

AGDC Interim President's Report Joe Dubler

October 10, 2019



- Continue to represent State of Alaska role as a sovereign:
 - Work with BP/ExxonMobil going well
 - Holding weekly organizational structure workshops
 - DEIS reviews and subject expertise being provided
 - On time/under budget
- BP announced sale to Hilcorp
 - BP to honor commitments for \$ and personnel
- Met with Vietnamese Ambassador to the US
- Attended GasTech in Houston:
 - Met with representatives from potential investors and partners to give project updates
- FY 21 Budget proposal (executive session, deliberative process)

- Continue work on regulatory effort
- Ongoing work with BP & ExxonMobil:
 - Cost reduction workshops
 - Work to review design and optimize cost reductions
 - Venture structure work
 - Review range of structures and suitability to AKLNG
- Continue soliciting partners for participation in FEED
 - Significant work in this area has been done over the past several years
 - With sufficient financial interest from third parties, AKLNG will be in a position to begin and complete FEED within the next two to three years

Financial Summary

ALASKA GASLINE DEVELOPMENT CORPORATION				
(A Component Unit of the State of Alaska)				
Fiscal Year to Date Statement of Activities				
(in thousands of dollars)				
as of August 31, 2019 Unaudited				
			YTD Costs	
	YTD Costs			
ASAP & ISG Project Expenditure	-	Total Expenditures	Core Staff 339	
			Asset Mgmt 1	
LNG Project Expenditures	650		FERC Labor 5	
			FERC Engr 260	
AGDC General & Admin Function	1,566		FERC EIS 43	
Total	2,216		Total 650	
			YTD Costs	
	YTD Costs			
Executive	291	G & A by Department	Personnel 865	
Commercial	358		Travel 2	
External Affairs	175		Services 292	
Legal	41		RSA Services -	
Finance	155		Services - Mgmt Consulting 344	
Administrative Services	237		Commodities 54	
Data Management	309		Depreciation 9	
Total	1,566			Total 1,566

Financial Summary AFE

ALASKA GASLINE DEVELOPMENT CORPORATION		
(A Component Unit of the State of Alaska)		
Fiscal Year to Date Statement of Activitives		
as of August 31, 2019 Unaudited		
AFE - Program Management		
6201	339	
6203	-	
6204	-	
6205	1	
6206	-	
6207	-	
6208	5	
6209	-	
6210	-	
6211	260	
6212	43	
6213	2	
Subtotal	<u>650</u>	
Total AFE	650	
Total Other	1,566	
Total	<u>2,216</u>	

ALASKA
GASLINE
DEVELOPMENT CORP.



Alaska LNG Project Technical and Regulatory Update

Frank Richards, Senior Vice President of Program Management
October 10, 2019



FERC Milestones Achieved:

Milestone	Date
FERC Public Comment Meetings	September 9-12, 2019
BLM Public Subsistence Hearings	September 17 & 19, 2019
AGDC Post-Public Meeting Update Meeting	September 17, 2019
Draft EIS Comments Due to FERC by 5:00 PM EST	October 3, 2019

Future FERC Milestones:

Milestone	Date
Publication of Notice of Availability of Final EIS	March 6, 2020
Issuance of Final FERC Order	June 4, 2020

- AGDC's strategic Draft Environmental Impact Statement (DEIS) review process completed:
 - Completeness, Accuracy, and Strategic work stream review complete.
 - DEIS comments underwent management review, refinement, and consolidation under major comment categories.
 - Responses to the 28 FERC Recommended Mitigation requests required prior to the end of the DEIS review period complete.
- AGDC contracted scope to conduct review and analyses of the DEIS and field work is substantially less the approved Work Program and Budget.
- AGDC provided the Denali National Park & Preserve (DNPP) re-route notification to FERC on August 16, 2019
- AGDC interface with BP and ExxonMobil subject matter experts:
 - August 14, 2019 - General DEIS review update meeting.
 - August 16, 2019 - Focused meeting on FERC's greenhouse gas (GHG)/climate change analysis.
 - August 28, 2019 - DEIS Comment Response Workshop.
 - Frequent ad hoc updates.

