



Alliance
Fairbanks
Fall Forum

Oct. 5, 2023



People.

Pride.

Petroleum.

August 30, 2023

The Role of the Oil and Gas Industry in Alaska's Economy

AOGA Annual Conference

PREPARED FOR:



Study Goals

1

Analyze the statewide and local economic impact of oil and gas industry spending

2

Assess statewide employment impact of taxes and royalties paid by the oil and gas industry

3

Examine near-term future economic impacts of oil and gas industry investment in Alaska

NEW

Defining Alaska's Oil & Gas Industry

15 "Primary Companies"

11 Oil & Gas Production and Exploration Companies



2 Refinery Companies



Pipeline Operator



Pipeline Developer



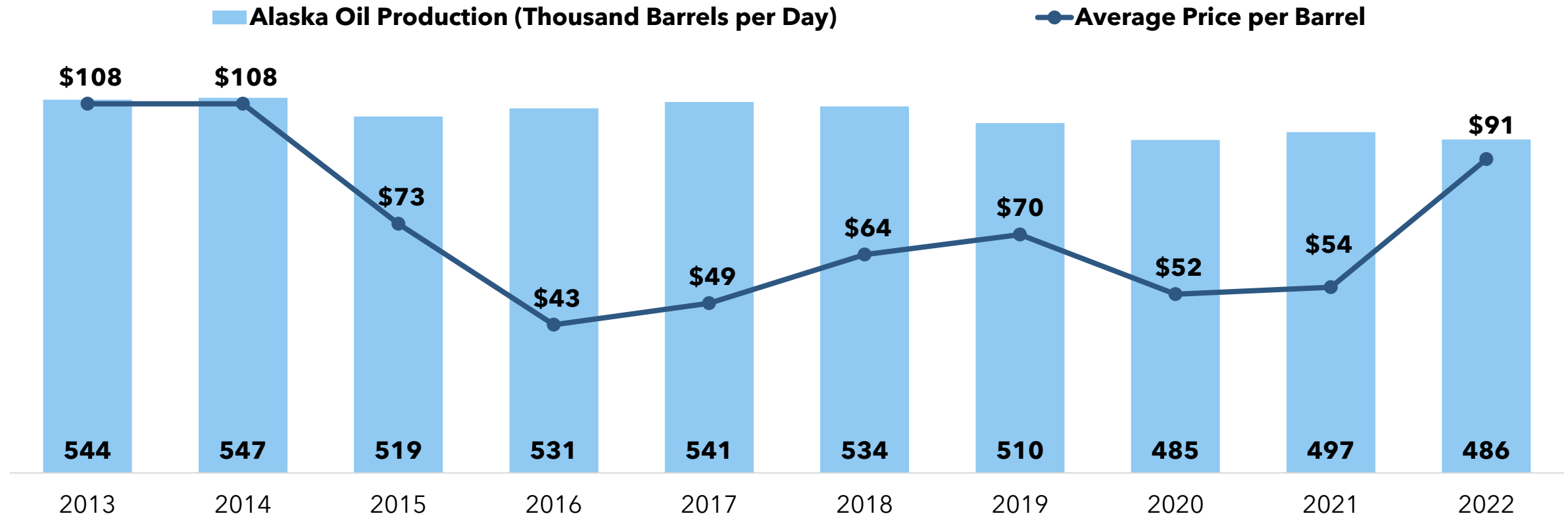
Our Methodology

- Special data request to Primary Companies for confidential employment, wage, vendor spending, and production and investment expectations data
- Special request data from Department of Labor and Workforce Analysis
- State of Alaska and local government tax and royalty revenue data
- Public Environmental Impact Statements and other industry-related publications such as U.S. Energy Information Administration
- IMPLAN, industry standard input-output modeling tool adjusted for the Alaska market and regional distribution of impacts

