

INTELLIGENCE THAT WORKS

# Cook Inlet Gas Supply Project Phase I Assessment

Alaska Mining Association Conference

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Lieza Wilcox



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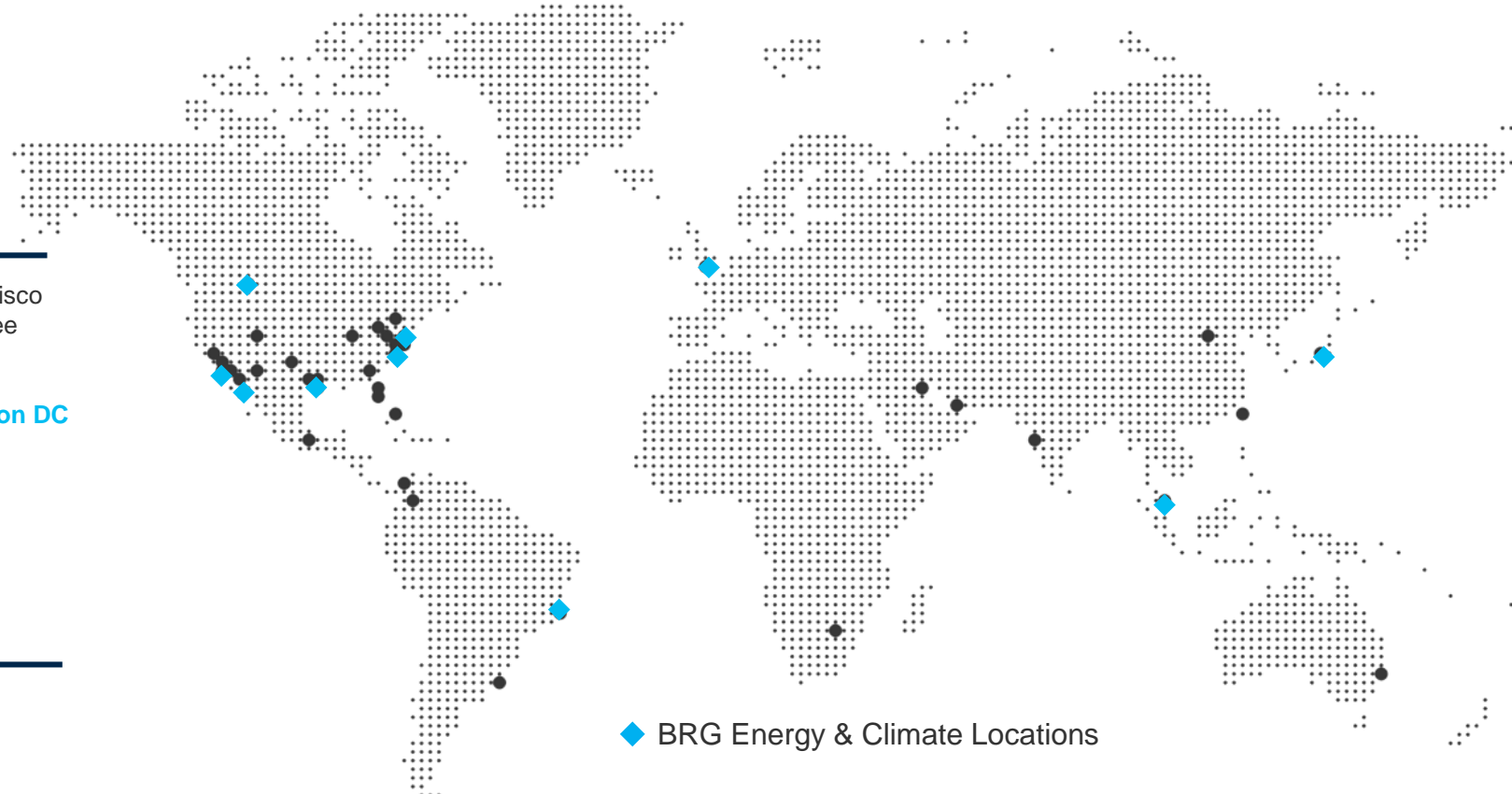
*BRG Introduction*

