

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

February 10, 2025

3:30 p.m.

MEMBERS PRESENT

Senator Cathy Giessel, Chair
Senator Bill Wielechowski, Vice Chair
Senator Matt Claman
Senator Forrest Dunbar
Senator Scott Kawasaki
Senator Shelley Hughes
Senator Robert Myers

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION(S): ALASKA GASLINE DEVELOPMENT CORPORATION REPORT
CONTINUED

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

FRANK RICHARDS, President
Alaska Gasline Development Corporation
Anchorage, Alaska

POSITION STATEMENT: Continued the presentation, Alaska Gasline
Development Corporation Report

MATT KISSINGER, Venture Development Manager
Alaska Gasline Development Corporation
Anchorage, Alaska

POSITION STATEMENT: Assisted with the presentation, Alaska
Gasline Development Corporation Report and answered questions.

ACTION NARRATIVE

[3:30:29 PM](#)

CHAIR GIESSEL called the Senate Resources Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Myers, Dunbar, Kawasaki, Hughes, Wielechowski, Claman and Chair Giessel.

PRESENTATION(S) : ALASKA GASLINE DEVELOPMENT CORPORATION REPORT,
CONTINUED

[3:30:59 PM](#)

CHAIR GIESSEL announced the continuation of the January 27, 2025 presentation from Alaska Gasline Development Corporation (AGDC) by Frank Richards. She referred to a gas pipeline project timeline chart that her staff had created in 2014 or 2015. The chart outlined steps such as AGDC board appointments, right-of-way determination, property tax assessment, and royalty determination:

[Original punctuation provided.]

Timeline to GASLINE

	Alaska Senate Majority
	AGDC Board appointments announced
	March
Pipeline right of way access legislation introduced	
	March
	Governor introduces property tax legislation
	April 1
DNR Commissioner makes royalty determination	
	April 1 - 15
	Term sheets developed: establish basis for enabling agreements
	April 30
Parties reach	

enabling agreements

July

Board approves
enabling agreements
agreements become public

August

CHAIR GIESSEL said there was a lot to do to put a gas pipeline in place. She mentioned a course attended by legislators [in 2014/2015] on industrial megaprojects, a book on taxing such projects, and specifically a chapter on taxing gas pipelines and natural gas. She referenced historical research on past gas pipeline projects in Alaska and emphasized the complexity of the projects and that the endeavor was not new to Alaska. She emphasized that Alaska still does not have a gas pipeline.

[3:33:25 PM](#)

CHAIR GIESSEL explained that, earlier in the day, the [Senate] Finance Committee requested from AGDC a chart like the 2014/2015 version.

[3:33:38 PM](#)

SENATOR DUNBAR asked for clarification regarding the timeline and asked whether it was current.

CHAIR GIESSEL explained that the chart was developed by her office in 2014 or 2015.

[3:34:11 PM](#)

FRANK RICHARDS, President, Alaska Gasline Development Corporation (AGDC), Anchorage, Alaska introduced himself and suggested advancing to slide number 6 of the presentation, continuing from January 27th, 2025:

[Original punctuation provided.]

Developer-Led Project

Alaska
Gasline
Development Corp.

[3:35:12 PM](#)

MATT KISSINGER, Venture Development Manager, Alaska Gasline Development Corporation, Anchorage, Alaska, moved to and narrated slide 7. He characterized the efforts to develop and finance Alaska LNG in three separate phases: Producer-Led. State-Led and the current Developer-Led. He summarized the

challenges encountered during the producer-led and the State-led phases, including:

- market changes due to fracking
- incompatible investment goals
- expensive capital
- high project on project risk
- extensive facility needs:
 - carbon capture facility
 - large pipeline
 - large LNG facility

[Original punctuation provided.]

Evolution to Private Developers

2013 - 2016

Producer-Led

Producers provided initial scoping and engagement—important demonstration of *producer* support

2017 - 2022

State-Led

State-led initial design, permitting, and authorization—important demonstration of *state* support

2023 - Onward

Developer-Led

Transition to world-class private parties for construction and operations

MR. KISSINGER proposed that the current developer-led phase had a greater outlook for success. He said a nimbler developer like Glenfarne, would act as a sort of quarterback, bringing major North American pipeline companies and other development companies to add depth and more appropriately allocate risk. He said the cost of supply would be driven down by reducing the cost of debt.

[3:38:35 PM](#)

CHAIR GIESSEL noted that [the AGDC proposal is to build] a 42-inch pipeline.

MR. KISSINGER concurred.

CHAIR GIESSEL noted that AGDC and the Wood-Mac report were previously based on a pipeline to deliver [LNG] in Alaska, not an export facility.

[3:38:58 PM](#)

MR. KISSINGER said he was referring more to a 2016 Wood-MacKenzie study which suggested re-aligning the cost of capital and included the cost to export.

[3:39:11 PM](#)

CHAIR GIESSEL summarized AGDC's proposal. She said, from 2023 onward, the developer-led model, transitioning to [investment by/collaboration with] world class companies and described by the Wood-MacKenzie study as an economic approach, was constructing a 42 inch [pipe] line. She asked for clarification.

[3:39:44 PM](#)

MR. RICHARDS concurred and said the AGDC was proposing a 42-inch pipeline, as designed for the entire Alaska LNG project. He distinguished between the full LNG project and Phase One of the project which was a 42-inch line to deliver energy to Alaskans.

[3:40:19 PM](#)

CHAIR GIESSEL asked how it could be a rational idea to use a large 42-inch pipeline to deliver the small amount [of LNG] needed by Alaskans.

[3:40:36 PM](#)

MR. RICHARDS concurred that a 42-inch pipeline was overkill for the needs and gas volume of Alaska. However, he explained that Phase One was the first phase of a multi-phase project envisioned by the Federal Energy Regulatory Commission (FERC). He recalled that the Alaska standalone pipeline project, which AGDC began developing in 2013 was concluded in 2015 when the legislature directed AGDC to go forward with the Alaska LNG project. He said reviving the standalone pipeline would incur additional costs and delays. The goal was to find an economically viable solution that matched the price of imported LNG.

