



## **RESOLUTION NO. 12-013**

### **RESOLUTION SUPPORTING THE STUDY AND DETERMINATION OF A "WAY FORWARD FOR COOK INLET AND FAIRBANKS AREA FUEL SUPPLIES"**

**WHEREAS**, the primary source of heating in much of the Railbelt Region including the Municipality of Anchorage is almost entirely dependent on natural gas as a fuel source; and,

**WHEREAS**, the majority of electrical generation infrastructure in the Railbelt has been designed and constructed around a natural gas-based fuel supply; and,

**WHEREAS**, the Alaska Energy Authority in its Railbelt Regional Integrated Resource Plan (RIRP) has determined that natural gas will play an important part in the region's energy future for many decades to come; and,

**WHEREAS**, the Fairbanks region benefits from the sale of economy energy generated by Cook Inlet natural gas which is more cost-effective than oil fired generation in Fairbanks; and,

**WHEREAS**, the regions utilities have determined that Cook Inlet production decline is outpacing demand and gas supplies could run short as early as 2015 without enhanced production or discovery and development of new reserves; and,

**WHEREAS**, the State of Alaska has provided for Cook Inlet production, drilling and storage incentive, but to-date, although activity has increased, actual results are not keeping up with the basins natural decline; and,

**WHEREAS**, there is no unified structure for planning, extracting and delivering natural gas to the region and the utilities need an alternative plan if Cook Inlet local supply does not improve.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of ARCTEC, that the State of Alaska actively assist ARCTEC by providing quarterly updates of production enhancements, share available producer Plans of Development (POD's) and provide financial assistance to evaluate and undertake viable backup solutions until Cook Inlet incentives come to fruition or pipeline, trucking or other basin discoveries are developed to serve ARCTEC member utilities.

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JANET REISER  
CHAIR

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EVAN J. GRIFFITH  
CHIEF EXECUTIVE OFFICER

ATTEST:

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JANET KINCAID  
SECRETARY