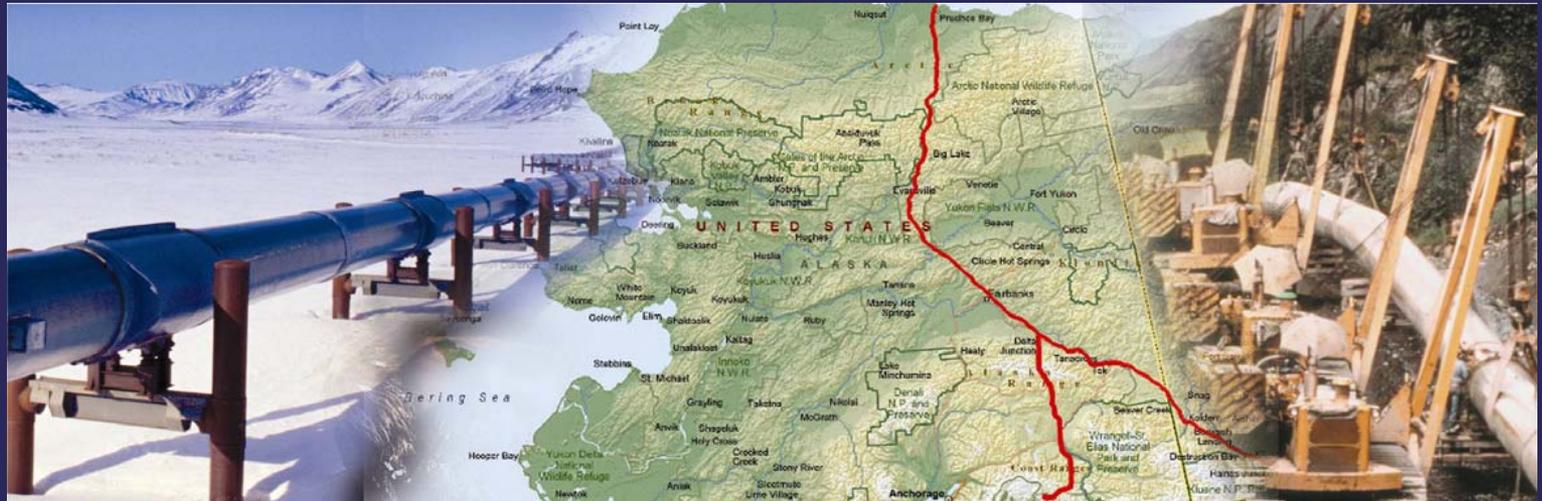


Alaska natural gas pipeline update



Larry Persily
Federal Coordinator
Alaska Natural Gas Transportation Projects
Glennallen, Alaska - April 20, 2010

Why we're here

- To answer questions about federal oversight of the proposed Alaska natural gas pipeline and to provide as much information as you want.
- Help coordinate with others to answer questions.
- To listen and make sure federal agencies understand community and tribal concerns.
- Not a substitute for government-to-government consultations as part of licensing process by the Federal Energy Regulatory Commission.

Role of the federal coordinator

- Coordinate the federal permitting process so that it works for the project developer and the public.
- Ensure that no federal agency imposes unreasonable permit requirements on the project.
- Provide accurate information and assist the project developer and the public before and during permitting and construction.
- Coordinate construction monitoring with the state.

Federal agencies involved

- **Federal Energy Regulatory Commission**
- **Department of Interior**
 - Bureau of Land Management
 - Bureau of Indian Affairs
 - Fish and Wildlife Service
 - Minerals Management Service
 - National Park Service
 - U.S Geological Survey
- **Department of Energy**
- **Department of Transportation**
 - Federal Highway Administration
 - Pipeline and Hazardous Materials Safety Administration
 - Federal Aviation Administration
- **Department of Treasury**
- **Department of State**
- **Department of Justice**
- **Department of Defense**
 - U.S. Army Corps of Engineers
- **Department of Commerce**
 - National Oceans and Atmospheric Administration
 - National Marine Fisheries Service
- **Department of Homeland Security**
 - Customs and Border Protection
 - Transportation Security Administration
 - U.S. Coast Guard
- **Department of Labor**
- **Environmental Protection Agency**
- **Department of Agriculture**
- **Advisory Council on Historic Preservation**
- **Federal Communications Commission**

One example: Mapping

- Agencies use different sets of sometimes incompatible data and systems when studying the pipeline route.
- Lacking a good, authoritative base map as a reference for developers and agencies during permitting.
- Difficult for public to understand data from multiple sources.
- The challenge is to bring everyone together to use the same data.