[3:42:56 PM](#)

SENATOR DUNBAR expressed concern about the potential risks for investors in the construction of a 42-inch pipeline, particularly if the project only advanced through phase one and subsequent export facilities were not built. He asked about the viability of recovering invested capital if the project stalled at this early phase.

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MR. RICHARDS said the goal of AGDCs Phase One model was to determine whether the construction and the operations of a 42-inch main line would be economic. He said the model included the [LNG] demand forecast for Alaska, the debt financing cost, as well as the midstream private equity return that [developers] would be looking for. He explained that this was the model AGDC presented to the legislature in 2024. The legislature called for validation of the model by an independent third party which led to the Wood-MacKenzie study. He said AGDC also engaged with private sector entities developing their own models to validate AGDCs findings and Wood-MacKenzie's study to determine whether the Phase One project was viable for them and their investment criteria. He emphasized that supplying gas for Alaskans remained the primary target.

[3:45:00 PM](#)

MR. KISSINGER stated that the Phase One development can stand on its own and return the debt service required as well as the equity returns necessary for those equity investors, and it could deliver gas to Alaskans for less than imported LNG. T He said that was what AGDC was looking for.

[3:45:32 PM](#)

SENATOR HUGHES asked whether there were any physical restraints. She noted that there had been problems with pipeline delivery when there was not enough material flowing through and that Phase One would only be moving enough gas for Alaskans. She asked whether a certain volume was required to ensure operations.

[3:46:01 PM](#)

MR. RICHARDS said hydraulic analysis considered the minimum flow necessary to meet the needs of Alaskans and whether that would be viable in terms of pressure on the pipe. He said the results were favorable and that it was like the Alaska standalone project, which was comprised of a compressor station in Prudhoe Bay, and required no additional compressor stations to deliver LNG to southcentral Alaska and Fairbanks.

[3:46:54 PM](#)

SENATOR HUGHES said she was glad to hear Phase One would work out financially. She noted the constitutional requirement to develop the states resources for the maximum benefit to Alaskans. She also noted recent interest by Japan and Taiwan in Alaska's natural gas and asked whether those interests had

changed any of the [Alaska LNG project] considerations. She asked whether it would increase the chances of moving to Phase Two.

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MR. RICHARDS said visits in fall 2024 with to introduce the phased project beginning with building the pipeline were well-received. From the perspective of potential investors and off-take consumers (Japan, Korea and Taiwan) the largest risk was in completing the pipeline and that would be in place with the completion of Phase One. He emphasized that the Alaska LNG project in total would supply gas for Alaskans and gas for export, generating revenue for the [state's] treasury.

[3:48:49 PM](#)

SENATOR CLAMAN asked what diameter pipeline was planned for the Alaska [standalone] project.

[3:48:59 PM](#)

MR. RICHARDS said the Alaska Standalone project proposed a 36-inch pipeline. He noted that the Alaska Gasline Inducement Act (AGIA) was in effect when the Alaska standalone project was developed and limited the flow to 500 MMscf per day, approximately twice the amount Alaska used. He said the project was designed for that maximum flow.

[3:49:29 PM](#)

SENATOR CLAMAN asked whether [Alaska LNG Phase One] 42-inch pipeline could be paid for by supplying gas to Alaskans alone.

[3:49:48 PM](#)

MR. RICHARDS said that the construction and operation of Phase One would be paid for.

[3:49:56 PM](#)

SENATOR CLAMAN asked for clarification that the costs associated with the development of a liquefaction plant would be part of Phase Two and not of Phase One.

[3:50:08 PM](#)

MR. RICHARDS affirmed that the ultimate goal was for Phase One to provide gas for Alaska and Phase Two would be to develop the export project.

[3:50:20 PM](#)

SENATOR KAWASAKI recalled the history of the Alaska LNG project, including developers such as Exxon, BP, ConocoPhillips and the

state. He asked what changed in the economics of the project that made a pipeline feasible now when it was not as part of a comprehensive plan ten years ago.

[3:51:15 PM](#)

MR. KISSINGER said the biggest change is in [the cost] of the alternatives for supplying gas to SC Alaska. He said Cook Inlet gas costs were eight to nine dollars per MMBtu, with some contract prices as high as \$13. Imported LNG would be even higher than that and so, not a viable alternative. Revisiting Phase One revealed that it would be a better alternative, even without an anchor tenant, than importing LNG.

[3:52:27 PM](#)

SENATOR WIELECHOWSKI said President Trump announced a joint venture in his press conference with the Prime Minister of Japan. He asked for details about the joint venture:

- parties involved
- when gas would start flowing from the project
- how much gas would be produced
- fiscal terms of the project

[3:52:54 PM](#)

MR. RICHARDS said AGDC had not yet heard what the President and his team agreed to with the Prime Minister of Japan. He said AGDC was engaged with Japanese companies but did not have any signed agreements.

[3:53:16 PM](#)

SENATOR WIELECHOWSKI asked whether AGDC had any knowledge about the proposed joint venture before President Trump announced it.

[3:53:25 PM](#)

MR. RICHARDS said AGDC knew from their own talks with companies from Japan for either off-take or investment that they were keenly interested. The outcome of the discussion between President Trump and Japan's Prime Minister was not known.

[3:53:42 PM](#)

SENATOR WIELECHOWSKI noted that AGDC was the organization tasked with developing Alaska's gasline and asked whether AGDC had any knowledge of a joint venture with Japan.

[3:53:54 PM](#)

MR. RICHARDS said, in terms of a joint venture, AGDC had been in discussions with Japanese companies to partner with them.

SENATOR WIELECHOWSKI asked whether AGDC had a joint venture with any Japanese companies.

[3:54:05 PM](#)

MR. RICHARDS answered that AGDC did not have a joint venture with any Japanese companies yet.

[3:54:11 PM](#)

SENATOR WIELECHOWSKI asked whether Mr. Richards had any knowledge of the joint venture President Trump announced.

[3:54:17 PM](#)

MR. RICHARDS stated that he did not know what the president identified as a joint venture with Japanese [entities].

[3:54:33 PM](#)

SENATOR WIELECHOWSKI asked whether Mr. Richards knew any details at all about the announced joint venture.

MR. RICHARDS said he did not know what was said in the private meeting.

