

**ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE**

January 28, 2015

3:29 p.m.

MEMBERS PRESENT

Senator Cathy Giessel, Chair
Senator Mia Costello, Vice Chair
Senator John Coghill
Senator Peter Micciche
Senator Bert Stedman
Senator Bill Wielechowski

MEMBERS ABSENT

Senator Bill Stoltze

OTHER LEGISLATORS PRESENT

Representative Kreiss-Tomkins

COMMITTEE CALENDAR

Update on the Status of the AKLNG Project by Legislative
Consultants Enalytica

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JANAK MAYER, Partner
Enalytica Energy Consultants
Consultants for the Legislature

POSITION STATEMENT: Provided update of the AKLNG Project issues.

NIKOS TSAFOS, Partner
Enalytica Energy Consultant
Consultants for the Legislature

POSITION STATEMENT: Provided update of the AKLNG Project issues.

ACTION NARRATIVE

[3:29:51 PM](#)

CHAIR CATHY GIESSEL called the Senate Resources Standing Committee meeting to order at 3:29 p.m. Present at the call to order were Senators Costello and Chair Giessel.

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SENATOR WIELECHOWSKI joined the committee.

Update on the Status of AKLNG Project by Legislative Consultants
Enalytica

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CHAIR GIESSEL announced the continuation of the AKLNG Project update by enalytica starting with confidentiality.

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SENATOR MICCICHE joined the committee.

CHAIR GIESSEL said yesterday she learned of a union entity called the Confidential Employees' Association; it is comprised of folks that manage payroll information and their average salaries are around \$55,000 a year. It is one of the union entities that the state negotiates with. She then welcomed Janak Mayer and Nikos Tsafos.

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JANAK MAYER, Partner, Enalytica, consultants for the Legislature, introduced himself."

NIKOS TSAFOS, Partner, Enalytica, consultants for the Legislature, recapped that a major distinction between confidentiality during a negotiation and confidentiality of the agreements at the end of a negotiation and he wanted to talk about both issues. But, he said the first and most crucial question for the legislature to answer is how much information it needs to pull the trigger.

He said LNG projects generate tons of information: a sales and purchase agreement can be anywhere from 50-100 pages and the state may have three or four of those, an engineering procurement and construction contract could be about 1300-1500 pages, and loan agreements could be 10s or 100s of pages. Most companies will be happy to make a lot of information available publically but some will be kept private especially around pricing.

For an analogy, they looked at the Norwegian Snohvit LNG Project to see what kind of information the Parliament needed to give approval to it. He couldn't find any mention of the precise pricing that Snohvit LNG was selling the gas for, but there was an estimate of how much money it was going to make, the sensitivity of how much money it was going to make under different scenarios, and the expected rate of return to the state. Two state-owned companies were involved and Norway used different ways of regulating and monitoring them.

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SENATOR COGHILL joined the committee.

MR. TSAFOS said the sooner legislators know what information they need and get it, the easier it will be to give the green light to authorize the \$6-15 billion that might be required to fund its part of the project, and the administration needs to know that these agreements will become public at some point.

MS. TSAFOS said the second broad question he would ask speaks to process and the end result: are you willing to give up some flexibility for having more transparency? For example, Cheniere Energy that is developing an LNG project in the Lower 48, is the only company that has taken final investment decision (FID) on an LNG project where a member of the public can access every single LNG contract that they signed. There are some specific reasons for that, which is that they were selling in the Lower 48 and it was a new pricing system, and they wanted people to buy into the pricing system, so they had to be a little bit more transparent.

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On process, the idea in SB 138 is that the administration negotiates, but the legislature has the ability to provide input to make sure the administration doesn't negotiate something that has no hope of passing the legislature, and that this happens both in public meetings as well as executive sessions. But really at the end of the day, SB 138 said any agreement that is in effect for more than two years it has to be reviewed by the legislature.

That process seems to have a lot of merit, but it forces the administration to negotiate on the front page of the newspaper, which also makes it very difficult, because there is no ability to sort of trade and achieve the State's objectives over a range of issues. It's worth making sure that those agreements when they come back to the legislature are going to be 100 percent

available to the public or not. He explained that a contract could be fully available except for the price and some sensitive clauses, which can be gotten in other ways.

