

Alaska Industrial Development and Export Authority  
BOARD MEETING MINUTES  
Wednesday, December 4, 2024  
Anchorage, Alaska

**1. CALL TO ORDER**

Chair Pruhs called the meeting of the Alaska Industrial Development and Export Authority to order on December 4, 2024, at 10:13 am.

**2. ROLL CALL BOARD MEMBERS**

Members present: Chair Dana Pruhs (Public Member); Vice-Chair Bill Kendig (Public Member); Julie Sande (Commissioner, DCCED); Adam Crum (Commissioner, DOR); Albert Fogle (Public Member); and Randy Eledge (Public Member). Absent: Bill Vivlamore (Public Member).

A quorum was established.

**3. AGENDA APPROVAL**

**MOTION: A motion was made by Vice-Chair Kendig to approve the agenda, as presented. Motion seconded by Mr. Fogle.**

**A roll call was taken, and the motion to approve the agenda passed unanimously.**

**4. PRIOR MINUTES – October 23, 2024 and November 7, 2024**

**MOTION: A motion was made by Vice-Chair Kendig to approve the Minutes of October 23, 2024 and November 7, 2024, as presented. Motion seconded by Mr. Fogle.**

**The motion to approve the Minutes of October 23, 2024 and November 7, 2024 passed without objection.**

Chair Pruhs requested that attendees of today's meeting state their name and affiliation for the record.

Mr. Eledge commented that people online cannot hear the attendees' names.

Attendees present: Kent Sullivan (General Counsel AIDEA); Unidentified Speaker (Unidentified); Katy Unidentified (Altman, Rogers); Unidentified Speaker (Unidentified); Alex Demarban (Anchorage Daily News); Nick Szymoniak (Alaska Gasline Development Corporation (AGDC)); Lee Cruise (Office of the Governor); Veronica Jones (ASRC Energy Services); Karen Turner (Human Resources Director AIDEA); Frank Richards (AGDC); Trish Baker (Chugach Electric Association (CEA)); Angela Kuest (HDR Consulting); Leonard

Robertson (Information Technology Director AIDEA); Brandon Brefczynski (Deputy Director AIDEA); Bikky Shrestha (BDO); Zach Albert (Comptroller AIDEA); Geoff Johns (Chief Investment Officer AIDEA); Jorge Garza (Senior Investment Officer AIDEA); Tiffany Janssen (Chief Loan Officer AIDEA); David Kennedy (Business Systems Analyst AIDEA); Robyn Reyes (Communication Specialist AIDEA); Karen Manzano (Paralegal AIDEA); Tavish Logan (Administrative Assistant AIDEA); Raymie Hamann (Executive Assistant AIDEA); and Randy Ruaro (Executive Director AIDEA).

There were no other comments or questions.

**MOTION:** A motion was made by Vice-Chair Kendig to enter into executive session for the purpose of discussing the following: AIDEA finances, AIDEA Internal Investment Policy, potential project investment opportunities and loan participations, other matters related to AIDEA, and matters that are subject to specific legal advice, which is subject to the attorney-client privilege. These matters, which if discussed publicly, could have an adverse effect on the finances of AIDEA, are matters that are attorney-client privileged, and matters involving consideration of issues that by law are not subject to public disclosure due to the executive or deliberative process, privilege, or other law. The executive session and matters discussed therein are proper subjects for an executive session under the Alaska Open Meetings Act, reference Alaska Statute 44.62.310 (C)(1), (3), and (4), and the Alaska Public Records Act. Motion seconded by Mr. Fogle.

A roll call was taken, and the motion to enter into Executive Session passed unanimously.

**5A. EXECUTIVE SESSION: 10:12 am. Confidential and deliberative matters related to: Loan Participation Program Loan, Review of AIDEA FY2024 Audited Financial Statements, Authorizing the FY26 Dividend, ANWR Leasing, AIDEA Investment Policy and AIDEA Projects. All of which are subject to the deliberative process privilege, executive process privilege or other legal exemptions from the Open Meetings Act. Also, matters related to AIDEA subject to the attorney-client privilege will be discussed.**

The Board reconvened its regular meeting at 2:24 pm. Chair Pruhs advised that the Board did not take any action on matters discussed while in Executive Session. The session was limited to discussion of matters directly protected from public disclosure by the Open Meetings Act.