# BRG Global Presence

More than 1,300 professionals in 45 offices across five continents

## BRG Energy & Climate

- ❖ > 40 professionals
- ❖ 10 office locations



◆ BRG Energy & Climate Locations

### North America

- |                 |                    |                      |
|-----------------|--------------------|----------------------|
| Atlanta         | <b>Los Angeles</b> | San Francisco        |
| Baltimore       | Nashville          | Tallahassee          |
| Boston          | New Jersey         | Tampa                |
| <b>Calgary</b>  | <b>New York</b>    | Toronto              |
| Chicago         | Orange County      | <b>Washington DC</b> |
| College Station | Pensacola          |                      |
| Dallas          | Philadelphia       |                      |
| Denver          | Phoenix            |                      |
| Detroit         | Pittsburgh         |                      |
| <b>Houston</b>  | Salt Lake City     |                      |
| Las Vegas       | <b>San Diego</b>   |                      |

### Latin America

- |              |                       |       |
|--------------|-----------------------|-------|
| Bogotá       | <b>Rio de Janeiro</b> | Miami |
| Buenos Aires | São Paulo             |       |
| Mexico City  | Panama City           |       |

### Asia-Pacific

- Beijing
- Hong Kong
- Mumbai
- Singapore**
- Sydney
- Tokyo**

### EMEA

- Dubai
- London**
- Johannesburg
- Kuwait City
- Saudi Arabia



# BRG Sectors

Our industry knowledge is broad and deep, here are some of the many sectors that we know inside and out