Economic Context

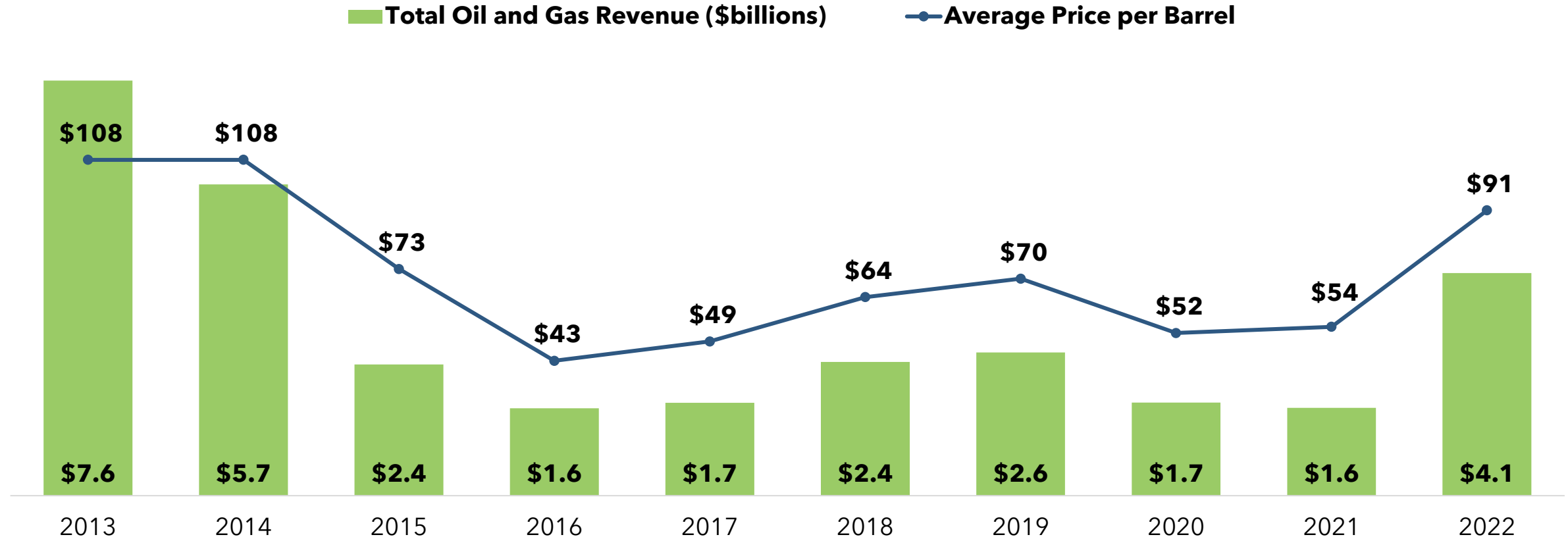
Oil Prices and Production

Alaska Oil Production and Alaska North Slope Oil Price, SFY2013-SFY2022



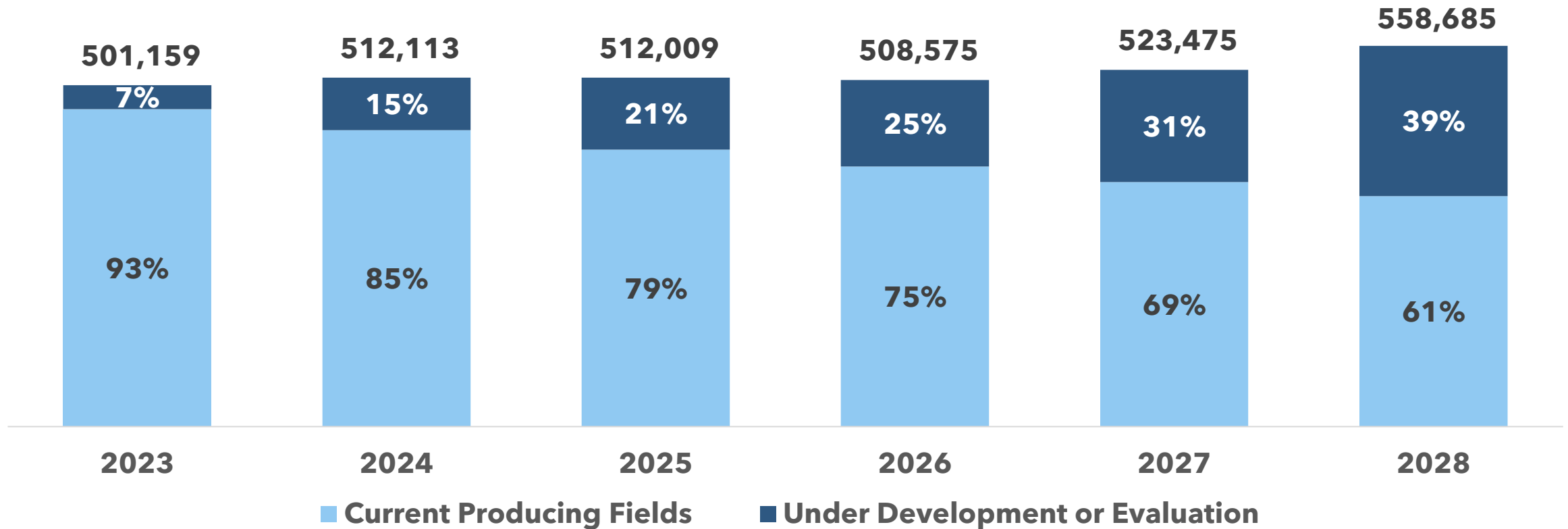
Oil Prices and State of Alaska Revenue

State of Alaska Oil- and Gas-Related Revenue and Alaska North Slope Oil Price, SFY2013-SFY2022



Alaska North Slope Oil Production Forecast by Field Type

Alaska Department of Natural Resources, FY2023-FY2028



Key Statewide Findings

In 2022, Primary Companies directly...

Employed Alaskans

- Employed **4,105 workers in Alaska**, earning **\$1.1 billion** in wages
- 3,402 were Alaska residents, 83% of “Primary Company” employment

