of businesses that worked in Alaska's oil, mining, tourism, retail, logistics, and transportation industries. These companies form the support foundation for the core natural resource exploration and production that drives our economy in Alaska. In a state that is so dependent on the

access to lands and resources, the financial support of AGC was vital to the business operations of many companies that otherwise would not be able to access capital.

On a personal note, my Inupiaq mother Mildred Short was born in the isolated community of Moses Point in 1942, just outside of Elim. My father Hugh Short Sr., who turns 90 this year, immigrated to Alaska in 1956 from northern British Columbia. I was born in the western town of Bethel, and had the honor of serving as the mayor of the community. I live in Girdwood now with my wife of 19 years, Trina, and our three daughters Madilyn, Karis and Elizabeth

As a board member for the Alaska Gasline Development Corporation, I would work to ensure that the business of the AGDC was squarely on the focus of commercializing Alaska's gas, not politics. I have a track record of focusing on ensuring that the State does not make bad business decisions, and creates opportunity and jobs for those that live here. I would use this to serve on the board and contribute to the important task at hand, with the Governor and Legislature, to make Alaska's gas competitive globally and build the important infrastructure necessary to make this happen.