GIS prototype initiative

- A sophisticated GIS-based map (geographic information systems) for a 20-mile-long, 1-mile-wide corridor through Atigun Pass.
- Prototype will demonstrate the potential of a detailed, accurate map for the entire route.
- It could save time and money for the project developer and permitting agencies.
- It would be available to the public.
- Of course, it will cost a lot of money.

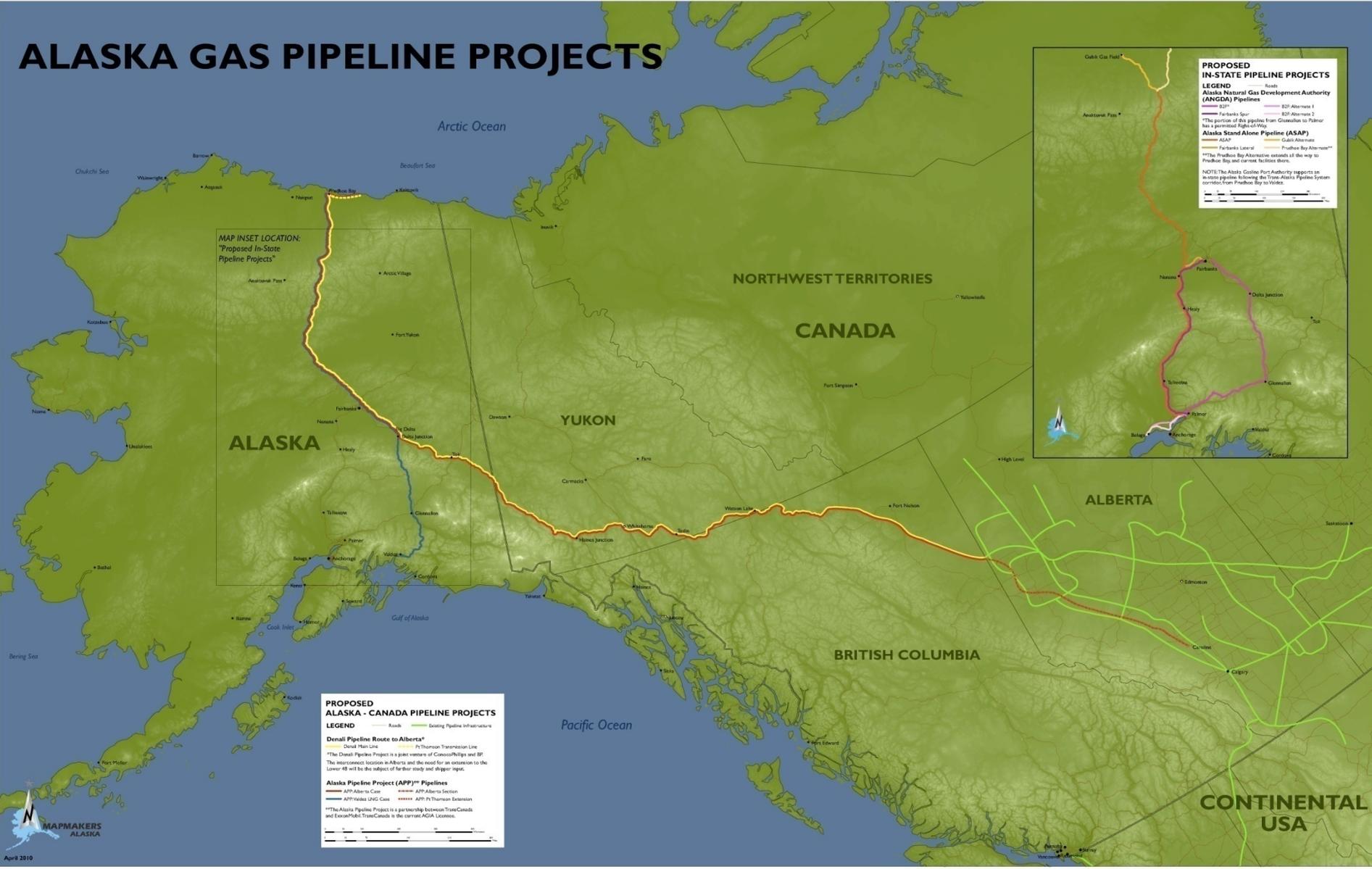
Implementation plan

- Office of the Federal Coordinator is preparing detailed plans that list, discuss and explain the project, the laws, and each federal permitting agency that will have a say in the project.
- Think of it as a handbook, a guide to the rules.
- And the office will prepare and keep updated a grid showing the status of each permit before every federal agency, providing understandable information on the process.

Environmental examples

- Working with the U.S. Coast Guard and Army Corps of Engineers to determine navigability of stream crossings and any permits needed. Early work like this can avoid delays later.
- Working with the Environmental Protection Agency and the Army Corps of Engineers to identify wetlands issues.
