

Alaska Energy Authority - Bulk Fuel Upgrades

FY2014 Request: \$8,500,000
Reference No: 49734

AP/AL: Appropriation **Project Type:** Energy
Category: Development
Location: Statewide **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40) **Contact:** Sara Fisher-Goad
Estimated Project Dates: 07/01/2013 - 06/30/2018 **Contact Phone:** (907)771-3000

Brief Summary and Statement of Need:

The Bulk Fuel program upgrades non-compliant bulk fuel facilities in rural communities. Upgrading bulk fuel facilities reduces the cost of energy by reducing or eliminating fuel loss from leaks and spills. By providing enough capacity for current and planned needs, communities may purchase fuel in larger quantities at a lower cost per gallon.

Funding:	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	Total
Fed Rcpts	\$2,000,000	\$2,000,000	\$2,000,000				\$6,000,000
Gen Fund	\$6,500,000	\$13,000,000	\$13,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$77,500,000
Total:	\$8,500,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$83,500,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Sec1 Ch17 SLA2012 P6 L9 SB160 \$7,000,000
 Sec4 Ch5 SLA2011 P127 L17 SB46 \$5,000,000
 Sec7 Ch43 SLA2010 P20 L27 SB230 \$5,000,000

Project Description/Justification:

Bulk Fuel Upgrades: Most of the rural tank farms have serious deficiencies that typically included:

- Inadequate dikes to contain fuel spills
- Inadequate foundations, which could cause gradual tank movement and fuel leakage
- Improper piping systems and joints - the most common source of fuel leaks
- Improper siting near wells, beaches, and buildings, or within a flood plain
- Tanks that are rusted or damaged beyond repair
- Electrical code violations
- Inadequate security

This program began in 1997 and has expanded since FY1999 with federal funding from the Denali Commission. However, federal funds are declining and state funds are required to continue funding this program.

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This project is for \$ 2 million in federal receipts from the Denali Commission and \$6.5 million state general funds.

FY2014 bulk fuel allocations:

Nunam Iqua	3,000,000
Perryville	3,000,000
Kipnuk (partial funding) *full cost to construct is \$3.5 million	2,500,000
Total	\$ 8,500,000