

**HOUSE CONCURRENT RESOLUTION NO. 4**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVES RAMRAS, Millett, Johnson, Chenault, Hawker, Dahlstrom**

**Introduced: 1/21/09**

**Referred: House Special Committee on Energy, Resources**

**A RESOLUTION**

1 **Requesting the governor to provide energy security for Alaskans by taking and**  
2 **encouraging all action to support development of a natural gas bullet pipeline from the**  
3 **North Slope to the Cook Inlet region including advocating an increase in the amount of**  
4 **natural gas that may be exported under authority granted by the United States**  
5 **Department of Energy.**

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

7 **WHEREAS** natural gas production in the Cook Inlet region of the state has suffered  
8 significant decline, resulting in the closure of the Agrium U.S., Inc., facility in Kenai and the  
9 risk of inadequate supplies of natural gas to consumers that rely on production from the Cook  
10 Inlet region; and

11 **WHEREAS** there are significant quantities of natural gas on the North Slope that  
12 could be produced if means for delivering the product to market were available; and

13 **WHEREAS** the major gas pipeline project licensed by the state under AS 43.90  
14 (Alaska Gasline Inducement Act) or a similar alternative project that offers five natural gas  
15 delivery points in the state is not expected to transport natural gas from the North Slope until

1 after 2016; and

2 **WHEREAS** the people of the state need energy security and access to natural gas now  
3 and cannot wait for the completion of the major gas pipeline project from the North Slope;  
4 and

5 **WHEREAS** the demand for natural gas in the state is expected to increase steadily;  
6 and

7 **WHEREAS** the construction of a smaller gas pipeline, sometimes referred to as a  
8 "bullet line," may be capable of delivering the state's natural gas to in-state markets before the  
9 major gas pipeline project from the North Slope becomes operational; and

10 **WHEREAS** the United States Department of Energy authorized ConocoPhillips  
11 Alaska Natural Gas Corporation and Marathon Oil Company to export from the Kenai  
12 liquefied natural gas export facility near Kenai up to 99,000,000,000,000 British thermal units  
13 of liquefied natural gas, the equivalent of 98,100,000,000 cubic feet of natural gas, during the  
14 two-year period beginning on April 1, 2009, and extending through March 31, 2011; and

15 **WHEREAS** the Kenai liquefied natural gas export facility may close after 2011 if the  
16 authority to export liquefied natural gas is not extended; and

17 **WHEREAS**, if no new natural gas is discovered in the Cook Inlet region, the demand  
18 for natural gas in the Southcentral part of the state will exceed production from the Cook Inlet  
19 region; and

20 **WHEREAS** the collective demand of the Interior and Southcentral natural gas  
21 markets in the state is anticipated to expand from 200,000,000 cubic feet a day to  
22 approximately 700,000,000 cubic feet a day during the period 2010 to 2025; and

23 **WHEREAS** an inadequate supply of natural gas to the Interior and Southcentral  
24 regions of the state will increase substantially the cost of energy, decrease economic  
25 opportunity for the people of the state, decrease the ability of consumers to switch from liquid  
26 fossil fuels to less expensive and cleaner burning natural gas, and prevent or hinder the  
27 Interior and other regions in the state from complying with the fine particle air quality  
28 standard commonly known as PM 2.5 imposed by the United States Environmental Protection  
29 Agency under 42 U.S.C. 7401-7671q (Clean Air Act); and

30 **WHEREAS** increasing the authorized amount of natural gas that may be exported  
31 from the Cook Inlet region that is transported from the North Slope in a natural gas bullet

1 pipeline improves the economic viability of the instate pipeline by increasing the volume of  
2 gas transported in that pipeline above the amount that would otherwise be used by industrial  
3 and consumer customers in the state;

4 **BE IT RESOLVED** that the Alaska State Legislature requests the governor to  
5 provide energy security for all Alaskans by taking and encouraging all action necessary to  
6 promote and support a natural gas bullet pipeline for delivering natural gas from the North  
7 Slope to the Cook Inlet region of the state, including advocating an increase in the volume of  
8 gas that may be exported under license issued by the United States Department of Energy to  
9 60,000,000,000 cubic feet a year with the increase in authorized volume to be supplied by  
10 natural gas produced on the North Slope.