

Sponsored By: Assemblymember Yundt
Amended: 03/05/24
Adopted: 03/05/24

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 24-031**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY SUPPORTING THE DEVELOPMENT OF COAL-FIRED POWER GENERATION AND RELATED INFRASTRUCTURE USING TECHNOLOGIES TO REDUCE EMISSIONS AND PROVIDE AFFORDABLE, RELIABLE, CLEAN ELECTRICITY.

WHEREAS Matanuska Susitna Borough ("MSB") has one of the highest cost electricity rates in the country; and

WHEREAS, the Railbelt of Alaska is facing an imminent shortage of natural gas and electricity supply; and

WHEREAS, Southcentral Alaska is in need of affordable, reliable and clean energy; and

WHEREAS, the primary fuel for electricity in Southcentral Alaska and the Matanuska-Susitna Borough, natural gas from Cook Inlet, is rapidly depleting and has been forecast by the Alaska State Department of Natural Resources ("DNR") to be insufficient for southcentral Alaska's future electricity and heating needs (DNR, 2022 Cook Inlet Gas Forecast, July 2023); and

WHEREAS, Hilcorp Energy Company, which supplies 85 percent of the natural gas to Southcentral Alaska, recently gave notice that depleting Cook Inlet gas reserves prevent renewal of utility supply agreements beginning in 2025; and

WHEREAS, in February 2024 Hilcorp advised the Joint Resources Committee of the Alaska Legislature that gas under its leasehold "cannot meet all of the regions' gas demand"; and

WHEREAS, a report by BRG Energy and Cornerstone Energy Services commissioned by the region's utilities to assess alternatives to Cook Inlet gas supply found the cost of alternative gas supply options to be significantly higher than current supply costs, with the likelihood of materially increasing electricity costs to consumers (Phase 1 Assessment, Cook Inlet Gas Supply Project, June 2023); and

WHEREAS, there may soon be a need to import liquified natural gas to provide fuel for power generation in Alaska; and

WHEREAS, on February 2024 Enstar, among others, encouraged the Joint Resources Committee of the state legislature to "consider a diversified portfolio for power generation" and informed the legislature that "diversified coal is important"; and

WHEREAS, the University of Alaska-Fairbanks ("UAF") has evaluated feasibility (the UAF Feasibility Study) of a coal power plant at DNR lease #553937 and reported to the Regulatory Commission of Alaska that the cost of electricity from a coal power plant can be materially lower cost than other power alternatives and potentially lower than current power costs; and

WHEREAS, the UAF Feasibility Study was released to the Borough on February 29, 2024; and

WHEREAS, coal-fired power generation presents a compelling alternative to imported liquified natural gas; and

WHEREAS, abundant local coal reserves provide low-cost fuel for power generation (\$4/MMBtu) at one-half to one-quarter the cost of natural gas (~\$10/MMBtu) or diesel and naphtha (\$20/MMBtu) per the Alaska Energy Authority forecast; and

WHEREAS, according to the University of Alaska Fairbanks, the price for natural gas will be \$16/MMBtu or higher, even possibly into the range exceeding \$20/MMBtu which further highlights the enormous expense the residents of the Borough are facing; and

NOW, THEREFORE, BE IT RESOLVED, the Assembly:

1. Supports and recognizes the need for the development of a coal power plant, both for power generation to ensure the safety and security of its constituents and for economic development of the region including power to support industrial developments in the Borough.

2. Supports and recognizes the need for the development of infrastructure, including the West Susitna Access Road currently in process under State direction, both for public and industrial access to support recreational use and industrial development in the West Susitna region.

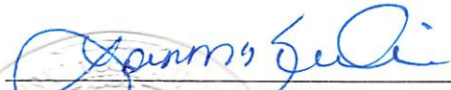
3. Directs that the Borough Manager take such steps as may be advisable or directed to implement the foregoing objectives, including communicating with Alaska State legislative and administrative officials and bodies to encourage the state of Alaska to proceed expeditiously with the foregoing initiatives.

ADOPTED by the Matanuska-Susitna Borough Assembly this 5 day of March, 2024.



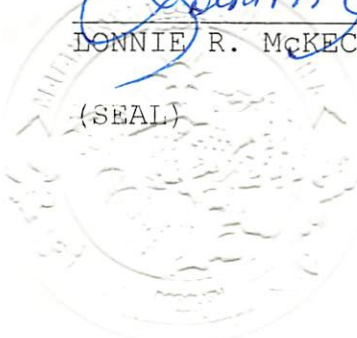
EDNA DeVRIES, Borough Mayor

ATTEST:



LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)



YES: McKee, Yundt, Gamble, Fonov, and Bernier

NO: Hale and Nowers