[3:54:42 PM](#)

SENATOR WIELECHOWSKI asked whether Mr. Richards had been informed at all about the joint venture.

MR. RICHARDS said he was scheduled for a debriefing in a couple of days.

SENATOR WIELECHOWSKI asked who AGDC's point of contact with the [Trump] administration was and whether AGDC had contacted the administration.

[3:55:02 PM](#)

MR. RICHARDS said there were two points of contact: Senator Sullivan through the National Security Council and Mr. Richards had been directly engaged with the Economic Council.

[3:55:15 PM](#)

SENATOR WIELECHOWSKI said it seemed odd that the head of the AGDC did not know anything at all about the proposed joint venture that the president of the United States recently announced.

[3:55:27 PM](#)

MR. RICHARDS said AGDC's engagement with parties interested in investing in the [Alaska LNG] project was bound by

confidentiality rules. He reiterated that AGDC did not have a joint venture.

[3:55:50 PM](#)

SENATOR DUNBAR said he understood that an advantage of the Alaska LNG project was that the permitting was basically done. He asked whether that was correct.

[3:56:03 PM](#)

MR. RICHARDS concurred.

[3:56:08 PM](#)

SENATOR DUNBAR asked whether the State of Alaska held the permits or AGDC.

[3:56:15 PM](#)

MR. RICHARDS said AGDC applied for and held the permits as the 100 percent owner.

[3:56:25 PM](#)

SENATOR DUNBAR noted that President Trump announced a joint venture with Japan for the Alaska LNG project and that venture would have to use [AGDCs] permits. He asked whether that was correct.

[3:56:38 PM](#)

MR. RICHARDS affirmed that the existing permits would have to be used to execute the Alaska LNG project.

[3:56:46 PM](#)

SENATOR DUNBAR asked whether it was correct to state that if the Alaska legislature determined it did not want to enter that joint venture, and did not want AGDC to employ those permits, the joint venture could not go forward.

[3:56:58 PM](#)

MR. RICHARDS asked what action the legislature would take to prevent AGDC from entering the joint venture.

[3:57:12 PM](#)

SENATOR DUNBAR said he presumed that AGDC would need permission to move forward with the Alaska LNG project but acknowledged that AGDC might already have the required permissions and is just informing the legislature of its intent to move forward to build the line with these permits.

[3:57:27 PM](#)

MR. RICHARDS said the legislature empowered AGDC with the authority to make the decision to enter joint ventures, to divest themselves from ownership, to acquire debt financing, to acquire capital to move forward and to seek partners to move forward.

[3:57:46 PM](#)

SENATOR DUNBAR suggested that the legislature would have to dissolve AGDC through legislation [to prevent a joint venture].

MR. RICHARDS concurred.

[3:57:58 PM](#)

SENATOR DUNBAR stated that he had no intention to take such action.

[3:58:12 PM](#)

CHAIR GIESSEL noted the need to have access to gas and that the Alaska Oil and Gas Conservation Commission (AOGCC) authorized the offtake of gas from the North Slope. She observed that the Alaska LNG Phase One project would likely involve gas from Pantheon, not the North Slope and asked whether AOGCC authorization would be required.

[3:58:50 PM](#)

MR. RICHARDS said he did not know the answer to that.

MR. KISSINGER said he thought AOGCC authorization would be required. He clarified that the Great Bear Pantheon oil field was a good opportunity for low-cost gas with low CO₂, but that the Alaska LNG Phase One project would require financing and financing required bankable gas. He said there would always be back-up gas supply from either Prudhoe Bay or Point Thomson.

[3:59:29 PM](#)

SENATOR MYERS noted that back-up gas was required and access to back-up gas would require additional pipeline and a gas treatment plant. He asked why those costs weren't included in the Wood-MacKenzie Phase One study.

[4:00:05 PM](#)

MR. Kissinger explained that [the costs] were included in the tornado chart of sensitivities in the Wood-MacKenzie report.

MR. KISSINGER further explained that the primary source of gas [for Alaska LNG Phase One] would be the Great Bear Pantheon gas,

which will be less than one dollar. He provided a breakdown of the costs for the entire Alaska LNG project:

\$44 billion - total Alaska LNG project
\$10 billion - Arctic carbon capture facility
\$14 billion - full pipeline with compression
\$20 billion - LNG facility

MR. KISSINGER compared the characteristics of gas from Great Bear Pantheon with gas from Point Thomson, the infrastructure and processing required to get each of them to consumers, and the associated costs.

[4:01:54 PM](#)

CHAIR GIESSEL noted that Point Thomson gas was at relatively high pressure, and it was her understanding that no gas was currently produced there.

[4:02:10 PM](#)

MR. KISSINGER said there was some gas. He explained that the initial production system was designed for 200 million cubic feet (MMCF) and 10,000 barrels of liquid per day. He said Great Bear was not operating at that capacity today, though he said that was not a facility constraint but well deliverability issues and that they re-inject the gas at 10,000 psi rather than putting it into the pipeline.

CHAIR GIESSEL said it would be interesting to talk to Exxon about that because she thought she remembered that there were some issues with the facilities there.

[4:02:49 PM](#)

SENATOR WIELECHOWSKI asked whether Great Bear Pantheon had funding to develop their resource and what volume of gas they had at their disposal.

[4:03:00 PM](#)

MR. RICHARDS said Great Bear Pantheon was seeking a capital raise to be able to advance. They completed their Megrez well. He said that would assist them in their resource profile. He said AGDC had Ryder Scott [Oil and Gas Consulting] provide an independent analysis of Great Bear Pantheon's work.

[4:03:36 PM](#)

MR. KISSINGER said the Ryder Scott due diligence commissioned by AGDC considered the independent expert reports and subsurface

information and confirmed there is far more than enough producible gas for in state needs.

[4:03:59 PM](#)

SENATOR WIELECHOWSKI asked what Great Bear Pantheon's market cap was and what interest and other terms they could expect in their quest for capital.

[4:04:15 PM](#)

MR. KISSINGER said some of these questions would be better asked of Great Bear Pantheon. He said AGDC was keeping track of Great Bear Pantheon's progress toward final investment decision (FID).

[4:04:31 PM](#)

SENATOR WIELECHOWSKI restated his question, asking what Great Bear's market cap was and whether they were publicly traded.

