

**ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE**

January 17, 2024

3:32 p.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair
Senator Cathy Giessel, Co-Chair
Senator Bill Wielechowski, Vice Chair
Senator Scott Kawasaki
Senator James Kaufman
Senator Forrest Dunbar
Senator Matt Claman

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

INTRODUCTIONS AND COMMITTEE DISCUSSION OF RESOURCE TOPICS

-HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JULIA O' CONNOR, Staff
Senator Cathy Giessel
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided an overview of bills in committee and their status.

ACTION NARRATIVE

3:32:20 PM

CO-CHAIR CATHY GIESSEL called the Senate Resources Standing Committee meeting to order at 3:32 p.m. Present at the call to order were Senators Kawasaki, Claman, Dunbar, Kaufman, Wielechowski, Co-Chair Bishop, and Co-Chair Giessel.

INTRODUCTIONS AND COMMITTEE DISCUSSION OF RESOURCE TOPICS

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CO-CHAIR GIESSEL opened with an overview of current bills in committee and other suggested interests. Some of the current legislative focuses include Senate Bill 49, a geothermal bill, executive orders, Alaska Department of Fish and Game (ADFG) issues, as well as North Slope activity, Santos, gas extraction and production numbers, mining, critical minerals, energy issues with Alaska Energy Authority (AEA), and the state's zero emissions goal.

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JULIA O' CONNOR, Staff, Senator Cathy Giessel Giessel, Alaska State Legislature, Juneau, Alaska, provided an overview of committee discussion of resource topics, with most having been referred at the start of the new session. The tracker outlined the status, bill number, short title, and highlighted other components. She noted that there are currently five executive orders that were referred to the committee and one hearing request for HB 125.

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CO-CHAIR GIESSEL said that these conversations provide a refresher on last session's hearings. A request for a legal analysis on each of the five executive orders was submitted. She confirmed the 60-day timeline to take action on these orders or they automatically take effect. She stated that some senators have bills in committee that had not yet been submitted for hearing requests and invited members to deliver those. Co-Chair Giessel indicated her interest in informational hearings on topics such as the status of Santos Energy Solutions' efforts and its methods for reaching a zero emissions goal.

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SENATOR WIELECHOWSKI said that there is a gas crisis in Alaska resulting in gas running out by March of this year, but possibly next year. Gas contracts will begin to end in 2028 and ENSTAR Natural Gas' contracts will terminate in 2033. There is a long lag time to bring other gas sources to the Cook Inlet region, so this is a critical issue to focus on. He mentioned that it seems like geo-political forces are aligned in a way that make a natural gas pipeline a plausible project, and suggested hearing ideas from other organizations such as the Alaska Industrial Development and Export Authority (AIDEA). Developing a permanent fund is one possible approach to addressing this issue. He also noted that fishing issues are a concern as king and chum salmon

populations are declining in Alaska and mandate attention, so there is an opportunity to work toward resolutions.

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CO-CHAIR GIESSEL referred back to the Cook Inlet gas issue and acknowledged utility organizations' presentations from last year. She suggested that ENSTAR Natural Gas could provide an update on pipeline ideas. She invited Senator Claman to share his thoughts on this issue.

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SENATOR CLAMAN said that he met with Hilcorp on the Cook Inlet gas issue and was advised that the results of one well had improved, thus the Homer Electric contract was extended by a year. It would be helpful to hear from not only large buyers but also smaller or potential producers of gas, such as BlueCrest Energy, Inc. and Furie, to better understand the landscape of this issue.

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SENATOR KAWASAKI said that in addition to the previous items discussed, agriculture, which only receives a miniscule portion of the Department of Natural Resources (DNR) budget, necessitates attention. It is important to look toward this topic as members continue to discuss ways to meet food security goals and obtain an update on the Nenana-Totchaket (NenTot) Agricultural Project. He relayed that discussions were held in Fairbanks on the restoration of wood bison in the Yukon Flats region. In line with the salmon crisis, including the pink salmon fishery problem in the Cook Inlet region, recent studies on hatchery fisheries have surfaced. He spoke to the potential impact of hatchery fisheries in China and overseas that may affect fisheries in Alaskan regions. Mining and critical minerals also remain a priority for the country and state.

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CO-CHAIR GIESSEL acknowledged a recent Cook Inlet study conducted on the impact of hatchery fish.

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SENATOR DUNBAR shifted back to the gas issue and stated that the Governor will introduce a measure on royalty relief. 200 million dollars of grip funding along with transmission issues open the door for discussions. He said he welcomes informational hearings and legislative vehicles that touch on what Senators Wielechowski and Claman said about the gas and transmission issues. He stated that he anticipates a discussion with the

Division of Parks and Outdoor Recreation on state parks, which are under the purview of the committee, but have rarely been discussed.

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SENATOR KAUFMAN added that the committee now has a clear idea of priorities, but with the dynamic nature of issues including the Cook Inlet Gas and grid updates, he supports having informational updates to monitor these issues.

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CO-CHAIR GIESSEL indicated that she hopes to see a transmission grid bill introduced as the Resources Committee reviews energy issues in lieu of a special energy committee. She invited Senator Bishop to speak to upcoming agenda items.

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CO-CHAIR BISHOP stated that although the committee has a good sense of direction it is important to review energy and transmission issues. He noted the appeal of Iceland's affordable energy avenues and selectiveness on adopting foreign business development. He suggested the consideration of an Ambler Mining District update on three projects when critical minerals and its road development project are discussed. Discussions are being held in light of the U.S. Supreme Court's Sackett decision on the 404 wetlands. With that decision, Alaska's wetlands will change, so clear definitions of federal and state wetlands territory through formal informational hearings are vital. He said he anticipates ADFG updates, as well as an update on how Area M restrictions affected Western Yukon chum returns. He stated that although targets on return were not met, the increase is a step in the right direction. He opined that technology should be utilized by ADFG. He suggested that the state of Alaska could use unmanned aerial vehicles (UAVs) to conduct game surveys and track moose, sheep, and caribou population data. University of Alaska Fairbanks' (UAF) UAV could potentially remain stationed round-the-clock.

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CO-CHAIR BISHOP said that permit reform is needed on the federal level. There are several permit reform bills circulating in Washington D.C. that target this issue. He and Co-Chair Giessel had a conversation at an energy council meeting in Wyoming about a large wind farm that intends to export electricity to California. He stated that in order to have energy resources

Alaska needs permit reform. He stressed the 17-year lead time needed to complete the project due to obstacles like the Environmental Protection Agency's National Environmental Policy Act (NEPA). The legislature anticipates two of Governor Dunleavy's land bills coming forward to shift more land into private ownership.

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CO-CHAIR GIESSEL acknowledged the agenda items as good discussion topics. Some of these issues were referred to the committee, such as the trapping cabins and fishery bills. She thanked committee members for their ideas, which help inform legislation.

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There being no further business to come before the committee, Co-Chair Giessel adjourned the Senate Resources Standing Committee meeting at 3:51 p.m.