

**State of Alaska
Department of Natural Resources**

**Analysis and Proposed Decision for
Conversion of Conditional Right-of-Way Leases**

**Alaska LNG Point Thomson Transmission Line, ADL 421296
&
Alaska LNG GTP-Mainline-LF, ADL 421297**

October 23, 2026

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I. Introduction and Proposed Action

The Department of Natural Resources (DNR) received a request on October 2, 2026, from 8 Star Alaska, LLC (8 Star), acting on behalf of the Alaska Gasline Development Corporation (AGDC), to convert two “conditional” right-of-way leases—both issued under AS 38.35.100(b)—to right-of-way leases issued under AS 38.35.100(a). No other changes or additions to the conditional right-of-way leases were requested. However, pursuant to AS 38.35.100(d), the Commissioner may also require that the lessee agree to additional conditions that the Commissioner finds to be in the public interest.

This Commissioner’s Analysis and Proposed Decision is issued under AS 38.35.015 and AS 38.35.100 and evaluates whether the two conditional leases—the Alaska LNG Point Thomson Transmission Line (PTTL) lease, ADL 421296, and the Alaska LNG GTP-Mainline-LF lease, ADL 421297—should be converted and amended, as necessary. Under AS 38.35.100(a), a conditional lease may be converted only if the Commissioner determines that the applicant is fit, willing, and able to meet its responsibilities, and that conversion is in the best interest of the state.

After reviewing AGDC’s submissions from 2024 and 2026, along with the broader administrative record, the Commissioner now evaluates whether AGDC has met the requirements for conversion. These requirements are set out in AS 38.35.100 and in Section 2 of each conditional lease. For the PTTL lease, AGDC must demonstrate financial and technical capability, provide plans for the use of timber, water, and construction materials, submit a schedule for early construction activities, and complete agreements for highway use and contaminated sites.

For the Mainline lease, AGDC must meet all of those same requirements and must also address how the project will manage certain existing uses along the route, including potential impacts to shorefish lease areas in Nikiski, public recreational use at the Little Troublesome Creek Campground in Denali State Park, and activities associated with the Mainline Material Offloading Facility.

Taken together, these conditions help the Department evaluate whether AGDC is financially, technically, and organizationally capable of moving the project forward in a responsible and coordinated way. The analysis that follows reviews each requirement in detail and considers whether AGDC has met the standard for conversion under AS 38.35.100(a).

II. Public Notice of Application:

In accordance with AS 38.35.070, public notice of the conversion application was posted on October 5, 2026, in:

- State of Alaska Online Public Notice;

- DNR Division of Oil and Gas (DOG) Newsroom webpages.

In addition, the notice was published in:

- the Fairbanks News Miner on October 9, 2026;
- the Anchorage Daily News on October 11, 2026;
- and the Arctic Sounder on October 15, 2026.

The notice was also distributed to the following agencies: the Alaska Departments of Environmental Conservation (ADEC); Fish and Game (ADF&G); Labor and Workforce Development (ADOL&WD); ADNRR/Division of Mining, Land and Water (DMLW); ADNRR/Office of History and Archaeology (OHA); DNR/DOG; Public Safety/Fire Marshal's Office (FMO); Revenue (ADOR); and Transportation and Public Facilities (ADOT&PF). In addition, the Alaska Oil and Gas Conservation Commission (AOGCC) and the Regulatory Commission of Alaska (RCA), and the U.S. Department of Interior, Bureau of Land Management (BLM) received the notice.

III. Procedural History of the Right of Way Lease

AGDC submitted ROW applications for ADL 421297 and 421296 in 2019. After public notice, hearings, agency review, and analysis, the Commissioner issued a Final Decision in March 2021 granting conditional leases but determining that AGDC, at that time, had not yet demonstrated sufficient technical or financial capability. These conditional leases were issued under AS 38.35.100(b).

Between 2021 and 2026, AGDC undertook extensive engineering, financial restructuring, federal permitting coordination, and commercial development activities to cure the deficiencies identified in the 2021 decision.

In its application, AGDC submitted:

- a 2024 Lease Conversion Package addressing each condition in Section 2(a), and
- a 2026 Financial Capability Submission providing updated evidence of financial capacity and project backing.

IV. Standard for Conversion of the Right of Way Under 38.35.100(a) – Fit, Willing, and Able Analysis

Under AS 38.35.100(a), the Commissioner may convert a conditional pipeline right-of-way lease if the applicant is found to be fit, willing, and able to carry out the responsibilities required under the Right-of-Way Leasing Act. This has been applied to mean the applicant must show it has the technical capability, organizational readiness, and financial ability to advance the project safely

and responsibly. The applicant must also show a clear commitment to the project and an ability to meet all legal obligations and lease requirements. In short, the standard ensures that only an entity that can, consistent with the public interest, competently develop and manage a proposed pipeline may hold a full right-of-way lease.

