



## **Attachment 1: Specific Questions about Governor Walker's Proposed Plan**

1. Will "upsizing" the "back-up plan" create confusion with buyers?

Make no mistake: Buyers in this market are sophisticated. But lingering questions remain.

- a. If two projects are "side-by-side," how can the state be 100% behind the success of either?
  - i. Especially when one considers the state's already-limited-ability-to-spend? There is an ongoing concern that potential buyers may defer commitment to one project because the state (despite "words to the contrary") doesn't look fully committed to either. Noteworthy: There are only a limited number of buyers on the world-wide stage. Do buyers look for a more stable environment?

2. What are the connections between buyers, the state, and the ASAP project?

Although not an exhaustive list, here are additional questions:

- a. What possible promises will be made to potential buyers?
- b. The state has limited funds. Are additional third-party funds expected to be raised for the ASAP project based on equity or ownership promises?
- c. Are potential buyers also going to be partners for the "upsized" project infrastructure?
- d. Is there a potential LNG facility owner in mind?
  - i. Or is the state also seeking to entice buyers with an equity interest in the Gas Treatment Plant ("GTP") and pipeline?
- e. Will entities other than the state and the producers be solicited as owners in a project, and, if so, in what component and in what percentages?
  - i. What are the terms?
- f. What ownership will the state retain?
  - i. What are the financial implications?
  - ii. Is this the best use of state money?
  - iii. Are we getting the strongest returns for state money?



- g. What are the plans to build, operate, and pay for the liquefaction plant that would be required to export natural gas from a proposed larger ASAP project?
- h. Who would own and/or operate a liquefaction plant?
  - i. What is the ownership structure?
  - ii. What are the financing terms?
- i. What will be the facility operating model?
  - i. Will it be integrated?
  - ii. Will it be a tolling model?
  - iii. Or a merchant model?
  - iv. Perhaps some other option? It's important because the terms shift the risk and reward balances to the state and other parties. That would ultimately impact the state's ultimate "take" in taxes and royalties on gas, other than royalty gas.
  - v. The implications are important because it effects the state's ability to maximize the value of its resource.