Program Fact Sheet: Bulk Fuel Program

Current Status:
Two projects are in construction - Shishmaref and Tatitlek; three in final design – Edna Bay, Kake, and St. Michael; and four in conceptual design – Kasaan, Kipnuk, St. George, and Tuluksak. The Denali Commission has funded an assessment of 56 rural tank farm facilities, which will be completed by June 30, 2015.

Program Background:
Most of Alaska’s remote communities rely on diesel fuel for heating and power generation. Many of rural Alaska’s bulk fuel storage facilities were constructed in the 1970’s or earlier. Some of these facilities are at the end of their design life and do not comply with state and federal codes and regulations. Some have tanks, pipes and other equipment that leak fuel. Regulatory agencies, such as the Coast Guard, the Alaska State Fire Marshal, and the Environmental Protection Agency, may prohibit fuel deliveries to these facilities. Communities often do not have funds for updating or replacing these storage facilities.

The goal of AEA’s bulk fuel program is to upgrade non-compliant bulk fuel facilities in communities that meet program criteria. Upgrading bulk fuel facilities reduces the cost of energy by reducing or eliminating fuel loss from leaks and spills. In addition, by providing adequate capacity for current and planned needs, communities may purchase fuel in larger quantities at a lower cost per gallon.

Since 2000, the Denali Commission has provided funding to replace community bulk fuel facilities. Due diligence is carried out to ensure that project participants meet Denali Commission and State sustainability standards. The projects include a business operating plan, which describes the existing fuel facility organizational structure, the qualifications of responsible people, training opportunities, and estimated operation and maintenance costs.

Program Progress:
The AEA bulk fuel program has completed approximately 77 projects in rural Alaska, and has identified approximately 56 needing improvements. The Alaska Village Electric Cooperative has completed approximately 29 bulk fuel project upgrades.