V. AGDC’s Statutory Obligations and Authority

AGDC occupies a legally and structurally unique position within Alaska law, and the application of the “fit, willing, and able” standard under AS 38.35.100 must be interpreted through that statutory context. Unlike private pipeline companies that traditionally seek right-of-way leases, AGDC was created by the Legislature specifically to advance, coordinate, and enable statewide, large-scale natural gas infrastructure—not to function exclusively as a conventional pipeline owner, constructor, or operator. Its mandate is rooted in a legislative intent that stretches back over a decade in parallel with the needs and priorities of the state.

That legislative trajectory began in 2010, when the Legislature directed AGDC’s predecessor entity to develop an in-state gas pipeline to deliver North Slope gas to Alaskan communities.¹ At that time, the legislature directed AGDC’s predecessor to produce a plan to develop an in-state natural gas pipeline.² That authority was expanded in 2013 with the passage of House Bill 4, which established AGDC as a public corporation and government instrumentality.³ At that time, AGDC’s responsibility was to advance an in-state natural gas pipeline to make natural gas, propane and other hydrocarbons associated with natural gas (other than oil) available to communities in Alaska,⁴ and the Legislature determined that that doing so was “in the best interest of the state.”⁵ This empowered AGDC not only to plan, finance, and develop an in-state pipeline, but to do so “to the fullest extent possible,” underscoring a statutory expectation of ongoing, active advancement of gas infrastructure projects.

In 2014, the Legislature broadened AGDC’s mission even further to add an LNG export component.⁶ Recognizing the opportunity to monetize Alaska’s vast North Slope gas reserves through LNG export, lawmakers amended AGDC’s governing statutes to direct the corporation to develop and hold primary responsibility for an integrated Alaska LNG Project. The Legislature again directed AGDC—“to the fullest extent possible”—to achieve these refined policy goals, including to “develop and have primary responsibility for developing natural gas

¹ The Alaska Natural Gas Development Authority was initially housed administratively in the Alaska Housing Finance Authority. *See generally*, House Bill 369, 26th Leg. (2010).

² Ch. 14, § 19, SLA 2009; AS 38.34.040 (2010); House Bill 369, 26th Leg. (2010).

³ *See* House Bill 4, Chapter 11, SLA 13.

⁴ *See* former AS 38.34.040 (repealed by SLA 2013, ch. 11, § 23, eff. May 22, 2013).

⁵ Ch. 11, § 1, SLA 2013 (legislature’s uncodified findings and intent).

⁶ Ch. 14, § 7, SLA 2024 (amending, among other sections of the code, AS 31.25.005).

pipelines, an Alaska liquified natural gas project, and other transportation mechanisms to deliver natural gas in-state for the maximum benefit of the people of the state” and to “advance an Alaska liquified natural gas project by developing infrastructure and providing related services, including services related to transportation, liquefaction, a marine terminal, marketing, and commercial support.”⁷ The legislature then declared that AGDC is “acting in the best interest of the state *for the purposes required by AS 31.25.005.*”⁸ Such statutory purposes, including “developing natural gas pipelines” and “advance[ing] an Alaska liquefied natural gas project,” as detailed in AS 31.25.005, cannot be accomplished without first obtaining a “right of use” or “easement” over state-owned land.⁹ Per AS 38.35.100(h), “An applicant or conditional lessee *accrues no rights, including preference or priority rights, to a particular right-of-way* until the commissioner makes a determination that the applicant or conditional lessee is then fit, willing, and able to perform the transportation or other acts proposed under [AS 38.35.100](a).” (emphasis added).

The statutory powers conferred on AGDC reflect this expansive mission. AS 31.25.010 establishes AGDC as a “public corporation and government instrumentality acting in the best interest of the state” but having a legal existence “independent of and separate from the state.”¹⁰

Under AS 31.25.080, AGDC possesses broad authority to plan, finance, construct, acquire, maintain, and operate pipeline systems; enter joint ownership or joint operation agreements; acquire rights-of-way and land interests—including by exercising eminent domain; and contract for any services required for development, operation, marketing, gas treatment, or marine terminal operations. The Legislature also empowered AGDC to participate in joint ventures and acquire ownership interests in LNG-related entities, demonstrating clear legislative intent that AGDC’s role would depend heavily on collaboration with private developers and contract operators rather than internal execution of all technical functions. The following five statutory references describe AGDC’s mandate from the Legislature to deliver natural gas in-state for the benefit of the people of the state:

⁷ AS 31.25.005.

⁸ AS 31.25.010; Ch. 14, §8, SLA 2014 (emphasis added).

⁹ See *Cowan v. Yeisley*, 255 P.3d 966, 972 (Alaska 2011) (noting Alaska courts describe the term “right of way” as “primarily a privilege to pass over another’s land.”) (citing *Gerstein v. Axtell*, 960 P.2d 599, 600 n. 2 (Alaska 1998)). And further noting that Alaska courts have “consistently used the phrase “right of way” to refer to “strips of land used for passage of people or things.”) *Id.* (citing *N. Alaska Env’t Ctr. v. State, Dep’t of Nat. Res.*, 2 P.3d 629, 629 (Alaska 2000)).

