



PRESS RELEASE

AIDEA Office of Communications & External Affairs
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AIDEA Consents to Funding Agreement for Interior Gas Utility

Commercializing North Slope Gas and Addressing Natural Gas Shortage in Cook Inlet

January 5, 2024 (Anchorage, Alaska) – The Alaska Industrial Development and Export Authority (AIDEA) is pleased to support an Interior Gas Utility (IGU) line of credit loan from a leading banking institution which will enable the commercial use of natural gas from the North Slope by IGU in Interior Alaska and help alleviate the natural gas burden in Southcentral Alaska.

Thanks to the consent approval from AIDEA, IGU will be securing a \$7 million line of credit to initiate the purchase 15 high-capacity trailers to transport natural gas from the North Slope. IGU will also use some of the debt financing to advance developments under the Interior Energy Project for service and main lines.

Gary Wilken, Chair of the IGU Board of Directors, expressed gratitude for AIDEA's important role in this initiative, stating, "We are grateful to have a strong partner in AIDEA. This line of credit enables IGU to continue its expansion into Fairbanks and North Pole, allowing our communities to get closer to air quality attainment. IGU's move to look north for a new gas supply is the first time in the history of our state to use natural gas from the North Slope. This historic initiative, fueled by AIDEA's approval of this line of credit, will enable IGU to get closer to that goal."

For almost ten years, AIDEA has played a pivotal role in bringing low-cost energy to market and creating jobs. In 2015, AIDEA provided financial tools for developing a unified gas utility including creating the Interior Energy Project, which is currently managed by IGU. Between 2022 and 2023, IGU successfully transitioned more than 1,170 homes and businesses in Interior Alaska to natural gas, an accomplishment made possible by AIDEA's investment.

Dana Pruhs, Chairman of the AIDEA Board of Directors, emphasized the significance of this initiative, stating, "Alaska is facing a critical juncture in its energy landscape, and AIDEA is committed to being at the forefront of sustainable solutions as Alaska's Finance Development Authority. By supporting IGU's LNG initiative, we aim to alleviate some of the burden in the natural gas supply in the Cook Inlet."

AIDEA's stewardship role as a loan consent agency is strategic to not only address the current gas supply issues for many Alaskans in Anchorage but also set the groundwork for gas energy resources for residents in Fairbanks.

"IGU continues its mission to provide clean-burning, affordable, natural gas to as many people in the Fairbanks North Star Borough as possible, as soon as possible. The move to the North Slope for natural gas feedstock and the relinquishing of dependence on Cook Inlet gas is one of the most important short-term goals for IGU. This action allows us to continue being a reliable, resilient utility. Expanding natural gas mainlines and adding new customers is a big goal and helps us fulfill our mission," said IGU's General Manager, Elena Sudduth.

Randy Ruaro, AIDEA Executive Director, said, "After conducting due diligence, our consent for the IGU loan marks another positive step of AIDEA investing in successful businesses and creating jobs for Alaskans. This initiative harnesses North Slope gas resources to provide natural gas to the Interior."

AIDEA remains steadfast in supporting initiatives that create jobs and contribute to the prosperity of Alaska. For information about AIDEA or any of AIDEA's projects, please visit www.aidea.org or contact AIDEA at communications@aidea.org.

About AIDEA:

The Alaska Industrial Development and Export Authority is a public corporation of the State of Alaska. AIDEA's purpose is to promote, develop, and advance the general prosperity and economic welfare of the people of Alaska.

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