

# AGDC Interim President's Report

## Joe Dubler

February 20, 2020



# 1<sup>st</sup> Quarter Work Efforts

- Continuing regulatory de-risking by pursuing major state and federal permits
- Continuing to work with BP/ExxonMobil/Fluor to update AKLNG project costs to 4q 2019
- Continuing organizational structure optimization with BP/ExxonMobil
- Developing a draft tactical business plan
- Begun composing documents for Request for Interest on both ASAP and AKLNG
- Responding to queries from Legislators and their staff

# Cost Reduction Work Program Status

- AGDC committed to analyzing and updating the total capital and operating cost projections of the AKLNG project from the 2015 Joint Venture Agreement level
- AGDC personnel are meeting with high level engineers from BP and ExxonMobil to review the original cost estimates
- In the Fall of 2019, AGDC contracted with Fluor Corporation to evaluate cost reduction opportunities and update the Class 4 Cost Estimate to Q4 \$2019
- Scope of work includes 10 major tasks
- Updated Class 4 Cost Estimate will be provided as input into common economic model developed with input from BP, ExxonMobil, and DOR
- Objective is to provide data for a decision support package if the Project is commercially and technically viable

# Third Party Participation

- BP & ExxonMobil
  - Technical assistance with Federal Energy Regulatory Commission review and analysis
  - Assisting with evaluation of potential cost reduction opportunities and projections
- AGDC is continuing to solicit interest from investors and other potential participants
  - To date, AGDC has executed confidentiality agreements with parties that are currently reviewing various aspects of AGDC's work product

# 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 January 31, 2019 Unaudited

	<u>YTD Costs</u>
LNG Project Expenditures	4,277
AGDC General & Admin Function	<u>3,641</u>
Total	<u><u>7,918</u></u>

### General and Administrative by Department / Function

	<u>YTD Costs</u>		<u>YTD Costs</u>
Executive	961	Personnel	2,077
Commercial	509	Travel	9
External Affairs	175	Services	656
Legal	105	RSA Services	12
Finance	466	Services - Mgmt Consulting	784
Administrative Services	820	Commodities	74
Data Management	604	Depreciation	29
Total	<u><u>3,641</u></u>	Total	<u><u>3,641</u></u>

### LNG Project Expenditures

Core Staff	1,099
Asset Mgmt	1
FERC Labor	45
FERC Engr	2,153
FERC EIS	842
FERC Legal	2
FERC RSA	64
FERC BLM	47
	<u><u>4,253</u></u>

\* excludes 24.0 ASAP

Questions?



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Joe Dubler, Interim President  
February 20, 2020

# Alaska LNG Project Technical and Regulatory Update

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Frank Richards, Senior Vice President of Program Management  
February 20, 2020



