

Municipality of Anchorage
Mayor's Energy Task Force
Resolution 2010-01

WHEREAS, Anchorage Mayor Dan Sullivan has appointed a task force of energy experts to advise him with respect to gas supply and deliverability challenges; and

WHEREAS, the Mayor and the Energy Task Force (Task Force) have been briefed by representatives of the State of Alaska as well as by Cook Inlet producers and gas and electric utilities serving the Municipality and the majority of Southcentral Alaska consumers; and

WHEREAS, Southcentral Alaska utilities and producers face increasingly difficult challenges to meet heat, light and power deliverability requirements during peak cold weather months; and

WHEREAS, there is agreement among all parties that these challenges will escalate in the next one to five years; and

WHEREAS, if the immediate challenges of meeting deliverability requirements during peak cold spells are not successfully addressed there is the real possibility of rolling blackouts or even more catastrophic results as soon 2011, 2012 and 2013; and

WHEREAS, the Legislature, utilities, producers and private parties are all working toward solutions; and

WHEREAS, the Task Force concludes that storage of all types is essential to meeting the challenge of gas deliverability and reliability for heating and electric generation for Southcentral residents; and

WHEREAS, the Task Force concludes that investment in drilling and development for new gas in Cook Inlet is essential both in the near term and the longer term; and

WHEREAS, the Task Force concludes that a critical component of both deliverability of gas and new gas development is the timely and efficient action on upcoming gas contracts by the RCA; and

WHEREAS, the Task Force recognizes the critical role of the LNG facility in providing storage in Cook Inlet; and

WHEREAS, the Task Force recognizes the critical role of conservation in meeting the energy needs of Southcentral Alaska; and

WHEREAS, right now incentives for storage and for increased drilling in Cook Inlet are before the Alaska Legislature; policies affecting the kinds of storage that would be

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approved by the Division of Oil & Gas and Department of Natural Resources are being developed; discussions about the future role of the LNG plant are underway by private owners and parties; critical new gas contracts are being negotiated between utilities and producers for 2011 and beyond and either are, or will be requiring approval by the RCA; and

NOW THEREFORE BE IT RESOLVED that the Municipality of Anchorage encourages and supports legislation and proposals that promote both proprietary and third party natural gas storage to ensure deliverability and reliability; and

BE IT FURTHER RESOLVED that the Municipality of Anchorage encourages the Department of Natural Resources (DNR) to develop leasing policies for storage that are focused on ensuring reliability and support both proprietary and third party natural gas storage; and

BE IT FURTHER RESOLVED that the Municipality of Anchorage encourages and supports legislation that provides for incentives that promotes increased development and drilling in Cook Inlet; and

BE IT FURTHER RESOLVED that the Municipality of Anchorage encourages and supports legislation that streamlines or otherwise addresses statutory uncertainties that delay RCA decisions on gas contracts; and

BE IT FURTHER RESOLVED that the Municipality of Anchorage supports extension of the LNG export license, if proposed, and any other actions that would allow continued use of the facility as a support for deliverability of natural gas to Southcentral; and

BE IT FURTHER RESOLVED that the Municipality of Anchorage continue to strongly support and invest in conservation education and work with the public, utilities, producers, and all affected parties to ensure an effective and efficient conservation program.

Passed this 26th day of March 2010 by Energy Task Force Members Judy Brady, Chair; Gary Carlson; Dan Coffey; Dave Harbour; Tony Izzo; Arden Page; Mary Ann Pease; Bill Popp; Steve Pratt; Bob Stinson.