

Advance Commercial Investment in the Alaska LNG Project and Maintain Project Assets in Ready Status **FY2025 Request: \$4,500,000**
Reference No: 65136

AP/AL: Appropriation **Project Type:** Energy
Category: Development **House District:** Statewide (HD 1 - 40)
Location: Statewide **Contact:** Frank Richards
Impact House District: Statewide (HD 1 - 40) **Contact Phone:** (907)330-6352
Estimated Project Dates: 07/01/2024 - 06/30/2029

Brief Summary and Statement of Need:

The Alaska LNG Project is negotiating with private investors to take the lead advancing the project once natural gas sales precedent agreements (GSPA) are in place in FY2025. The Alaska Gasline Development Corporation will maintain current levels of effort until 8 Star Alaska LLC, the subsidiary created to take the project through Front End Engineering and Design (FEED), is fully capitalized by private equity and is operational.

Funding:	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	Total
1004 Gen Fund	\$4,500,000						\$4,500,000
Total:	\$4,500,000	\$0	\$0	\$0	\$0	\$0	\$4,500,000

<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"/> Ongoing
0% = Minimum State Match % Required		<input 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:

AGDC will continue to negotiate development agreements with investors, maintain project management systems and data bases, maintain existing federal and state authorizations, apply for state permits and extensions as needed, and prepare to stand up 8 Star Alaska.

Project Description/Justification:

AGDC has advanced the Alaska LNG Project using appropriations (FY2014-FY2016) to the Alaska LNG fund. AGDC estimates that the fund will have less than \$1 million at the end of FY2024 and will no longer have sufficient funds to support the ongoing activities of the corporation. AGDC is requesting \$4.5 million of general funds to support the commercial and management activities of the corporation to develop agreements and maintain the ready state of project assets. AGDC uses contractors as technical support so that expertise can easily be shifted to 8 Star Alaska when necessary.

ADGC will continue to work with private equity investors who will fund the \$151 million FEED activities (via 8 Star Alaska) and will take the lead in construction and operation of the LNG plant, the Arctic Capture Plant and pipeline.

AGDC has permits, authorizations, and agreements that must be maintained, and compliance with those documents is required to ensure the project can move rapidly to construction and operation. Several of these permits/authorizations are to be renewed this year including marine mammal and air quality permits.

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AGDC has accounting, GIS, data, and compliance monitoring systems that must be kept current as these are assets to be transferred to 8 Star Alaska and are key aspects of the project that make it attractive to investors.