

AP/AL: Appropriation

Project Type: Energy

Category: Development

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Michael Lamb

Estimated Project Dates: 07/01/2017 - 06/30/2022

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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:	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total
1002 Fed Rcpts	\$9,680,000	\$9,680,000	\$9,680,000	\$9,680,000	\$9,680,000	\$9,680,000	\$58,080,000
1004 Gen Fund	\$2,420,000	\$2,420,000	\$2,420,000	\$2,420,000	\$2,420,000	\$2,420,000	\$14,520,000
Total:	\$12,100,000	\$12,100,000	\$12,100,000	\$12,100,000	\$12,100,000	\$12,100,000	\$72,600,000

☐ State Match Required ☐ One-Time Project ☐ Phased - new ☐ Phased - underway ☒ On-Going
 0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

Operating & Maintenance Costs:

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Prior Funding History / Additional Information:

Sec1 Ch2 SLA2016 P2 L18 SB138 \$1,300,000

Sec1 Ch18 SLA2014 P3 L33 SB119 \$7,300,000

Sec1 Ch16 SLA2013 P4 L14 SB18 \$6,000,000

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:

This project includes federal receipt authority and matching state funds for four bulk fuel tank farm upgrades. AEA is working in conjunction with the Denali Commission to fund four projects in the following communities: Tuluksak, Holy Cross, Venetie, and Nunapitchuk.

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, which are 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

AEA will use state general funds to match federal funding.

	Location	Project	Existing Funding	Federal Match	State Match	Total Project Cost
1	Tuluksak	New Tank Farm	\$ 545,809	\$ 3,120,000	\$ 780,000	\$ 4,445,809
2	Holy Cross	New Tank Farm	\$ 25,000	\$ 3,200,000	\$ 800,000	\$ 4,025,000
3	Venetie	Repair and Relocate	\$ -	\$ 1,280,000	\$ 320,000	\$ 1,600,000
4	Nunpitchuk	New Tank Farm	\$ -	\$ 2,080,000	\$ 520,000	\$ 2,600,000
			\$ 570,809	\$ 9,680,000	\$ 2,420,000	\$ 12,670,809
FY2018 Requested Funding Authorization					\$ 12,100,000	