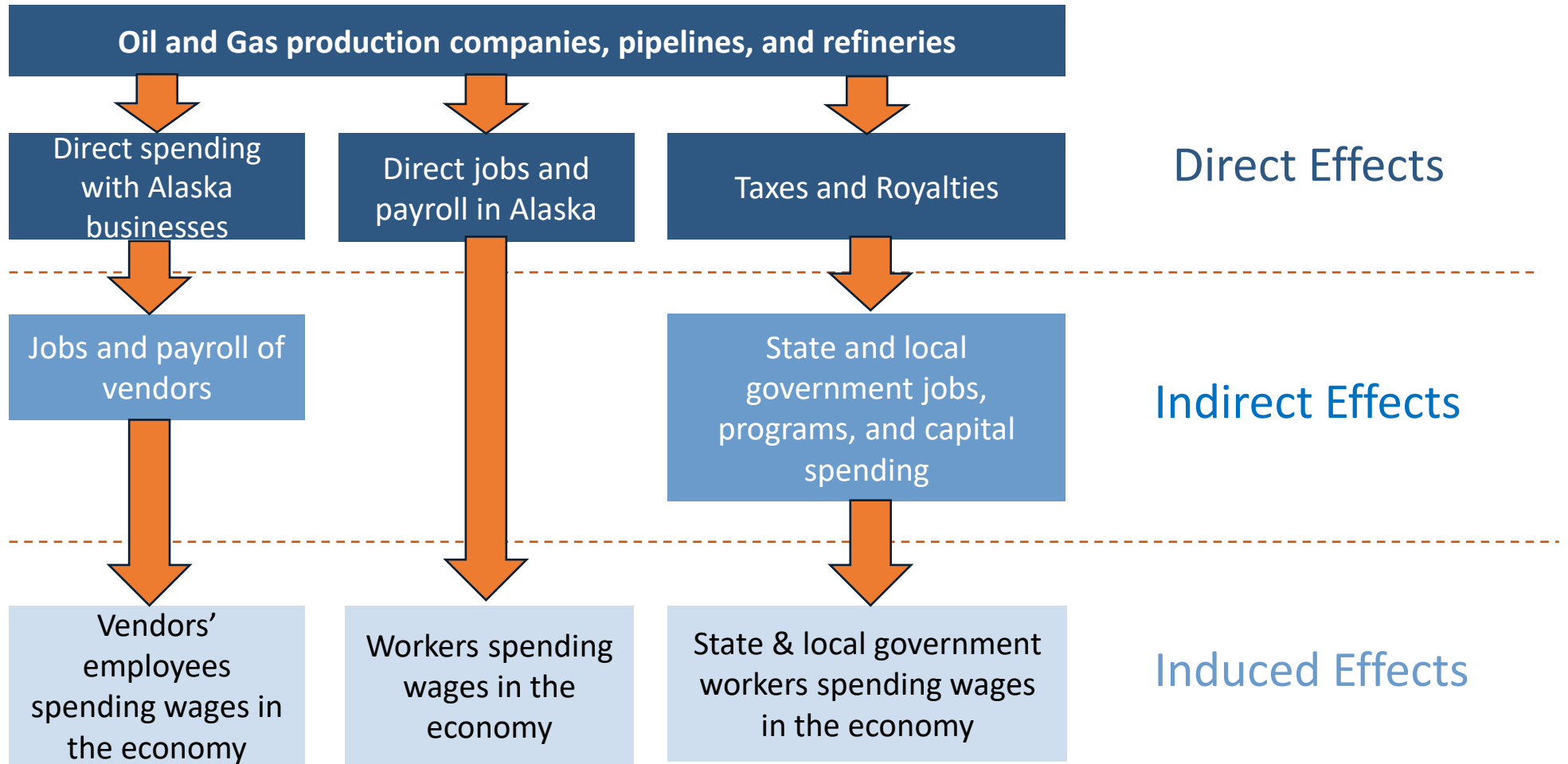
Spent with Alaska Vendors

- Spent \$4.6 billion with more than 1,000 Alaska vendors

Supported Government

- Paid **\$4.5 billion to state and local governments, including**
