



# Investing in Alaska Going Beyond ESG

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*Alaska Department of Natural Resources*



# ESG IS IN ALASKA'S DNA



- Alaska is longtime leader in all categories measured under ESG metrics
- Comprehensive environmental permitting, monitoring and compliance programs require public notice & input at all stages
- State law prevents “wasting” of natural resources; flaring of natural gas prohibited, except in emergency
- Ranks top quartile in average “carbon intensity;” production-weighted average of 17 kg CO<sub>2</sub>/boe<sup>1</sup>

<sup>1</sup> Enverus: <http://future.enverus.com/esg-energy>

# ALASKA STATISTICAL SURPRISES

- Alaska ranks **10<sup>th</sup> LOWEST** among U.S. states in carbon emissions from human activities, and is **THE LOWEST** in emissions/1,000 sq. miles<sup>1</sup>
  - 3.1 million metric tons/year
  - 100,000 metric tons/1,000 sq. miles
- Alaskans' life expectancy rose along with oil development, 1980-2014<sup>2</sup>
  - Lifespans increased 4-16 years; highest increase in residents of North Slope Borough (Arctic communities)



<sup>1</sup> U.S. Energy Information Admin. 2017 data

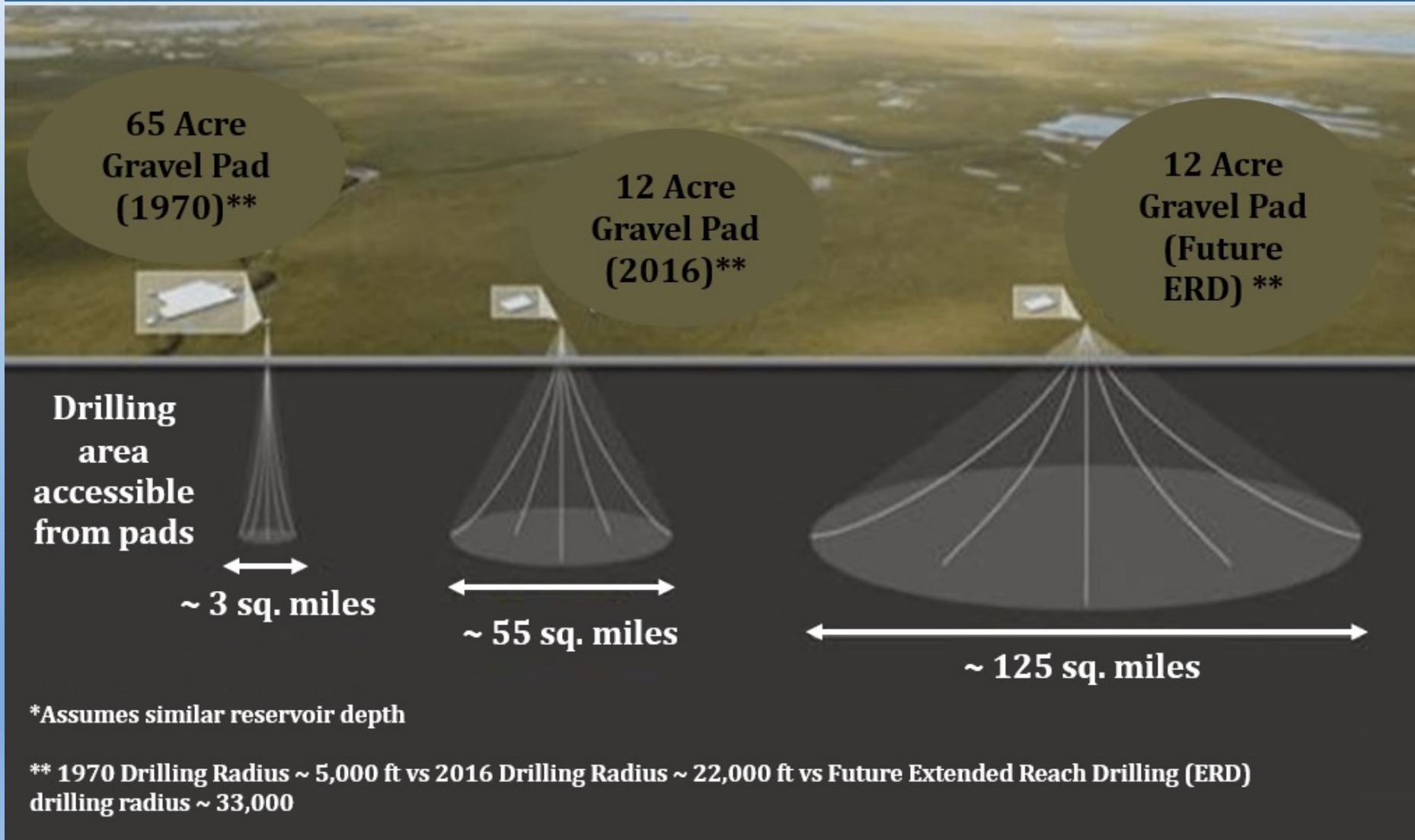
<sup>2</sup> JAMA Internal Medicine, 2017