**5B. Resolution L24-06 JT Investments**

Randy Ruaro, Executive Director, explained that Resolution L24-06 is a loan participation resolution authorizing the Executive Director's ability to execute the loan to borrowers JT Investments Alaska, LLC, based in Fairbanks, and Golden Heart Waste Management, both of which are owned by John Thies. Golden Heart Waste Management will occupy the single tenant new building built with the loan funds. Mr. Thies is the guarantor. The loan is secured with a first deed of trust with an assignment of rents. The appraisal shows the completed project market value at \$5.53 million. The loan-to-value ratio is 72%. The term of the note is 25 years at 6.39%. The proposed debt service exceeds the minimum required standard of 1.25:1. The loan meets all

AIDEA standards and requirements. Staff recommends approval.

Mr. Eledge asked Mr. Ruaro if the loan includes the improvement of the 5.3 acres of property. Mr. Ruaro confirmed that the loan includes improvements to the property.

Chair Pruhs noted that typically, the Board is provided with personal financial statements. He asked if those were included in the confidential packet. Tiffany Janssen, Chief Loan Officer, agreed that the personal financial statements are included in the confidential packet. Chair Pruhs asked Ms. Janssen how many years the business has been operating. Ms. Janssen discussed that Mr. Thies began Golden Heart Waste Management in 2019, and there are 12 employees. This project will create 10 new jobs. Chair Pruhs inquired as to Mr. Thies' business affiliation prior to 2019. Ms. Janssen discussed that Mr. Thies also operates a construction firm.

Chair Pruhs asked if Golden Heart Waste Management has service authorizations with the Fairbanks North Star Borough. Ms. Janssen agreed. She does not know if the authorizations expire. Chair Pruhs requested Ms. Janssen to inform the Board if the authorizations expire.

Chair Pruhs asked if Mr. Thies is present today. Ms. Janssen advised that Mr. Thies is in Fairbanks and can call in to the meeting. Ms. Janssen indicated that the lender is also available to call in and speak today. Chair Pruhs asked Ms. Janssen about the construction firm. Ms. Janssen discussed that current work focuses on commercial dirt work and excavation. The new building will be located on Peger Road, south of Van Horn Road, in the industrial section of Fairbanks.

Chair Pruhs commented that Fairbanks has a per- and polyfluoroalkyl substances (PFAS) problem. He asked if an environmental study had been completed. Ms. Janssen confirmed that a Phase I Environmental assessment was conducted, and that the water was also tested. There had been a previous petroleum contaminant, however, it has gone through natural attenuation and no contamination was identified in the assessment.

Mr. Fogle requested Ms. Janssen to explain why the structure of the loan has Northrim at a 15-year term, with a five-year variable rate of FHLB-Boston plus 3.5%, adjusting every five years, and AIDEA's portion is a 25-year term at a fixed rate of 6.39%. Ms. Janssen explained that the statute requires that the lender's term has to be at least 50% of AIDEA's term. Northrim's 15-year term is more than 50% of AIDEA's 25-year term. Ms. Janssen explained that AIDEA's fixed rate works best for the borrower and allows the borrower to budget payments, similar to a mortgage. There were no other comments or questions.

**MOTION: A motion was made by Mr. Fogle to approve Resolution L24-06, Resolution of the Alaska Industrial Development and Export Authority regarding purchase by the Authority of a participation in JT Investments Alaska, LLC. Motion seconded by Commissioner Sande.**

**A roll call was taken, and the motion to approve Resolution L24-06 passed, with Vice-Chair Kendig absent.**

**5C. FY2024 AIDEA Audited Financial Statements – (Adoption by Motion)**

**MOTION:** A motion was made by Mr. Fogle to approve the FY 2024 AIDEA Audited Financial Statements, with the amendment on page 24 addressing AIDEA's statement of net position, by inserting two columns under Assets, Current Assets, Cash, Cash Equivalents, Unrestricted. The first column is to be identified as a reserve for loans of investments, and the second column is to be identified as unrestricted. Motion seconded by Commissioner Crum.

Mr. Ruaro explained that AIDEA had a very good year. The statutory net income was almost \$65 million. The net position increased by \$54 million. The current pipeline of projects is strong. Mr. Ruaro requested to amend the financial statements to show the committed and reserved funding for the projects in the pipeline.