 - \$4.1 billion in taxes and royalties to state government
 - \$449 million in oil and gas property taxes to local governments

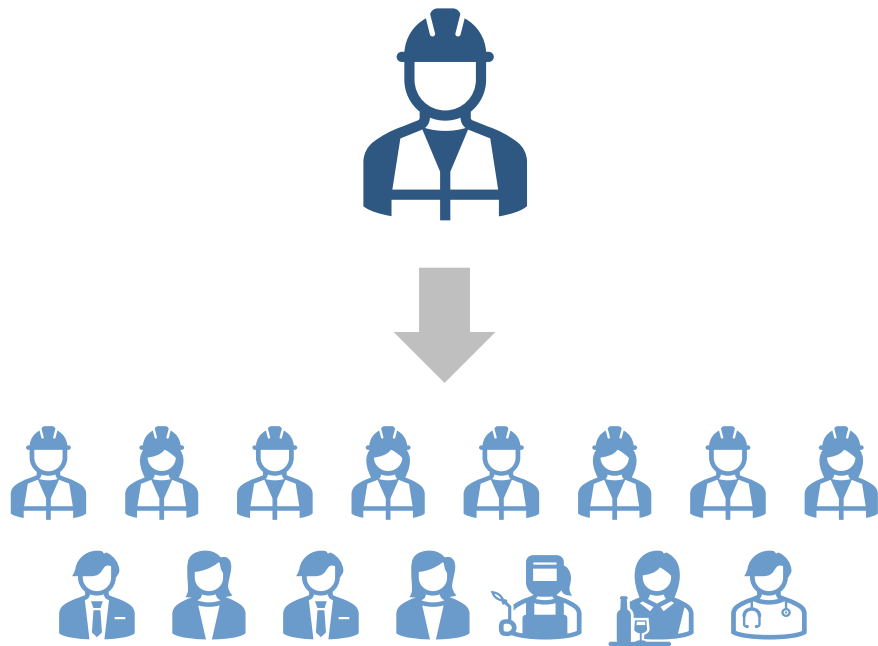
How Oil & Gas Spending Impacts Alaska's Economy