¹⁰ Ch. 14, § 8, SLA 2014.

A. AGDC is statutorily mandated to develop natural gas pipeline and LNG infrastructure (AS 31.25.005)

AGDC is the sole State-designated entity charged with developing an in-state natural gas pipeline and the Alaska LNG Project for the maximum benefit of Alaskans. This mandate is unique to AGDC and reflects its role as a public development corporation, not a traditional pipeline operator.

B. AGDC is empowered to determine ownership structures and enter joint-ownership or joint-operation agreements (AS 31.25.080(a)(1))

The statute expressly authorizes AGDC to develop the project in partnership with private entities, including through joint ownership, joint operation, or both. This anticipates that AGDC may delegate construction and operations to qualified partners rather than self-perform them.¹¹

C. AGDC may make and execute all contracts necessary to carry out its powers (AS 31.25.080(a)(11))

This includes contracts for project development, engineering, construction, operation, marketing, and commercial support. This statutory authority confirms the Legislature expected AGDC may contract out specialized functions to qualified private entities.

D. AGDC may participate in or form joint ventures and acquire ownership interests in LNG-related entities (AS 31.25.080(a)(23))

This authorizes AGDC to partner with private developers in the planning, financing, construction, and operation of pipeline and LNG facilities — including partnerships different than those seen in a solely self-performing private sector operator.

E. AGDC may enter contracts relating to operations, gas treatment, transportation, liquefaction, and marine terminal operation (AS 31.25.080(a)(24))¹²

AGDC's role is to coordinate, not self-operate, infrastructure components essential to the project's lifecycle. The statute presumes private-sector operational expertise will be engaged.

¹¹ Further, AS 31.25.080(a)(6) authorized AGDC to: [1] “transfer or otherwise dispose of all or part of an in-state natural gas pipeline project, [2] an Alaska liquified natural gas project, or [3] an interest in an asset of the corporation.” However, as detailed in AS 38.35 and the terms of the leases, such a transfer of the leases is not authorized without prior approval of the Commissioner.

¹² AS 31.25.080(a)(24) provides that AGDC may “after consultation with the commissioner of revenue and the commissioner of natural resources, enter into contracts relating to an Alaska liquefied natural gas project, including contracts for services related to operation, marketing, transportation, gas treatment, marine terminal operation, or liquefaction.”

Taken together, these five statutory provisions make clear that AGDC is not structured as a self-performing pipeline company. Instead, the Legislature envisioned AGDC as a public development corporation—a coordinating entity responsible for assembling the technical expertise, financial structures, commercial arrangements, project partners, and regulatory approvals necessary to make a major energy infrastructure project feasible. This distinction is critical when evaluating AGDC’s suitability under AS 38.35.100’s “fit, willing, and able” standard, which historically has been applied to private operators expected to construct and run a pipeline entirely by themselves. When applied to AGDC, the standard must reflect its statutory purpose and the development-corporation model.

VI. Fit, Willing, and Able Criteria

AGDC’s institutional “fitness” under the evaluation criteria for conversion therefore lies not in its ability to weld pipe, operate compressor stations, or manage field construction, but in its ability to coordinate and direct the entities that will perform those functions. AGDC has repeatedly demonstrated this capability by overseeing engineering and design efforts, advancing Design Basis and Criteria level engineering, managing environmental and technical studies, and coordinating regulatory submissions that resulted in FERC authorization to site, construct, and operate the Alaska LNG facilities—an authorization the federal government cannot issue unless the applicant is technically capable and the project is in the public interest. AGDC’s governance structure, which must include directors with expertise in pipeline construction, operations, finance, and large-scale project management, ensures that the corporation maintains institutional competence aligned with right-of-way responsibilities.

AGDC’s “willingness” is inherent in its statutory mandate. As the only state-designated entity charged with developing the Alaska LNG Project, AGDC has continuously pursued this mission by securing all major federal permits, advancing commercial negotiations, participating in public and legislative processes, and submitting complete and compliant ROW applications. Its acceptance of statutory covenants under AS 38.35.120 further reflects its commitment to perform in accordance with state law and the public interest.

AGDC’s “ability” must also be interpreted in light of its statutory role. Because AGDC is not a private-sector pipeline operator, its ability is not measured by its capacity to self-finance or operate the pipeline. Rather, AGDC is “able” in the sense that it possesses the legal authority and institutional capacity to assemble the financial, technical, and commercial resources needed to advance the project. AGDC has exercised this ability by securing the participation of private developers—most specifically through its 2025 Project Development Agreements with Glenfarne, which made Glenfarne the lead developer and ensured AGDC’s 25% equity carry to Final Investment Decision (FID).¹³ It has supported Glenfarne’s efforts to pursue LNG offtake

¹³ This transaction did not transfer any interest nor control of either the Alaska LNG PTTL or Alaska LNG Mainline, both of which remain in one hundred percent ownership and control of AGDC. Per AS 38.35.100(d), any such

agreements and international financing partnerships, while simultaneously securing upstream Gas Sales Precedent Agreements with ExxonMobil, Hilcorp Alaska, LLC and ConocoPhillips. These actions show that AGDC can facilitate the participation of commercially sophisticated partners capable of undertaking construction, operations, and financing.