Chair Pruhs noted that based on legal counsel, he requested to amend page 24 addressing AIDEA's statement of net position, by inserting two columns under Assets, Current Assets, Cash, Cash Equivalents, Unrestricted. The first column is to be identified as a reserve for loans of investments, and the second column is to be identified as unrestricted. Commissioner Sande seconded the amendment.

The was no objection to the amendment from the Maker and the Second to the Motion.

Mr. Ruaro discussed that the operating revenues were at \$65,420,000. Revenue from Red Dog Mine continues to be a foundation of AIDEA's income. The investment income was increased to approximately \$26 million. A management review of accounts has been completed and consolidation has occurred to produce maximum benefit under the investment policy. Mr. Ruaro noted that revenue from the leases are flowing and in order. He discussed that management is focusing on increasing revenue for the Ketchikan Shipyard project. These ideas are expected to be presented at the next Board meeting. There were no other comments or questions.

**A roll call was taken, and the motion to approve the FY 2024 AIDEA Audited Financial Statements, as amended, passed, with Vice-Chair Kendig absent.**

#### **5D. Draft Resolution No. G24-15 Declaring FY26 Dividend to the State**

Mr. Ruaro explained that Resolution No. G24-15 declares the FY26 Dividend from AIDEA, which must be between 25% and 50% of the statutory net income from AIDEA's three funds: the Revolving Fund, the Arctic Infrastructure Development Fund (AIDF), and the Sustainable Energy Transmission and Supplement Development (SETS) Fund. Neither the AIDF nor the SETS had a positive statutory net income, and there is no dividend to declare. The Revolving Fund had a statutory net income of \$66,082,741. Mr. Ruaro indicated that the Board is to set the dividend amount within the range of 25% of \$16,520,685 and 50% of \$33,041,371.

**MOTION:** A motion was made by Mr. Fogle to approve Resolution G24-15 of the Alaska Industrial Development and Export Authority determining dividends to be made available to the State for Fiscal Year 2026; providing allocations; and a procedure for making dividends available, and amending Section 1. to insert the sum of \$20 million available to the State as a dividend from the Revolving Fund for fiscal year 2026, and to insert that this

**amount is roughly equal to 30% of the FY 2024 statutory net income. Motion seconded by Commissioner Sande.**

Commissioner Crum commented that this is a substantial increase from last year's dividend to the State. He asked Mr. Ruaro for the estimated number of dividends that AIDEA has paid to the State. Mr. Ruaro responded that this payment will bring the total historical payment of dividends by AIDEA to the State Treasury at nearly half a billion dollars since the first dividend in 1997. AIDEA has paid a dividend to the State each year since AIDEA has been profitable based on the statutory income calculation.

Commissioner Sande asked if Mr. Ruaro has the dividend amounts AIDEA has provided to the State for the previous five years. She highlighted the value of the dividends and what the dividends represent in services to the people of Alaska. Commissioner Sande emphasized the significant amount of time and effort committed by the Board and by the staff to each of the recommendations and decisions. Commissioner Sande noted that the Executive Director is sometimes put in the position of defending AIDEA. She believes AIDEA makes really good decisions on behalf of Alaskans, and that this dividend demonstrates AIDEA's success. Commissioner Sande requested that Mr. Ruaro state for the record the dollar amount of dividends that AIDEA has issued back to the general fund of the state of Alaska.

Mr. Ruaro discussed that this dividend amount of \$20 million is the largest dividend in the last decade. Other dividends were \$17,904,000 in FY 2024, \$6,480,000 in FY 2023, \$17,305,000 in FY 2022, and \$10,285,000 in FY 2020.

Chair Pruhs congratulated Mr. Ruaro and staff for being able to provide a dividend back to the shareholders of AIDEA, the Alaskan residents. He thanked AIDEA's Alaskan staff for working very hard to make the best business decisions to provide a dividend to the State and to maximize employment opportunities. There were no other comments or questions.