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SENATOR COSTELLO said that several commissioners will be involved in negotiating a contract and asked if they choose not to sign a confidentiality agreement (CA) would that put them at a disadvantage.

MR. MAYER answered that depends on a lot of different variables; one should distinguish between their role and any CA they sign and the CAs individual legislators have with the administration to enable them to share things with legislators that may not necessarily be about company proprietary information but about the State's negotiating position. The administration needs to work out the details of understanding how much of the final information they need to make a decision can be obtained without that. There is no single answer. He personally would want to have the best information available to him to make a decision.

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SENATOR GIESSEL recognized Representative Kreiss-Tomkins in the audience.

MR. MAYER remarked on the tight timeframe that was set out last year and that there is a lot of work particularly for the administration to do over the next 12 months.

He said the AKLNG Project goes through three big stage-gated phases that lead up to eventual construction in the middle of the next decade: pre-front end engineering and design (pre-FEED), front end engineering and design (FEED), and construction. Pre-FEED is where all of the detailed conceptual work of what the project will look like is done from an engineering, technical, financial, and commercial perspective (defining the exact route of the pipeline, defining all of the different technologies that would be involved in everything from the gas treatment plant (GTP) and processing to compression stations on the pipeline to the liquefaction project itself, and details about where things will be sourced from), starting to much more narrowly define what the project looks like, and going from the initial estimate of \$45-65 billion to a much more tightly bound estimate based on everything specified.

When that process is completed, one eventually reaches a stage gate where all the partners need to sit down, look at all the

work that has been done and decide on whether or not to move on to the next stage of spending money and refining the project (a more detailed specification of every last flange and valve and equipment component of the entire project that ends up with pages of precise documentation, blueprints, and all the rest) to be the basis for what is put out to bid for engineering, procurement, and construction. Eventually, all of that work is completed and it's time for a Final Investment Decision (FID) to be made on the project. Then there is another four or five years of construction before the project comes on line. During the entire process, countless other activities need to be going on hand-in-hand.

MR. MAYER explained that during the pre-FEED stage, for instance, all of the parties including quite likely the State of Alaska (SOA) will be looking at marketing their share of the gas from the project. That starts out with high level initial meetings - getting participants in the market aware of the project and interested - and eventually signing high-level non-binding agreements, Memoranda of Understanding (MOU), and Heads of Agreement (HOA) to spell out what a potential future binding gas purchase agreement might look like.

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SENATOR STEDMAN joined the committee.

MR. MAYER said the FEED process is about steadily signing more binding HOAs and eventually signing sale and purchase agreements. By and large, by the time the FID is made, a good 70 percent to fully all of the gas for the project from all of the partners is likely to be contracted through firm sale and purchase agreements, because part of reaching FID is lining up the financing that is enabled by those binding, long-term contracts to sell the gas. That said, there may be a small tranche of unsold LNG and possible during the construction phase there would be additional negotiations for additional buyers.

On the financing front a lot is to be determined about how financing for all the different partners works, each of them individually or together through some form of joint venture. The state needs to grapple with some specific questions on the financing front over the next 12 months.

Once FID has been taken and during the construction phase, further financing will be brought on, because the risk profile of the project falls and financing becomes cheaper. He explained that some tranches of financing are ordinarily signed during the

construction phase because it would be cheaper to do so than at FID and it's not required for FID. Once the project is itself on line, there may be refinancing of earlier tranches of debt or other parts of the capital structure that could be made cheaper either because of changes in market conditions or because the project is now on line and therefore substantially de-risked.

He said the project's ownership and structure will likely change numerous times during the next decade. Any number of comparable projects in the world are very different at various points before it actually comes on line.

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Roughly a half billion dollars needs to be spent during the pre-FEED stage and \$1.5-2 million more for FEED; eventually at FID is when the real money is committed. The state's share, with TransCanada involved is about \$50 million for its share of 25 percent of a liquefaction project for the overall project to reach pre-FEED, then around \$200 million more for FEED; and depending on TransCanada's involvement, the state might want its own share of 25 percent in the gas treatment and pipeline and then will be on the hook for substantially more.

