

REAPPROP: Legal and Financial Due Diligence for Alaska Liquefied Natural Gas Pipeline Project (AKLNG) **FY2023 Request: \$937,661**
Reference No: AMD 61973

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:** Theresa Cross
Estimated Project Dates: 07/01/2022 - 06/30/2027 **Contact Phone:** (907)269-6398

Brief Summary and Statement of Need:

This will reappropriate projected lapse of the FY2015 Public Access and User Facilities Improvements at the Mouth of the Kasilof River Phase 2. This project is for due diligence and project analysis for the Alaska Liquefied Natural Gas Pipeline Project (AKLNG). International market conditions have required the Department to recently re-engage in contracts providing financial and commercial due diligence for the project.

Funding:	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>Total</u>
1255	\$937,661						\$937,661
Reapprops							
Total:	\$937,661	\$0	\$0	\$0	\$0	\$0	\$937,661

<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"/> Ongoing
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:

Sec1 Ch19 SLA2018 P8 L7 SB 142 \$750,000

Project Description/Justification:

International market conditions have required the Department of Natural Resources to re-engage in contracts providing financial and commercial due diligence for the Alaska LNG project.

Activities to be performed include 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 request 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 as well as modeling various revenue streams, risks, and commercial impacts of the project to the State.

* Sec. X. DEPARTMENT OF NATURAL RESOURCES. The unexpended and unobligated balance, estimated to be \$937,661, of the appropriation made in sec. 1, ch. 18, SLA 2014, page 58, lines 25 - 27, (Department of Natural Resources, Public Access and User Facilities Improvements at the mouth of the Kasilof River Phase 2 - \$1,400,000), is reappropriated to the Department of Natural Resources

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for the purpose of providing financial and commercial due diligence for the Alaska LNG project for fiscal years ending June 30, 2023, June 30, 2024, and June 30, 2025.