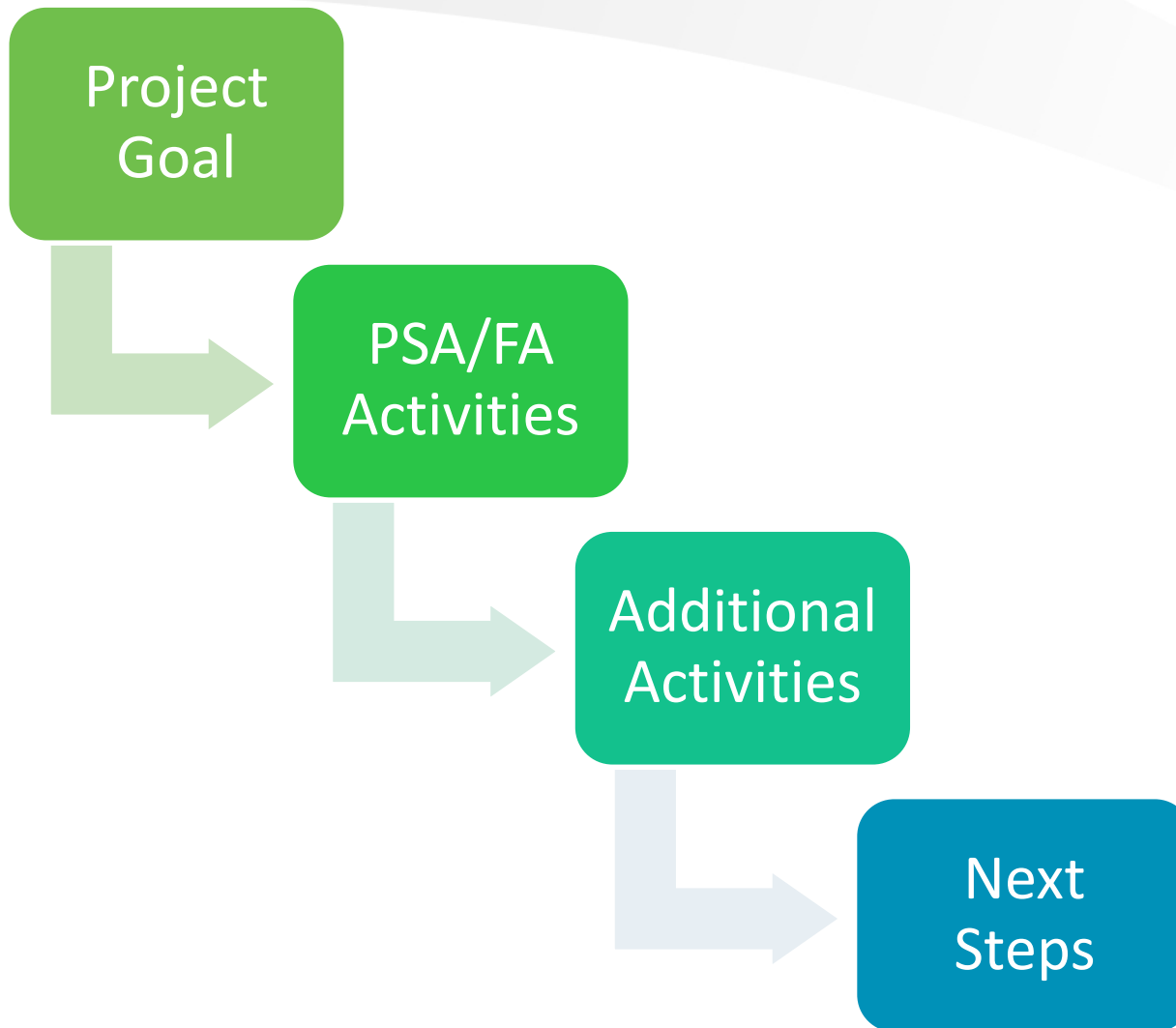


Interior Energy Project Update: FNSB Assembly Quarterly Update – Q3 2018

September 20, 2018



Presentation Summary



Interior Energy Project PURPOSE AND GOALS

Interior Alaska

“. . . to bring low-cost energy to as many residents and businesses of Interior Alaska as possible, as quickly as possible ...”

