

CS FOR SENATE JOINT RESOLUTION NO. 4(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 3/23/07

Referred: Resources

Sponsor(s): SENATORS WIELECHOWSKI, Ellis, Davis

A RESOLUTION

1 **Urging the attorney general, the producers of natural gas in the Cook Inlet region, and**
2 **the Regulatory Commission of Alaska to work to secure long-term and affordable**
3 **supplies of natural gas for the people and businesses of the state.**

4 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **WHEREAS** approximately 340,000 people in the state rely on natural gas from Cook
6 Inlet to heat their homes; and

7 **WHEREAS** approximately 473,000 people in the state rely on natural gas from Cook
8 Inlet to generate electricity for their homes and businesses; and

9 **WHEREAS** these people live in communities from Fairbanks to the Kenai Peninsula,
10 including Anchorage and the Matanuska-Susitna Borough; and

11 **WHEREAS** ConocoPhillips and Marathon Oil Corporation have jointly filed for a
12 two-year extension of the Kenai Liquefied Natural Gas facility's export license with the
13 United States Department of Energy; and

14 **WHEREAS** the Kenai Liquefied Natural Gas Plant currently exports about 1,300,000
15 metric tons of liquefied natural gas annually to buyers in Tokyo, representing approximately

1 36 percent of the natural gas produced in the Cook Inlet region; and

2 **WHEREAS** the Kenai Liquefied Natural Gas Plant plays an important role in the
3 local and state economy, employs approximately 58 residents, and generates revenue for the
4 state and the Kenai Peninsula Borough; and

5 **WHEREAS** the supply of natural gas in Cook Inlet relative to the demand has
6 declined significantly in recent years, and production is forecasted to decline precipitously
7 over the next decade; and

8 **WHEREAS** the decline in supply relative to demand has resulted in skyrocketing
9 prices for local consumers, increasing home heating costs by 97 percent in the last five years
10 and causing hardship for many low-income and middle-income families; and

11 **WHEREAS**, although the renewal of the license to export liquefied natural gas offers
12 many benefits to the state, the state must have as a priority the availability of affordable
13 natural gas to meet the needs of its people;

14 **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the
15 attorney general, in coordination with the Department of Natural Resources, to evaluate
16 whether the extension of the Kenai Liquefied Natural Gas Plant's export license is in the best
17 interest of local consumers and the state and whether nonrenewal of the license would result
18 in lower prices for businesses and residents of the state; and be it

19 **FURTHER RESOLVED** that the Alaska State Legislature urges natural gas
20 producers in the Cook Inlet region to work with local utilities to ensure an adequate and
21 affordable long-term supply of natural gas for Alaskans; and be it

22 **FURTHER RESOLVED** that the Alaska State Legislature urges the Regulatory
23 Commission of Alaska to expedite review of any utility contract that will provide long-term
24 and affordable supplies of natural gas for the people of the state.

25 **COPIES** of this resolution shall be sent to the Honorable Samuel W. Bodman, United
26 States Secretary of Energy; the Honorable Talis J. Colberg, Alaska Attorney General; the
27 Honorable Tom Irwin, Commissioner, Department of Natural Resources; the Honorable Emil
28 Notti, Commissioner of the Department of Commerce, Community, and Economic
29 Development; the Honorable Kate Giard, Chair of the Regulatory Commission of Alaska; Jim
30 Bowles, President, ConocoPhillips Alaska, Inc.; John Barnes, Alaska Asset Team Manager,
31 Marathon Oil Company; John Zager, General Manager, Chevron.