## FERC Milestones Achieved:

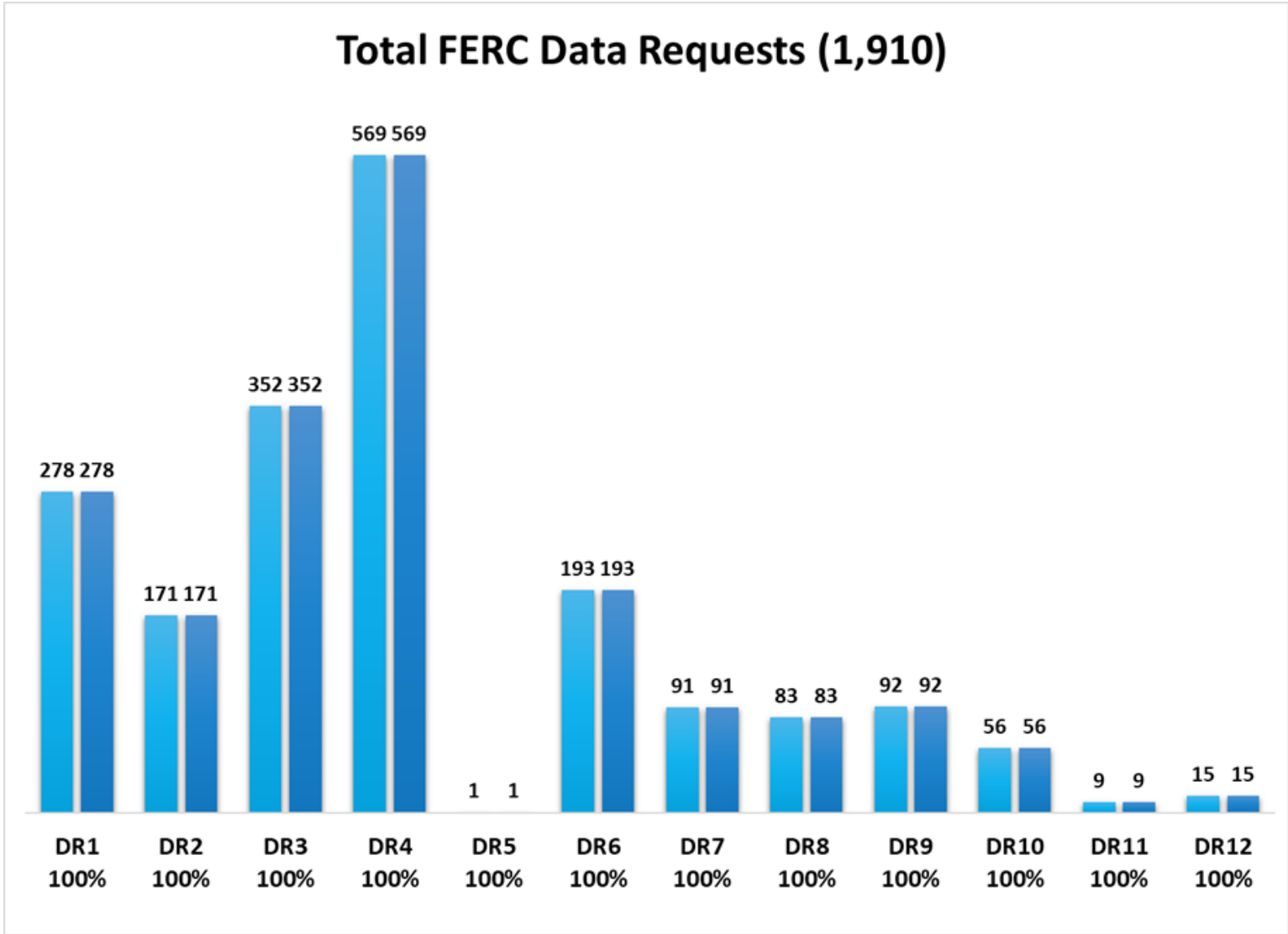
Milestone	Date
FERC Public Comment Meetings	September 9 - 12, 2019
BLM Public Subsistence Hearings	September 17 & 19, 2019
AGDC Post-Public Meeting Update Meeting	September 17, 2019
Draft EIS Comments Due to FERC by 5:00 PM EST	October 3, 2019
PHMSA posted Letter of Determination	February 4, 2020

## Future FERC Milestones:

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



- FERC Data Request #12 was received January 30, 2020 (included many previously answered requests) and was completed February 5, 2020 (15 requests)
- FERC staff has issued a total of 1,910 data requests (both environmental and engineering) since July 2017, not including the 214 FERC Staff Recommended Mitigations that required response and completion by October 3, 2019



# Major Permit Status – Complete

Permit	Agency	Status	Note
Letter of Recommendation	USCG	Issued	Complete
Natural Gas Export	DOE	Issued	Complete
Essential Fish Habitat Consultation	NOAA	Issued	Complete
Strain-Based Design	PHMSA	Issued	Complete
Crack Arrestor Spacing	PHMSA	Issued	Complete
Mainline Block Valve Spacing	PHMSA	Issued	Complete
Three Layer Polyethylene Coating	PHMSA	Issued	Complete
Siting Review Letter of Determination	PHMSA	Issued	Complete

