

March 11, 2019

Senator Bishop and Representative Thompson
Alaska State Capital Building
120 4th Street
Juneau, Alaska 99801

Re: Senate Bill 77 / House Bill 87, an Act Extending the Liquefied Natural Gas Storage Tax Credit

Dear Sirs,

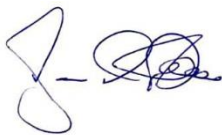
As President and CEO of the Fairbanks Economic Development Corporation (FEDC), and on behalf of the FEDC Board of Directors, I write to express FEDC's support for Senate Bill 77 and House Bill 87 – a brief sunset extension of the Liquefied Natural Gas Storage Tax Credit 18-months to June 30, 2021.

In 2013, the Legislature approved a financing package to assist in the development of natural gas conditioning and liquefaction, LNG storage and re-gasification, and distribution infrastructure to expand natural gas service to customers within the Interior. The intended purpose of the project (termed the Interior Energy Project or IEP), was to reduce heating bills for residential ratepayers and offer a mechanism toward improvement of air quality in the region.

The development of expanded LNG storage facilities in the Fairbanks and North Pole areas (as they will increase the security of supply and provide capacity to serve a greater number of new customers) is a critical component of the IEP and the State's LNG storage tax credits are vital in helping to reduce the cost of providing natural gas to Interior residents (as all money from tax credits for tanked storage will be under the oversight of the Regulatory Commission of Alaska, the IGU Board and FNSB Assembly to ensure that savings are passed along to rate payers).

FEDC supports HB 77 and SB87 as they are drafted. This simple sunset extension provides for the continued progress of the Interior Energy Project bringing affordable energy to Interior Alaskans.

Respectfully,



Jim Dodson
President & CEO
Fairbanks Economic Development Corporation