



FAIRBANKS NORTH STAR BOROUGH ASSEMBLY
INTERIOR ENERGY PROJECT
QUARTERLY UPDATE – Q4 2019

NOVEMBER 7, 2019

Interior Energy Project

PURPOSE AND GOALS

**“...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

HISTORY

- 1998 - Fairbanks Natural Gas, LLC (FNG) began operating in Fairbanks; giving Interior residents a natural gas heating option for the first time.
- 2012 - The Fairbanks North Star Borough (FNSB) acquired its natural gas utility power via transfers from the City of Fairbanks and the City of North Pole and established the Interior Alaska Natural Gas Utility (IGU).
- 2013 – SB 23 signed into law establishing the Interior Energy Project (IEP), providing AIDEA with the financing package to finance and develop the supply and delivery of natural gas to Interior Alaska.
- 2015 – HB 105 signed into law, enacted to renew and advance the IEP and requiring the AIDEA Board of Directors to approve, by resolution, a project plan prior to deploying additional financing.
- 2015 – AIDEA purchases Pentex Alaska Natural Gas Company, LLC (Pentex) to further the goals of the IEP and facilitate consolidation of the Interior gas utilities.
- 2018 – IGU purchases Pentex from AIDEA and the parties establish a Finance Agreement governing AIDEA's financing of IGU; utilizing the tools established by the IEP.

5.25 MM Gallon Storage Project

Tank being maintained
under nitrogen purge

11/18/2019

- Balance of Plant Phase 4 contract work scheduled completion date
- Initial cool-down date

Instrument Air and
Nitrogen System
commissioned

Boil-Off Compressors
initial commissioning
is completed

In-tank LNG pumps
have been placed in
the tank

LNG Storage and Vaporization Activities

Base of Tank - Piping



Tank Piping Tie-ins



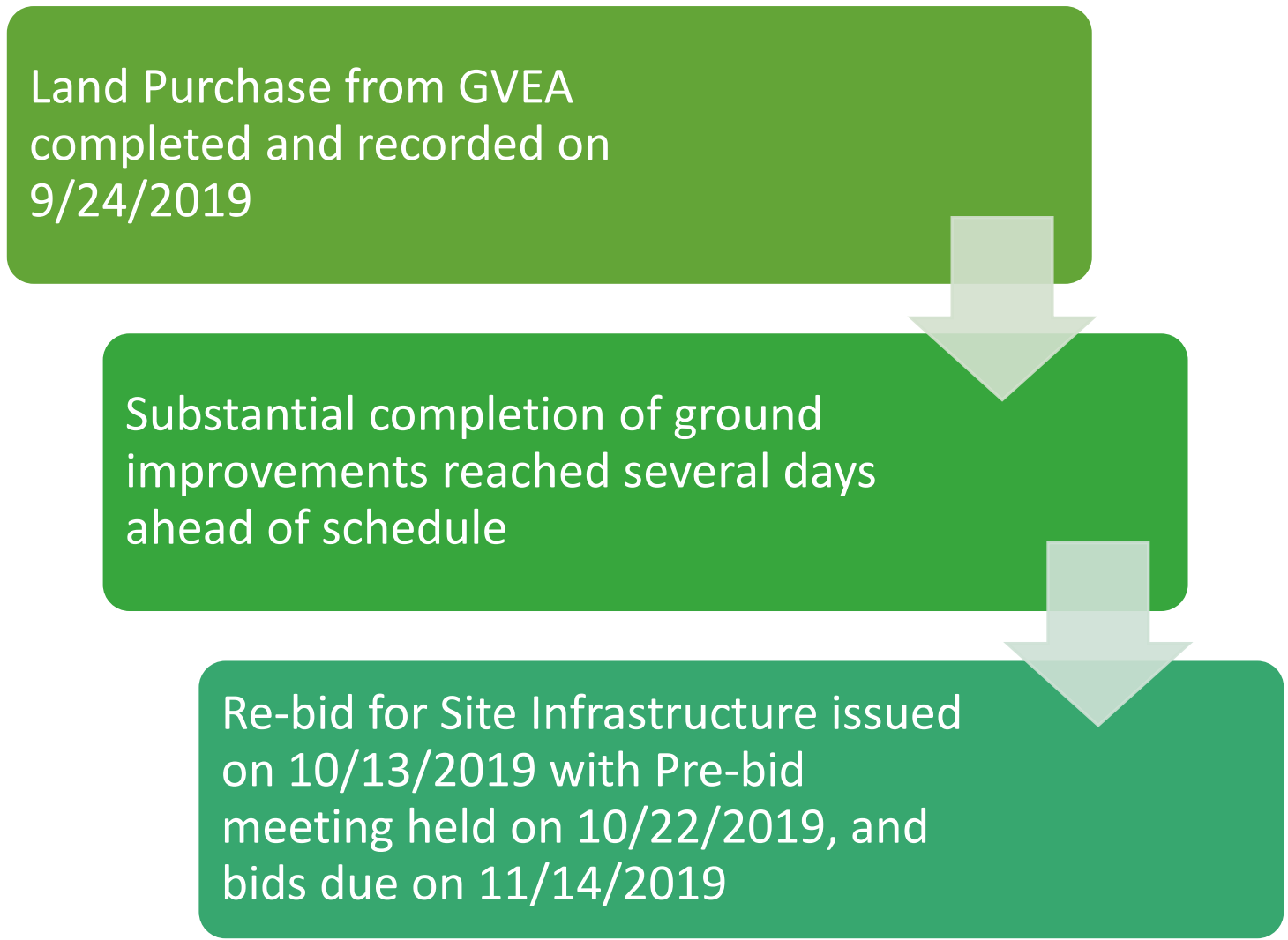
Boil-off Gas Heater



Tank - Piping



Land Purchase from GVEA
completed and recorded on
9/24/2019



Substantial completion of ground
improvements reached several days
ahead of schedule

Re-bid for Site Infrastructure issued
on 10/13/2019 with Pre-bid
meeting held on 10/22/2019, and
bids due on 11/14/2019

North Pole Storage



North Pole Storage – Ground Work



North Pole Storage

(Left) - Deep Dynamic Compaction

(Right) - Site Substantially Complete

TITAN EXPANSION

– 100,000 GALLON PER DAY CAPACITY

Notice of Intent to
Award Pretreatment and
Liquefaction supply to
Air Liquide issued on
10/25/2019

65% Design work
ongoing

Scheduled for
Completion End of 2019



Marketing & Service Activities

IGU Logo Finalized and Adopted

Public Outreach-

- Go Winter Expo
- Media Outreach

2019 Service Line Installs-

- Commercial 20
- Residential 30
- Total 50

2020 Service Line Applications-

- Commercial 11
- Residential 19
- Total 30

Financing Activities

IGU and Pentex financial integration ongoing

10/11/2019 – Documents related to the increase of the SETS loan from \$125MM to \$135MM executed and recorded

11/5/2019 – Audit Completed and Accepted by the IGU Board of Directors



NEXT STEPS...

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and helps protect you from injury and expense.

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Call before you dig.**

CALL the Alaska
Digline at 811 at least
72 hours before you
dig and you can get
your underground
utility lines located
and marked for FREE.