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The agenda for the next 12-18 months is ambitious and daunting to get to FID decision on time and involves:

- Technical: Driving down costs, route, location, etc.
- Commercial: Domestic gas, off-take and balancing, LNG disposition, financing
- Organizational: Joint-venture agreements, lease modifications
- Fiscal: Form of fiscal stabilization, property tax
- Regulatory: Progress towards export approval and FERC permitting process

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On the commercial front the state will need to negotiate a lot of agreements on domestic gas, off-take and balancing, LNG disposition, and financing - all of which have implications for the legislature that may need to think about some of those sooner rather than later.

For instance, it will have to think about how large projects like this impact the market for domestic gas, about market structure and regulation for a domestic gas market when this mega project is part of it, and about how the project participates in the domestic gas market. The questions are: whose obligation it is to provide gas to the domestic market,

how much, and will it come out of the state's share of the gas or be more broadly borne by all of the partners in the project.

MR. MAYER said if the state can reach a point where it's comfortable with a range of things that need to come together for it to take its royalty and tax entitlement as gas, the structure would be one where the state had roughly 25 percent of the equity in the entire project and took 25 percent of the gas. The basic idea here is that each partner has a measure of the gas and is contributing their share of the costs and each being able to operate for many purposes almost independently of each other.

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SENATOR STEDMAN asked if there had been some change in the relationship with TransCanada since last April.

MR. MAYER answered no; the state signed a memorandum of understanding (MOU) with TransCanada to hold the state's 25 percent share in the pipeline and gas treatment plant while the state retains its full 25 percent of the liquefaction project. At the moment this means when it comes to cash calls for the actual work being done, the relevant part of the \$125 million in total for the state's full 25 percent in everything is being funded by TransCanada and they are contributing all of their technical capability into that process.

SENATOR STEDMAN said he was under the impression that it would be very difficult to totally buy out TransCanada, but he wanted to know if the State has the option to completely take them out of the picture if it wants.

MR. MAYER answered that the state had not yet signed a firm transportation services agreement (FTSA) with TransCanada; at some point that agreement will be negotiated and finalized and either approved or not. If the state wants to go ahead with this, the firm transportation services agreement is signed and at that point a completely binding commitment will have been made with TransCanada under which they will operate through FEED, construction, and eventual operation the state's share in the GTP and the pipeline, and receive a tariff from the state for its share of gas in return. Until that firm transportation services agreement is signed there isn't that binding commitment.

If the firm TSA is signed, the state has a right to exercise an option to buy back in at 40 percent of TransCanada's overall

share. So, the state would continue to have some of both capital calls to contribute to that share of the project and the share of revenues that come from it. So, two separate decisions have to occur at the same time: one being, does the state wish to continue with that structure by signing the firm transportation services agreement and the other being if it does, does it want TransCanada to bear the full 25 percent or does it want to buy back in and reimburse TransCanada for costs associated with 40 percent of that 25 percent share of the two components.

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For the state to reach the point of deciding whether to take its royalty and its tax entitlement as gas a lot of things have to come together: whether the risks can be adequately managed through a range of proposed contracts. One of the agreements that is going to be crucial to understanding whether the risks are managed or not will be the off-take and balancing agreement. The reason is that under this proposed structure, everyone has an equal share of the gas and the pipe, but the one thing that isn't the same among all players is the up-stream component. The state would not have a share of the up-stream; it would simply have a share of the gas through its royalty and tax entitlement. It would not be an operator of either field.

MR. MAYER recapped that there are four different high-level partners: two are operators, a third partner is an equity owner in both projects, and then the state that has an entitlement to the gas but does not have either a working interest ownership or operatorship. To the extent that implicit in taking royalty and tax in kind is incurring a bunch of obligations to other counter parties, in particular, counter parties that the state has signed a firm binding purchasing agreement with binds them to purchasing given quantities of LNG, but also binds the state to meeting certain requirements in terms of the amount of LNG it can deliver and the schedule for doing so. The state needs to make sure it can meet those obligations given a wide range of circumstances that could occur on the up-stream: if there are outages, what it means in terms of a financial perspective and its obligations with other parties, if there is a failure of one field or one part of a field to deliver.

Part of what needs to be understood by the time that decision is made is how disposition of the state's gas is going to work. A wide range of things could be done: SB 138 talks about as part of a royalty in kind decision being made the producers needing to show that they are willing to sell the state's gas on terms as advantageous as they receive.

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Another option is seeking expressions of interest by putting out a tender to major producers and to other major players who will buy the state's share of gas in total, or in fact starting up and mounting its own LNG marketing operation and contracting directly with buyers in Asia. Decisions about how those things could work need to be made and how those possible commitments work in with off-take and balancing agreements need to be understood before deciding to take royalty in kind.

