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Fairbanks, Alaska -- Low cost space heating, lower electricity prices and cleaner air; all are possible for Fairbanks and many rural Alaska communities according to research compiled by PDC Harris Group for the Alaska Gasline Port Authority. The report, which was released today, predicts that the average Fairbanks household would save almost \$3,000 annually on home space heating costs after converting to natural gas supplied from the voter mandated, All Alaska Gasline. This represents an 80% reduction in the cost of energy in the Fairbanks area.

AGPA Project Manager Bill Walker said, "This report shows the clear cost savings for Interior residents with gas from a large gasline due to the enormous economy of scale our project brings, and also, because the voters' gasline runs directly through the Fairbanks North Star Borough. Having proximate access to the gasline allows additional cost savings. It also secures a low cost source of gas for North Pole, our military bases, and GVEA's North Pole electrical power generating turbines."

AGPA was created by voters in 1999 and charged with building the All Alaska Gasline from the North Slope to Valdez. The AGPA line would parallel the oil pipeline. At Valdez the natural gas would be chilled until it converts to liquefied natural gas- or LNG for short. Walker said, "The export component is what makes the cost of gas so affordable for Alaska's consumers. Alaskans will enjoy the economy of scale a large export project brings. It also has the enormous benefit of bringing Alaska new revenue. The work we recently released by Wood Mackenzie shows up to 419 billion dollars of new, diversified revenue to Alaska over the first 30 years of operation. That is ten times what sits in our Permanent Fund."

The PDC Harris Group report also shows a significant cost saving for Alaska communities not along the pipeline corridor. AGPA envisions that LNG could be shipped out of Valdez to barge-accessible Alaska communities to replace more costly petroleum-based fuels for both space heating and power generation. Bethel, according to the report, was selected as a representative community for developing cost models of converting from high priced diesel fuel to natural gas. The report determined significant savings for Bethel: "The savings range from \$229 million to \$886 million over the period 2021 through 2051, when assuming 100% displacement of petroleum distillates used for space heating and power generation." This represents a savings of up to 65% on the cost of energy in Bethel.

Fairbanks North Star Borough Mayor Luke Hopkins, a former board member of the Port Authority, was pleased with the report. Hopkins said, "This independent research clearly shows dramatic costs savings for Fairbanks North Star Borough residents with gas from the All Alaska Gasline. I hear all the time about how the cost of energy is hurting Borough residents. What this report shows is the average household could save thousands of dollars per year. The significance of that cannot be overstated. The report also shows a dramatic reduction in air pollution with the conversion to natural gas." Hopkins further noted that, "We have to think about what the impact of degraded air quality has on the future of our military bases which are vital to national security and our local economy."

PDC Harris Group General Manager Michael Moora of Anchorage, was lead author of the study. PDC Harris Group, according to their web site, offers: "Experience in cold regions design and construction; delivering fast-track energy industry projects; (and) a local Alaskan presence."

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