Stabilize the Economy

Help Improve Air Quality

Status of IEP Legislation: Passed

AIDEA IEP Bonding Authority Extension

- Advanced by Senate President Kelly
- Ensures \$150M of State supported Bonds remain available for use on the project
- Simple 5-year extension to June 30, 2023
- Approved by the Legislature as part of HB 119 on May 12, 2018
- Signed into Law July 20, 2018

Statutory Authorization for On-Bill Financing or Repayment of Natural Gas Conversions: HB 374

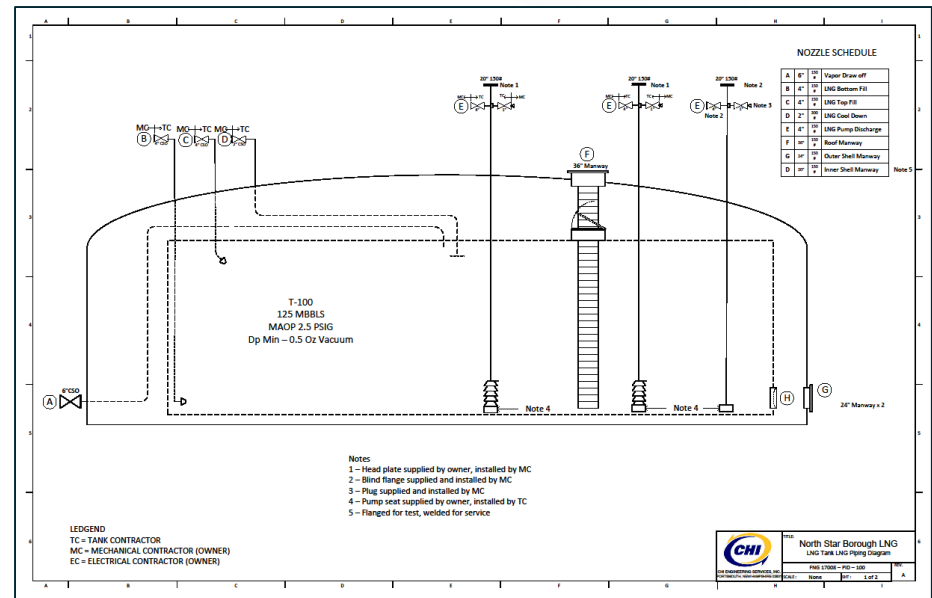
- Advanced by Representative Wool
- Approved by the Legislature on May 12, 2018
- Signed into Law July 29, 2018

Status of PSA/FA Tasks and Contracts

- RCA Application for Change of Control of Pentex
 - Approved
- Change of Control Letter for North Slope Pad
 - Advancing under alternative process
- PSA/FA closed on June 13, 2018

Large LNG Storage Tank Construction Update

- 5.25 Million gallon capacity
- Double-walled, double containment design
- Construction Commenced: January 2018
- Advancing On-schedule
- Completion Date: Fall 2019



