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March 20, 2019

The Honorable Representative Grier Hopkins
Alaska State Legislature
Juneau, Alaska 99801

Re: Support for HB87 – Liquefied Natural Gas Storage Tax Credit

Dear Chair Hopkins and members of the House Energy Committee,

The Greater Fairbanks Chamber of Commerce supports the Interior Gas Utility's efforts to provide clean-burning natural gas to as many people as possible and at the lowest possible cost. We urge you to support extending the commercial operational date of the Liquefied Natural Gas (LNG) Storage Gas Tax Credit as currently described in House Bill 87.

The Interior has struggled with poor air quality for years and has been identified by the Environmental Protection Agency as having significant air quality issues. We must find new means to improve the air quality for residents.

The Interior Gas Utility (IGU), as a public utility, has been tasked to bring affordable clean-burning natural gas to the Interior as soon as possible, as fast as possible, and at the lowest possible cost. Under its plan to deliver gas to Interior residents the IGU has installed a distribution system and has vigorously worked to increase the supply of natural gas to the Interior. As part of this project, a large 5.25 million gallon LNG storage tank is currently being constructed. Construction of an LNG facility in North Pole is scheduled to begin this summer. The community and the IGU are committed to this project and see it as potentially having the greatest impact on improving the quality of air to the Interior.

Recognizing the importance of delivering natural gas to the Interior region, the legislature established a Liquefied Natural Gas Storage Facility Tax Credit. The tax credit (available throughout the state) is a key component in helping deliver gas to Interior residents at the lowest possible cost. Currently, to qualify for the tax credit, a storage facility must be in commercial operation prior to January 1, 2020. HB87 extends the date for commercial operation to June 30, 2021. This



will allow the IGU to install the North Pole storage tanks in an economically feasible manner. It is of the utmost importance that gas is delivered at the lowest possible cost in order to have the greatest impact on the poor air quality.

The Greater Fairbanks Chamber of Commerce represents over 700 business members throughout Interior Alaska. We work to advocate for the best business environment, promote economic strength and growth for Interior Alaska, and to develop the resources and networks enterprising people use to share knowledge.

Respectfully,

A handwritten signature in black ink that reads "Marisa Sharrah".

Marisa Sharrah
President/CEO

A handwritten signature in black ink that reads "Rebecca Dean".

Rebecca Dean
Board Chair