**A roll call was taken, and the motion to approve Resolution G24-15 passed, with Vice-Chair Kendig absent.**

#### **5E. Resolution No. G24-16 AIDEA Investment Policy**

Mr. Ruaro explained that Resolution No. G24-16 amends the existing investment policy of AIDEA to allow for a target amount of 20% of the assets invested in equities. Previously, 100% of the assets were in fixed income. The revised policy should generate additional revenue and mitigate the risk of a single investment approach. During previous meetings, the Board heard testimony from consultants and staff regarding the recommendation to approve the resolution.

Mr. Fogle requested Geoff Johns, Chief Investment Officer AIDEA, to provide a brief synopsis of the proposed changes to the Investment Policy. Mr. Johns reiterated that the current investment policy is structured very conservatively with 100% fixed income securities, including corporate bonds and government treasuries. AIDEA's external advisor, Callan, presented the current returns to the Board in September. The returns have been modest with an annualized return of about 3% over the last several years. After the September meeting, Callan performed an

external and benchmarking analysis comparing AIDEA's current investment policy and the Alaska Permanent Fund Corporation through the Department of Revenue (DOR) and Treasury Department, as well as comparison to other development finance authorities in the Lower 48. Mr. Johns indicated that AIDEA is subject to the prudent investor rule, and investments in only one asset class is not prudent. Introducing equities to the investment portfolio allows for the needed diversification and is expected to generate excess returns for the benefit of the development finance programs.

Commissioner Crum asked Mr. Johns if the proposed investment policy as written provides staff with the flexibility to make the investment decisions internally. Mr. Johns agreed, and reiterated the target of a 20% allocation in equity investments. Additionally, the proposed investment policy contemplates investment management agreements with either current or new external investment managers. Commissioner Crum noted that he sits on many investment Boards, and that a portfolio with 20% allocation to equities and 80% allocation to fixed income has a very low risk profile. He commented that typical allocations are 70% equities and 30% fixed income, or 60% equities and 40% fixed income. There were no other comments or questions.

**MOTION: A motion was made by Mr. Fogle to approve Resolution G24-16, amended and restated Resolution of the Alaska Industrial Development and Export Authority relating to Investment Policy Statement. Motion seconded by Commissioner Crum.**

**A roll call was taken, and the motion to approve Resolution G24-16 passed, with Vice-Chair Kendig absent.**

#### **5F. Resolution No. G24-17 AGDC**

Mr. Ruaro explained that Resolution No. G24-17 authorizes the Executive Director to continue conducting due diligence and entering into an agreement with the Alaska Gasline Development Corporation (AGDC) to backstop an up to \$50 million expenditure for a Front End Engineering and Design (FEED) study and gap analysis of the prior completed work. Staff is currently in negotiations and has been meeting for about three weeks. This resolution provides the formal approval for Mr. Ruaro, as Executive Director, to execute an agreement.

Chair Pruhs requested Frank Richards, President of AGDC, to provide additional information on the backstop, why it is needed, and the position of the Administration and the Legislature. Mr. Richards discussed that the resolution regards the Alaska Liquefied Natural Gas (LNG) project. The State of Alaska Administration and the Legislature have directed AGDC to be the Alaska LNG project proponent. Mr. Richards explained that AGDC has been looking for funding and raising capital to move the project to its next major stage, which is the FEED study. The Alaska LNG project is a very large integrated project that includes gas treatment on the North Slope, a pipeline from the North Slope down to Southcentral in Nikiski, and termination at a liquefaction facility.

Mr. Richards noted that today's discussion focuses on Phase One of the Alaska LNG Project, which is the pipeline that would deliver North Slope gas to meet the needs of Alaskans within

Interior Alaska and Southcentral Alaska at the earliest possible date. This initial Phase One is part of the fully permitted project. The federal regulatory process has been completed. Rights of ways across state and federal lands have been acquired. Phase One requires both an update of the engineering and design work that has been previously completed, as well as a cost estimate update.

Mr. Richards explained that AGDC has been engaged with North America's largest pipeline company who has a keen interest in developing and working with AGDC, and are willing to utilize their resources and money to undertake the FEED level of effort to expedite the process forward. However, because this FEED focuses on the initial phase of the project, the pipeline company wants to ensure there is a backstop, meaning that they would get paid should the project not move to the next step of the Final Investment Decision. Mr. Richards discussed that this step is critical and unlocks private sector funding to be able to move the project forward. The request is that AIDEA provide a standby letter of credit which will stay in AIDEA's escrow type of account and generate interest for AIDEA. The backstop will only be drawn upon if the Final Investment Decision is not made to move the project forward. Additionally, the updated cost estimate will be utilized to secure contracts to finance the project going forward.