- Holding regular meetings with federal agencies to make sure no one misses anything.

ALASKA GAS PIPELINE PROJECTS



MAP INSET LOCATION:
"Proposed In-State
Pipeline Projects"

PROPOSED IN-STATE PIPELINE PROJECTS

LEGEND

Alaska Natural Gas Development Authority (ANGDA) Pipelines

- E2P*
- Fairbanks Spur**
- Alaska Stand Alone Pipeline (ASAP)
- ASAP
- Fairbanks Lateral

Alaska Stand Alone Pipeline (ASAP) Alternatives

- Queen Alternative
- Prudhoe Bay Alternative***

NOTE: The Alaska Gasline Purchase Authority supports on-state pipelines following the Trans-Alaska Pipeline System corridor from Prudhoe Bay to the coast.

PROPOSED ALASKA - CANADA PIPELINE PROJECTS

LEGEND

Denali Pipeline Route to Alberta**

- Denali Pipeline
- Thompson Transmission Line

*The Denali Pipeline Project is a joint venture of ConocoPhillips and BP. The interconnect location in Alberta and the need for an extension to the Lower 48 will be the subject of further study and design reports.

Alaska Pipeline Project (APP)** Pipelines

- APP-Alberta Case
- APP-Valdez LNG Case
- APP-PN Thompson Extension
- APP-Alberta Section
- APP-PN Thompson Extension

***The Alaska Pipeline Project is a partnership between TransCanada and ConocoPhillips. TransCanada is the current ANGDA licensee.