MR. MAYER stated that a range of decisions about financing and how the state meets its equity share need to be made. One of the crucial things to understand is going to be what the state's financial capacity is to do all this. There is a wide range of ways the state could meet that commitment both in terms of equity (recurrent revenues, Permanent Fund (PF) distributions, leveraging the assets of the PF and other assets of the state) and debt.

He said these things will become very important for both the administration and the legislature to consider sooner than one might think, because at the moment under the agreements signed last year, the state has to come back with a firm transportation services agreement with TransCanada and the question of whether it exercises its option in the pipeline and GTP portion of the project by October 2015. Signing the agreement with TransCanada implies the state is saying it has molecules to transport through a pipeline, which requires knowing if it will take royalty in value or in kind. The state should know how it will raise its equity and how much it will cost and how that will compare to TransCanada's involvement and the cost of financing involved in paying a tariff instead of to TransCanada.

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TransCanada brings a lot of benefits to the table: their technical expertise and the possibility of them being the operator of the GTP and the pipeline as an expansion-minded party whose interests may in many cases align better with the state than the other producers. They also come to the table with a certain cost in terms of the tariff they would charge.

SENATOR STEDMAN asked him to explain the deadline in the fall.

MR. MAYER answered that that timeline is prefaced on target dates for going from pre-FEED to FEED, and the fact that TransCanada as a partner is also contributing enormous resources

of its own, the financial aspect of which would be reimbursed if the state didn't proceed, but a lot of management time and effort and other things that for the moment it's willing to commit to this project on the good faith that the state is interested in them being involved in the full project further down the line.

But at some point, the state has to make the firm commitment so that TransCanada can continue with that security or not. The stage gate between pre-FEED and FEED is quite reasonably the point at which that is set. He didn't know if that date could be extended, but then the whole timeline for the rest of the project would be pushed out, as well as requiring further good faith from TransCanada that they can keep contributing to this project without the FTSA that they really need at some point.

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SENATOR WIELECHOWSKI asked if legislators needed to consider any fundamental changes since SB 138 was passed.

MR. TSAFOS answered "not yet." But this project will be very difficult to do in today's commodity environment. If it really takes \$50-60 billion to bring on the North Slope to the market, it's not clear that changing the structure will make the project more economic. So, the ultimate question is whether or not the commodity environment persists and if so, that would pose a real challenge to the project.

SENATOR WIELECHOWSKI asked if people would know by October.

MR. MAYER noted the changes in the commodity price environment in just the last five years and told them to bear in mind that this project won't come on line until 2024 in the best circumstances.

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MR. MAYER said on the organizational front, there must be some joint-venture governance agreements (a Heads of Agreement (HOA)) through the FEED stage and point of Final Investment Decision (FID), how FID is reached, and what can be decided through a majority of the shareholders and what requires agreement from everyone. As part of reaching a royalty in kind determination about there will need to be a series of decisions for the DNR commissioner to make about lease modifications (specific terms and net profit share leases that need to be converted to a single gross amount to work with the idea of royalty in kind).

Finally, a substantial agreement on the question of stabilization will need to be looked at and what is needed to take an eventual FID on this project in terms of guaranteeing stability of fiscal terms over whatever period of time is required to have sufficient certainty to make the FID.

MR. MAYER said there will be certain barriers that come with being a partner, because the State of Alaska has particular constitutional requirements to not be bound by future legislatures, etc. A number of possible strategies could be examined that could both provide the certainty the project needs and meet those requirements, some may ultimately need to be tested through the judicial process.

The state also needs to agree on how property tax for the project will be treated. He and Nikos had attended meetings of the Municipal Advisory Group Board in Anchorage to look at the question of what alternate structures for property tax might be considered given that the way it is structured now puts quite a strong economic burden on the project by having a lot of potential liabilities up front that then taper further down. A possibility is payment in lieu of taxation; it has to be something that would generate enough revenues for the municipalities and the state and that is transparent and predictable for everyone involved. Some progress has been made on that, but much more work needs to be done.

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At the same time that all of those things are going on, the permitting process is under way in terms of export approval through the Department of Energy and the broader Federal Energy Regulatory Commission (FERC) permitting process that will help identify and quantify impacts to communities.