Commissioner Sande expressed appreciation to Mr. Richards for the information. Commissioner Sande respectfully recused herself for consideration of AIDEA's Resolution G24-17, as her seat and participation on the AGDC Board could be considered a conflict.

Chair Pruhs agreed with the potential conflict. There was no objection to Commissioner Sande's recusal from voting on Resolution G24-17.

Commissioner Crum asked Mr. Richards how the economics and the approach of the project has changed since its original development. Mr. Richards noted that one of the biggest changes that has occurred is that AGDC signed a Gas Sales Precedent Agreement with developer Great Bear Pantheon. This is a new development about 20 miles south of Prudhoe Bay that will hopefully be in production by the end of the decade. It provides a gas source that does not require any gas treatment from a plant and can flow directly into a pipeline to meet the existing utility specifications, in terms of CO2 content. It also saves the cost of approximately 25 miles of pipeline from the overall cost of the project.

Mr. Richard continued the discussion that the pipeline company is looking for utility rates of return that are significantly lower than previous private investors' rates of return in the high teens or 20%. The overall cost to deliver the product to Alaskans will be lower without having to pay for a higher rate of return.

Chair Pruhs asked for the size and cost of the proposed pipeline. Mr. Richard explained that the mainline pipeline, as designed for the entire LNG project, is 42 inches in diameter. The cost component for Phase One of the project is approximately \$10.8 billion, which includes a 20% contingency. Chair Pruhs asked Mr. Richards to compare the approximate cost of the proposed pipeline gas to LNG coming in to Nikiski. Mr. Richards informed that Wood Mackenzie conducted a recent evaluation of the project that included review of its economic value and a cost

comparison between imported LNG and the cost of pipeline delivered gas. The Wood Mackenzie report indicated that based on existing utility rates of approximately \$8.70, the project's rate came in at \$11.20 cents for the term of the pipeline contracts. Additionally, the project was compared to the price of imported LNG, which ranges from about \$10.80 to \$13.20, including the regasification cost. There is also the cost of approximately \$500 million for the dock and facility to bring the gas to the existing pipeline system.

Chair Pruhs asked when gas would first hit the market based on the outlined schedule. Mr. Richards reviewed the outline and the first gas is expected to be available and flowing in late 2030/2031. Chair Pruhs asked how the timeframe correlates with the Cook Inlet decline curve. Mr. Richards discussed that the main producer in Cook Inlet has identified they are no longer going to assign long-term contracts with utilities. The utilities are looking expeditiously for a source of gas to meet their needs as early as 2028, and 2031 for Chugach Electric Association (CEA), and 2032 for Enstar. Chair Pruhs asked if the utilities are looking for certainty with cost and reliability. Mr. Richards agreed, and emphasized that the utilities have stated publicly that the value of a pipeline providing Alaska resources to Alaskans is a key priority.

Mr. Fogle thanked Mr. Richards for his presentation, and requested that he explain the cost savings to the rate payer for the natural gas pipeline compared with the cost of LNG imports. Mr. Richards noted that Nick Szymoniak, Venture Development Manager for AGDC, has the information on a spreadsheet and asked that he come forward and present the information. Mr. Fogle requested more information regarding the additional phases and the potential opportunity to export natural gas, which could lower the cost to the rate payers. Mr. Richards agreed. The cost of \$11.20 is based on consumption of gas by Alaskans and Alaskan utilities. As volume in the pipeline increases, the volume discount to Alaskans increases, and the price decreases. Mr. Richards noted that the Wood Mackenzie study showed that even a small level of industrial demand would decrease the price to close to current levels within the range of \$8. With volume flowing down the pipe at 3.3 billion cubic feet (Bcf) a day, the estimate is that the price will decrease to the range of \$2.25. There are significant cost savings by increasing the volume flow.

