

Revised: July 7, 2011

**Alaska Energy Authority
Program Fact Sheet:**

Bulk Fuel Program

Current Status:

In FY2011, AEA completed bulk fuel upgrades in Gustavus, Hoonah and Twin Hills. Currently, one project is under construction, three are in final design and four are in conceptual design.

Program Description:

The goal of Alaska Energy Authority's (AEA) 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 enough capacity for current and planned needs, communities may purchase fuel in larger quantities at a lower cost per gallon.

Alaska's remote communities rely on diesel fuel storage for heating and power generation. Many of the 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 may prohibit fuel deliveries to these facilities. Communities often do not have funds for replacing these storage facilities.

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. Participants sign a Business Operating Plan. The Business Operating Plan lays out the existing fuel facility organizational structure, the qualifications of responsible people, AEA required training, and estimated operation and maintenance costs. The plan also includes the establishment of a repair and replacement fund so that when equipment fails, the community will have the resources and savings to repair or replace it.

Program Progress:

The bulk fuel program receives most of its funding through the Denali Commission. Funding increased substantially in 2000 when the Denali Commission started to fund bulk fuel projects. As of July 2011, 70 projects have been completed. Approximately 30 communities have not received upgrades. Depending on funding, three to four communities receive upgrades each year.