Large LNG Storage Tank Construction



Large LNG Storage Tank Construction –

Current Status

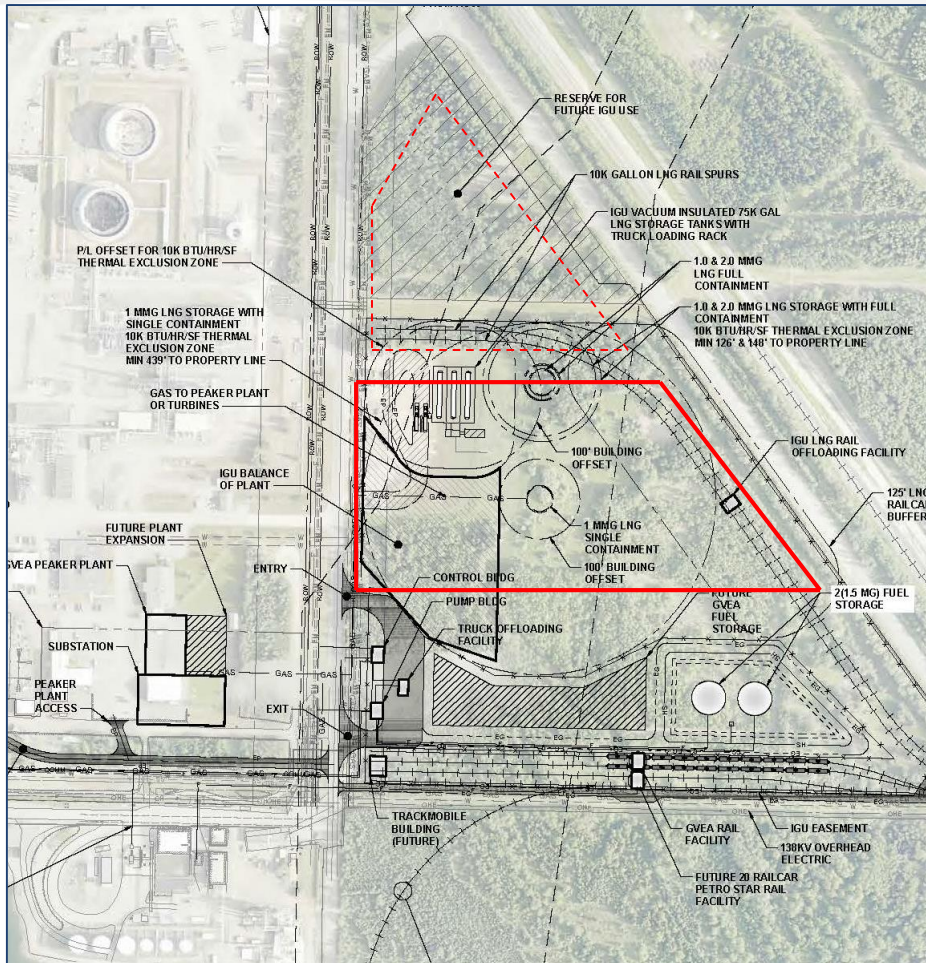
- Excavation and major backfill complete
- Foundation poured, 1800 CY
- Outer walls installed, wire winding and Shot Crete complete until final closure of temporary construction opening.
- Dome roof and suspended ceiling installed.
- 9% Nickel Steel (for inner walls) arriving on site
- Long lead items for Balance of Plant, vaporizers, compressors, valves, etc. on order or soon to be
- Balance of Plant civil construction including pipe trenches, foundations and spill containment underway.

*** Project on schedule to meet December 31, 2019 in service deadline for eligibility to receive LNG Storage Reimbursement (\$15M)**

Time Lapse Dome Roof Installed



North Pole LNG Storage Development



- Proposed Site:
 - GVEA Land – “Energy Campus”
 - Adjacent to NP Industrial Zone including: GVEA, Petro Star, Tesoro Facility (old Flint Hills Refinery)
- Initial Development:
 - Small Footprint
 - Bullet Tanks
 - LNG Capacity sufficient to meet res/comm demand (150K gal)
 - Balance of plant sized to meet industrial demand
- Future Development:
 - Expanded LNG Storage capacity (1-2M gal)
 - Support Facilities
 - Rail Access
- “Site Security” Discussions Underway:
 - Purchase Option and P&S agreements executed
 - Early Access agreement executed
- Contractor Onboarding:
 - Contractors
 - PDC lead, w/ Shannon & Wilson and CHI Engineering

** Moving quickly in attempt to also qualify for Reimbursement (\$6M)*

Next Steps

Next Steps: Immediate Term

- Natural Gas Conversion Program Advancement
- Continue implementation of Combined Utility Integration & Transition Plan
- Participate in Air Quality Stakeholder Group
- Additional IGU Policies
- North Pole LNG Storage Facility Site Control, Design, Engineering, Construction
- LNG supply option finalization

Helpful Links

- **Interior Gas Utility**
www.interiorgas.com
- **AIDEA**
www.aidea.org
- **Fairbanks Natural Gas**
www.fngas.com
- **Alaska State Legislature**
www.akleg.gov

811- Call BEFORE You Dig



One easy call gets your utility lines marked and helps protect you from injury and expense.

Safe Digging Is No Accident: Always Call 811 Before You Dig

Visit call811.com for more information.



Know what's below.
Call before you dig.

Planning to:

- Put in a fence?
- Install a mailbox?
- Build a patio or deck?
- Plant trees or shrubbery?
- Excavate a new garden area?
- Install or maintain a septic system?
- Install a well?



Know what's below.
Call before you dig.

Call the Alaska Digline at **811** at least **72 hours (3 Days)** prior to digging and get your underground utility lines located and marked for free.

QUESTIONS



INTERIOR GAS UTILITY