Mr. Szymoniak referenced the published Wood Mackenzie report regarding the cost savings to Southcentral residents and Interior Alaska residents for the Phase One pipeline compared to the cost of imported LNG. The calculation is the difference in cost between pipeline supply and imported LNG paid for by the utilities. The annual savings per person in Southcentral is \$300. At full pipeline volume, that savings could increase to \$1,000 savings per person per year in Southcentral. The current cost to residents in Interior Alaska is approximately \$21 and the delivered price under the new project would be approximately \$19.50, before it is stored and regasified. Mr. Szymoniak noted that these prices are less than current fuel oil prices. Mr. Szymoniak highlighted that the initial savings for an Interior resident under the base case is estimated at over \$1,700 per person annually. At full build-out, that savings increases from \$1,800 to \$2,700 per person annually. Mr. Szymoniak reiterated that these numbers are directly from the Wood Mackenzie report that is publicly available on the AGDC website.

Chair Pruhs asked what types of cost savings could affect Homer. Mr. Szymoniak explained that Homer will generally have the same costs as Southcentral Alaska. He noted that work will be



completed with each utility, Enstar, HEA, MEA, CEA, GVEA, and IGU, to obtain a better understanding of the specific impacts for each utility.

Mr. Elledge requested additional information on the sizing of the pipeline. Mr. Richards explained the pipeline is sized at the original design of 42 inches for the full throughput of 3.3 Bcf per day for the Alaska LNG project. That pipeline design has completed the environmental and regulatory process. All the permits are based on the 42-inch design. There were no other comments or questions.

**MOTION: A motion was made by Mr. Fogle to approve Resolution G24-17, Resolution of the Alaska Industrial and Export Authority regarding a credit instrument for use by the Alaska Gasline Development Corporation regarding financing a front end engineering and design study. Motion seconded by Commissioner Crum.**

Chair Pruhs commented that it is fortunate that AIDEA can provide the backstop to facilitate these instrumental benefits to the residents of Alaska and to provide economic opportunities. Chair Pruhs reiterated that AIDEA's mission is not risk-free, and individual projects are scrutinized as best as possible. Chair Pruhs believes this is a positive project to backstop. He noted that the Governor and the Legislature supports the FEED study, and AIDEA is facilitating that FEED study to further the project.

Commissioner Crum commented that this project was originally imagined for LNG export, permitted by the Federal Energy Regulatory Commission (FERC), and defended multiple times in court. The reimagining into a phased approach decreases the overall capital costs and accelerates the timeline, while placing the beneficial economics of providing gas to Alaskans at the forefront. Commissioner Crum noted that the phased approach has generated increased private capital interest. Even though this project is not a no-risk endeavor, it is an opportunity for AIDEA to take a transparent and knowledgeable fiduciary role. The backstop allows a private partner to start spending money through the FEED process. Commissioner Crum expressed support of the resolution. There were no other comments or questions.

**A roll call was taken, and the motion to approve Resolution G24-17 passed, with Vice-Chair Kendig absent, and Commissioner Sande recused.**

## **6. PUBLIC COMMENT**

Chair Pruhs reminded members of the public to please state their name and affiliation. He noted that each person will be given two minutes for comments, and that the comments should address the items on today's agenda.

There were no members of the public in-person who requested to comment. David Kennedy, AIDEA, gave directions to members of the public online who wish to comment.

Maddie Halloran, State Director for Alaska Wilderness League, commented on an item listed under the executive session discussion on the agenda, leasing in the Arctic National Wildlife Refuge (ANWR). Ms. Halloran is speaking to elevate the concerns of over 150 of the members

who signed a petition asking AIDEA to please reconsider plans to spend up to \$20 million on Arctic Refuge oil leases. These comments were shared yesterday via email to the Board for review prior to the executive session since public comments are taking place today after the executive session. Ms. Halloran thanked the Board for their time and consideration of the concerns.

Chair Pruhs thanked Ms. Halloran for her comments.

Pamela A. Miller called in from Fairbanks and commented that it is important to give the public a chance to press nine on their phones since the public does not know what time the public comment period will occur. Ms. Miller expressed disappointment that there was never public discussion of the resolutions passed authorizing the bid for the upcoming Arctic Refuge lease sale. Ms. Miller asked what happened to the roughly \$18 million that AIDEA received back from the federal government when the leases were rejected. She does not believe that AIDEA needs to waste \$20 million more public funding resources.

