

January 19, 2024

State of Alaska Dept. of Environmental Conservation Division of Air Quality
Attn: Mr. Jim Plosay
410 Willoughby Avenue, Suite 603
Juneau, Alaska 99811-1800

RE: Air Quality Construction Permit No. AQ1539CPT01 – Alaska LNG Liquefaction Facility Permit
Extension Request

Dear Mr. Plosay:

The Alaska Gasline Development Corporation (AGDC) was issued Air Quality Construction Permit No. AQ1539CPT01 for the Liquefaction Facility (LF) located in Nikiski, Alaska on July 7, 2022. This letter is to request the Alaska Department of Environmental Conservation (ADEC) issue an extension to the permit, as construction of the Liquefaction Facility has not commenced, as required by Condition No. 2 of the permit. AGDC is requesting the extension to allow time for completion of the necessary pre-construction project activities including Front-End Engineering Design (FEED).

As justification for the requested extension, please note:

- The LF is part of the Alaska LNG Project, which is a large and complex project that also includes an 807-mile pipeline and a liquefaction facility. Total estimated construction costs are over \$40 billion.
- The global Covid pandemic and the war in Ukraine caused global LNG markets to fluctuate dramatically, making it challenging to obtain agreements for large long-term investments such as the integrated Alaska LNG Project.
- AGDC is currently working with Goldman Sachs to obtain private sector investment to complete the FEED stage of the integrated project, and to move to Final Investment Decision (FID). AGDC's goal is to begin the FEED stage of the Project in 2024, complete FEED in early 2025, and reach FID and begin construction in 2025.
- With Cook Inlet gas supplies unpredictable past the current contract terms, maintaining active permits for the Alaska LNG Project is critical for Southcentral Alaska energy security.
- The Project is expected to lower energy costs by about 50% for residents and businesses on the gas distribution network (i.e., the majority of Alaskans). Residents and businesses not on the distribution network will benefit from Alaska LNG Project's contributions to the Alaska Energy Fund.
- Our U.S. allies, including Japan and South Korea, have demonstrated strong interest in the Project to help meet country climate goals and to replace LNG that has been redirected from the U.S. Gulf Coast to Europe. However, getting contract agreements with other governments, and with private sector companies from other countries, takes significant time.
- The Alaska LNG Project was provided with directed funding by Senator Murkowski through the Department of Energy. That funding is currently pending.

- The Project was provided Federal loan guarantees valued at \$30 billion, and the process for receiving those loans is under development and not yet fully defined by the Department of Energy.
- The Alaska Department of Revenue has estimated the Alaska LNG Project will provide approximately \$30 billion in revenue for the State of Alaska.

In summary, the LF is an integral part of the Alaska LNG Project, which will provide significant revenue to the State of Alaska and enhance energy security for Alaskans and for our U.S. allies. The Project is large and complex, and therefore takes time and significant resources to move to the next stage and get to the point construction can commence. AGDC's full efforts and resources are being used to move the project forward.

We appreciate your consideration of AGDC's request for extension of Air Quality Construction Permit No. AQ1539CPT01. Please contact Lisa Haas at 907-947-9353 or lhaas@agdc.us if you have any questions on our extension request.

Sincerely,

A handwritten signature in blue ink, appearing to read "F. Richards".

Frank T. Richards, P.E.
President

cc:

Lisa Haas, AGDC