

State of Alaska
FY2022 Governor's Operating Budget

**Department of Commerce, Community, and Economic
Development**
Alaska Gasline Development Corporation
RDU/Component Budget Summary

RDU/Component: Alaska Gasline Development Corporation

Contribution to Department's Mission

Advance the development, financing, construction and operation of a North Slope natural gas pipeline project, in-state natural gas pipelines and other transportation mechanisms capable of delivering natural gas and other non-oil hydrocarbons for the maximum benefit of Alaskans.

Core Services

- Provide economic benefit to the State by securing a stable, long-term supply of natural gas for Alaskans.
- Commercialize Alaska’s enormous North Slope gas reserves.
- Structure the Alaska Liquefied Natural Gas (LNG) project to make the project attractive to potential partners and investors.
- Maximize the ability for public utilities and industrial customers, within close proximity to a North Slope natural gas pipeline, to access gas. Coordinate with the Alaska Industrial Development and Export Authority (AIDEA), the Alaska Energy Authority (AEA) and other state agencies on the planning and development of infrastructure to deliver affordable energy to areas of the state not expected to have direct access to a North Slope natural gas pipeline.
- Advance and finalize commercial discussions with strategic parties to take leadership of the Alaska LNG Project and move it towards a final investment decision. The advancement encompasses analyzing in-state gas demand; discussions with producers; determining federal and state support; and finalizing project financing.

Major Component Accomplishments in 2020

- Received Federal Energy Regulatory Commission’s (FERC) Section 3 authorization to construct and operate the Alaska LNG Project.
- Received FERC’s Notice of Availability of the Final Environmental Impact Statement for the Alaska LNG Project.
- Received Records of Decision from the U.S. Army Corps of Engineers and the Bureau of Land Management for the Alaska LNG Project.
- Received Department of Energy authorization to export LNG to non-Free Trade Countries.
- Receipt of other major federal permits and authorizations of the Alaska LNG Project.
- Worked to optimize the Alaska LNG Project with ExxonMobil, BP, and Fluor and reduce the project cost from \$44.2B (2015) to \$38.7B (2020). Cost savings have a high level of confidence and reduce the cost of supply to Asia within the mid-range of market pricing relative to competitors.
- Worked under a Letter Agreement with ExxonMobil, BP, China Petrochemical Corporation (Sinopec), CIC Capital Corporation (CIC Capital), and Bank of China to develop the venture structure for the Alaska LNG Project.
- Worked with ExxonMobil and BP on a joint economic model to validate the economic viability of the Alaska LNG Project. Analysis of the overall reduction of the cost of supply to Asia indicates it is achievable with high level of confidence.

Key Component Challenges

AGDC’s mission is to maximize the benefit of Alaska’s vast North Slope natural gas resources through the development of infrastructure necessary to move the gas into local and international markets. AGDC continues to operate with reduced staffing ensuring continuity of knowledge and leadership. AGDC activities are being directed under a Board of Directors approved Strategic Plan (April 2020) to focus on the areas of venture structuring, financial, regulatory, and technical processes. AGDC is continuing to work with BP and ExxonMobil, and now also Hilcorp, in looking at potential venture structure and financing for the next phase of project development, Front End Engineering and Design (FEED). The parties are continuing to provide funding and subject matter experts, as needed, to accomplish this effort. The new venture structure could include existing strategic parties in addition to new venture partners.

Communities on and off the road system will benefit when the Alaska LNG Project becomes operational.

Interconnection points will provide communities on the road system with access to a reliable, clean, and affordable energy alternative. Communities off the road system will have access to the State of Alaska’s Affordable Energy Fund (AS 37.05.610) that will make resources available to communities to reduce energy costs and/or modernize their energy production and distribution systems.

Significant Changes in Results to be Delivered in FY2022

- Transition from sole ownership of Alaska LNG Project to a venture structure lead by private industry that will result in successful equity and debt financing of the project.
- Solicit and receive investment from strategic parties in the Alaska LNG project. Investment funding will support the project as it plans for front-end engineering and design (FEED).
- If insufficient private industry and investment partners are not willing to advance the Alaska LNG Project under the venture structure, then solicit capable and credit-worthy investors to purchase the assets of the project.