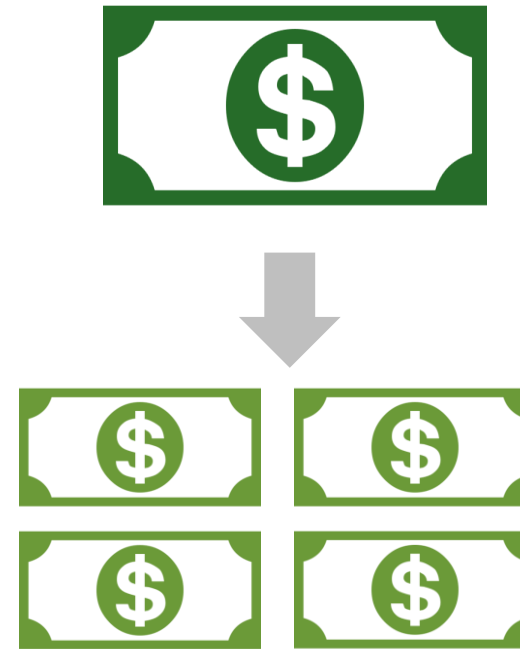
Including Multiplier Impacts, Total Economic Impacts of the Oil & Gas Industry in Alaska...



How the Oil and Gas Industry Impacts Alaskans

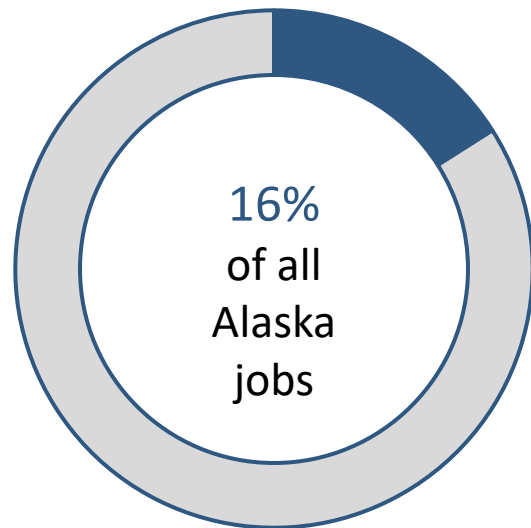


1 Direct Oil and Gas Job Supports 15
Additional Jobs in Alaska

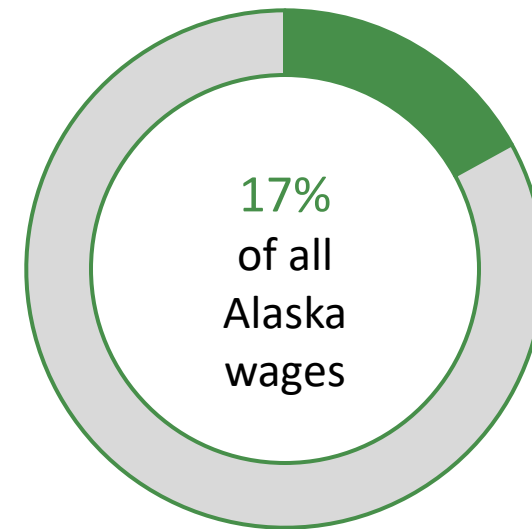


\$1 in Direct Oil and Gas Wages Supports \$4 in
Additional Wages in Alaska

Primary Company spending and tax/royalty spending accounts for...