MR. KISSINGER affirmed that they were publicly traded. He did not recall their market cap but estimated that it was around \$200 million.

[4:04:45 PM](#)

CHAIR GIESSEL said it would be interesting to have Great Bear Pantheon come to the committee. She said it was interesting they could sell their gas for one dollar. She noted that Mr. Kissinger appeared eager to answer.

[4:04:57 PM](#)

MR. KISSINGER said Great Bear Pantheon used an unconventional oil development in which the pursuit was for the liquids. He said the gas doesn't provide much for them on re-injection as it did for Prudhoe Bay. He said if gas had not been re-injected at Prudhoe Bay, there would have been extreme oil losses. He said that was not the case in these extremely tight oil reservoirs. He explained that the gas is almost a by-product of the pursuit for oil in this case. He said it was similar to Point Thomson.

[4:05:38 PM](#)

MR. RICHARDS said the volumes Great Bear Pantheon was looking to produce were in the eight to nine trillion cubic feet range.

[4:06:01 PM](#)

MR. KISSINGER moved to and narrated slide 8, advocating for the developer-led model and the progress AGDC made:

[Original punctuation provided.]

Equity Offer for Investors

AGDC is raising development capital to take Alaska LNG to Final Investment Decision (FID)

- **Alaska LNG is an attractive investment:**
 - Best economics of any North America project
 - Has all major permits
 - Beneficial equity terms
 - Local support

AGDC equity offer highlights

- Majority ownership and control of Alaska LNG in exchange for:
 - Funding development costs to FID
 - Commitment to move Alaska LNG forward on fast timeline
 - Preferential in-state gas supply
 - Opportunity for Alaska to invest

[4:07:24 PM](#)

SENATOR WIELECHOWSKI suggested that AGDC's work toward the Alaska LNG project was now moot with the announcement by President Trump of a joint venture with Japan.

[4:07:37 PM](#)

MR. RICHARDS noted that the presentation was intended to communicate to the committee AGDC's work to date to seek private investors for the Alaska LNG project.

[4:07:50 PM](#)

CHAIR GIESSEL asked whether Japan had less expensive options than gas from Alaska.

[4:08:00 PM](#)

12:58

MR. RICHARDS said Japan was importing LNG from many places, including Australia, the Middle East and Russia and was seeking other sources, specifically Pacific basin gas, with Alaska being a key consideration. Japan had set goals to reduce energy demand, increase renewable energy use, and achieve net carbon reduction by 2050, however they have experienced economic growth, driven by data centers and AI computing, necessitating additional energy. He mentioned a recent press conference where Japan's Prime Minister Ishiba committed a trillion dollars in investments in the United States, He explained that the

investment included LNG and energy off-take, as well as other opportunities within the US. He said that Alaska's strategic location and long-standing relationship with Japan make Alaska a prime candidate for supplying energy resources.

[4:10:00 PM](#)

1:01

MR. KISSINGER moved to transitional slide 9:

[Original punctuation provided.]

Introduction to Glenfarne

Alaska
Gasline
Development Corp.

MR. KISSINGER moved to slide 10 and said AGDC had begun negotiating definitive agreements with Glenfarne. He said representatives from Glenfarne would be on hand over the following couple of days to meet with legislators. He highlighted Glenfarne's mission statement and their impact in Columbia, providing grid stability and renewables. He emphasized the new phenomenon of data centers taking the energy world by storm in the way that fracking did in 2006 - 2008. He noted that Japan's energy plan had forecast a decrease in total power demand for many years but was now forecasting increased energy demand due to the data center revolution and its energy demands:

[Original punctuation provided.]

Glenfarne Mission and Vision

Glenfarne
Energy Transition, LLC

Company Tear Sheet:

~2.2 GW Power Portfolio

12.8 MTPA FERC-Approved
LNG Export Capacity

~800 team members

**Glenfarne is a global energy transition specialist
that is guided by its core mission and vision.**

Mission: To realize the potential of the world's energy transition.

Vision: Responsibly grow our renewables, grid stability, and flexible fuels businesses to provide economically viable solutions to our communities and customers to realize the potential of the world's energy transition.

Glenfarne believes that its core competence is its ability to develop local platforms in end markets (by leveraging assets, knowledge and relationships), built around a core understanding that the market's energy transition journey will be driven by the interaction of domestic gas and global LNG.

[4:12:10 PM](#)

MR. KISSINGER moved to slide 11 and said was building out their business and growing at a very fast pace. He emphasized that Glenfarne had an established development team with over 800 employees. They operate all the facilities they own and possess expertise in project finance and bringing the right capital to projects. He said that was fundamental to making Alaska LNG work:

[Original punctuation provided.]

Glenfarne at a Glance

Renewables

417 MW [See Note 1]

35 Renewable Assets [See Note 1]

~2.2 GW Power Portfolio

Grid Stability

1.8 GW

14 Grid Stability Plants

GAS Infrastructure

12.8 MTPA [See Note 2] LNG Exports

1. Includes 68 MW of Solar PV under construction
2. FERC-approved capacity

STABLE U.S. GAS RESOURCE BASE
"HERE AND NOW" ENERGY TRANSITION

HIGH-GROWTH EMERGING MARKETS
LOCAL FOCUS AND GLOBAL CAPABILITIES

[World Map showing Glenfarne's Markets in North America, South America, Europe and Korea; their Co-headquarter Offices in New York and Houston as well as offices in Panama City, Bogota, Santiago Barcelona and Seoul.]

[4:12:55 PM](#)

SENATOR KAWASAKI said he had not heard of Glenfarne and asked with whom they do business in which countries.

[4:13:28 PM](#)

MR. KISSINGER pointed out that the company Venture Global was unheard of as recently as three years ago but made their \$60 billion initial public offering (IPO) [January 23, 2025] on the back of their two developments in the Gulf of Mexico. He said LNG development was a rapidly changing landscape.

MR. KISSINGER said Glenfarne was operating primarily in Latin America with an import terminal in Columbia, pipelines and power plants in Panama, and power plants in Chile. They also had the Texas LNG project and the Magnolia LNG project in their development phase. He noted that Texas LNG was the only LNG project able to fully subscribe in the past year.