# E = ENVIRONMENTAL



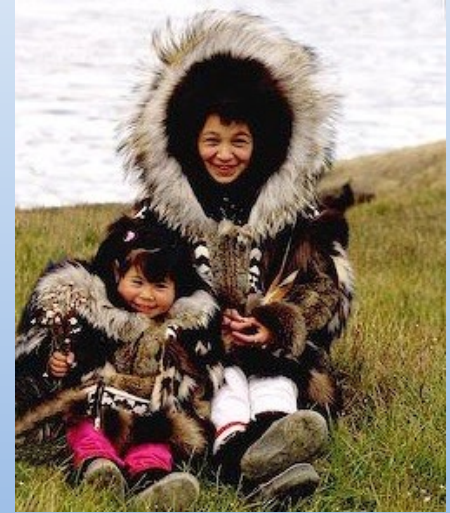
- **40+ years of production, driving technological advancement and reducing environmental footprint in oil development**
- State's comprehensive, science-based regulatory program provides oversight of scope and site development, mitigation of impacts, and mandates public engagement at all project stages
- All developments fully Federally compliant (EPA, Army Corps of Engineers, etc.)
- North Slope Borough manages development across the Arctic through local planning authority; realizes tax revenue through petroleum property taxes and bonding
- **Alaska is the "Gold Standard" for environmental stewardship and responsible resource development**

# SMALLER DRILL PAD FOOTPRINTS



# S = SOCIAL

- Royalties fund Alaska Permanent Fund: pays for social programs, power cost equalization, dividend to individual Alaskans and ~70% of government services
- Direct tax revenue to local communities
- Alaska Native Regional Corps. share 70% of resource revenues among all 13 corporations, which split it between village corporations and shareholders
  - \$3.1 billion 1982-2015 (45% from oil & gas)
  - Ensures strength of Native and local culture



# CULTURAL & REGIONAL RESILIENCE



Economic  
self-determination

Enduring Traditions



# COMMUNITY PROSPERITY



## Petroleum Property Taxes Sustain Communities

Company	Type of Business	Assessed Value	Tax Levy	% Total tax levy
ConocoPhillips Alaska, Inc.	Oil & Gas Producer	\$7.0 billion	\$125.6 million	31%
BP Exploration Alaska, Inc.	Oil & Gas Producer	\$6.0 billion	\$107.7 million	26.6%
Alyeska Pipeline Services Co.	Pipeline Transportation	\$2.3 billion	\$ 40.0 million	9.9%
ExxonMobil Corporation	Oil & Gas Producer	\$2.2 billion	\$ 39.7 million	9.8%
ENI US Operating	Oil & Gas Producer	\$1.7 billion	\$ 30.5 million	7.5%
Hilcorp/Harvest Alaska LLC	Oil & Gas Producer	\$1.4 billion	\$ 25.5 million	6.3%
Doyon Drilling Inc.	Oilfield Services	\$223.4 million	\$ 4.0 million	1.0%
Schlumberger Companies	Oilfield Services	\$ 90.3 million	\$ 1.6 million	0.4%
Arctic Slope Regional Corp.	Oilfield Services	\$ 80.7 million	\$ 1.5 million	0.4%
Nabors Alaska Drilling	Oilfield Services	\$ 79.7 million	\$ 1.4 million	0.4%

(FY 2020)



# COMMUNITY PROSPERITY

## North Slope Borough Permanent Fund - FY2020

<b>Investment Type</b>	<b>Fair Value</b>
Permanent fund:	
Money Market funds	\$10.9 million
Debt Securities:	
U.S. Treasuries	\$29.9 million
U.S. Agencies	\$27.8 million
Corporate bonds	\$21.8 million
Equity Securities	
Mutual funds	\$115.9 million
Common collective funds	\$27.3 million
Limited partnerships	<u>\$554.1 million</u>
	\$787.9 million

Preserving wealth and  
ensuring sustainable  
communities for tomorrow



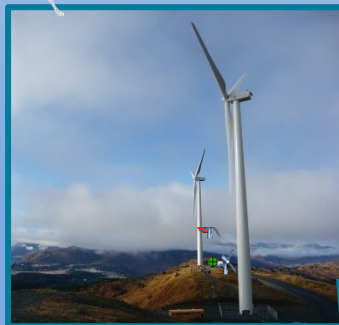
# G = GOVERNANCE

- Legal system & social license drive corporate culture & values
  - Requires public input at all stages of development
  - Protects subsistence rights and practices
  - Partner with Native landowners and communities
  - Supports local workforce that can function safely in Alaska's unique environment



