

I MOVE to amend Resolution 24-031 as follows:

- page 2, last whereas clause, by adding the words “(the UAF Feasibility Study)” in the second line after the word feasibility and the words (the “CCS Power Plant)” after the number 553937;
- page 2, by adding the following whereas clause at the bottom of the page that reads: “WHEREAS the UAF Feasibility Study was released to MSB on February 29, 2024, and makes certain recommendations including proceeding with the CCS Power Plant, legislative enablement, and funding steps; and”
- page 5, at the end of No. by adding the following words: “and supports and encourages the State of Alaska to support proceeding with the CCS Power Plant by implementing the recommendations of the UAF Feasibility Study.”

Action:

**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 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% 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 (the "CCS Power Plant") with carbon capture and sequestration ("CCS") and reported to the Regulatory Commission of Alaska that the cost of electricity from a coal power plant with CCS can be materially lower cost than other power alternatives and potentially lower than current power costs; and

WHEREAS the UAF Feasiblity Study was realeased to MSB on February 29, 2024 and makes certain recommendations including

proceeding with the CCS Power Plant, legislative enablement, and
funding steps;

WHEREAS, the United States Department of Energy recently announced a grant to a proposal made by the University of Alaska Fairbanks to evaluate the suitability of a CO2 storage complex for

storing power plant emissions in the northern Cook Inlet Basin;
and

WHEREAS, coal-fired power generation with CCS 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 Matanuska-Susitna Borough are facing; and

WHEREAS, with CCS, a coal-fired power generation plant captures approximately 95% of CO2 emissions and can achieve carbon neutrality.

NOW, THEREFORE, BE IT RESOLVED, the Matanuska-Susitna Borough Assembly:

1. Supports and recognizes the need for the development of a coal power plant with carbon capture and sequestration, 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 Matanuska-Susitna Borough.

2. Supports and encourages the State of Alaska to fully support completion of the UAF CCS Project, with a view to supporting completion of CCS for a decarbonized coal power plant in the Matanuska-Susitna Borough region, and supports and encourages the State of Alaska to support proceeding with the CCS Power Plant by implementing the recommendations of the UAF Feasibility Study.

3. 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 in order to support recreational use and industrial development in the West Susitna region.

4. Directs that the Matanuska-Susitna Borough Manager take such steps as may be advisable or directed to implement the foregoing objectives, including communicating with State of Alaska 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 - day of -, 2024.

EDNA DeVRIES, Borough Mayor

ATTEST:

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)