The Legislature anticipated that AGDC would rely on such partnerships. Indeed, AGDC's statutory authorities explicitly contemplate contract operations, joint ventures, and agreements with private parties for development, construction, transportation, liquefaction, and marine terminal operations. AGDC was never expected to perform these functions internally, and interpreting AS 38.35.100(a) to require AGDC to do so would contradict both its authorizing statutes and the legislative policy that the Alaska LNG Project be advanced "to the fullest extent possible." Application of the fit, willing, and able standard must thus be done consistent with this legislative intent. This also avoids an impractical circularity: AGDC would be challenged to finally execute financing agreements, commercial commitments, or contracts with developers and operators without the certainty of land access, yet without those agreements it would be impossible for AGDC to demonstrate the capabilities demanded by a fit, willing, and able test focused exclusively on activities AGDC is self-performing. The Legislature addressed this situation when it instructed DNR in AS 31.25.090(d) to ensure AGDC could secure necessary right-of-way interests "notwithstanding any contrary provision of law."¹⁴

In recent years and since the initial conditional rights-of-way were issued in 2021, AGDC has continued to pursue its legislative purpose.¹⁵ It has advanced the Alaska LNG Project through Design Basis and Criteria engineering, maintained a governance structure aligned with pipeline development, secured federal authorizations, structured commercial and upstream gas supply precedent agreements, engaged in international investment partnerships, and positioned the project for eventual sanctioning. AGDC retains full ownership and control of the Alaska LNG right-of-way interests today, ensuring that the State maintains oversight even as private partners undertake construction and operation. These actions collectively demonstrate that AGDC is institutionally capable; legally empowered; and actively engaged in assembling the technical, commercial, and financial architecture necessary to advance the Alaska LNG Project toward development.

transfer or assignment requires separate approval by the Commissioner. No such transfer or assignment of the subject rights-of-ways to third parties is considered or authorized in this preliminary decision.

¹⁴ Additionally, while organizational structures and positions described in AS 38.34.020 are not in place at this time, these statutes additionally amplify the importance of an efficient authorization process for a natural gas pipeline system pursued by AGDC and the need to progress towards unconditional rights-of-way

¹⁵ As to corporate governance, AS 31.25.030(e)(2) requires an affirmative vote by at least four members of AGDC's board to approve "the sale or other disposition of a substantial asset or substantial amount of the assets of the corporation." Similarly, AS 31.25.030(e)(3) requires an affirmative vote by at least four members of AGDC's board "to approve ... the ownership structure for a pipeline project of which the corporation is a participant."

VII. Relevant Actions by AGDC Indicating Fulfillment of Legislative Mandate

The following summarize many of the actions AGDC has taken to fulfill its legislative mandates and develop capabilities to advance natural gas infrastructure projects consistent with AS 31.25:

1. AGDC has provided oversight for Design Basis and Criteria-level engineering and foundational technical design work for the Alaska LNG Project, including pipeline engineering, facility design, and environmental studies, demonstrating the organizational and technical capacity needed to advance the project through Front End Engineering and Design (FEED) level documents.
2. AGDC has maintained and governed the project, and its equity interests in the project, through a Board statutorily required to include expertise in pipeline construction, operation, finance, and major project management, ensuring institutional competence aligned with the responsibilities involved in holding a ROW.
3. AGDC has obtained all major federal permits necessary for construction readiness, including the FERC Environmental Impact Statement and Order (issued March 6, 2020), DOE export authorizations, major air permits, and an issued Cultural Resources Management Plan, as well as land rights-of-way covering a significant majority of the corridor.
4. AGDC has pursued a phased development strategy aligning technical readiness, in-state energy needs, and financing requirements, demonstrating its capacity to sequence development activities in a manner consistent with the public interest and project feasibility.
5. AGDC has executed binding definitive Project Development Agreements with Glenfarne, making Glenfarne the lead developer with responsibility for FEED, financing, and construction; thereby demonstrating AGDC's ability to attract and engage with a private developer responsible for executing the project.
6. AGDC worked with Glenfarne to secure Gas Sale Precedent Agreements with ExxonMobil, Hilcorp Alaska, LLC and ConocoPhillips for Phase One gas supply for up to 30 years, a key step to rapidly delivering reliable, affordable natural gas to Alaskans.
7. AGDC has worked with Glenfarne to secure LNG offtake agreements and strategic partnerships with international buyers such as TotalEnergies, Tokyo Gas, Jera Co., Inc, POSCO International Corporation, and others — commitments that are essential for project financing and operational viability.
8. AGDC maintains a continuing ownership stake (25%) in the project through 8 Star, preserving State oversight and demonstrating an ability to structure development vehicles that protect public interests while leveraging private-sector capabilities.