Statutory and Regulatory Authority

AS 31.25 Alaska Gasline Development Corporation
 AS 31.25.110 Alaska Liquefied Natural Gas Project Fund

Contact Information
<p>Contact: Frank Richards, President Phone: (907) 330-6300 E-mail: frichards@agdc.us</p>

**Alaska Gasline Development Corporation
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2021 Management Plan	FY2022 Governor		
Full-time	15	12	Annual Salaries	1,134,130
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	687,611
			<i>Less 1.16% Vacancy Factor</i>	(21,141)
			Lump Sum Premium Pay	0
Totals	15	12	Total Personal Services	1,800,600

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting and Contracts Admin	1	0	0	0	1
Admin and Procurement Spec.	1	0	0	0	1
Admin and Risk Manager	1	0	0	0	1
Administrative Assistant	1	0	0	0	1
Communications Manager	1	0	0	0	1
Contract Specialist	1	0	0	0	1
Enterprise Application Analyst	1	0	0	0	1
Finance Manager	1	0	0	0	1
Manager, Accounts Payable	1	0	0	0	1
Network Engineer III	1	0	0	0	1
Pipeline Engineer	1	0	0	0	1
President	1	0	0	0	1
Totals	12	0	0	0	12

Component Detail All Funds
Department of Commerce, Community, and Economic Development

Component: Alaska Gasline Development Corporation (2986)
RDU: Alaska Gasline Development Corporation (618)

Non-Formula Component

	FY2020 Actuals	FY2021 Conference Committee	FY2021 Authorized	FY2021 Management Plan	FY2022 Governor	FY2021 Management Plan vs FY2022 Governor	
71000 Personal Services	3,178.9	2,390.6	2,390.6	2,390.6	1,800.6	-590.0	-24.7%
72000 Travel	18.5	0.0	0.0	42.0	20.0	-22.0	-52.4%
73000 Services	2,488.3	1,001.0	1,001.0	959.0	1,221.0	262.0	27.3%
74000 Commodities	126.8	40.0	40.0	40.0	40.0	0.0	0.0%
75000 Capital Outlay	49.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	5,861.5	3,431.6	3,431.6	3,431.6	3,081.6	-350.0	-10.2%
Fund Sources:							
1235 AGDC-LNG (Other)	5,861.5	3,431.6	3,431.6	3,431.6	3,081.6	-350.0	-10.2%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	5,861.5	3,431.6	3,431.6	3,431.6	3,081.6	-350.0	-10.2%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	25	15	15	15	12	-3	-20.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	1	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Commerce, Community, and Economic Development

Component: Alaska Gasline Development Corporation (2986)
RDU: Alaska Gasline Development Corporation (618)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2021 Conference Committee To FY2021 Authorized *****												
Conference Committee												
1235 AGDC-LNG	ConfCom	3,431.6	2,390.6	0.0	1,001.0	40.0	0.0	0.0	0.0	15	0	0
		3,431.6										
Subtotal		3,431.6	2,390.6	0.0	1,001.0	40.0	0.0	0.0	0.0	15	0	0
***** Changes From FY2021 Authorized To FY2021 Management Plan *****												
Align Authority with Anticipated Expenditures												
LIT		0.0	0.0	42.0	-42.0	0.0	0.0	0.0	0.0	0	0	0
<p>In the enacted FY2021 budget, the Alaska Gasline Development Corporation's (AGDC) budget was reduced to better align with anticipated expenditures. However, that reduction eliminated funding in the travel line. This transfer aligns AGDC's authorization for anticipated expenditures in the travel line.</p>												
Subtotal		3,431.6	2,390.6	42.0	959.0	40.0	0.0	0.0	0.0	15	0	0
***** Changes From FY2021 Management Plan To FY2022 Governor *****												
Delete Vacant Positions No Longer Needed (04-703X, 04-708X, 04-7011X)												
1235 AGDC-LNG	Dec	-350.0	-350.0	0.0	0.0	0.0	0.0	0.0	0.0	-3	0	0
<p>Alaska Gasline Development Corporation (AGDC) is deleting three positions (04-703X, 04-708X, 04-7011X) and associated budget authority as they are not anticipated to be needed in the near term. In FY2022, AGDC's focus will be transitioning from sole ownership to a venture structure lead by private industry, therefore, these positions are not critical.</p>												
Transfer from Personal Services and Travel to Reflect Anticipated Expenditures												
LIT		0.0	-240.0	-22.0	262.0	0.0	0.0	0.0	0.0	0	0	0
<p>Alaska Gasline Development Corporation's goal in FY2022 is to transition from sole ownership of the Alaska Liquefied Natural Gas project to a venture structure lead by private industry. As a result, less authorization will be needed in personal services and travel, and the authorization is moved to services to support project activities.</p>												
Totals		3,081.6	1,800.6	20.0	1,221.0	40.0	0.0	0.0	0.0	12	0	0