[4:14:28 PM](#)

SENATOR KAWASAKI asked whether Glenfarne's other investments, LNG or otherwise, would detract from their commitment to Alaska.

[4:14:43 PM](#)

MR. KISSINGER said there were guardrails in place on the terms of negotiation with Glenfarne. He said there were certain milestones Glenfarne would be required to fulfill regardless of their other projects.

[4:14:59 PM](#)

SENATOR WIELECHOWSKI mentioned that Glenfarne had acquired stalled LNG projects that had yet to be advanced to closure. He asked whether AGDC had determined the funding sources for Glenfarne's projects.

[4:15:21 PM](#)

MR. KISSINGER said AGDC had not identified Glenfarne's future funding sources; but had identified their expertise at attracting capital for their projects.

[4:15:35 PM](#)

SENATOR WIELECHOWSKI asked how big Glenfarne's market cap was.

[4:15:42 PM](#)

MR. KISSINGER said Glenfarne was a private company, so the market cap was not published.

[4:15:48 PM](#)

SENATOR WIELECHOWSKI recalled that Goldman Sachs screened investors [in 2024] to determine they had adequate access to capital and the necessary technical capability [to advance the Alaska LNG project]. He noted Goldman Sachs was not used to vet Glenfarne and asked what proof AGDC had of their suitability. He asked why Goldman Sachs was not used in the vetting process.

[4:16:29 PM](#)

MR. KISSINGER said AGDC did a full due diligence study of Glenfarne's finances and of their technical capability. He emphasized that the evaluation was on-going.

[4:16:42 PM](#)

MR. RICHARDS said Goldman Sachs worked with AGDC for several years to identify financial and strategic partners [for the Alaska LNG project] He maintained that Goldman Sachs was engaged with Glenfarne and was still an active participant [with AGDC].

[4:17:29 PM](#)

SENATOR WIELECHOWSKI asked whether Goldman Sachs recommended Glenfarne.

[4:17:36 PM](#)

MR. RICHARDS said Goldman Sachs did not recommend for or against Glenfarne.

[4:17:45 PM](#)

SENATOR WIELECHOWSKI asked whether the [State of Alaska] was paying Goldman Sachs for their vetting services.

MR. RICHARDS said the contract between AGDC and Goldman Sachs was that [Golman Sachs] would be paid at capital raise: when a project has been committed to and funds are raised, they would receive their fee. He emphasized Goldman Sachs was working on their own behalf and at their own expense.

[4:18:08 PM](#)

SENATOR WIELECHOWSKI asked whether an exclusivity agreement had been made with Glenfarne.

MR. RICHARDS affirmed.

[4:18:19 PM](#)

SENATOR WIELECHOWSKI noted that the Alaska Attorney General was the statutory legal counsel for AGDC and asked whether the attorney general approved the Glenfarne exclusivity agreement.

MR. RICHARDS affirmed that the attorney general was legal counsel for AGDC and was actively engaged in legal agreements.

[4:18:41 PM](#)

SENATOR WIELECHOWSKI asked whether the attorney general or someone else approved and signed off on the exclusivity agreement with Glenfarne.

MR. RICHARDS said the attorney general, and the attorney general's assistants were part of the discussion and provided counsel to AGDC, but were not asked to provide a sign-off.

[4:19:10 PM](#)

SENATOR WIELECHOWSKI asked whether the attorney general drafted the exclusivity agreement or reviewed it prior to [AGDC's] signing.

MR. RICHARDS affirmed.

[4:19:20 PM](#)

SENATOR WIELECHOWSKI asked whether the attorney general was made aware that Glenfarne was not subject to screening by Goldman Sachs.

MR. RICHARDS said the attorney general's assistant assigned to AGDC was involved in all conversations, including those with Goldman Sachs.

[4:19:40 PM](#)

SENATOR WIELECHOWSKI asked for confirmation that the attorney general was made aware that Glenfarne was not subject to the Goldman Sachs screening process.

[4:19:48 PM](#)

MR. RICHARDS noted that AGDC sought partners who had development expertise and capabilities, financial expertise and capabilities, the ability to raise capital, and more importantly the operational expertise to develop projects as well as execute and maintain ongoing operations. He said Glenfarne had been

successful in what they do have, what they do operate, and how they're progressing forward.

[4:21:01 PM](#)

SENATOR WIELECHOWSKI asked whether there would be a penalty if the state withdrew from the agreement with Glenfarne.

MR. RICHARDS said AGDC was bound by confidentiality agreement, so was not able to offer specifics about penalty clauses.

[4:21:18 PM](#)

SENATOR WIELECHOWSKI noted that the United States president told the world he had a joint venture with Japan. He expressed concern that the state of Alaska would be on the hook for damages to Glenfarne for breaking the exclusivity agreement if the president decided not to use Glenfarne.

[4:21:37 PM](#)

MR. RICHARDS said partners coming in to work with Glenfarne would be welcome. He said a joint venture with Japanese, Koreans or Americans with Glenfarne will be a positive to move the [Alaska LNG] project forward. He said Glenfarne would be acting in a leadership role for the project, bringing in other partners to augment their capabilities to be able to move the project forward expeditiously and with the right technical and operational oversight for a successful project.

[4:22:27 PM](#)

SENATOR WIELECHOWSKI asked whether the AGDC board approved the exclusivity agreement with Glenfarne and what were the means of approval.

[4:22:52 PM](#)

MR. RICHARDS said AGDC did not ask for a board action to sign the exclusivity agreement. He said definitive agreements were being drafted and the terms of those agreements would be brought to the board for approval, per statute.

[4:23:24 PM](#)

SENATOR WIELECHOWSKI suggested that entering an exclusivity agreement was a major decision and that AGDC should have sought board approval for that action.

[4:23:45 PM](#)

MR. RICHARDS said AGDC engaged its board in ongoing discussions. The board was made aware of the exclusivity agreement when it was being discussed with Glenfarne, but the board was not asked

to provide approval for the agreement. He said the board would be informed as negotiations progressed so they would have the knowledge they needed to review and decide on the completed definitive agreements.

[4:24:34 PM](#)

SENATOR WIELECHOWSKI asked whether AGDC was seeking money, \$50 million, from the legislature.