VIII. Basis for Conversion

Taken together, the history of development efforts, statutory authorities, and performance of AGDC show that the corporation satisfies the “fit, willing, and able” standard in light of AGDC’s development-corporation role and the developments and agreements achieved to-date. AGDC is fit because it possesses the organizational capability and statutory authority to coordinate the technical and operational expertise needed for the project. It is willing because the Legislature has mandated advancement of the project and AGDC has demonstrated commitment to that mandate. And it is able because it has successfully progressed the commercial, financial, and development resources required to move the project toward construction, consistent with the public interest and the statutory structure governing both AGDC and pipeline right-of-way leasing.

In DNR’s view, the Alaska LNG Project has now reached a point where it is necessary, consistent with the best interest of the state, to amend the existing conditional rights-of-way and vest AGDC with real property interests across state-owned lands associated with the Project. Absent conversion, Project investors, in-state natural gas producers, Railbelt utilities, foreign LNG markets and Alaskans lack certainty of the State of Alaska’s commitment to allow the Project access to and utilization of state-owned lands. Thus, conversion will assist the Project to move closer towards a Final Investment Decision and advance both state and federal interests in energy commerce and security.¹⁶

However, this decision is made subject to reasonable terms and conditions, as otherwise required by AS 38.35.100, that establish specific technical and financial obligations that must be met by AGDC prior to any subsequent DNR authorizations or approvals for on-the-ground pipeline or facility construction activities. This includes the continued prohibition on any assignment or transfer of the subject rights-of-way to any third party, absent specific approval, in writing, by the Commissioner.¹⁷

¹⁶ See, e.g., Executive Order 14153, Unleashing Alaska’s Extraordinary Resource Potential, 90 Fed. Reg. 8347 (January 20, 2025) (announcing that “it is the policy of the United States to ... (d) prioritize the development of Alaska’s liquified natural gas (LNG) potential, including the sale and transportation of Alaskan LNG to other regions of the United States and allied nations within the Pacific region.”) See also, House Joint Resolution 18, Alaska Legislature (2026) (“Supporting and recognizing the importance of a natural gas pipeline project in the state; and urging the federal government to take all necessary actions to expedite the state natural gas pipeline project” and “request[ing] the support of Douglas Burgum, United States Secretary of the Interior, the Department of Energy, the Federal Energy Regulatory Commission, members of the Alaska delegation in Congress, and all relevant federal agencies to expedite approvals, coordinate agency review, and ensure federal funding for a state natural gas pipeline project.”)

¹⁷ See AS 38.35.100(e)(2)–(3) (“a transfer, including the transfer of lessee, that occurs without the approval of the commissioner is ineffective to transfer interests in and obligations under the lease; and [such] a transfer constitutes a default under the lease.”)

IX. Effect of Conversion on Construction Authorization

The leases, ADL 421296 and ADL 421297, clearly establish that construction cannot begin without written approval from the Pipeline Coordinator through a Notice to Proceed (NTP) or if phased construction, a series of NTPs and/or Written Authorizations. Converting these leases to full AS 38.35.100(a) leases simply allows DNR to issue such authorizations when appropriate; it does *not* grant AGDC permission to start construction.

Even after conversion, AGDC must obtain the necessary NTPs before any work begins on state land. Construction may only proceed once AGDC has submitted all required documents¹⁸ for a particular project phase or stage of construction (*i.e.*, a pipeline segment, gas conditioning plant, or export facility) and DNR has reviewed such documents and confirmed that all applicable requirements of the leases have been met.

Therefore, conversion does not eliminate the seven conditions listed in Section 2 of the conditional leases as requirements at subsequent steps of the project and process. It only confirms that a method has been identified to address them, sufficient to complete the conversation under review here. Each of those conditions will remain a requirement to pursue as the project progresses and construction work related to any of them may not begin until the specifically required information has been submitted, reviewed, and approved. DNR will authorize construction activities, phases, stages, or segments through segmented NTPs or Written Authorizations in accordance with the terms of each lease. Doing so will continue to protect the best interest of the State throughout the process.

X. Analysis of the Conditions of the Right of Way

The conditional right-of-way leases for the Alaska LNG Project require AGDC to meet seven specific conditions before the leases may be converted to full leases under AS 38.35.100(a). These conditions relate to demonstrating the following areas of responsibility:

1. financial capability;
2. technical capability;
3. addressing existing land uses;
4. project plans for timber, water, and material use;
5. a construction management schedule;
6. an executed highway use agreement; and
7. an executed contaminated sites agreement

¹⁸ Required documents may include, but are not limited to, final designs, plans, programs, and agreements.