69,250 total jobs



\$5.9 billion in wages

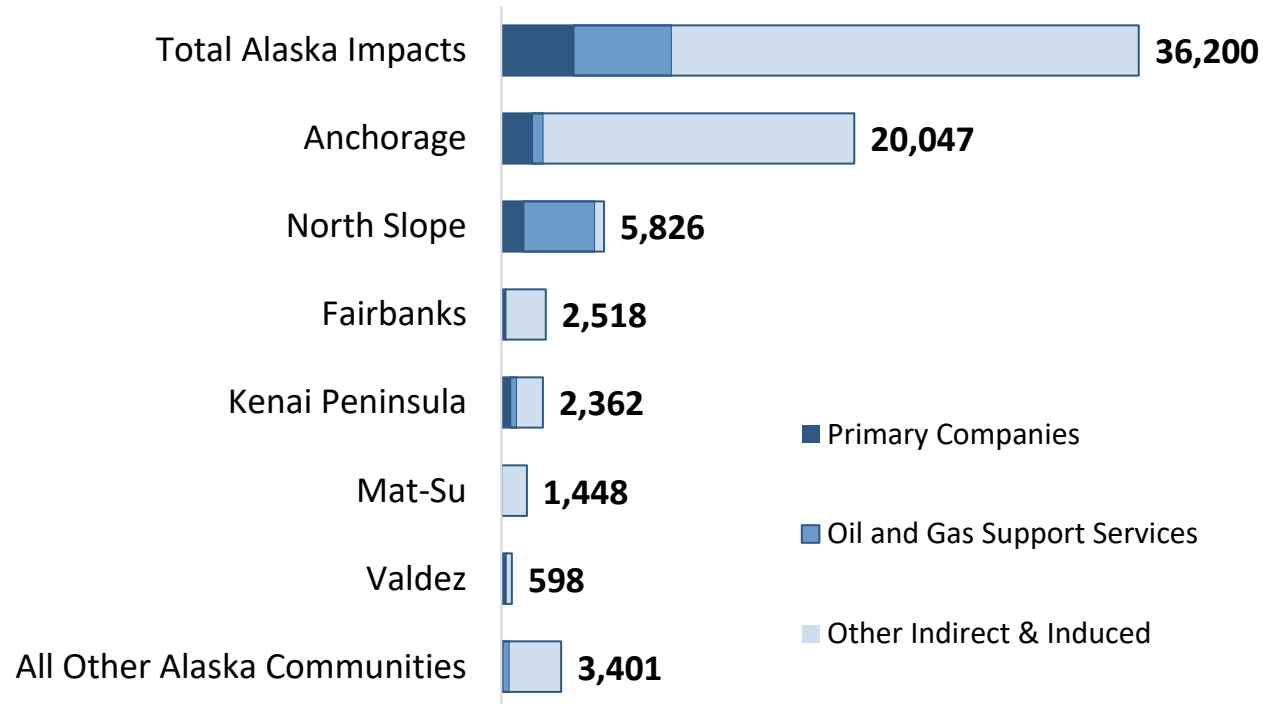
Key Local Impact Findings

WHERE PRIMARY COMPANY
WORKERS LIVE IN ALASKA

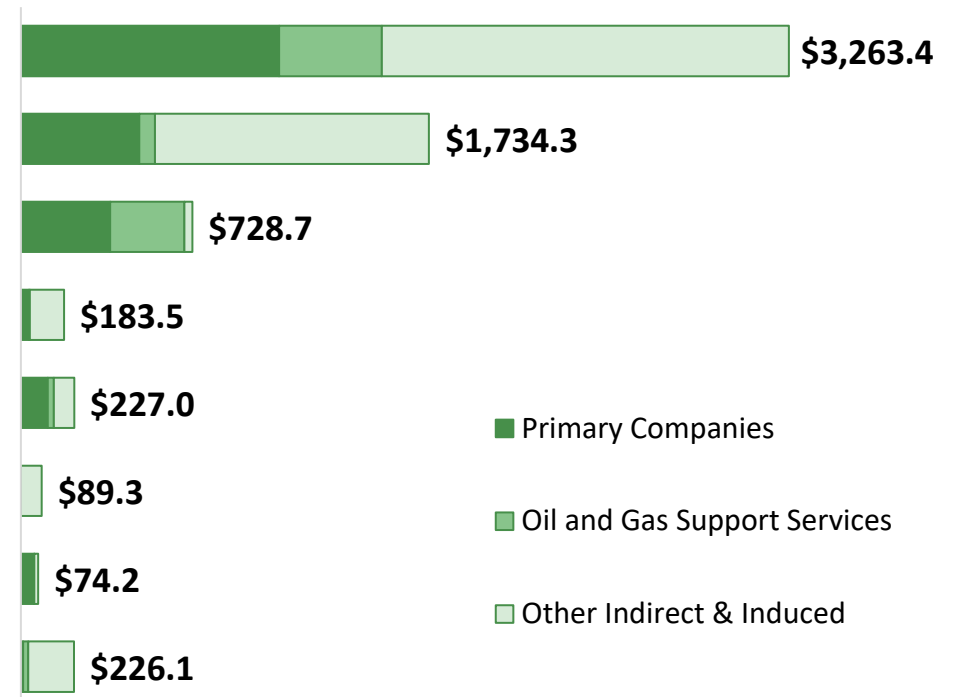


Total Economic Impacts Related to Payroll and Goods and Services Spending

Total Jobs Impact



Total Wages Impact (\$Millions)