# Major Permit Status – In Process

Permit	Agency	Status	Note
<b>Prevention of Significant Deterioration - Air Permit - GTP</b>	ADEC	In Process	Public comment closed; AGDC responded to RFI; increment analysis discussions ongoing; anticipated Q2 2020
<b>Pipe-in-Pipe</b>	PHMSA	In Process	Public notice period complete; anticipated Q2 2020
<b>Right-of-Way - State</b>	ADNR	In Process	Public notice period complete; 5 comments received; anticipated Q3 2020
<b>Section 106 Review</b>	FERC	In Process	Misc. cooperating agencies; Programmatic Agreement anticipated Q1 2020; AGDC outreach meetings underway as agreed with SHPO, BLM, NPS
<b>LNG Terminal/EIS</b>	FERC	In Process	DEIS complete; FEIS anticipated March 6, 2020
<b>Right-of-Way – Federal</b>	BLM	In Process	Application submitted; anticipated June 2020
<b>Right-of-Way – Federal</b>	NPS	In Process	Application submitted; anticipated June 2020

# Major Permit Status – In Process

Permit	Agency	Status	Note
<b>MMPA Incidental Take (whales, seals)</b>	NMFS	In Process	Cook Inlet: Published in Federal Register; active ongoing negotiations regarding mitigation. Prudhoe Bay: Peer Review Panel 1Q 2020, anticipated 2Q 2020
<b>MMPA Incidental Take</b>	USFWS	In Process	Sea Otter: Published in Federal Register; Polar Bear anticipated Q2 2020
<b>Endangered Species Act Consultation</b>	NOAA	In Process	Package deemed complete; anticipated Q2 2020
<b>Endangered Species Act</b>	USFWS	In Process	Consultation request received; anticipated Q2 2020
<b>Bridge Permits for original route</b>	USCG	In Process	Public notice complete; anticipated Q3 2020
<b>Section 404 Wetlands</b>	USACE	In Process	Public comment period complete Feb 2020; anticipated decision Q2 2020, permit Q3 2020
<b>Section 401 Water Quality</b>	EPA & ADEC	In Process	Application submitted, anticipated Q3 2020
<b>DOD Letters of Non-Objection (Clear AFS &amp; Kenai Radar)</b>	DOD	In Process	Information submitted, anticipated Q1 2020

# Major Permit Status – In Process

Permit	Agency	Status	Note
<b>Prevention of Significant Deterioration – Air Permit – LNG Facility</b>	ADEC	In Process	Application and monitoring data submitted; increment analysis underway; public comment period anticipated Q2 2020

- Fluor progressing with cost estimate reduction work scope & cost estimate update to Q4\$2019
- Held first of three workshop sessions in Houston Jan. 26–29
  - Focus areas: Use of high value engineering centers, optimized contracting strategy, & optimized Project Management Team
  - Subject matter experts from BP and ExxonMobil participated
- Second workshop sessions Feb. 11–13
  - LNG Facility modularization and best country sourcing
  - Estimate update plan & contingency
  - ERL risk review
- Completed Fluor “Task 9” additional opportunities management of change process for PMT final review and signoff
  - Liquefaction technology alternative
  - Gas treatment technology alternative
  - Optimization of CO<sub>2</sub> compression

- Provided major permitting status update to Producer FERC subject matter experts
- Update draft of AGDC Strategic Plan
- Developed obligation tracker tool
- Maintaining Producer and Alaska LNG Project Data Rooms
- Completed Firmex annual renewal
- Coordinating Met Tower demobilization plan for Nikiski and Prudhoe Bay sites



- Currently focused on outreach surrounding the draft Alaska LNG Project Cultural Resource Management Plan (CRMP)
- Meetings with stakeholders to discuss the draft CRMP
  - Met with Knik Tribal Council and Chickaloon Traditional Native Council
  - Meetings with Native Village of Tyonek, Kenaitze Indian Tribe, Native Village of Cantwell, and Nuiqsut over next several weeks
- Ongoing meeting with regulators to provide information on stakeholder engagement and CRMP development

ALASKA  
GASLINE  
DEVELOPMENT CORP.

The logo for Alaska Gasline Development Corp. features the text "ALASKA GASLINE DEVELOPMENT CORP." in a blue, sans-serif font. To the right of the text is a stylized outline of the state of Alaska, composed of several blue stars of varying sizes arranged to form the state's shape.

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