[4:24:44 PM](#)

MR. RICHARDS said the governor's budget included a fast-track supplemental for \$50 million. He said it was his understanding that the amendment would be withdrawn with amendments coming out the following week.

[4:24:59 PM](#)

SENATOR WIELECHOWSKI asked whether AGDC would acquire the funding for Glenfarne from Alaska Industrial Development and Export Authority (AIDEA) or somewhere else.

[4:25:08 PM](#)

MR. RICHARDS explained that AGDC was working toward a definitive finance agreement with AIDEA for the front-end engineering and design of Phase One of the Alaska LNG project. At the same time, AGDC was working on definitive agreements with Glenfarne for a commitment to fund the entire \$150 million Alaska LNG project. He sought to clarify that the \$50 million request from the legislature in 2024 was for Phase One of the complete project and this figure was validated by the Wood-MacKenzie study. He emphasized that the funding from AIDEA was expected to be a backstop and that Glenfarne was committing to funding the entire Alaska LNG project, estimated to be \$150 million.

[4:27:03 PM](#)

SENATOR WIELECHOWSKI asked whether AGDC would continue to pursue funding from AIDEA and the partnership with Glenfarne or pause to learn more about the joint venture announced by President Trump. He noted that the announcement suggested there were agreements already in place.

[4:27:37 PM](#)

MR. RICHARDS said AGDC was proceeding forward on the definitive agreements with AIDEA and with Glenfarne.

[4:27:49 PM](#)

SENATOR WIELECHOWSKI charged that AGDC would potentially spend \$150 million, and the president could announce something

completely different and the \$150 million would be wasted state money.

[4:28:01 PM](#)

MR. RICHARDS said Glenfarne would be committing the money, not the State of Alaska.

SENATOR WIELECHOWSKI asked if there was a backstop investment by the state.

MR. RICHARDS said there may not ever be a backstop agreement with AIDEA, in which case it would be a full funding commitment by Glenfarne to move the project forward.

[4:28:31 PM](#)

CHAIR GIESSEL noted that Glenfarne's website said they had never completed a project; they bought completed projects and operated them. She asked whether there was a project like the Alaska LNG project that Glenfarne took on and brought to completion.

[4:29:04 PM](#)

MR. KISSINGER said he could not name projects Glenfarne had taken all the way through to development.

[4:29:14 PM](#)

MR. RICHARDS said Glenfarne provided information about their South American projects for which they designed, executed and operated existing power production facilities.

[4:29:37 PM](#)

CHAIR GIESSEL noted Glenfarne had built power plants, but she opined the Alaska LNG project was quite different from that. She also noted Glenfarne's work in South America and the southern United States, not in arctic environments. She asked whether AGDC had concerns that Alaska LNG would be quite different from power plants in South America.

[4:30:11 PM](#)

MR. RICHARDS said that was a concern and that Glenfarne would act in a quarterback role to bring on partners that do have the expertise and capabilities to execute a mega-project in the arctic and sub-arctic. He also noted the challenge of the marine environment in Cook Inlet. He said modules would be developed in the U.S. gulf coast or in Asia and brought to the north slope for fabrication and operation.

[4:30:42 PM](#)

SENATOR DUNBAR referred to slide 18 and asked whether AGDC was confident in the proposed timeline and what could occur to disrupt it.

[4:31:40 PM](#)

MR. RICHARDS moved to slide 18 and said it would take 12 to 14 months to complete and update the cost estimates, look at the execution plans and determine pipe mill slots available for pipe to be manufactured in US Mills to finalize front end engineering and design (FEED). Concurrent with completing FEED, the financing components of the project, which would ultimately require both debt financing and equity financing would likely take about two years. He emphasized that AGDC completed FEED, including geotechnical work and hydraulic analysis, for the 36-inch Alaska standalone pipeline project that was planned for the very same right of way as the Alaska LNG project:

[Original punctuation provided.]

Actions to Build Phase 1 Pipeline

2025	FEED
2026	Financing
2027	/\
2028	Pipeline
2029	Construction
2030	\/
2031	First Gas

- Execute FEED Backstop Agreements and \$50 million FEED backstop from AIDEA (in progress)
- FEED generates final cost estimate and construction contracts
- Enter into agreements with Alaska utilities for long-term gas supply
- Raise debt and equity financing
- Final Investment Decision - Start construction

[4:33:25 PM](#)

SENATOR DUNBAR asked for confirmation that it appeared AGDC was no longer asking the legislature for \$50 million to backstop [the Phase One project]; and that they had worked that out with AIDEA. AGDC also apparently have \$150 million from Glenfarne and are now informing the legislature that AGDC was moving forward with Phase One and no longer asking for anything from the state.

He suggested there was nothing the legislature was required to do, or could do, to change the timeline.

[4:33:56 PM](#)

MR. RICHARDS said AGDC had not completed the agreement with AIDEA and that was why FEED had not begun. He reiterated that the goal for executing Phase One was to provide gas to Alaskans as soon as possible. He emphasized the [international interest in] off-take opportunities for the {Alaska} LNG project and impetus coming in with additional investment or partnership or joint ventures and said that was very positive for moving forward.

SENATOR DUNBAR said AGDC did not need that money from the state.

MR. RICHARDS concurred.

[4:35:03 PM](#)

SENATOR WIELECHOWSKI noted that AGDC was asking AIDEA for \$50 million instead of from the state of Alaska.

[4:35:12 PM](#)

MR. RICHARDS explained that AGDC applied to AIDEA for up to \$50 million for backstop [funding for Phase One].

[4:35:19 PM](#)

SENATOR WIELECHOWSKI suggested AIDEA did not have legal authority to give that money to AGDC. He said the funding through AIDEA would be an appropriation from the state requiring legislative approval. He asked why AGDC removed their request that funding be appropriated through the legislature and applied for funding through AIDEA instead.

[4:35:45 PM](#)

MR. RICHARDS said there were amendments to the budget expected in the coming week from the Office of Management and Budget in the governor's office. He acknowledged that it was the legislature's purview to make appropriations.