**Energy & Climate**



**Healthcare**



**Retail and Consumer**



**Financial Services**



**Telecom, Media & Technology**



**Higher Education**



**Construction**



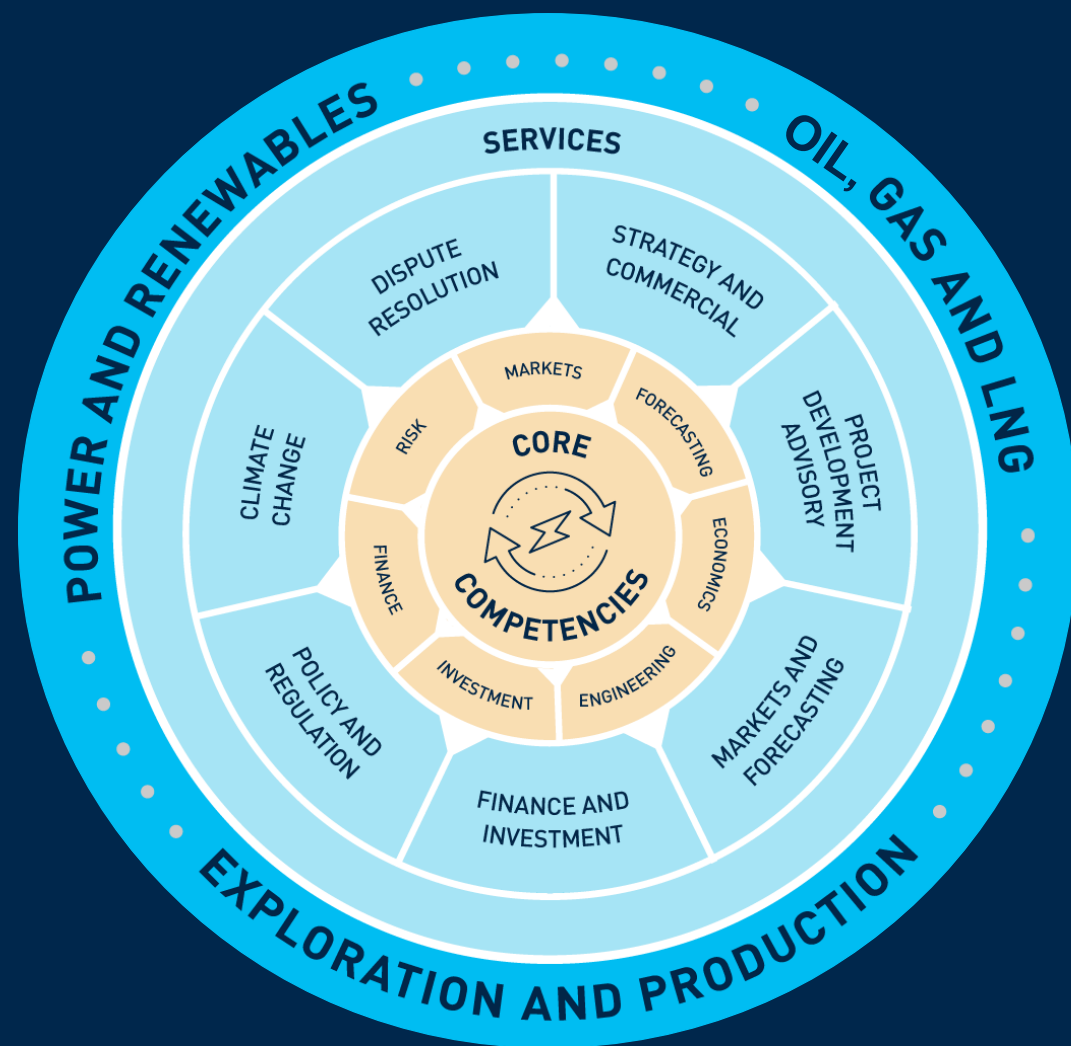
**Government**



**Alternative Asset Management**

# Expertise Across the Energy Value Chain

BRG's Energy & Climate experts provide integrated business advisory and dispute resolution services to help energy companies, investors, buyers, and sellers navigate today's policy, economic, market, pricing, and competitive imperatives.