Together, these requirements ensure that the lessee is fully prepared, both organizationally and practically, to advance the project in a manner consistent with the public interest. The following analysis evaluates each of these seven conditions and determines the extent to which AGDC has fulfilled them based on the materials submitted in 2024 and 2026 and the broader record before the Department.

A. Financial Capability

The lessee must demonstrate to the Commissioner that it has the financial capability to design, construct, and operate the project as proposed. To satisfy this requirement, the lessee must submit documentation explaining the project's financial structure, a summary of project economics, and any additional financial information the Commissioner deems necessary to evaluate whether the lessee meets the financial requirements of AS 38.35.100(a).

In support of its request for lease conversion, AGDC and 8 Star submitted information including a confidential¹⁹ project economics analysis conducted by the Department of Revenue, an overview of Glenfarne's energy infrastructure assets, and referenced publicly issued press releases as indicative evidence of anticipated commercial arrangements.

Alaska Statute 31.25 provides AGDC with a comprehensive legal framework to finance the Alaska LNG Project. AS 31.25.080 grants AGDC the authority to plan, finance, construct and operate the Alaska LNG Project. AS 31.25.120 authorizes AGDC to form subsidiaries with the explicit ability to develop, construct, operate, and finance the project, including borrowing funds and issuing bonds. All of these statutory authorities also provide financial capability.

AGDC exercised its authority under AS 31.25.120 to create subsidiary corporations by forming 8 Star as the dedicated project company for developing, constructing, and operating the Alaska LNG Project. 8 Star's non-recourse financing structure and planned capitalization of more than \$50 billion establish a financial basis for the project. AGDC selected Glenfarne as the project developer and majority owner of 8 Star as a result of project development agreements they executed, relying on Glenfarne's global project-finance experience demonstrated through major debt and bond transactions across its energy portfolio. Under the non-recourse structure, lenders are repaid solely from project revenues and assets rather than from AGDC or Glenfarne, ensuring significant lender oversight throughout development and construction.

The project has secured Letters of Intent (LOI) with seven international energy companies covering more than 60% of planned LNG capacity. Although non-binding, these LOIs strengthen the project's position with lenders by demonstrating market demand and establishing preliminary commercial terms. Similarly, Gas Sales Precedent Agreements with the three major North Slope producers indicate secured gas supply. Together, these commercial arrangements enable 8 Star to

¹⁹ Confidential pursuant to AS 38.05.035(a)(8), AS 45.50.940(3), and AS 40.25.120(a)(13).

present lenders with projected long-term, stable cash flows, supporting the project's overall bankability.

Together, the project's capital commitments, Glenfarne's financing experience, revenue-securing agreements, and statutory authorities provide evidence of its financial capability to develop the Alaska LNG pipeline.

B. Technical Capability

The leases require AGDC to provide early-stage design information so the Commissioner can decide whether AGDC has the technical capability needed under AS 38.35.100(a). This includes showing how the project will safely coexist with the Trans-Alaska Pipeline System (TAPS).

In support of its request for lease conversion, AGDC submitted design information such as its Design Basis and Criteria Summary, its commitment to address pipeline proximity to TAPS, and other materials that describe the project's technical approach.

AGDC has obtained several important federal special permits, including those from the Pipeline and Hazardous Materials Safety Administration, which require significant technical and engineering work. These permits cover major design features such as LNG facility siting, crack-arrestor and valve spacing, the use of strain-based design in difficult terrain, pipeline coating systems, and pipe-in-pipe construction in Cook Inlet. The level of detail needed to secure these approvals shows a strong understanding of the project's technical requirements.

While AGDC's current Design Basis document is not a full preliminary design package, it does present a solid foundation for the project's key design elements and is sufficient for this stage of the lease to proceed to conversion. The full FEED package, once submitted, will include an updated Design Basis and complete remaining items such as corrosion-protection decisions, final seismic-crossing methods, and final locations and risk analysis for communications and control systems. AGDC's development partner, Glenfarne, selected Worley Limited, a global energy, chemicals, and resource professional service leader, to provide Engineering, Procurement, and Construction Management services, which brings significant technical expertise to the development of the full FEED package.

Specific to TAPS proximity, the GTP-Mainline-LF lease requires AGDC to coordinate closely with TAPS operators and with the Pipeline Coordinator. Route decisions, safety analyses, and proximity evaluations must consider potential impacts on TAPS, and AGDC must not interfere with TAPS operations. AGDC has already evaluated these issues as part of federal review, and as evidenced by the submission package, is committed to continued coordination with Alyeska Pipeline Service Company as the project advances and more detailed engineering becomes available.

Based on this record, the Department finds that AGDC has provided enough technical information to support conversion of the right-of-way lease at this stage. More detailed

engineering, safety analyses, and construction plans will still be required later and will be additionally reviewed during the Notice to Proceed (NTP) processes before any construction can move forward.

