



February 22, 2011

Alaska State Legislature
Alaska State Capitol
Juneau, AK 99801

Subject: January Progress Report on the Alaska Stand Alone Gas Pipeline/**ASAP**

Esteemed Members of the Alaska Legislature:

Pursuant to HB369, the Alaska Gasline Development Corporation (AGDC) is submitting the following monthly project report on the Alaska Stand Alone Gas Pipeline (ASAP) for legislative review.

The NEPA process (National Environmental Policy Act) is currently in progress on the ASAP project. This process is necessarily occurring at the project *feasibility determination* stage of the project, and is an essential source of information for inclusion in the project plan prior to the Legislature evaluating the solution to the energy needs of the Cook Inlet and Fairbanks regions. The important advantages to advancing the work in this area at this time are to ensure that planning and decisions avoid delays later in the process and potential issues are identified reducing unnecessary expenses. Consistent with this policy, AGDC continued extensive work on completing version two of the Plan of Development. The revised Plan of Development will be available for distribution to the U.S. Army Corps of Engineers (USACE) and cooperating State and Federal agencies on March 1, 2011. Upon publishing the revised Plan of Development, the ASAP project link will be added to the USACE, BLM and DNR websites for viewing.

Members of the ASAP team prepared stakeholder information and community education material in preparation of visiting the town of Nenana to provide a project update and explain the borehole drilling program expected to commence in February. AGDC continues to evaluate our communication needs and our requirements in this area. Looking back over the period of 24 months, AGDC has contracted the services of two firms which have experienced personnel and resources to assist in the stakeholder engagement process for the ASAP project. Each of these firms offer extensive experience in engaging various stakeholders around the State to meet the regulatory process requirements and the public expectation of engagement for a project of this size. In addition to assisting AGDC with stakeholder engagement they have demonstrated the expertise to document all aspects of the process to meet the legal administrative record requirements for the project.

AGDC approved the next phase of the Cost Recovery Agreement (CRA) with BLM for \$175,000 which will fund work to progress the project to the Draft Environmental Impact Statement phase. The latest BLM funding includes assistance with acquiring the Environmental Impact Statement

on the project and completing the work related to acquiring the 404 Permit related to jurisdiction on wetlands.

The ASAP project cost and alternatives optimization work continues. Analysis is continuing on pipeline fill products such as Liquefied Natural Gas (LNG), Natural Gas Liquids (NGLs), and Gas to Liquids (GTLs). As information and results are finalized, a report will be made available to the Legislature.

The roll-out of the Web-based GIS database, displaying the ASAP route layered with information on cultural work and environmental data, was released late January to State and Federal agencies. Agencies and contractors requiring the information are provided secure access until the information is released to the public which is anticipated to occur mid-March.

AGDC worked with contractors to prepare for an aggressive summer field program. Summer field work will include filing for permits, continuing wetlands work, cultural and biological research, logistics and production of related reports. Contractors were directed to develop and plan for costing the 2010 summer program and identify the costs associated with continued project support (reports, agency coordination and data sharing).

AGDC is working with State of Alaska DNR to obtain and share data collected from work associated with AGIA where a need for identical information would result in duplicitous effort on behalf of the State. AGDC is hopeful this effort will result in knowledge sharing and a reduction of state spending.

Thank you for your continued support and interest in the progress of the Alaska Stand Alone Gas Pipeline project. Please call either 907.330.8452 or 907.277.4432 with any questions on information in this report or to request more information on the Project.

Respectfully submitted,



Dan Fauske
Chair, Joint In-State Gasline Development Team

cc: Honorable Governor Parnell
Lieutenant Governor Treadwell
AHFC Board Members
AGDC Team Members