# OPERATING RENEWABLE CAPACITY

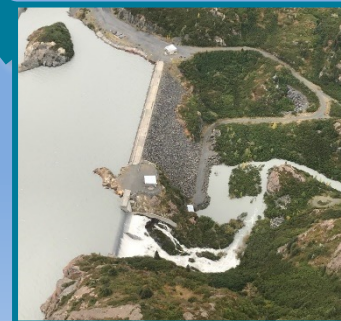
- VEEP (Efficiency)
- ✈ Wind
- ▲ Heat Pump
- Heat Recovery
- ▲ Biomass or Biofuels
- Hydro
- ◆ Ocean/River
- ☀ Solar
- Transmission
- ◆ Other



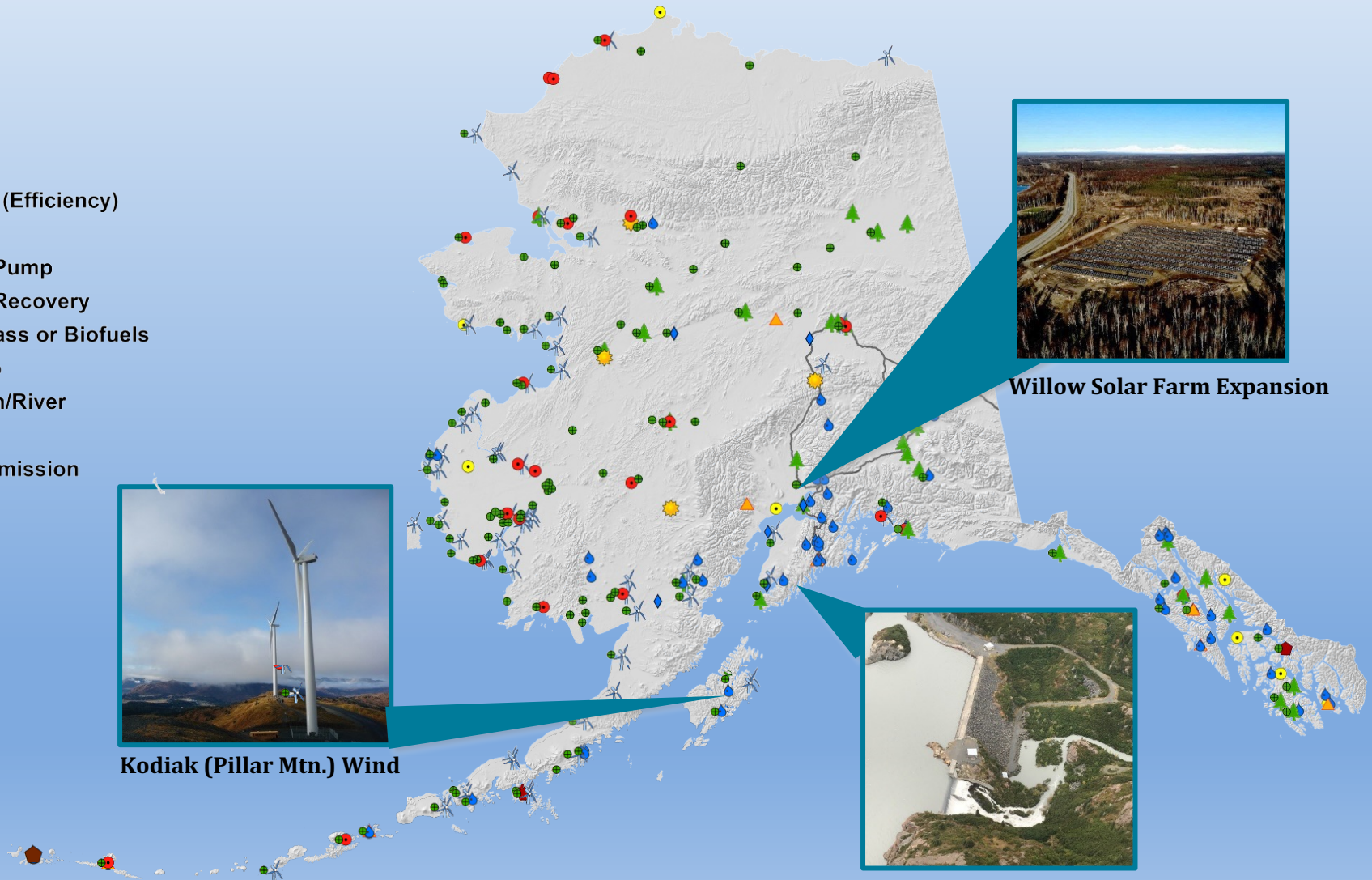
**Kodiak (Pillar Mtn.) Wind**



**Willow Solar Farm Expansion**



**Bradley Lake Hydro**



# THANK YOU!