C. Existing Uses

1. Nikiski Shorefish Leaseholds

Commercial and recreational fishing are established uses in several areas of Cook Inlet where the Alaska LNG Project will construct the pipeline landfalls, conduct offshore pipelaying, and build the Marine Terminal at Nikiski. Because these activities may temporarily disturb near-shore waters, affect fish movement, or restrict access to certain locations during construction, AGDC prepared a Recreational and Commercial Fishing Mitigation Plan to explain how it will avoid, reduce, or compensate for these impacts.

For commercial set-net fishermen, the plan recognizes that specifically during the construction phase of the project access to set-net sites may be disrupted and harvests temporarily reduced due to vessel activity or localized disturbances. The area of impact is expected to be along the west-side landfall and within the Marine Terminal footprint. AGDC commits to working directly with affected fishermen and the Alaska Department of Fish and Game to estimate any measurable loss of harvest using established state methodologies. Where access to a fishing site is restricted due to construction or Coast Guard-required exclusion zones, AGDC will work with leaseholders to identify alternative fishing locations or, if no alternative exists, provide compensation for lost harvest or lost use of a shore-fishery lease. For recreational users, the plan notes that while no recreational streams are crossed, temporary disruptions to near-shore fishing opportunity may occur and AGDC will minimize these effects through construction timing, mitigation practices, and public communication.

Overall, the mitigation plan shows that AGDC has identified where commercial and recreational fishing could be affected and has committed to coordinated steps—such as compensation, alternative access, and stakeholder outreach—to address these impacts. AGDC’s Letter of Intent, submitted on November 25, 2024, reinforces these commitments and serves as AGDC’s formal acknowledgment that construction activities may affect shorefish leaseholders in Cook Inlet. It further demonstrates AGDC’s intention to work with affected fishermen, DNR, and ADF&G to determine harvest losses and appropriate compensation. This provides sufficient assurance for lease conversion, with the understanding that more detailed, site-specific coordination will occur as construction plans are finalized.

2. Mainline Material Offloading Facility (MOF)

The Mainline Material Offloading Facility (MOF) is a proposed shoreline site on the west side of Cook Inlet that AGDC would use to receive and stage major construction materials for the

Alaska LNG Project. AGDC has also stated that the Mainline MOF will remain in place after construction to support long-term pipeline operations by serving as a permanent access point for maintenance activities and future pipeline work along that segment of the route. The location is significant because it sits along a section of Cook Inlet already used by several parties, including two shorefish leaseholders who fish directly in the area, a private upland landowner immediately to the south, and a commercial barge landing site nearby.

AGDC's application does not yet fully resolve these third-party issues, and AGDC will still need to submit documentation addressing them for the Commissioner's review and acceptance at future NTP stages. However, AGDC has provided supplemental information that identifies and discusses many of these concerns as well as a Letter of Intent to resolve them prior to a requested NTP on the Project. DNR finds that this material is adequate for purposes of lease conversion, with the understanding that more detailed coordination and site-specific refinement will occur in later project phases.

3. Denali State Park – Little Troublesome Creek Campground

Little Troublesome Creek Campground is an established public recreation area in Denali State Park, offering camping, trail access, and fishing opportunities. Because the Alaska LNG Pipeline route crosses this portion of the park, construction activities may temporarily affect how the public uses these areas. For this reason, AGDC has provided a Letter of Intent describing how it will address any impacts to the campground, including the trailhead, fishing access, and other recreational activities.

AGDC's Letter of Intent submitted to the State Pipeline Coordinator on November 25, 2024 for the Little Troublesome Creek Campground demonstrates that AGDC has acknowledged the project's potential effects on public use of the campground, trailhead, fishing access, and other recreational activities within Denali State Park, and has committed to resolving any remaining issues in coordination with the Division of Parks and Recreation. In its submittal, AGDC documents that it has already met with Parks Division staff, evaluated the project footprint within the park, and adjusted certain project features in response to agency requests. AGDC also committed—both in earlier evaluations and in this letter—to follow a clear priority approach during final design: first avoiding impacts to the campground, then minimizing them where avoidance is not possible, and finally mitigating any impacts that cannot be avoided.

D. Resource Uses

The Alaska LNG Project will cross a long stretch of state land and require substantial amounts of timber, water, gravel, and other natural materials. Accordingly, the leases include conditions requiring AGDC to submit general plans explaining how these resources will be used. This condition is meant to ensure that AGDC has thought through how the project will interact with state-owned resources and that its approach is responsible and aligned with the State's

expectations for land stewardship. At this stage, the plans are not required to be construction-ready; rather, they must provide a clear overview of AGDC's intended approach.

