

**CS FOR HOUSE CONCURRENT RESOLUTION NO. 2(RES) am**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE RESOURCES COMMITTEE**

**Amended: 2/9/09**

**Offered: 2/6/09**

**Sponsor(s): REPRESENTATIVES RAMRAS, Millett, Johnson, Chenault, Hawker, Dahlstrom, Neuman**

**SENATORS Therriault, McGuire, Meyer, Huggins, Stevens, Wagoner, Bunde**

**A RESOLUTION**

1 **Requesting the governor to provide energy security for all Alaskans first by pursuing**  
2 **development of a natural gas bullet pipeline from the North Slope to the Cook Inlet**  
3 **region; and requesting the governor to identify and negotiate where appropriate with**  
4 **one or more persons capable of producing natural gas from the Gubik area, and other**  
5 **areas on the North Slope if necessary, in sufficient quantities to support the energy**  
6 **needs of Alaskans and a bullet pipeline project.**

7 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 **WHEREAS** natural gas production in the Cook Inlet region of the state has suffered  
9 significant decline, resulting in the closure of the Agrium U.S., Inc., facility in Kenai and the  
10 risk of inadequate supplies of natural gas from the Gubik area and elsewhere to consumers  
11 that rely on production from the Cook Inlet region; and

12 **WHEREAS** there are significant quantities of natural gas in the Gubik area and  
13 elsewhere on the North Slope that could be produced if means for delivering the product to  
14 market were available; and

1           **WHEREAS** the major gas pipeline project licensed by the state under AS 43.90  
2 (Alaska Gasline Inducement Act) or a similar alternative project that offers five natural gas  
3 delivery points in the state is not expected to transport natural gas from the North Slope until  
4 after 2016; and

5           **WHEREAS** the people of the state need energy security and access to natural gas now  
6 and cannot wait for the completion of the major gas pipeline project from the North Slope;  
7 and

8           **WHEREAS** the demand for natural gas in the state is expected to increase steadily;  
9 and

10          **WHEREAS** the construction of a smaller gas pipeline, sometimes referred to as a  
11 "bullet line," may be capable of delivering the state's natural gas to in-state markets before the  
12 major gas pipeline project from the North Slope becomes operational; and

13          **WHEREAS** a commitment to transport 180,000,000,000 cubic feet of natural gas a  
14 year to provide approximately 60,000,000,000 cubic feet of natural gas a year for Railbelt  
15 residential customers, 60,000,000,000 cubic feet of natural gas a year for industrial use,  
16 including fertilizer production by Agrium U.S., Inc., and 60,000,000,000 cubic feet of natural  
17 gas a year for export will contribute to the economic viability of the bullet pipeline from the  
18 North Slope to the Cook Inlet region of the state;

19          **BE IT RESOLVED** that the Alaska State Legislature requests the governor to  
20 provide energy security for all Alaskans first by taking all action necessary, appropriate and  
21 consistent with the state's obligations under the current Alaska Gasline Inducement Act  
22 license, and after thoughtful consideration, to promote the development of a bullet pipeline for  
23 delivering natural gas from the Gubik area and other areas on the North Slope to the Cook  
24 Inlet region of the state by identifying one or more persons capable of producing natural gas  
25 from the Gubik area in sufficient quantities to support a bullet pipeline project or, if the Gubik  
26 area does not have sufficient quantities of natural gas to support a bullet pipeline, from other  
27 areas on the North Slope, and negotiating for a commitment of natural gas production on  
28 commercially reasonable terms to support the energy needs of Alaskans and the economic  
29 viability of the bullet pipeline.