Line Item Detail (1676)
Department of Commerce, Community, and Economic Development
Travel

Component: Alaska Gasline Development Corporation (2986)

Line Number	Line Name	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
2000	Travel	18.5	42.0	20.0

Object Class	Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
2000 Travel Detail Totals			18.5	42.0	20.0
2000	In-State Employee Travel	In-State Transportation - Transportation costs for travel relating to administration, meetings, boards and commissions.	4.8	20.0	6.0
2001	In-State Non-Employee Travel	In-State Transportation - Transportation costs for travel relating to meetings and boards for non-employees.	2.6	7.0	7.0
2002	Out of State Employee Travel	Out-of-State Transportation - Transportation costs for travel relating to administration, meetings, boards and commissions.	11.1	15.0	7.0

Line Item Detail (1676)

**Department of Commerce, Community, and Economic Development
Services**

Component: Alaska Gasline Development Corporation (2986)

Line Number	Line Name		FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
3000	Services		2,488.3	959.0	1,221.0
Object Class	Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
3000 Services Detail Totals			2,488.3	959.0	1,221.0
3000	Education Services	Training, educational conferences, agency memberships, tuition, books and fees for work-related courses.	32.3	35.0	35.0
3001	Financial Services	Accounting, auditing, management consulting, grantee monitoring, loan servicing and insurance related services.	135.6	30.0	30.0
3002	Legal and Judicial Services	Legal and judicial services, including costs to conduct hearings and transcription fees.	75.4	75.0	75.0
3003	Information Technology	Information Technology - Training, consulting, equipment and software leases, licensing and maintenance.	235.0	200.0	200.0
3004	Telecommunications	Local, long distance, and cellular telephone charges, television, data/network, telecommunication equipment, and other wireless charges from outside vendors.	5.7	5.0	5.0
3006	Delivery Services	Freight, courier services, and postage.	1.3	1.0	1.0
3009	Structure/Infrastructure/Land	Structure, infrastructure and land repairs, maintenance, rentals and leases.	672.9	248.0	380.0
3010	Equipment/Machinery	Machinery, furniture and equipment purchase, repairs, maintenance, rentals, and leases.	60.8	50.0	50.0
3011	Other Services	Other professional services.	1,114.2	174.0	304.0

Line Item Detail (1676)
Department of Commerce, Community, and Economic Development
Services

Component: Alaska Gasline Development Corporation (2986)

Object Class	Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
3000 Services Detail Totals			2,488.3	959.0	1,221.0
3011	Other Services	Honorariums and stipends.	26.0	30.0	30.0
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide Americans with Disabilities Act (ADA) enforcement.	0.2	1.0	1.0
3038	Inter-Agency Management/Consulting	Rev - Department-wide RSA with Alaska Housing Finance Corporation for employee benefits administration.	9.2	10.0	10.0
3038	Inter-Agency Management/Consulting	Law - Department-wide Reimbursable services agreement with the Department of Law for AKLNG Pipeline Legal Services.	34.1	30.0	30.0
3038	Inter-Agency Management/Consulting	Commerce - Administrative Services (1028) Administrative Services support.	47.7	40.0	40.0
3038	Inter-Agency Management/Consulting	Commerce - Commissioner's Office (1027) Commissioner's Office support.	37.9	30.0	30.0

Line Item Detail (1676)

**Department of Commerce, Community, and Economic Development
Commodities**

Component: Alaska Gasline Development Corporation (2986)

Line Number	Line Name		FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
4000	Commodities		126.8	40.0	40.0
Object Class	Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
		4000 Commodities Detail Totals	126.8	40.0	40.0
4000	Business	Supplies for office, library, training, and instructional needs, including small equipment, tools and subscriptions.	126.8	40.0	40.0

Line Item Detail (1676)

**Department of Commerce, Community, and Economic Development
Capital Outlay**

Component: Alaska Gasline Development Corporation (2986)

Line Number	Line Name		FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
5000	Capital Outlay		49.0	0.0	0.0
Object Class	Servicing Agency	Explanation	FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
5000 Capital Outlay Detail Totals			49.0	0.0	0.0
5007	Depreciation Expense	Depreciation expense.	49.0	0.0	0.0

