



# Alaska State Legislature

## Senator Matt Claman

[Senator.Matt.Claman@akleg.gov](mailto:Senator.Matt.Claman@akleg.gov)

(907) 269-0130

*Serving West Anchorage*

## November 2023 Community Council Update

**Cook Inlet Gas Supply**— In response to inquiries from the legislature and concerns in the community, the governor announced plans to introduce a bill during the upcoming legislative session to increase incentives to produce natural gas by lowering royalty rates. This proposal is one step to address the Cook Inlet gas production shortage.

The announcement comes after Hilcorp, the dominant oil and gas producer in Cook Inlet, stated that they do not currently have enough natural gas reserves in Cook Inlet to provide for new gas contracts in the coming years. Hillcorp has stopped renewing gas contracts. Homer Electric's gas supply contracts will begin to expire in 2024 and Chugach Electric's contracts will begin to expire in 2028. These upcoming changes will mean higher energy bills in South Central Alaska.

According to the U.S. Geologic Survey, Cook Inlet has trillions of cubic feet of economically recoverable gas. While supply should not be a problem, the looming production shortages and the limited amount of exploration activity suggests that we need to take action to address this looming crisis.

**Alaska Railroad Corporation/Fish Creek Connection to the Coastal Trail**— In August, a West Anchorage family applied to the Alaska Railroad to lease a plot of railroad land from the Railroad for private use. Our office wrote a joint letter with Representative Jennie Armstrong raising questions about the proposal and urging the ARRC to either reject the proposal or modify the proposal to allow the public process to continue regarding development of the Fish Creek Trail to the Coastal Trail. Last week, ARRC released an amended lease proposal. The new ground lease would have a term of up to twenty-five years that is subject to partial termination if:

- (i) The Municipality of Anchorage (MOA) and Alaska Department of Transportation and Public Facilities (DOT&PF) select a route for the proposed Fish Creek Trail Extension Project that passes through the proposed lease parcel;
- (ii) The ARRC Board approves the location of said trail within the lease parcel in conformance with AS 42.40.420 relating to Public Use of Railroad Land and issues a permit for such use.

The partial lease termination would be sufficient to accommodate the trail as proposed and approved by MOA and DOT&PF. The rent would be adjusted to reflect the partial termination. The proposed amended terms accommodate the access interests of the prospective lessees without prohibiting the continued advancement of the Fish Creek Trail Extension Project.

The ARRC Board will consider this issue and take a final vote on the revised lease on November 14<sup>th</sup> at the upcoming ARRC Board Meeting. Although the formal public comment period closed, the public will be able to make comments during the meeting.