BULK FUEL UPGRADE PROGRAM

CURRENT STATUS

AEA has six Bulk Fuel Upgrade projects in construction or pre-construction:

- AEA is designing a small retail bulk fuel facility for the City of Kasaan.
- AEA has completed final design and is developing a solicitation for bulk fuel facility construction in Tatitlek. Construction is planned for 2019.
- With AEA and Denali Commission funding, AVEC is constructing a community bulk fuel facility in Holy Cross.
- Nunapitchuk funded a conceptual design report for a bulk fuel project. AEA and the Denali Commission are funding design and construction.

PROGRAM OVERVIEW

Under 3 AAC 108.100 – 130 the Alaska Energy Authority’s Bulk Fuel Upgrade (BFU) program may provide financial assistance and technical assistance including construction management and training to eligible recipients.

Rural Alaska is energized primarily by liquid fuels: diesel for power generation and heating, and gasoline for transportation. Rural villages are located either along rivers or on the coast, so fuel is primarily delivered by barge. Where barge delivery is unavailable or uneconomic, air tankers and in a few cases tanker trucks deliver fuel. Delivery is seasonal and limited by sea or river ice, water levels, or ice road availability. Villages of a few hundred people must store hundreds of thousands of gallons of fuel to meet their annual energy needs.

Many of rural Alaska’s bulk fuel facilities were built in the 1950s and 1960s or earlier. They were not built to national standards or in compliance with current regulations, and some of them are at the end of their useful lives. This infrastructure, however, continues to be in service until upgraded or replaced, in some cases posing risks to personal safety and the surrounding environment.

In recent years, AEA’s BFU program has shifted the focus from new construction to repairs where feasible. In many cases, existing bulk fuel tanks can be re-used if they are appropriately painted and/or repaired. Repair projects focus on minimizing risk, using local workers and equipment, and replacing piping, pumps, valves and tanks that are at the end of their useful life.