Inter-Agency Services (1682)

Department of Commerce, Community, and Economic Development

Component: Alaska Gasline Development Corporation (2986)

				FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
Component Totals				129.1	111.0	111.0
			With Department of Administration	0.2	1.0	1.0
			With Department of Revenue	9.2	10.0	10.0
			With Department of Law	34.1	30.0	30.0
			With Department of Commerce, Community, and Economic Development	85.6	70.0	70.0
Object Class	Servicing Agency	Explanation		FY2020 Actuals	FY2021 Management Plan	FY2022 Governor
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide	Americans with Disabilities Act (ADA) enforcement.	0.2	1.0	1.0
3038	Inter-Agency Management/Consulting	Rev - Department-wide	RSA with Alaska Housing Finance Corporation for employee benefits administration.	9.2	10.0	10.0
3038	Inter-Agency Management/Consulting	Law - Department-wide	Reimbursable services agreement with the Department of Law for AKLNG Pipeline Legal Services.	34.1	30.0	30.0
3038	Inter-Agency Management/Consulting	Commerce - Administrative Services (1028)	Administrative Services support.	47.7	40.0	40.0
3038	Inter-Agency Management/Consulting	Commerce - Commissioner's Office (1027)	Commissioner's Office support.	37.9	30.0	30.0

Personal Services Expenditure Detail
Department of Commerce, Community, and Economic Development

Scenario: FY2022 Governor (17280)
Component: Alaska Gasline Development Corporation (2986)
RDU: Alaska Gasline Development Corporation (618)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
04-702X	Accounting and Contracts Admin	FT	1	-5	Anchorage	99	0 /	12.0		97,819	0	0	75,538	173,357	0
04-703X	Senior VP, Program Management	FT	A	-5	Anchorage	99	0	12.0		0	0	0	0	0	0
04-706X	Communications Manager	FT	1	-5	Anchorage	99	0	2.0		18,293	0	0	13,298	31,591	0
04-707X	Admin and Procurement Spec.	FT	A	-5	Anchorage	99	0 /	12.0		98,944	0	0	75,939	174,883	0
04-708X	Manager, IT/IS	FT	1	-5	Anchorage	99	0A	12.0		0	0	0	0	0	0
04-710X	Contract Specialist	FT	1	-5	Anchorage	99	0A	2.0		14,382	0	0	11,906	26,288	0
04-711X	Executive Assistant	FT	A	-5	Anchorage	99	0A	12.0		0	0	0	0	0	0
04-712X	Administrative Assistant	FT	1	-5	Anchorage	99	0A	2.0		11,315	0	0	10,813	22,128	0
04-716X	Enterprise Application Analyst	FT	1	-5	Anchorage	99	0A /	12.0		108,541	0	0	79,356	187,897	0
04-717X	Network Engineer III	FT	1	-5	Anchorage	99	0A /	12.0		122,976	0	0	84,497	207,473	0
04-718X	Pipeline Engineer	FT	1	-5	Anchorage	99	0A	6.0		90,000	0	0	52,401	142,401	0
04-720X	Admin and Risk Manager	FT	1	-5	Anchorage	99	0A /	12.0		167,766	0	0	98,916	266,682	0
04-724X	Manager, Accounts Payable	FT	1	-5	Anchorage	99	0A	2.0		21,428	0	0	14,415	35,843	0
04-730X	Finance Manager	FT	1	-5	Anchorage	99	0A	2.0		24,135	0	0	15,379	39,514	0
04-732X	President	FT	1	-5	Anchorage	99	0A /	12.0		358,531	0	0	155,153	513,684	0

													Total Salary Costs:	1,134,130
													Total COLA:	0
													Total Premium Pay:	0
													Total Benefits:	687,611
													Total Pre-Vacancy:	1,821,741
													Minus Vacancy Adjustment of 1.16%:	(21,141)
													Total Post-Vacancy:	1,800,600
													Plus Lump Sum Premium Pay:	0
													Personal Services Line 100:	1,800,600

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1235 Alaska Liquefied Natural Gas Project Fund (AGDC-LNG)	1,821,741	1,800,600	100.00%
Total PCN Funding:	1,821,741	1,800,600	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

State of Alaska
Department of Commerce, Community and Economic Development
Alaska Gasline Development Corporation
FY2022 Governor Organization Chart