Ms. Miller commented that she was listening to a school Board meeting yesterday regarding the \$2 million to \$3 million cost of an elementary school, and that they do not have the funds in their budget. She noted that the Governor vetoed school funding in the previous budget. The infrastructure of elementary schools in the community is far more important than a few cents difference in the cost of oil and gas, which has not been proven to individual homes. A good portion of Alaskans do not live on the Railbelt, and this gas pipeline will not help them. Ms. Miller cannot believe that AIDEA is discussing giving \$50 million to the specialized private entity that is planning to build the gas pipeline.

Ms. Miller mentioned that Fairbanks would have to pay extra costs to build the lateral pipeline from the main pipeline that does not come through Fairbanks. So, the benefits to Fairbanks may be quite less. Ms. Miller would much rather AIDEA invest in renewable energy throughout the communities of Alaska. She thanked the Board for the opportunity to comment.

Chair Pruhs thanked Ms. Miller for her comments.

Sean McDermott, Arctic Program Coordinator with the Northern Alaska Environmental Center, is calling today to discuss the Arctic National Wildlife Refuge Leasing item under executive session on the agenda. Mr. McDermott expressed his ongoing concern with how AIDEA has approached engaging the public about spending \$20 million to bid on oil and gas leases in the Refuge. He was concerned to hear that at the November 7<sup>th</sup>, meeting, the Executive Director suggested AIDEA has a constitutional mandate to pursue this kind of extractive drilling, and essentially claiming that it is universally in the public interest, while at the same time, suggesting that the input of Alaskan community members who are being impacted by AIDEA's development does not matter. Mr. McDermott believes that if AIDEA were to be working in the public's interest, AIDEA would conduct a fully transparent economic and environmental analysis before undertaking these kinds of large-scale development projects and there would be more engaged, free, and informed consent by communities and regions before AIDEA pursues projects like this. Mr. McDermott believes that AIDEA's decisions to spend tens of millions of dollars of public funds should be governed as outlined in the State Constitution by the State

Legislature and not made behind closed doors. AIDEA is still using public funds to litigate against a science-based review and legal authority of the Department of the Interior to cancel the original 2021 Arctic Refuge leases. Mr. McDermott does not think that adding another bad investment in the same area with the same environmental and community health implications makes any sense. AIDEA is not an oil developer. AIDEA has previously lost tens of millions of dollars trying to develop the Mustang Project and road, and Mr. McDermott does not believe that bidding on oil and gas leases in the Arctic Refuge is an appropriate use of public funds and does not support Alaskan's best interest. Mr. McDermott thanked the Board for the chance to speak.

Chair Pruhs thanked Mr. McDermott for his comments.

Kristen Moreland stated she is speaking on behalf of the Gwich'in Steering Committee for all the Gwich'in people. The land AIDEA is considering is critical to the Porcupine Caribou Herd, which has sustained the Gwich'in people for thousands of years. The caribou is more than a food source to the Gwich'in. The caribou is the foundation for the Gwich'in culture, spirituality, and way of life. The Arctic Refuge is sacred to the Gwich'in. Any development in the area would disrupt the caribou's calving grounds and jeopardize their survival, and the survival of the Gwich'in people. The issue is not only about the environment. It is about respecting the rights, sovereignty, and traditions of the Indigenous communities. Ms. Moreland is asking AIDEA to honor the Gwich'in voices and to honor the Gwich'in connection to the land by not bidding on the leases, but instead for AIDEA to stand with the Gwich'in to protect the caribou, the Arctic Refuge, and the cultural heritage that depends on it. Ms. Moreland thanked the Board for listening and for their consideration.

Chair Pruhs thanked Ms. Moreland for her comments.

Matt Jackson noted that he just moved from Southeast where there is very cheap and redundant renewable energy that is being considered for green hydrogen. Mr. Jackson noted that he was struck by the lack of cost comparison to renewables in the conversation regarding whether to fund the natural gas pipeline. Mr. Jackson believes that a report by the National Renewable Energy Laboratory found that a Railbelt grid with 76% renewable energy provided the absolute lowest cost alternative and that comparison was conspicuously absent from AIDEA's analysis. Mr. Jackson stated that \$50 million could go a long way in building renewable energy starting in the summer of 2025, and there would be no waiting for a pipe dream that might not produce natural gas at all or in the best-case scenario in 2030. Mr. Jackson encouraged AIDEA to look at the more immediate concerns for Railbelt renewable energy.