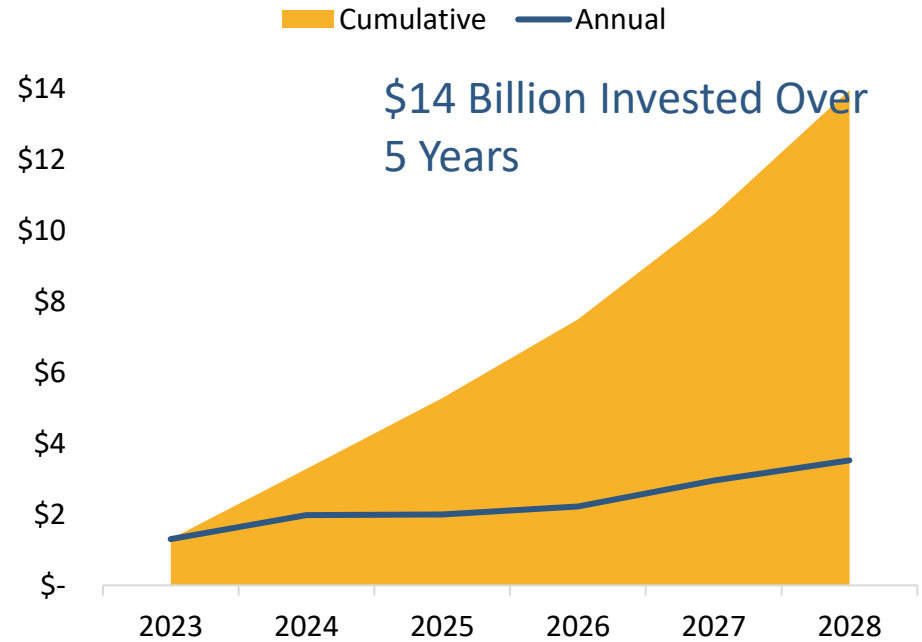


The Future of Alaska's Oil & Gas Industry 2023-2028

Construction Phase Impacts 2023-2028

- Projects will directly employ an annual average 1,600 workers
 - Construction and drilling employment
 - Higher number of workers on-site during winter
 - Earning a cumulative \$1 billion in wages
- Including all multiplier impacts, projects will support between 2,600 and 2,900 workers each year

Expected Oil- and Gas-Related Capital Expenditures (\$Billions), 2023-2028



Production Phase Impacts 2023-2028

- Primary Company direct employment expected to increase by about 300 direct jobs and \$65 million in wages by 2028
- Including all multiplier impacts, new production will support about 2,700 new jobs and \$215 million in wages in Alaska by 2028

In Summary

Alaska's Oil & Gas Industry continues to be...

A Significant Source of Jobs

69,250 jobs and
\$5.9 billion in wages

16% of all jobs and
17% of all wages in Alaska

Alaska's Sector with the Highest Economic Impact

Each Primary Company job supports
15 jobs

\$1 in Primary Company wages
supports \$4 in wages

Part of Alaska's Future

With \$14 Billion invested, by 2028
new production will support...

+2,700 total jobs annually
+\$215 million in total wages annually*



ANWR – Comments Due Oct. 23, 2023

- Online – www.eplanning.blm.gov
- Oct. 6 – Virtual Meeting: 9AM
- Oct. 11 – Virtual Meeting: 5PM
- Fairbanks Hearing: TBD
- No Anchorage Hearing

NPRA – Comments Due Nov. 7, 2023

- Online – www.regulations.gov
- Oct. 6 – Virtual Meeting: 11AM
- Anchorage Hearing: Oct. 10 – 1PM
- No Fairbanks Hearing