AGDC's submission includes information on timber clearing, timber management and reclamation, anticipated water use for construction, and potential sources for gravel and other materials. Specifically, AGDC provided a Disposable Timber Volume Summary with commitment to develop Timber Management and Timber, Clearing, Salvage, and Utilization Plans prior to construction. They also submitted an updated Water Use Plan, Gravel Sourcing Plan and Reclamation Measures and Gas Treatment Gravel Sourcing Plan. These topics were also reviewed at the federal level as part of FERC's environmental analysis, which examined how construction materials would be obtained, used, and reclaimed. When the conditional leases were first issued, AGDC was not expected to provide detailed engineering or fully developed resource extraction plans. For the purpose of conversion, the information now provided is sufficient.

More detailed plans—such as specific gravel site designs, extraction methods, and final reclamation measures—will be reviewed later during the NTP process and through the permitting requirements that apply to each phase of construction. The leases also clarify that documents and plans tied to particular construction phases may be submitted later, at the stage when they are most relevant and complete.

E. Project Management Schedule for Initial Construction

AGDC is required to submit a project management schedule showing how it plans to organize early construction activities. The purpose of this requirement is not to demand a fully detailed construction calendar at the conversion stage, but to demonstrate that AGDC has a plan for how the project will move from planning into construction. The lease anticipates that AGDC will provide a general schedule before the project reaches a Final Investment Decision, followed by a more detailed, construction-focused schedule once the project is ready to proceed.

The Department finds that AGDC has met the project-schedule requirement at the level appropriate for right-of-way conversion. AGDC has submitted a high-level development timeline that outlines the expected progress toward construction and operations. A more detailed construction schedule is not expected at this stage because important preparatory work—such as final engineering, procurement planning, contracting, financing, and completion of FEED—must occur before those details can be finalized.

It is normal for major infrastructure projects to refine their construction schedules as engineering advances and more information becomes available. For that reason, the Department accepts AGDC's high-level schedule for conversion and will require a complete, detailed construction schedule later as part of the NTP process.

F. Highway Use Agreement

The Alaska LNG Project is expected to involve significant movement of materials, equipment, and workers, which will necessitate AGDC to coordinate with the Alaska Department of Transportation and Public Facilities (ADOT&PF) to ensure that state highways and related infrastructure can support project needs. A Highway Use Agreement serves as the mechanism for this coordination. Its purpose is to clearly outline how AGDC will use state roads, what traffic or transport activities may occur during construction, and whether any special safety, routing, or scheduling measures are required. The agreement ensures that project-related transportation is managed in a way that protects public infrastructure and maintains safe, reliable travel for Alaskans.

AGDC has submitted a draft Highway Use Agreement to begin the coordination process with ADOT&PF. The final agreement will describe how AGDC may use highways and other facilities under ADOT&PF's jurisdiction during project construction. AGDC does not currently anticipate requesting major road improvements, but it will continue working with ADOT&PF to finalize the agreement. Once completed, the agreement will be submitted to the Commissioner for review and approval, as required by the lease, and subsequent NTP stages.

G. Contaminated Sites Agreement

Because the Alaska LNG Project will cross large areas of state land where past industrial activity, spills, or legacy contamination may exist, the leases include a condition requiring AGDC to enter into a Contaminated Sites Agreement with DNR and the Department of Environmental Conservation (ADEC). The purpose of this agreement is to ensure that all three parties understand their roles and responsibilities if contaminated soil or groundwater is encountered during project development.

ADEC is the State's lead agency for identifying, regulating, and overseeing contaminated sites, and it has a full legal and regulatory framework in place for cleanup, monitoring, reporting, and compliance. The agreement required by the lease simply aligns AGDC's obligations with that existing system so that contaminated-site issues can be handled safely and consistently during construction.

AGDC's submission includes a letter of agreement to comply with ADEC's 2018 Technical Memorandum on Managing Petroleum-Contaminated Soil, Water, or Free Product during Public Utility and Right-of-Way Construction and Maintenance Projects. DNR finds this condition met for lease conversion as it addresses the identification, use, and crossing of contaminated sites. ADEC's established authority and procedures for managing contaminated sites can be relied upon by DNR for the purposes of the Project.

XI. Proposed Decision

Based on review of the conversion requirements under AS 38.35.100(a)(d) and within the Alaska LNG PTTL and Alaska LNG Mainline ROW Conditional Leases, it is determined that the conditions for conversion have been met and that amending the leases according to the findings described above, is in the best interest of the State.

This Commissioner's Analysis and Proposed Decision to convert the Alaska LNG PTTL and Alaska LNG Mainline Leases will be public noticed consistent with AS 38.35.080. Written comments must be received by close of the comment period, which is at 5:00 PM on November 25, 2026. In conjunction with the notice for the Commissioner's Analysis and Proposed Decision, two public hearings will be noticed, a virtual hearing to be held on November 23, 2026, from 6:00 PM to 8:00 PM, and an in person hearing to be held in Anchorage on November 24, 2026, at Alaska Housing Finance Corporation Headquarters located at 4300 Boniface Parkway in Anchorage, from 11:00 AM to 1:00 PM.



John Crowther
Commissioner
Alaska Department of Natural Resources



Date