Chair Pruhs thanked Mr. Jackson for his comments.

There were no other members of the public online or in-person who requested to comment. Chair Pruhs expressed appreciation for the well-spoken comments, and noted that AIDEA will take them into consideration. He closed the public comment section.

**6G. Next regularly scheduled AIDEA Board Meeting: Wednesday, January 15, 2025**

**7. BOARD COMMENTS**

Commissioner Crum expressed appreciation for AIDEA's work, and that the \$20 million dividend that AIDEA will provide to the State shows the success of the ongoing investments. He noted that the public may focus on some of the investments that failed. The idea behind AIDEA is to generate economy, get a small return, and stimulate Alaskan business. The long-term returns of the projects in the state get far too little attention. Red Dog Mine has completely sustained an entire region of the state for generations. Much work has been completed, and Commissioner Crum believes that more renewables are needed in the state. Access and roads to resources are also needed to create the mines to generate the critical minerals necessary for renewable resources. Commissioner Crum supports the first step of the possible letter of credit for a backstop for the phased approach to the gasline. He acknowledged the near-term issue of how to heat homes as Alaskans. There is an additional benefit of economic growth. He believes this project provides for Alaskan families. Commissioner Crum expressed appreciation to Board members and looks forward to the ongoing private capital conversations and their outcomes.

Mr. Fogle emphasized the tireless and important work that AIDEA staff is achieving each week to bring these projects, such as AGDC, to fruition. He noted the many other projects that staff is cultivating that will help create jobs and increase the Alaskan economy. Mr. Fogle agreed with Commissioner Crum's comments that AIDEA can have a strategy that focuses on both renewable projects and oil and gas projects. Mr. Fogle commented that AIDEA's sister agency Alaska Energy Authority (AEA) is implementing many renewable projects. The accomplishments are for the benefit of Alaska. It is ingrained in the Constitution that AIDEA must be self-sufficient and will bring resources to development. Mr. Fogle discussed that it is a State's right that AIDEA has to bring the Ambler Road, the gasline, and to develop ANWR. He noted that all these things were promised to the State in statehood. Mr. Fogle expressed appreciation to Mr. Ruaro and his team for their awesome work on the many projects being brought to fruition.

Chair Pruhs commented for the public's clarification that AIDEA passed a resolution for staff to look at ANWR. AIDEA did not pass a resolution to spend \$20 million. The resolution does not mean that AIDEA will bid on any leases. AIDEA does not even know what leases the federal government will submit. AIDEA's authorization is for staff review. Chair Pruhs informed that the money from the previous leases came back to AIDEA. The funds have been used by AIDEA to invest and to continue more projects. AIDEA has a half a billion dollars' worth of requests in its pipeline, which is the greatest amount of requests since inception. All those projects and loans throughout the state are undergoing due diligence by staff and consultants, and could benefit Alaskans and Alaska residents while fulfilling AIDEA's mission to provide a rate of return and to provide long-term employment.

Chair Pruhs highlighted that many people do not understand that much work is completed behind the scenes. He commented that during the due diligence phase or the research phase of the process, the proprietary information of loans and investments cannot be disclosed to the public. Eventually, the information can be disclosed to the public. Chair Pruhs expressed appreciation to staff for their hard work, and thanked them for a good year in being able to submit a \$20 million dividend to the State. He noted that the next 12 to 18 months will be very interesting in determining which projects AIDEA participates. Eventually, AIDEA will have to slow down as the resources are limited.

Mr. Eledge commented that the \$20 million dividend from AIDEA to the State is a record amount. The total amount of AIDEA dividends to the State of nearly half a billion dollars is a tremendous testimony to the due diligence and success of the AIDEA staff and their contribution to the public of Alaska. Mr. Eledge expressed accolades to staff for all the projects that help the entire state of Alaska.

Chair Pruhs noted that the Railbelt consists of approximately 74% of the population of the state. There were no other comments.

## **8. ADJOURNMENT**

There being no further business of the Board, the AIDEA meeting adjourned at 3:33 pm.



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Randy Ruaro, AIDEA Executive Director

Secretary