ALASKA RAILBELT CLEAN ENERGY TRANSPORTATION INFRASTRUCTURE GROWTH CLUSTER

Appendix 3: Sustainability

U.S. Economic Development Agency (EDA)
FY 2021 American Rescue Plan Act Build Back Better Regional Challenge

Submitted by:

Matanuska-Susitna Borough, Alaska

Mat-Su/Fairbanks Rail & Natural Gas Coalition Members:

1. SUSTAINABILITY

The Coalition's vision for the Alaska Railbelt Clean Energy Transportation Infrastructure Growth Cluster is designed to develop into long-term, sustainable economic growth long after the initial requested EDA investment in the **Alaska Railbelt Clean Energy Transportation Infrastructure Project**. By funding the component projects described in this proposal, the Coalition will be able to continue their plans for expanding the use of liquid natural gas in Interior Alaska, thus lowering energy costs for economically distressed communities, and improving air quality throughout the region for years to come.

A. Interior Gas Utility

IGU will integrate the LNG from the Titan II Facility all the way to the end user business or home customer through the natural gas pipeline distribution system. IGU's distribution system provides a fully-developed network, capable of serving the existing customer base and expanding to future customers. The timing of any future expansions will be dependent on demand and need and can be adjusted to meet market demands by accelerating or delaying their installation. Because IGU has an existing market, established a safe and reliable distribution network and has immediate access to an expanded customer base, the Titan II expansion will have a well-defined market upon which to rely. IGU has the experience and expertise necessary to expand the natural gas distribution system to the greatest number of customers at the lowest cost.

IGU's Interior Energy Project (IEP), which is the larger overall project to enhance LNG distribution lines in Fairbanks and North Pole, and of which the Titan II expansion is an important component, is estimated to have long-term operations impacts. Each year, the IEP would support on average 520 local jobs and $14.2 million in income. Of these, approximately 480 jobs and $9.2 million in income are indirectly supported at other FNSB businesses.[1]

B. Port MacKenzie Rail Extension

While funding for the 18-mile portion of the Port MacKenzie rail extension will not bring the rail extension project fully to the Port, it will make significant progress towards that end. Mat-Su Borough and Alaska Railroad are fully committed to completing the entire project, having already invested $184 M in State funding into the project. The full completion of the project will offer highly efficient offloading of bulk resources from train to ship; for Interior shippers, the new rail link shortens the distance to tidewater; and increased rail freight activity, and development stimulated by the rail link, will benefit rail belt communities through increased employment, contributions to the state and community tax base, and overall economic health.

[1] *Interior Energy Project Economic Impact Analysis*, Cardno ENTRIX, 2014.