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MR. TSAFOS said he would talk about two things in particular that are presented in more detail in two papers he made available to the committee: one is on LNG marketing and the second is on domestic gas. Starting with LNG marketing, he said one of the major novelties of the project is that SB 138 raises the possibility of the state taking possession of the gas and selling it. Slide 4 showed samples of seven or eight projects and explained several broad issues:

-How much companies pre-sell before taking FID -
usually 70 percent or more (for the 16 million tons in
the AKLNG Project, that would mean about 12 or 13

million tons), but often it goes up to 100 percent that are usually exclusively long-term contracts of 20 years;

-Counter-parties - how many buyers each project has (an average of 2.9 buyers ranging from 1 to 6); price exposure - some of the U.S. projects are linked to Henry Hub).

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SENATOR WIELECHOWSKI said the project has four parties who will all be looking for buyers and asked if that will be a problem.

MR. TSAFOS answered no, because he looks at it as volume not number of players. If the AKLNG Project has contracts scattered over a two or three-year period, the 16-18 million tons of that project overall can be absorbed by the market. And the fact that each company is going to be competing for the same buyers will create some tension, but nothing the companies have not experienced in the past.

-Contract size - there are contracts of 1 million tons and contracts of 4-plus million tons. Alaska has a quarter of the project so it will be selling 4.5 tons. It may find one buyer or three or four.

SENATOR WIELECHOWSKI asked how many million cubic feet day (mcf/d) 1 ton equals.

MR. TSAFOS answered that 1 ton per annum equals 132 mcf/d.

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MR. TSAFOS explained that the other complication is that the amount of gas going in is different than the amount of gas that comes out, because of losses. So, sometimes these numbers are not exact. Ultimately, a quarter of the project means selling the equivalent of 500 mcf/d.

-Transfer point: this a way of asking who does the shipping. There is no real trend, so the state could find counter parties to do that or the buyer could arrange the shipping.

-About a third of the buyers had equity in the project. This either means that a project developer sold gas themselves or a buyer for the gas wanted a piece of the project.

His take-away is with the exception that a lot of the gas will probably be pre-sold, everything else is up for grabs; the state could sign one big contract or lots of little ones. The strategy could be tailored to the state's interest.

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Four core principles for tailoring contracts to Alaska:

1. Focus on performance over time: This means in signing a 20-year deal, one must take the long-term approach as opposed to any given day.

2. Focus on risk not the highest price: Why? Because the highest price today is not the highest price tomorrow. It fluctuates. And a lot of times one won't know what the highest price is, because you won't be able to find it.

3. Don't outsource your risk profile: think about the partners wanting to take risk the state doesn't want to take with its money. ExxonMobil has exposure the state doesn't have. If they sell the state's gas, the state is adopting ExxonMobil's risk tolerance. The first question for the state to ask should be what do I want? And then judge whether what the companies offer suits it.

4. Build in-house expertise. The LNG market is highly fragmented and marketing expertise in gas makes a difference. The best way to understand the state's risk profile and be able to manage it is to have people that know how to do it. An autopilot approach will not serve the state's interest over the long term. For example, the state might want stability of revenue and there are many ways to do that. It needs sophisticated people to do that.

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In closing the market conversation, Mr. Tsafos said the state has so many levers to get what it wants. On the question of volatility, Alaska should think about getting a certain amount of money to cover debt the same way one designs an investment portfolio with a comfortable risk profile.

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MR. TSAFOS continued to the issue of domestic gas saying that Alaska's number-one priority is getting energy to Alaskans, but how does getting this project affect the local market he asked. Does allowing LNG exports raise prices? People in the Lower 48 have struggled with that and people in Queensland, Australia

have seen a lot of LNG development and rising prices because less gas is available.

He said there are two ways to look at this and instead of using a murky model, he looked for a real case where someone went through the same thing and figured out what happened to them. He picked Western Australia, a developed country that is easy to relate to, which started exporting gas in 1989. It has five LNG trains at the Northwest Shelf with a capacity about the same as the AKLNG Project. They also have a new project of about 4 million tons. It exports a little over 20 million tons, not dissimilar to the AKLNG Project's volume.

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What Western Australia learned over 20 years:

1. He was surprised to find (economic text books teach otherwise) that, in fact, there is really no set link between export and domestic prices. Partly because of signing different contracts and part of it has to do with the Australian dollar that really changes prices for exports.

