

**ALASKA STATE LEGISLATURE
LEGISLATIVE BUDGET AND AUDIT COMMITTEE**

January 20, 2026

10:02 a.m.

MEMBERS PRESENT

Senator Elvi Gray-Jackson, Chair
Representative Zack Fields, Vice Chair
Senator Bert Stedman
Senator Cathy Giessel
Senator Lyman Hoffman
Senator Bill Wielechowski
Representative Neal Foster
Representative Andy Josephson
Representative Chuck Kopp
Representative Bryce Edgmon (alternate)

MEMBERS ABSENT

Senator Scott Kawasaki (alternate)

OTHER LEGISLATORS PRESENT

Representative Julie Coulombe
Representative Louise Stutes
Representative Jeremy Bynum

COMMITTEE CALENDAR

APPROVAL OF AGENDA

CONSIDERATION OF CONTRACT AWARD FOR PEGASUS-GLOBAL HOLDINGS~
INC.

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

JEFF STEPP, Staff
Senator Elvi Gray-Jackson
Alaska State Legislature

POSITION STATEMENT: Summarized the Pegasus-Global Holdings, Inc. proposal, a memorandum from Senator Giessel, and a written justification for exemption from Legislative Legal Services.

ACTION NARRATIVE

[10:02:43 AM](#)

CHAIR GRAY-JACKSON called the Legislative Budget and Audit Committee meeting to order at 10:02 a.m. Representatives Josephson, Kopp, Edgmon (alternate), and Fields and Senators Stedman, Wielechowski, Hoffman, Giessel, and Gray-Jackson were present at the call to order. Representative Foster arrived as the meeting was in progress. Also present were Representatives Coulombe, Stutes, and Bynum.

APPROVAL OF AGENDA

[10:04:00 AM](#)

SENATOR GRAY-JACKSON announced that the first order of business would be the approval of the agenda.

VICE CHAIR FIELDS moved that the Legislative Budget and Audit Committee approve the agenda. There being no objection, the agenda was approved.

CONSIDERATION OF CONTRACT AWARD FOR PEGASUS-GLOBAL HOLDINGS, INC.

[10:04:14 AM](#)

SENATOR GRAY-JACKSON announced that the next order of business would be the consideration of a contract award for Pegasus-Global Holdings, Inc.

VICE CHAIR FIELDS moved that the Legislative Budget & Audit Committee, under section 040(a)(1) of the Legislative Procurement Procedures, authorize the Chair to enter into a contract with Pegasus-Global Holdings, Inc. to provide independent, expert analysis related to the planning and execution of megaprojects, such as the Alaska LNG Project, for an amount not to exceed \$250,000.00.

SENATOR GRAY-JACKSON objected. She noted that the "not to exceed" amount is based on the amount of funds currently available in the budget, without completely depleting funding for any additional contractual services.

[10:05:20 AM](#)

JEFF STEPP, Staff, Senator Elvi Gray-Jackson, gave a summary of the memorandum from Senator Giessel, the Pegasus-Global Holdings, Inc. proposal, and a written justification for exemption from Legislative Legal Services from the following prepared remarks [original punctuation provided]:

First: Senator Giessel's Request

- As you mentioned, Madam Chair, this request originates from Senator Giessel in her capacity as Chair of the Senate Resources Committee.
- Senator Giessel formally requested that the Committee retain Pegasus to provide independent, expert advice to legislators as the Alaska LNG project advances toward potential final investment decisions.
- Senator Giessel's "requested consultation subjects" include assistance in understanding the implications of:
 - o Project ownership and governance structure,
 - o Cost controls and supervision of costs & finance agreements,
 - o EPC (or Engineering, Procurement, and Construction) contracts, offtake agreements for in-state gas,
 - o Financial decisions related to tax structure, royalty, and production tax,
 - o Schedule risk,
 - o And the need for ongoing independent monitoring as the project evolves.
- As noted in the memo, the timing is critical. Senator Giessel emphasized that having Pegasus available by the start of session would allow the Senate Resources Committee to engage with Pegasus as soon as this week.

Second: Summary of the Pegasus Proposal

- After receiving the request, Senator Gray-Jackson facilitated a Teams meeting with leadership from Pegasus to determine their interest and availability - and she requested a formal proposal from the company. The proposal summarizes their Key Capabilities, Representative Experience, and Core Team Members.
- Notably, Pegasus has direct prior experience with the Alaska LNG project, having previously worked under contract to this committee in 2018-2019 and having briefed the Senate and House Resources committees in April, 2025.

- Their Current Proposal emphasizes a comprehensive scope of services that focuses on:
 - 1) "The risks and challenges associated with megaprojects such as the Alaska LNG Project; and
 - 2) "Recommendations to the Alaska State Legislature on how it may address these risks and challenges."
- The proposal explicitly acknowledges the current project structure, including Glenfarne's role and the anticipated early-2026 FID timeline.

Finally: Summary of the Written Justification for the Procurement Exemption

- The written justification notes that:
 - o The Alaska LNG project is advancing on an accelerated timeline, with public statements indicating a potential Final Investment Decision in early 2026.
 - o Immediate access to specialized expertise is necessary to protect the State's fiscal and governance interests.
 - o A standard competitive process would take a minimum of several months and would materially impair the Legislature's ability to receive timely, actionable advice during a critical window.
 - o Pegasus' prior work, subject-matter expertise, and familiarity with Alaska's institutional framework allow the firm to provide immediate value without onboarding delay.
- For these reasons, the Chair - who serves as the Procurement Officer - has determined that the exemption is found to be both warranted and in the best interest of the Legislative Budget & Audit Committee and the State of Alaska.

[10:10:20 AM](#)

SENATOR STEDMAN opined that the committee should support this proposal. He pointed out that there has been substantial turnover in the legislature since gas line and oil issues were considered over a decade and a half ago; consequently, there is a gap in the body's knowledge about these issues. He shared his belief that Pegasus-Global Holdings, Inc. ("Pegasus") would be helpful in filling that gap and would be a first step of many. Further, he characterized it as "absurd" when presentations

"dummy down" the project, use outdated financial information, and tell the legislature it has no involvement in the project aside from lowering property taxes. He stated that the legislature needs to be brought up to speed, rather than waiting for the project to move along without it and being put at a financial disadvantage. He opined that Pegasus did a good job in their previous work for the legislature.

[10:11:52 AM](#)

SENATOR HOFFMAN pointed out that the legislature has been waiting on this project for a long time. He recalled that during his summary, Mr. Stepp had stated that a potential Final Investment Decision (FID) would come in early 2026, and questioned who would be making that announcement.

MR. STEPP replied he does not have any inside information.

[10:12:33 AM](#)

SENATOR GRAY-JACKSON removed her objection. There being no further objection, the motion to enter into a contract with Pegasus-Global Holdings, Inc. for an amount not to exceed \$250,000 was approved.

[10:13:29 AM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 10:13 a.m.