

# Update on Alaska Gas Pipeline & AHAPC

Kaska Tribal Council, 24<sup>th</sup> AGA  
2 Mile Lake, Watson Lake  
August 12-14, 2008



## Outline

- Pipeline project overview
  - History & Now
- AHAPC overview
  - History & Now
- Questions





## Proposed Alaska Gas Pipeline

- Carry 35 tcf of natural gas from Prudhoe Bay, AK to Alberta hub via Alaska Highway, where it would then be carried to lower 48 States.
- Buried, large diameter pipeline, 2,700 km long
- Carry ~4 bcf per day (~6-8% of US daily consumption)
- Commissioning of gas by 2018 at a cost of ~\$30 billion



## Alaska Gas Pipeline - History

- Peaked in 1973 with world energy crisis
- Late '70s, Alaska Natural Gas Transportation System (ANGTS, a mega-project) was approved by ANGTA in US & NPA in Canada
- Foothills was awarded the construction of the Canadian portion of the ANGTS
  - Received NEB certificate under NPA in Yukon
- ANGTS would carry gas from Prudoe Bay to Yukon border, along Alaska Highway in YT & BC, into AB hub. From AB hub to California (western leg) & Illinois (eastern leg)



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## Alaska Gas Pipeline - History

- Western & eastern legs “phase 1, pre-build” only sections of ANGTS built to-date (in 1980’s)
  - Foothills build Canadian sections of pre-build
- Northern sections of ANGTS “Phase 2 ” were never built
- In 2001, the 3 Producers completed a \$125M feasibility study



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## Alaska Gas Pipeline - History

- In 2004, Alaska Natural Gas Pipeline Act passed - incentives & \$18b loan guarantees
- In 2006, Stranded Gas Development Act passed – generous tax regime for Producers
- In 2007, Alaska Gasline Inducement Act (AGIA) passed – incentives and competition



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## Alaska Gas Pipeline - Now

- Jan. 08, TransCanada (Foothills) is 1 of 5 applicants to meet all AGIA requirements
  - ConocoPhillips submits application outside AGIA due to unclear tax regime
- Aug. 08, Alaska Senate awards AGIA license to TransCanada
  - State provides permitting coordinator, expedited consideration, \$500M in funds
  - All-Alaska, Liquefied Natural Gas (LNG) is also still an option
  - TransCanada needs to ensure successful Open Season (customers), financing, and regulatory approvals



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## Now - 2 competing proponents

### TransCanada (Foothills)

- AGIA license awarded
- Meet with YFN communities in Fall 08 – participation agreement discussions
- Open Season by 2010



### Denali (BP & ConocoPhillips)

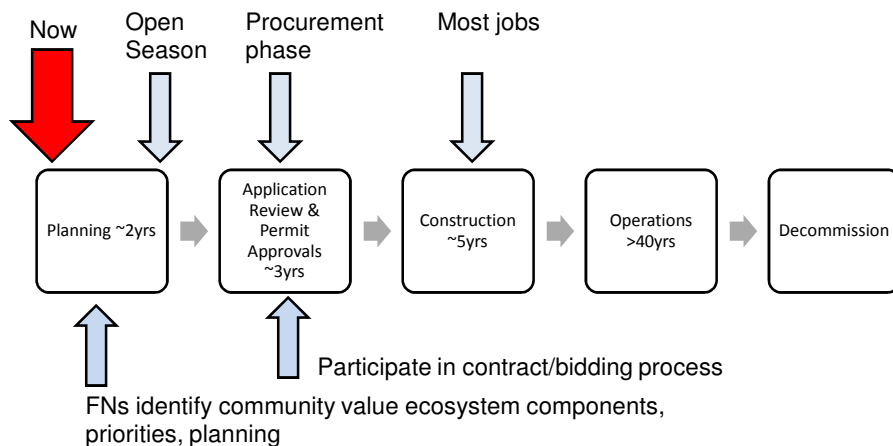
- In FERC pre-filing process
- Spend \$600M over 3 yrs
- Field study work in AK
- Meet with YFN communities in Fall 08 - route definition discussions
- Open Season by 2010



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## Streamlined Pipeline Schedule



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## AHAPC Overview

- Initiated in 2001 with pipeline preparedness initiatives undertaken by CYFN, KDFN and KTC
- Incorp. as non-profit society in 2004
- Operates with \$200K / yr budget from YG
  - Operations Leader & office
  - Foster relations with industry, governments & FNs
  - 3 workshops
  - Web site, newsletter, community visits



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## AHAPC Mandate

- Resource centre that shares credible information and tools, through research and communication
- Advocate FNs' collective interests and in consideration of TK, meaningful engagement and full participation of FN interests in project
- Assist FNs in a positive way
- Focus in areas of joint interest
  - regulatory framework
  - environmental & socio-economic assessment
  - socio-economic impacts and benefits



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## AHAPC does not....

- Have Aboriginal rights
- Speak or negotiate on behalf of FNs
- Have decision-making authority



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## AHAPC Board

- Chief Ruth Massie (chair) - Ta an Kwach an Council
- Mary Jane Jim - Champagne and Aishihik First Nations
- Bill Webber - Kwanlin Dun First Nation
- George Shepherd - Carcross/Tagish First Nation
- Chief Liard McMillan - Liard First Nation
- Derek Loots - Kaska Dena Council
- Kluane First Nation – interest to become members



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## AHAPC Staff

- Claudia Riveros, Operations Leader
- Kirsti Muller, Office Manager
- Shay Smart, Researcher



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## AHAPC 5-Year Work Plan

- **Priority 1** – Build in-house capacity
- **Priority 2** – Information sharing with FNs, Industry & other governments
- **Priority 3** – Discussion papers on FN issues
- **Priority 4** – Guidelines for informed decision-making on the pipeline project
- **Priority 5** – Implementation of guidelines



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## Priority 1: Build in-house capacity

- Maintenance of an office and current staff
- Acquisition of new staff:
  - Communications Advisor
  - Community Liaison Workers (in communities)



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## Priority 2: Information sharing

- Maintain web site & on-line info services
- Animated presentations in communities – target citizens at-large
  - Including animated visual of pipeline from start to finish
  - Testimonials and case studies, best-practices/challenges
- Facilitate / participate in workshops, meetings conferences
- Publish newsletter



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## Priority 3: Discussion papers on FN issues

- Significance of the Foothills project and Northern Pipeline Act to YFNs
- Employment and training opportunities
- Business and revenue sharing opportunities
  - Including tax rights and equity options
- Other effects on YFNs
  - Including access to gas and cultural effects



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## Priority 4: Guidelines for informed decision-making on project

- Guide to establishing respectful relationships with YFNs
- Guide to developing participation agreements with YFNs
- Guide to YFN participation in the environmental assessment and regulatory review processes of the project



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## Priority 5: Implementation of Guides

- If requested, assist FNs with the implementation of the guides



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## AHAPC Budget

- Need \$5M over next 5 years
  - During pipeline project planning, regulatory and permitting phases
- Formally requested that Canada, TransCanada and Denali coordinate their resources to provide timely funding to AHAPC



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## Please Contact Us!

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