2. Just because LNG exports are possible doesn't mean that every company wants to export.

3. Western Australia's reservation policy is to secure 15 percent of the gas for the local market. But in an effort to secure enough gas for the local market, they crashed the price, and because Northwest Shell signed such a big commitment to make sure everyone in Western Australia had gas no one wanted to explore, because there was no market.

4. Clearly having a reservation policy makes a difference to the domestic market. It makes people pay attention, but market forces are still at work.

5. Policy and advance planning is no substitute for close oversight and diligent regulation.

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SENATOR MICCICHE asked him to explain how putting gas on the global market can potentially increase the cost of domestic gas and eventually restrict supply.

MR. TSAFOS went to slide 8 and used Cook Inlet as a good example of the fact that domestic prices and export prices don't automatically correlate. There was a time when the price was

linked to oil and a time it was not, so what really matters is thinking about the market forces in this environment. If you consume 70 mcf/d and also export, there must be a demand for 90 mcf/d, and in theory, the more demand the higher cost of gas to meet it, the theory being the cheaper gas is already being developed and the more gas you need the more expensive it is to get.

Department of Energy studies in the Lower 48 conclude that adding demand is the first move, but then it pushes up the price. The question is what to do then. If there is a well-functioning market with competition, one thinks regulation and supply should respond to that. The ultimate goal is not to think about domestic and export markets, but to think about making sure there is enough that market forces will work in the local market given the fact that you can export.

MR. TSAFOS said there are a number of policy options to do that and Cook Inlet is a good example that shows one can still have affordable gas even though Japan is paying a lot more. It shows that what really matters is local market forces; it also shows that just because exports are available doesn't mean that companies like Hilcorp are going to step in to supply gas to the local markets.

They liked the Western Australia example, because it spoke to a lot of the experiences and challenges that Alaska faces. This is a 25-year endeavor and it will require a lot of monitoring and thinking through and a lot of tweaking. What works in the beginning of a project may not work 10 or 15 years down the line. There will be the temptation to step back and figure everything out for the long term, and if that is done, he would like to help them think through some of the unintended consequences. One of the biggest things to come up is what happens to Cook Inlet suppliers if a ton of gas is brought down from the north possibly at a cheaper price.

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MR. TSAFOS concluded that he didn't want to say much more on domestic gas, but both the marketing the domestic gas have papers associated with them and the intention was to start a conversation on these issues at the legislative level.

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MR. MAYER next discussed various financing options open to the state for its share of the GTP and pipeline. If the state were to go it alone without TransCanada, what its cost of capital

under a range of different circumstances might be and how that compares to the tariff implied in such an agreement and how those different costs stack up against the other benefits that come with having TransCanada in the mix. Getting to an educated decision on that requires a lot of analysis on understanding what the state's capacity for financing the capital requirement is.

Key questions for Alaska to answer are what mix of debt and equity it will use for the project and will the debt be specific to the AKLNG project itself without recourse to the cash flows or assets of the parent company, because that is the only recourse the debt holders have. Two things become very important: one, that is a big driver for the fact that so much of LNG that is sold in the world is sold on a 20-odd year contract, because it's those contracts and the bankability and credit ratings of the counter parties to those contracts that ultimately determine a big part of the price of the debt involved. And because of those things, frequently that debt is more expensive than debt a triple-A rated sovereign might incur with debt financing that ultimately has recourse to them. Nonetheless, it is a way of providing financing that has much less if any impact directly on the balance sheet, credit rating, etc. of either a parent company or the State of Alaska.

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SENATOR MICCICHE said that confidentiality and executive sessions are covered in AS 44.62.310 that covers financial information, things that could prejudice the reputation or character of any person, and medical issues. He related that when he was a small town mayor they would go into executive sessions for certain things but it was never abused and was only used where it was applicable under Alaska law. For his example he used the time when Fred Meyer was going to expand its pharmacy in Soldotna and didn't want to tip off other competitors that could come into town. Confidentiality has its place, he said, and it should never be abused; this project's financing is much more impactful than a Fred Meyer in Soldotna.

CHAIR GIESSEL thanked the presenters.

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CHAIR GIESSEL adjourned the Senate Resources Committee meeting at 4:59 p.m.