# Energy & Climate Services



**Climate  
Change**



**Energy Strategy and  
Commercial**



**Energy Markets  
and Forecasting**



**Energy Finance  
and Investment**



**Energy Policy  
and Regulation**



**Energy Project  
Development Advisory**



**Energy Dispute  
Resolution**

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*Assessment Review*

# Working Group Participants

## Demand Group



## State Agencies

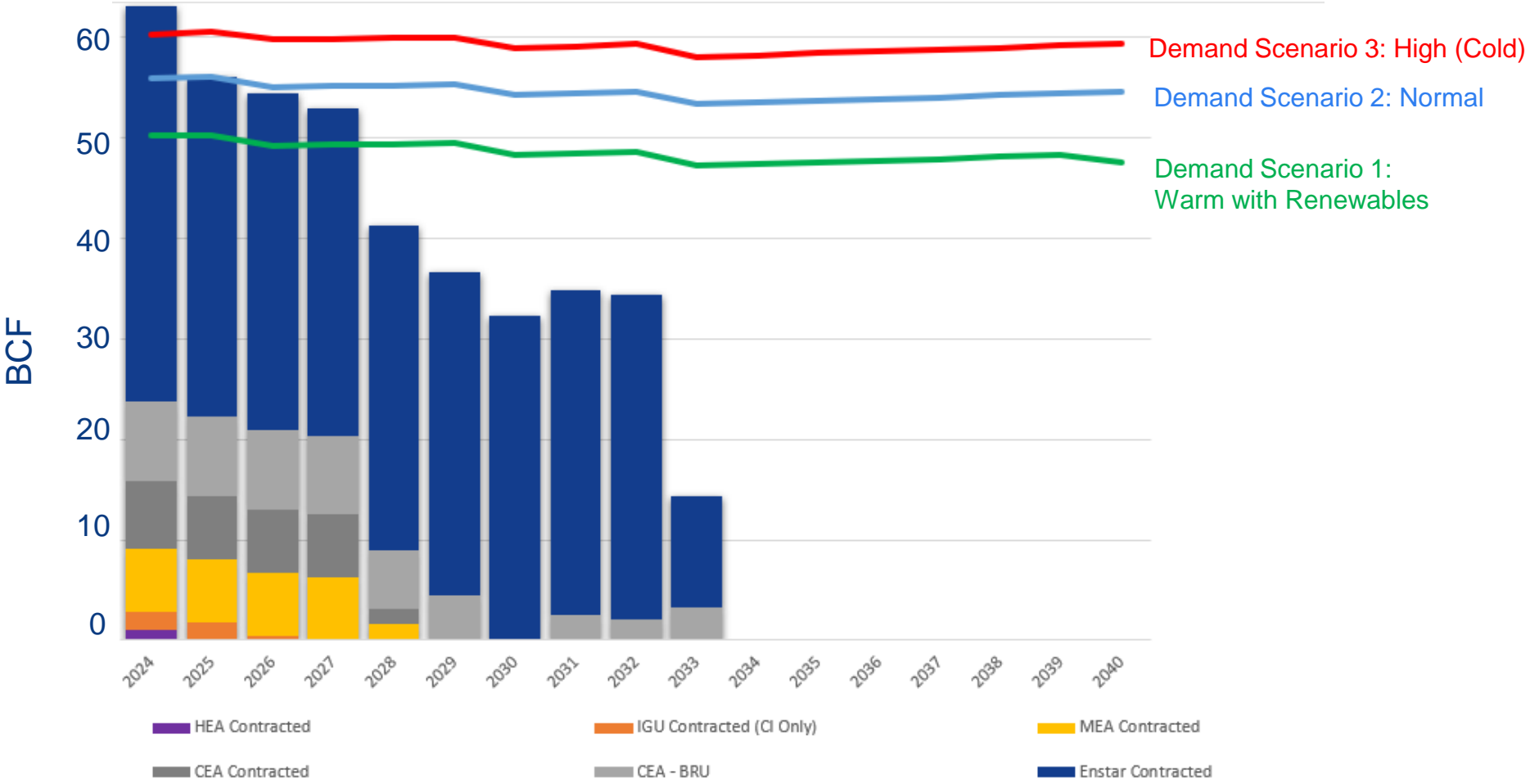




## Key Phase I Conclusions

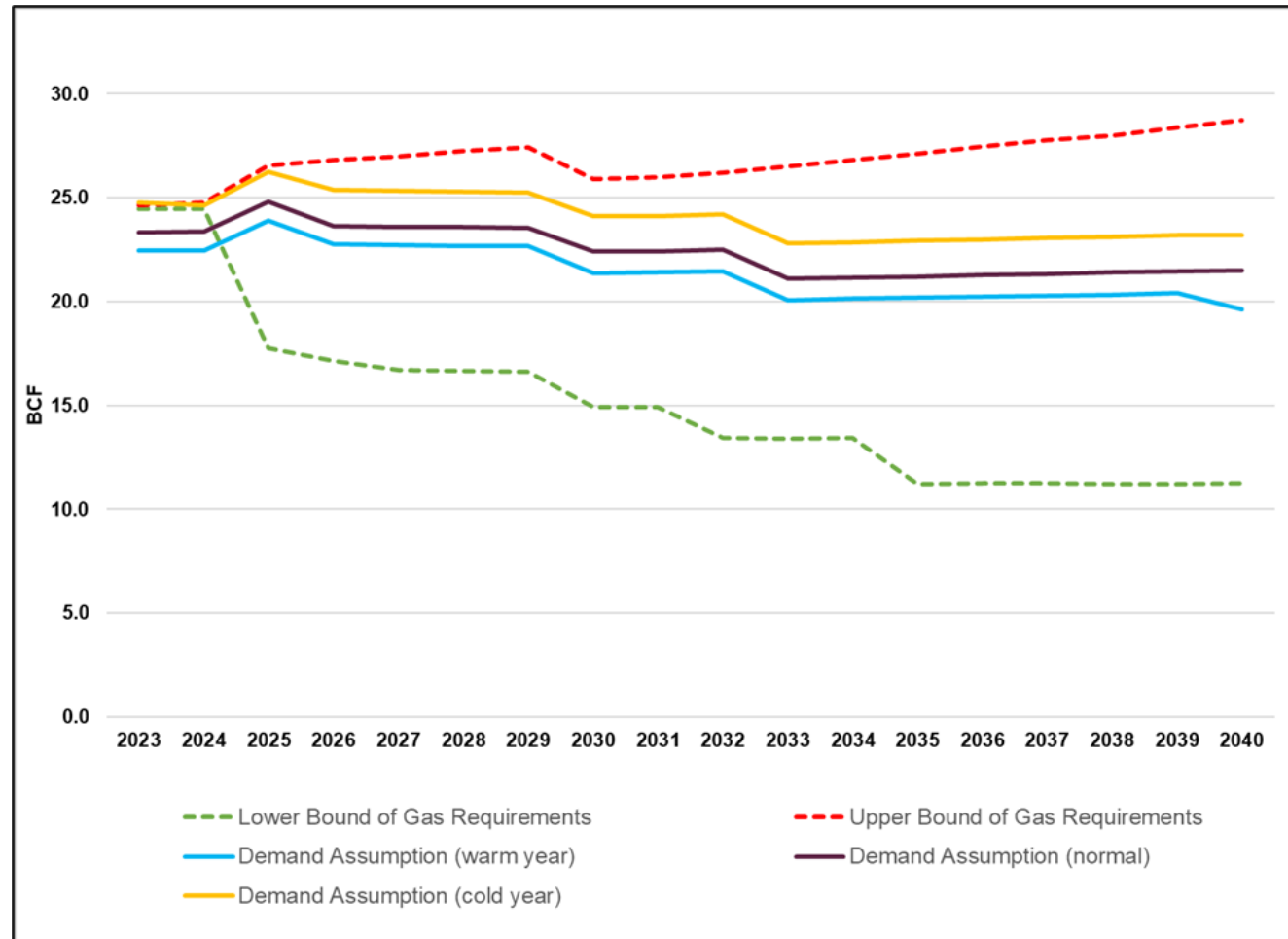
- Cook Inlet gas cannot fully meet demand forecast beyond 2026 with current proved reserves or beyond early/mid 2030s assuming incremental local supply development
- While continuing to work on Cook Inlet options, other project(s) must be pursued due to lead time to implement
- It is vital for the Alaska utilities to have control of the pace of option development due to the impending gas shortage
- Several viable options to supplement and Cook Inlet gas supply need to be progressed further to enable a sanction decision on one option

# Current Contracted Supply Compared to Demand Scenarios



# Range of Potential Gas Requirements Associated with Renewable Power Adoption

Electric Utility Gas Demand



# Why are Schedule and Reliability Top Priorities?

Headed to Anchorage -



Need anything?



