Brief Summary and Statement of Need:
Electric utility systems are part of the basic infrastructure of rural communities. The power plant and distribution systems in rural communities may not meet accepted utility standards for safety, reliability, and environmental protections. Due to high costs and limited economies of scale, most local communities cannot make the capital investments needed to meet accepted utility standards.

Operating & Maintenance Costs:

Project Description/Justification:
This program concentrates on power production and delivery, including diesel powerhouse, heat recovery, and electrical distribution. Efficiency, reliability, safety and sustainability are primary drivers throughout the conceptual design, final design and construction process. It is not uncommon to see a 30-40 percent increase in fuel savings after a new powerhouse project is completed.

After completion of the project, the rural utility is required to employ a qualified operator to ensure that the system is properly operated and maintained. Alaska Energy Authority (AEA) provides training and technical assistance to assist the community with proper operation of the new facility.
This program began in 1997 and has expanded since FY1999 with federal funding from the Denali Commission. Federal funding for rural power systems upgrades have been in decline since FY2011 and any available federal funds for construction projects now require a 20% - 50% match, depending on whether the community is considered distressed.

AEA will use this funding as match for available federal funds. Funds would be used to match the next priority project(s) in Port Heiden, Clark's Point and Port Alsworth.