

Legal and Financial Due Diligence for Alaska Liquefied Natural Gas Pipeline Project (AKLNG)

FY2019 Request: \$750,000
Reference No: AMD 61972

AP/AL: Appropriation

Project Type: In-State Gasline

Category: Development

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Mike Barnhill

Estimated Project Dates: 07/01/2018 - 06/30/2022

Contact Phone: (907)465-3669

Brief Summary and Statement of Need:

This project is for due diligence and project analysis and for the Alaska Liquefied Natural Gas Pipeline Project (AKLNG). Deliverables will be provided to the Legislature and used for future investment decisions surrounding project implementation.

Funding:	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>Total</u>
1004 Gen Fund	\$750,000						\$750,000
Total:	\$750,000	\$0	\$0	\$0	\$0	\$0	\$750,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

No prior funding history.

Project Description/Justification:

Funding will be split between the Department of Revenue and the Department of Natural Resources to speed legal and financial due diligence as it relates to the state's best interest in the Alaska LNG project. Additional work from supporting state agencies is required to finalize negotiations and inform decisions that ensure the maximum benefits to the state. This includes evaluations of royalty elections under AS 38.05.182, gas disposition under AS 38.05.183, lease modifications under AS 38.05.180(h), and other decisions relating to North Slope natural gas commercialization. This funding will support the evaluations, negotiations, analysis, and findings surrounding these issues, overall net benefits analysis of the project to the state, and opportunities for state participation for Legislative consideration.