MAPMAKERS
ALASKA
April 2010

Pipeline developers

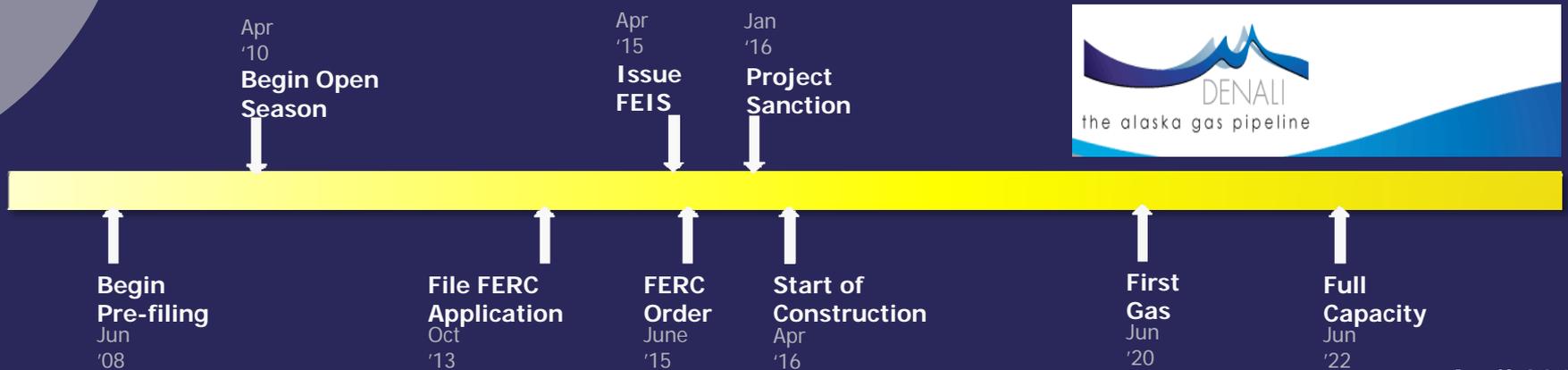
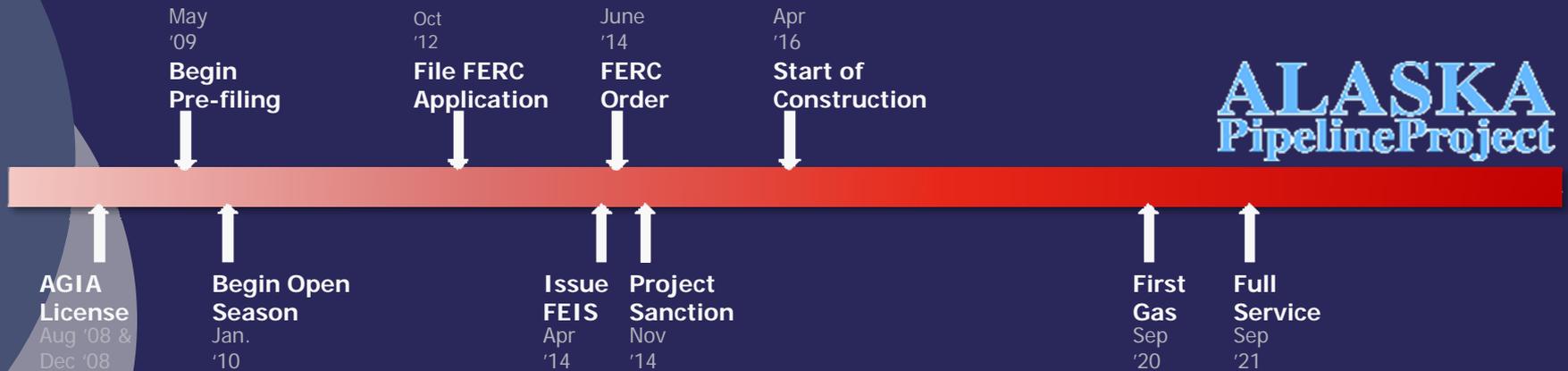


ALASKA Pipeline Project

What is an 'open season'

- Project developers ask potential shippers if they are interested in using the pipeline; how much space do they want; and are they willing to meet the price.
- TransCanada/Exxon goes out for bids April 30.
- Denali starts bids in early July.
- Negotiations are private after open seasons close.
- Developer will not build the pipe without contracts.

Proposed timelines



April 2010

Project hurdles

- Construction cost overrun risks and delays.
- Natural gas markets; not today but in 10, 20 years.
- Up to \$40 billion upfront investment; \$100+ billion in long-term, binding ship-or-pay commitments.
- Fiscal terms, including state taxes.
- National energy policy; cleaner fuels; renewables; Alaska Native and Canadian First Nations issues.
- Arctic/Alaska environmental considerations.

The president's agenda

- Lower carbon emissions to reduce global warming.
- Natural gas burns cleaner than coal or diesel.
- Abundant, secure domestic energy supplies.
- Job creation; construction and manufacturing.
- The White House wants to be more involved in encouraging the Alaska natural gas pipeline.

Thanks!

Office of the Federal Coordinator Alaska Natural Gas Transportation Projects

Washington, DC location:
1717 H Street, NW, Suite 801
Washington, D.C. 20006
(202) 478-9750

Anchorage location:
188 W Northern Lights, Suite 600
Anchorage, AK 99503
(907) 271-5209

<http://www.arcticgas.gov>
info@arcticgas.gov



ALASKA NATURAL GAS
TRANSPORTATION PROJECTS
OFFICE OF THE FEDERAL COORDINATOR