



# PRESS RELEASE

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**MORE INFORMATION:**

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## **Donlin Mine Set to Impact Alaskans' Utility Bills**

***Households could see electric bills rise as much as \$265 per year***

*HOMER, AK* — Alarm bells will be ringing for Southcentral Alaska if Donlin Mine pursues Cook Inlet natural gas to fuel its proposed massive gold mining operation in Western Alaska, with detrimental consequences for Alaskans' utility bills. Cook Inletkeeper has just released an economic report: *Cook Inlet Natural Gas Market Outlook with Incremental Demand from Donlin Mine*, which outlines how much NOVAGOLD and Donlin Gold LLC's energy needs will cost Southcentral Alaska residents and businesses.

Report author Mark Foster, a long-time Alaska energy sector consultant who has advised local utilities on resource planning, consulted on gas supply for Nikiski's Agrium fertilizer plant, and served as a state utility regulator, concludes:

If Donlin proceeds through permitting and development stages according to the timeline described in the NOVAGOLD Technical Report Summary (November 2021), it will generate on the order of 22 bcf/year in new demand for natural gas in the Cook Inlet, roughly 50% more than the current level of demand from Alaska's largest electric utility, Chugach Electric, within the 2030-time frame.

If Donlin, consistent with its obligation to provide a return to shareholders, reserves a competitively priced natural gas supply option prior to a final investment decision (circa 2024-2026), it has the potential to effectively reserve the remaining local Cook Inlet natural gas supplies that are priced below current LNG import price estimates.

The report paints a grim picture, forecasting a \$265 annual increase per household in utility bills for electric utility customers in the affected regions. This anticipated surge in costs is expected

to materialize before any competition from LNG imports or the implementation of renewable energy alternatives to offset declining local natural gas reserves.

"Keeping a reliable supply of Cook Inlet gas flowing will take much more investment than it has in the past, paid for ultimately in local heat and electric bills," said Inletkeeper energy policy analyst Ben Boettger. "If Donlin wants to attract more investors, it needs to lock in cheaper gas before local consumers do. Without a plan to reduce our reliance on this one energy source, new industries will compete with resident-serving utilities for the shrinking volume of affordable Inlet gas."

Currently, Donlin has received its state permit for the gas pipeline right-of-way, which is being contested by Cook Inletkeeper and the sovereign nations of Orutsararmiut Native Council, Native Village of Eek, Native Village of Kwigillingok, and Chevak Native Village in a lawsuit filed in state court by Earthjustice. "Donlin's disruptive energy needs make digging for gold in a watershed already rich in culture and salmon an outrageous proposition," says Sue Mauger, Inletkeeper's Science Director. "Alaskans shouldn't pay more so corporations can get rich in the gold market while increasing carbon emissions we so clearly need to be reducing."

As proposed, the Donlin Gold mine threatens a massive open pit mining operation in Western Alaska, with a 16,000-acre cavity along Crooked Creek, a tributary to the Kuskokwim River. The proposed natural gas pipeline required to fuel the mine will impact hundreds of wild salmon streams along its 315-mile path from Cook Inlet, over the Alaska Range, to the mine site in the Yukon-Kuskokwim Delta. The mine complex and the gas pipeline create a broad array of threats to wild salmon, our people, and our energy security never before seen in Alaska.

"The Kuskokwim River is the most important source of life, culture, and community for our people of the Kuskokwim. Donlin only promises pollution and habitat destruction. The proposed mine poses serious threats to every village downriver from the mine," said Quentin Simeon, Inletkeeper's Co-Executive Director, originally from Aniak and Bethel. "It is our responsibility to hold onto our values as we responsibly develop our resources. Donlin does none of that. We, as Alaskans, deserve better."

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Cook Inletkeeper is a community-based organization that combines advocacy, outreach, science, and humanity toward its mission to protect Alaska's Cook Inlet | Tikahtnu watershed and the life it sustains.