

8 Star Alaska, LLC

ALASKA LNG PROJECT

Alaska's Path to Affordable Energy
and Sustainable Revenue



WHAT'S AT STAKE?

Alaska is about to develop one of the world's greatest natural gas basins. Decisions made by the Legislature during the early years of the Alaska LNG project will determine whether Alaskans face:

- Higher energy bills locked in for decades through imported gas, **or**
- Lower, more stable energy costs paired with long-term revenue and energy security.

This decision is not about whether the project pays taxes. It is about how taxes are structured and timed so that Alaskans benefit during the most expensive years of project development.

FAST FACTS

- Alaska LNG is designed to produce approximately 3.5Bcf/day.
- Alaska currently consumes approximately 0.2Bcf/day.
- 8 Star Alaska LLC is a partnership between Glenfarne Alaska LNG, LLC (75%) and the Alaska Gas Development Corporation (AGDC) (25%).
- Glenfarne serves as Managing Partner and assumes all development, financing, and execution risk. The State is not being asked to take any risk or make any further project investments.
- AGDC has no obligation to invest capital, guarantee debt, or bear project risk.
- Once operational, the project is projected to generate average annual revenues of approximately \$850 million beginning in 2033 to the State of Alaska, Permanent Fund, School Fund, and Rural Affordable Energy Fund.

Without this project, stranded North Slope gas generates no revenue for the State or local communities.

WHY TAX STRUCTURE AND TIMING MATTER

Large infrastructure projects experience their highest per-unit costs during early operations, when volumes are lowest and systems are still ramping up. Property taxes assessed during this period are typically passed through utilities directly to consumers through higher rates.

The result: Early taxation functions like a rate surcharge on Alaskans during the most expensive years of the project.

THE POLICY TOOL: NGPAT

For the Alaska LNG project, the Natural Gas Pipeline Alternative Tax (NGPAT) replaces traditional property tax valuation with a throughput-based mechanism tied to actual gas volumes moving through the system.

NGPAT provides:

- Predictable, litigation-resistant revenue;
- Flexibility during early operations;
- A direct connection between project scale and tax obligation; and
- Revenue streams for communities that do not exist today.

THE LEGISLATIVE DECISION

To protect consumers while preserving long-term public revenue, the proposal would:

- Apply an NGPAT structure to the Alaska LNG project, and
- Temporarily exempt the first 1 Bcf/day of throughput from full taxation during the initial 10-year ramp-up period.

This approach does not eliminate taxes. It aligns taxation with project scale, protecting consumers early while enabling significant tax and royalty revenues over time.

THE BOTTOM LINE

- Local governments and the State of Alaska receive revenue from a project that has been talked about since the 1960's. Currently, the stranded North Slope gas does not generate any revenue and will not until the Alaska LNG project is built.
- Alaska LNG is a generational project that will bring economic opportunity, jobs and local revenue.
- With the Alaska LNG project Alaskans will control their destiny on energy. The alternative is imported gas at significantly higher prices and long-term loss of cost control.
- There is no better time to unlock long-term revenue and energy security for Alaskans.

By aligning tax timing with project economics, Alaska will enable the project and ensure low-cost energy for consumers while accelerating scale-up and unlocking substantially greater long-term revenue for the State and local governments than immediate full taxation would produce. A properly structured NGPAT is a consumer protection and revenue strategy, not a tax giveaway.