MR. RICHARDS recalled that AGDC, at the direction of the 2024 legislature, sought to determine whether Phase One, a pipeline to deliver gas to Alaskans at a rate equal to or less than the cost of import LNG, could be economically built. He reported that it was determined by AGDC and confirmed by the Wood-MacKenzie study that the pipeline would provide positive economic value to the state of Alaska and the expectation was

that all would work together to execute and move forward on the pipeline.

MR. RICHARDS emphasized the effort to address expected supply shortages. He said the whole concept of Phase One was to bring gas from the North Slope to meet Alaska's needs first, while at the same time moving forward with the development of the Alaska LNG project.

[4:37:11 PM](#)

SENATOR WIELECHOWSKI acknowledged the authority granted to AGDC. He challenged whether AGDC had the right to go behind the legislature to get funding from a state corporation without going through the legislative appropriation process. He expressed concern about the terms and penalties of the agreement with Glenfarne which were unknown to the legislature and the additional unknown details of the joint venture with another country announced by the president. He urged slowing down.

[4:37:47 PM](#)

SENATOR KAWASAKI referred to language in the Wood-MacKenzie report stating they did not guarantee the fairness, completeness or accuracy [of their statements]. He asked for clarification about the current presentation by AGDC and the Wood-MacKenzie report and whether they were addressing the entire Alaska LNG project, the pipeline alone or the gas treatment plant or some combination thereof.

[4:38:27 PM](#)

MR. RICHARDS apologized for confusion about aspects of the project. He said the intent was to be clear in the explanation of the phases of the project, in this case the pipeline phase of the project as opposed to the entire project. He explained that Wood-MacKenzie was an international natural resource consultancy, and he suggested the quoted language was to provide cover for Wood-MacKenzie, though he didn't know why.

[4:39:07 PM](#)

SENATOR KAWASAKI asked whether the \$50 million [requested from AIDEA by AGDC] was specifically for the Phase One pipeline or if it was for the entire [Alaska LNG] project for which AGDC and Glenfarne have an exclusive contract.

[4:39:39 PM](#)

MR. RICHARDS said the \$50 million backstop was specifically for the initial Phase One pipeline portion of the {Alaska LNG} project.

[4:39:58 PM](#)

SENATOR KAWASAKI quoted a published Glenfarne statement about the exclusive agreement with AGDC which specified that the export facility, pipeline, and carbon capture facility were included. He asked for clarification.

[4:40:25 PM](#)

MR. RICHARDS answered that Glenfarne entered into an agreement for the entire Alaska LNG project.

[4:40:40 PM](#)

CHAIR GIESSEL asked whether Glenfarne would take on the Alaska LNG project without a \$50 million backstop.

[4:40:53 PM](#)

MR. RICHARDS said the \$50 million backstop would allow for the execution of FEED. He said Glenfarne was aware that AGDC was seeking the \$50 million backstop, but it was not a deciding factor. He said Glenfarne's commitment was for the full funding of the FEED for the entire [Alaska LNG] project.

[4:41:21 PM](#)

CHAIR GIESSEL noted that in March 2024, at [Cambridge Energy Research Associates Week] CERAWEEK it was noted that Glenfarne had \$20 billion of transactional experience. She said the Alaska LNG project was a \$44 billion project. She noted Goldman Sachs had not identified Glenfarne as a potential development partner for the Alaska LNG project and expressed concern that they may not have the capacity to bring the project to completion.

[4:42:08 PM](#)

MR. RICHARDS noted that the Glenfarne as an entity had been in existence 11 years and said \$20 billion was a very large amount for 11 years. He emphasized that the founder of Glenfarne came from Macquarie Infrastructure [Corporation], a business which invested tens of billions of dollars in private developments across the country in energy, transportation, etc. projects.

[4:43:04 PM](#)

SENATOR DUNBAR asked for confirmation that the Wood-MacKenzie study for Phase One penciled out with the Alaskan market [for LNG] alone.

[4:43:19 PM](#)

MR. KISSINGER concurred.

SENATOR DUNBAR noted a recent announcement that Hilcorp and Chugach were going to work together to do LNG import. He presumed that at least some long-term contracts would be required for the effort to make financial sense. He also noted the partnership between ENSTAR and Glenfarne to pursue LNG import. He asked whether the Wood-MacKenzie study included consideration of utilities entering long- or medium-term contracts with LNG import facilities. He asked whether the Alaska LNG project would be compromised by utilities long-term contracts [with other LNG sources].

[4:44:14 PM](#)

MR. KISSINGER said it would act in much the same way as existing Cook Inlet contracts, reducing some of the demand on the pipeline. He said it was possible the Chugach contract would allow them to dovetail into pipeline gas [when available]. He said tolls for gas could be sculpted during the first few years of the pipeline to keep the cost from being too exorbitant. He noted that the Wood-Mackenzie study did account for toll sculpting. He said he would have to review the study to determine the exact impact of a Chugach contract but said he didn't think it would be a great impact.

[4:45:27 PM](#)

SENATOR CLAMAN said the description of Glenfarne suggested their expertise was as a private equity investor selecting and investing in ongoing projects, which generally turn out to be profitable. He questioned whether they had experience planning and leading large-scale projects, as their role seems to be more in selecting investments rather than managing the projects themselves.

[4:46:30 PM](#)

MR. RICHARDS agreed that Glenfarne had not planned a pipeline of this length or complexity in the arctic. However, he said they would bring partners that have the capability in to do that work.

[4:46:56 PM](#)

SENATOR CLAMAN summarized his understanding that there were assurances Glenfarne could execute the plan, though they had never executed a similar plan and it wasn't known who their partners that would be doing the work were or what level of experience or success they'd had. He asked for clarification.

[4:47:21 PM](#)

MR. RICHARDS affirmed that the partners had not yet been named.

[4:48:08 PM](#)

CHAIR GIESSEL directed the presentation continue to slide 19 and 20 for the financial details.

MR. RICHARDS moved to and narrated slide 19:

[Original punctuation provided.]

Conditions to Enter FID

FID occurs when all commercial agreements needed to underpin financing are in place and all debt and equity capital necessary to fund the entire project construction is fully committed.

FID is not simply a "decision" to build—it requires full construction funding committed and deployed by third parties.