Credit: Lucasfilm/Disney

Credit: Starwars.com



# Gas Supply Opportunities – Phase I

	Option	Timeline	CAPEX	Throughput	Gas	Midstream	Cost of Supply
		Years	\$ mm	Bcf/year	\$/Mcf	\$/Mcf	\$/Mcf
1	Cook Inlet Gas	3 - 4	Up to \$1500 - \$2000	Up to ~ 23	\$9.3 - \$25.5	Included	\$9.3 - \$25.5
2 (a)	In-State Pipeline (Private)	6 - 7	~ \$8,790	Up to 105	\$1.3 - \$2.6	\$26.9 - \$34.4	\$28.2 - \$37.0
2 (b)	In-State Pipeline (Subsidized 80%)	6 - 7	~ \$8,790	Up to 105	\$1.3 - \$2.6	\$7.8 - \$10.0	\$9.2 - \$12.6
2 (c)	In-State Pipeline (State Owned)	6 - 7	~ \$8,790	Up to 105	\$1.3 - \$2.6	\$6.0 - 7.4	\$7.3 - \$10.0
3	Kenai LNG	4 - 5	\$768	Up to 55	\$8.6 - \$8.9	\$3.4 - \$4.7	\$12.0 - \$13.6
4	Greenfield Port and Regas	6 - 7	\$876	Up to 55	\$8.6 - \$8.9	\$4.0 - \$5.3	\$12.6 - \$14.2
4 (b)	Greenfield Port and Regas (Subsidized 80%)	6 - 7	\$876	Up to 55	\$8.6 - \$8.9	\$2.3 - \$3.3	\$10.9 - \$12.2
4 (c)	Greenfield Port and Regas (State Owned)	6 - 7	\$876	Up to 55	\$8.6 - \$8.9	\$2.2 - \$3.1	\$10.8 - \$12.0
5	FSRU - Own/Lease	4 - 6	\$607 / \$201	Up to 55	\$8.6 - \$8.9	\$3.6 - \$5.0	\$12.2 - \$13.9
6	Barge / Small LNG Carrier	4 - 5	\$563	Up to 25	\$8.6 - \$8.9	\$13 - \$14	\$21.6 - \$23.0
7	Alaska LNG	7 - 8	~ \$43,000	Up to 183	\$1.3 - \$2.6	\$3.1	\$4.4 - \$5.8
8	LNG Truck and/or Rail	3 - 4	\$321	~ 9	\$2.50	\$22.5 - \$29.5	\$25 - \$32
9	RNG	Unknown	N/A	~ 1	~ \$25	Included	~ \$25
10	Hydrogen (green)	2035 +	Unknown	N/A	N/A	N/A	\$ > 40

# Top Scoring Options to Diversify Future Gas Supply

## A. Cook Inlet Gas Supply

- Remains a preferred top-scoring option but is not sufficient to meet long-term demand forecast
- One of the closely studied options to fill near-term supply gaps

## B. Floating Storage and Regasification Unit (FSRU)

- Existing terminals
- New FSRU mooring system

## C. Land-Based Regasification Terminal

- Multiple options / configurations exist
- More permanent solution than FSRU

## D. North Slope Pipeline

- Long distance pipeline only viable with state participation / subsidy when considering utility demand exclusively
- Provides broad and long-term benefits across the state

## Current Status

- Majority of Phase I recommendations for project cost refinement and commercial development are completed or ongoing
  - No fundamental changes in the outlook for local demand or supply; uncertainty in the pace of natural gas replacement by renewables persists
  - Detailed project schedule assessment has moved realistic start dates for several import options beyond 2027
  - Cost projections have improved since Phase I by refining design and execution strategies
- The goal is an affordable bridge solution
- Utilities are also working on near-term options involving renewable generation, incremental supply, and storage





“Cold-iron” FSU and Re-gas Barge in EemsEnergyTerminal, Netherlands (Energos)



FSRU at Inkoo Terminal, Finland (Excelerate Energy)

## Energy Transition and Energy Security Require Flexible Solutions





