

## UNITED STATES SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

SENATOR LISA MURKOWSKI, Chairman

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## Sen. Murkowski Highlights Alaska's Diverse Energy Supplies

Energy Committee Chairman Calls for Revenue Sharing from Alaska's OCS Energy Production

**Washington, D.C.** – U.S. Sen. Lisa Murkowski, R-Alaska, today stressed the importance of developing Alaska's diverse energy resources – from traditional fossil fuel production to hydropower, biomass, ocean and river energy, wind, and other renewable resources – while ensuring that Alaskans share in the economic benefits of offshore oil and natural gas production.



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"It is in our national interest to make energy abundant, affordable, clean, diverse and secure. Today's hearing – like the bill we are assembling – is not designed to pit energy resources against each other, but instead to view energy supplies holistically, and to find areas where we can come together," Murkowski said Tuesday at a Senate Energy and Natural Resources Committee <u>hearing</u> on 26 energy supply proposals, including legislation to increase the number of lease sales held off Alaska's coast and provide Alaskans a fair share of revenues from offshore oil and natural gas activities.

"When it comes to energy abundance, few states or even countries compare to Alaska. Given our history of safe and successful development, it's time to expand the contribution Alaska's

offshore resources are allowed to make to America's energy security," Murkowski said.

"My bill, <u>S. 1278</u>, provides for annual lease sales in the area between three and six miles offshore in the Beaufort and Cook Inlet. This area is adjacent to where the state of Alaska holds annual lease sales and it is very close to existing infrastructure, so it can deliver near-term production from the Beaufort to maintain the trans-Alaska oil pipeline, and it can deliver natural gas from the Cook Inlet to Alaskans."

Murkowski spoke in favor of producing Alaska's vast oil and natural gas resources – an estimated 46 billion barrels of conventional oil and more than 430 trillion cubic feet of natural gas reserves – but she also focused on the state's leadership in advancing renewable energy projects.

"Alaska is the testing ground for some very innovative energy technologies on the renewable side. We are pioneering what micro-grids are all about when you recognize that most of the communities in the state aren't attached to any grid. The resiliency that comes from being in a remote place and a high-cost energy state challenges us to be more innovative," Murkowski said. "Alaska has great opportunities in advancing geothermal and hydropower technologies and it's Alaska that is a model for the rest of the world to follow when it comes to embracing all forms of energy."



Click to view video of Brent Sheets testifying before the committee.

Brent Sheets, deputy director of the Alaska Center for Energy and Power at the University of Alaska Fairbanks, testified at the hearing to the need to invest in Alaska's renewable resources with a portion of the revenue earned from oil and gas production.

"Alaska has emerged as a leader in innovative micro-grid power systems that incorporate renewable energy," Sheets said. "Demonstration projects for hydrokinetic energy, lowtemperature geothermal, biomass energy and methane hydrates hold the potential of developing advances in technology leading to lower energy costs. Alaska has world-class energy resources, renewable and non-renewable, but we lack the technology to economically utilize them. Let's change that." Enabling hydropower resources through reform of the licensing process was a central focus of Tuesday's hearing. Hydropower currently supplies more than 20 percent of the electricity in Alaska and with vast, untapped resources, could provide clean, reliable and "renewable" electricity to roughly half of the state. Although not currently considered "renewable" under current law; Murkowski's legislation, S.<u>1236</u>, declares through a sense of Congress that hydropower is a renewable and allows the federal government to purchase all forms of hydropower.

Murkowski also <u>responded</u> at the hearing to critics who try to use climate change as an argument for forgoing production of Alaska's vast energy resources, denying the people of the region the opportunity to better their lives.

"As an Alaskan, I'm stunned when I hear others ask whether we should allow drilling in the Arctic, as if drilling in the Beaufort and Chukchi seas is a new thing. Exploration offshore has occurred for more than 20 years – some 35 wells have been drilled off Alaska's coast – and it has been done safely," Murkowski said. "Many up North believe the irony is that the people of the North would be denied jobs, economic opportunity, the opportunities to access a resource responsibly and safely for the benefit of the country and national security, while people 4,000 miles away lock them away in a snow globe for life, making them wards of the state and the nation. That's where Alaskans feel the irony is."

Tuesday's hearing marked the third of four that the committee has scheduled to consider legislative proposals for the broad energy bill Chairman Murkowski is assembling. That effort will pull together legislative proposals under four general titles – efficiency, infrastructure, supply, and accountability.

Among the legislation beneficial to Alaska were measures to promote hydropower, geothermal, marine hydrokinetic energy, methane hydrates, small electric micro-grid systems, mandatory lease sales in Alaska's outer continental shelf, and offshore revenue sharing.

Video of the hearing and a full list of the energy infrastructure legislation under consideration are available on the Senate Energy and Natural Resources Committee's <u>website</u>.



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