



May 12, 2026

Members of the House of Representatives
Alaska State Legislature

Re: House Bill 271, Kitchen Lights Unit Royalty Modification (version 34-LS1225\T)

Dear Members of the Alaska House of Representatives,

The Alaska Chamber (the Chamber) writes to express support for House Bill 271, an act relating to the royalty rate for leases within the Cook Inlet sedimentary basin; relating to a report on leases receiving royalty relief; and providing for an effective date.

The Alaska Chamber is the state's largest statewide business advocacy organization. Our mission is to promote a healthy business environment in Alaska. The Chamber has more than 700 members and represents businesses of all sizes and industries from across the state, representing 58,000 Alaskan workers and \$4.6 billion in wages.

HB 271 represents a practical and responsible policy solution to help strengthen Alaska's energy future at a time when Southcentral Alaska faces growing concerns about long-term energy supply and reliability.

Cook Inlet natural gas remains critical to keeping the lights on, homes heated, businesses operating, and national security infrastructure functioning throughout Southcentral Alaska. The basin serves as a major economic driver for Railbelt communities by supporting local jobs, local tax revenues, royalties, and affordable energy for Alaskans. Policies that encourage reinvestment and new production in Cook Inlet directly strengthen Alaska's energy security and economic stability.

We have already seen the effectiveness of royalty modification in practice. At the Kitchen Lights Unit, temporary royalty relief encouraged additional investment and ultimately doubled production. HB 271 builds on that success by providing the certainty and stability companies need to make long-term investment decisions in aging but strategically important gas fields. Once investments are made, maintaining a predictable financial framework is essential to sustaining continued development and production. Importantly, the Department of Natural Resources retains full oversight authority through lease terms and Plans of Development to ensure accountability and protection of public interest.

HB 271 also serves as an important safeguard for Alaska's energy future should larger projects, including the Alaska LNG Project, face delays. Alaska businesses need certainty when it comes to local gas supply. Maintaining and expanding Cook Inlet production is a practical backstop that helps ensure reliable and affordable energy remains available during this critical transition period.

Thank you for your consideration of the Chamber's comments.

Sincerely,

A handwritten signature in black ink that reads 'Kati Capozzi'.

Kati Capozzi
President and CEO

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