Phase 1 FID will follow established project finance principles

[Slide 19 includes a graphic representation of the factors that would lead toward final investment decision (FID) for Phase One:]

Factors:

Operator and Management Agreements

Equity Financing

Debt Financing

North Slope Gas Purchase Agreements

Gas Offtake Agreements to Utilities and Industrial Users

Credit Support if Needed by Utilities

Permits

Class 3 Cost Estimate

EPC Contracts to Construct Pipeline

[4:50:35 PM](#)

SENATOR KAWASAKI asked whether an off-take for Fairbanks was included in the FEED for the Alaska LNG project.

MR. RICHARDS explained that the 2015 joint venture LNG project led by Mobil Exxon limited off-takes to three: one at Fairbanks and two in the Cook Inlet area. He said a lateral [section of pipeline] to Fairbanks was not included in the Alaska LNG

project sought through the Federal Energy Regulatory Commission (FERC). However, he said the interconnection point at Chatanika was in place and would be part of the updated design. He said AGDC completed the FEED for the pipeline as part of the Alaska standalone project and would update that work from 2015 to reflect 2025 costs.

[4:51:57 PM](#)

SENATOR KAWASAKI noted that the Golden Valley Electric utility and some large industrial and military users would benefit from access to LNG.

[4:52:11 PM](#)

CHAIR GIESSEL recalled that the Wood-MacKenzie study did not include the [lateral off-take] pipeline to Fairbanks.

[4:52:22 PM](#)

MR. RICHARDS said AGDC was established by the legislature to address the delivery of North Slope gas to South Central and Fairbanks and to consider future growth and military needs in Fairbanks. He emphasized the desire to replace the military's last coal-fired power plant [at Fort Wainwright]. He said the gas from the Alaska LNG project would provide cleaner burning energy to Fairbanks and [Fort Wainwright].

[4:53:10 PM](#)

CHAIR GIESSEL asked whether AGDC asked Wood-MacKenzie to include Fairbanks in their study.

[4:53:18 PM](#)

MR. RICHARDS said AGDC asked Wood-MacKenzie to look at the pipeline specifically from the North Slope to South Central, including the interconnection or off-take point [at Chatanika] to Fairbanks.

CHAIR GIESSEL added that the pipeline was not included.

MR. RICHARDS affirmed that it was not.

[4:53:35 PM](#)

MR. RICHARDS moved to and narrated slide 20:

[Original punctuation provided.]

North Slope Gas Supply

Preferred Gas Supply: Great Bear Pantheon

Accelerates project and lowers Alaska energy costs

These fields are still in development, so back up supply agreements from Prudhoe Bay and Point Thomson are required.

<\$1.00 per MMBtu

- Cheaper to supply gas to pipeline than reinject
- Price to be reduced based on cost-savings

Low-Cost Access

- No CO2 removal
- Adjacent to pipeline, no new infrastructure needed

"Back Up" Gas Supply: Producing North Slope Fields

These fields are currently producing gas but will have a higher price and require additional infrastructure

Prudhoe Bay

- Largest gas field in North America
- Needs gas treatment to remove CO2

Point Thomson

- Selling gas unlocks liquids production
- Requires new 63-mile pipeline

Satellite Fields

- Endicott and North Star
- Needs gas treatment to remove CO2

[4:55:28 PM](#)

MR. RICHARDS moved to and narrated slide 22:

[Original punctuation provided.]

Transition to Lead Party

Key Milestones:

- Pre-Definitive Agreements:

- o AGDC is leading and funding Alaska LNG Project development
- Pre-FID:
 - o Lead Party assumes 75 percent equity in 8 Star upon signing Definitive Agreements and is responsible for funding all project development costs to FID
- Pre-FID:
 - o The State's equity in 8 Star is carried at 25 percent to FID and AGDC is responsible for project transition functions
- Post-FID:
 - o The State has the option, but not the obligation, to invest in up to 25 percent of capital to construct the Alaska LNG subprojects with AGDC representing the State's interest

[4:57:50 PM](#)

SENATOR KAWASAKI noted that in the recent past, Exxon and BP were discussed as potential producer partners with Prudhoe Bay, Point Thomson and North Slope satellite fields. He asked whether they would be part of the Alaska LNG project.

[4:58:21 PM](#)

MR. RICHARDS said producers Exxon, Hilcorp and ConocoPhillips have said they would like to sell their gas into the project. He said they were previously equity participants when it was under a joint venture agreement.

[4:58:50 PM](#)

MR. RICHARDS moved to slide 23. He explained that the slide was a [Responsible, Accountable, Consulted and Informed] RACI chart depicting the rights and roles of each party as they move through the stages of developing and executing the agreements. He said during the current Pre-Definitive Agreement time, AGDC was accountable for the Alaska LNG project and consulting with Glenfarne as the Lead Party. At the signing of the Definitive Agreements, he explained that accountability and responsibility would switch to Glenfarne as the lead developer. He said AGDC would then have the responsibility for assisting with commercial and technical aspects of the project, and accountability for seeing to the state's 25 percent interest that will be retained as the project moves toward final investment decision (FID).

[4:59:52 PM](#)

SENATOR DUNBAR asked whether construction could begin pre-FID.

[5:00:02 PM](#)

MR. RICHARDS said pre-FID occurs during the front end engineering and design stage. He said permits were in place, but an updated cost estimate was not complete to allow FID.

SENATOR DUNBAR noted one source projected post-FID would occur in 2028 and slide 17 suggested construction could begin in 2027. He asked for clarification.

[5:00:33 PM](#)

MR. RICHARDS noted the six-month difference between fiscal years and calendar years, but he said the goal was to reach FID toward the end of calendar year 2026 or beginning of 2027.

[5:01:05 PM](#)

CHAIR GIESSEL noted that the remaining slides focused on polling and support for the project. She concluded the presentation.

5:01:15

[5:01:18 PM](#)

CHAIR GIESSEL noted that the state of Alaska had invested \$635 million dollar to date in the Alaska LNG project. She also noted that \$500 million had been invested in the trans-Canada project, totaling over \$1 billion invested in some sort of gas pipeline.

[5:02:03 PM](#)

There being no further business to come before the committee, Chair Giessel adjourned the Senate Resources Standing Committee meeting at 5:02 p.m.