- FERC Engineering Data Request received September 17, 2019:
 - Data requests focus on mechanical design, hazard mitigation, fire water system, spill response, hazard detection and structural design of GTP and LNG facilities.
 - Contained many staff recommendations from within DEIS, redundant request.
 - FERC staff/consultants very busy so behind in review effort.
- AGDC contracted scope to conduct review and analyses of the engineering data request is substantially less the approved Work Program and Budget.
- AGDC developing data responses and schedule of additional responses to submit to FERC by October 7, 2019

- AGDC provided detailed responses to FERC:
 - 259 DEIS Review Comments
 - 214 Responses to FERC Staff Recommended Mitigations
 - 28 Responses Required Prior to October 3 Deadline
 - 49 Modified tables for the DEIS to incorporate the DNPP route change
- Public comments filed:
 - Oil Industry and Support Entities (BP, Exxon, Alyeska, RDC and AOGA)
 - State of Alaska regulatory departments
 - Federal Agencies: Corps of Engineers, USEPA
 - Municipalities
 - Landowners
 - Labor groups
 - Environmental groups
 - Individuals

- Air Permits:
 - Draft air permits published for GTP July 2019 – comments submitted August 12, 2019
 - Air monitoring complete for LNG in August of 2019 – permit application to follow
- PHMSA Special Permits:
 - 4 pipeline special permits issued September 9, 2019
 - Pipe-in-Pipe special permit expected to go to public notice in October, 2019
 - Siting Review Letter of Determination expected 30 days before FERC Order(May 2020)
- USCG Bridge Permits:
 - Public notice July 26, 2019
- MMPA Incidental Take:
 - NOAA/NMFS (whale) public notice June 28, 2019
 - USFWS (sea otter) public notice August 1, 2019 - joint with Hilcorp
- USACE 404 Permit:
 - State 401 Certification ready for submittal after the DNPP route change
 - EPA water Quality Certification

- USFWS Bald and Golden Eagle Protection Permit
 - Initial application submitted June 28, 2019
 - Permit issuance scheduled for April 3, 2020
- Section 106 Review
 - Consultation with SHPO, BLM and NPS ongoing
- BLM ROW
 - ROW issuance scheduled for June 4, 2020
- State ROW
 - ROW application submittal October, 2019
- NPS DNPP ROW
 - Field visit with AGDC and NPS on September 18, 2019
 - ROW application submittal October, 2019

- Began migration of all on premise SharePoint content to Office 365 (SharePoint online) to align with AGDC strategy
- Supported DEIS review process with unique collaborative tool
 - Used Office 365 to bring commenting team into a single collaborative space
 - Was an efficient and effective process
- Producer Data Room; Updating structure and FERC interface information as necessary to accommodate additional meetings
- Increased short-term GIS contract resources to assist ROW permit application
- Supported Denali National Park Re-Route Major Project Management of Change

Monday, Sept. 9

- Inupiat Heritage Center, Utqiagvik, AK (2 attendees, 1 speaker)
- Trapper Creek Elementary School, Trapper Creek, AK (1 attendee, 1 speaker)

Tuesday, Sept. 10

- Kisik Community Center, Nuiqsut, AK (1 attendee, 0 speaker)
- Houston Fire Station, Houston, AK (0 attendee, 0 speaker)

Wednesday, Sept. 11

- Tri-Valley Community Center, Healy, AK (16 attendees, 4 speakers)
- Nikiski Recreation Center, Nikiski, AK (60 attendees, 18 speakers)

Thursday, Sept. 12

- Morris Thompson Cultural and Visitors Center, Fairbanks, AK (9 attendees, 2 speakers)
- Dena'ina Center, Anchorage, AK (22 attendees, 7 speakers)

Public Comments:

- 95% supportive of project overall and location of LNG plant in Nikiski
- Boulder Point neighborhood supports project; requests pipeline routing away from area
- Port Mackenzie alternative inaccurately described
- FERC meeting notification and lack of dialogue and exchange criticized

- AGDC developed a draft scope for 3rd-party contractor to provide a confidential clearing-house for proprietary cost information to support further cost reduction validation efforts
 - Protect against anti-trust issues.
 - Augment benchmarking data with proprietary cost information for top quartile projects.
 - AGDC developing specific and targeted optimization studies for consideration.
- Overall objective for cost reduction & validation is to provide decision support content demonstrating the Project is commercially and technically viable.

- FERC Public Comment Meetings
 - September 9, 2019 – Utqiagvik & Trapper Creek
 - September 10, 2019 – Nuiqsut & Houston
 - September 11, 2019 – Healy & Nikiski
 - September 12, 2019 – Anchorage & Fairbanks
- BLM 810 Subsistence Public Comment Meetings
 - September 17, 2019 – Anaktuvuk Pass (weather canceled meeting)
 - September 19, 2019 – Kaktovik
- Fairbanks Chamber of Commerce – September 11, 2019
- Resource Development Council – September 19, 2019
- Energy for All Alaskans Task Force Meeting – September 24, 2019