

Rural Power Systems Upgrade

FY2014 Request: \$10,800,000

Reference No: 52498

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:

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.

Funding:	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	Total
Fed Rcpts	\$3,000,000						\$3,000,000
Gen Fund	\$7,800,000						\$7,800,000
Total:	\$10,800,000	\$0	\$0	\$0	\$0	\$0	\$10,800,000

<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	
Totals:	0	0

Prior Funding History / Additional Information:

Project Description/Justification:

Rural Power Systems Upgrade (RPSU): This program concentrates on power production and delivery, including diesel powerhouse, heat recovery, and electrical distribution. Due to high costs and limited economies of scale, most local communities cannot make the capital investments needed to meet accepted utility standards. 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 Denali Commission funds are declining and state funds are needed to continue funding this program.

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This project includes \$3 million in federal Denali Commission funds and \$9.6 million in state general funds.

FY2014 RPSU scheduled projects:

Atmautluak	2,800,000
Nunam Iqua	3,000,000
Perryville	3,000,000
Koliganek	3,800,000
Total	12,600,000