

Discussion notes have been integrated into the slides. Please look for slides with purple headers.

Alaska Bulk Fuel Aggregation Study

Joint Study Advisory Group Meeting

July 14, 2026



A. Welcome



Land Acknowledgement

We recognize, honor, and respect the traditional stewards of these lands, waters, and communities.

We acknowledge all past, present, and future Indigenous leaders of the Alaska lands where we live and work.

We are honored to conduct this planning process and related past, present, and future activities on the traditional lands of Alaska's Indigenous Peoples.



Roll Call

Owner & Operator SAG Members

SAG Organization/Municipality	First	Last
Alaska Energy Authority	Lucas	Jury*
Alaska Native Industries Cooperative Association	Linda	Austin*
Alaska Native Industries Cooperative Association	Matthew	Tofa
Alaska Village Electric Cooperative	Bill	Stamm*
Askinuk Corporation	Jessika	Hunter
Bristol Bay Native Association	Brice	Eningowuk*
Bristol Bay Native Association	Levi	Fuller*
City of Elim	Paul	Nagaruk
City of Elim	Matthew	Murray
Crowley	Jessica	Rigby
Everts Air Cargo	Susan	Hoshaw*
Everts Air Cargo	Robert	Ragar
Frontier Fuel Services	Dave	Campbell
Inside Passage Electric Cooperative	Brandon	Shaw*
Kawerak, Inc	Amanda	Toerdal*
Kodiak Area Native Association	Tyler	Kornelis*
NANA Regional Corporation		

SAG Organization/Municipality	First	Last
Northwest Arctic Borough	Ingemar	Mathiasson*
Norton Sound Economic Development Corporation	Paul	Ivanoff III
Rural Alaska Fuels Service	Leo	Barlow
Tanana Chiefs Conference	Eddie	Dellamary
TCSA Electrical Services	Archie	Andrew
Vitus Marine	Mark	Smith

* Indicates SAG and Core Team Members in attendance.

Regulators and Supporters SAG Members

SAG Organization/Municipality	First	Last
Alaska Center for Energy and Power	Steve	Colt
Alaska DCCED, DCRA	Lynn	Kenealy*
Alaska DEC: SPR Prevention Preparedness & Response	Graham	Wood
Alaska DEC: SPR Prevention Preparedness & Response	Sarah	Moore*
Alaska DOF Fire Marshal's Office	Jeff	Morton
Alaska Growth Capital	Mary	Miner
Alaska Municipal League	Erin	Reinders
Arctic Domain Awareness Center	Jeff	Libby
Bureau of Indian Affairs	Jennifer	Reimann
Native American Bank	Payton	Batliner*
UAA Institute for Social & Economic Research	Mike	Jones
UAA Arctic Programs and Strategic Implementation	Jereme	Altendorf*
U.S. Coast Guard	Ryan	Allen
U.S. Coast Guard	LTJG Brett	Woodward*
U.S. Environmental Protection Agency	Torri	Huelskoetter*

Project Core Team	First	Last
Alaska Energy Authority	Ashley	Streveler*
Alaska Energy Authority	Chris	McConnell*
Denali Commission	Nikki	Navio*
HDL Engineering	Mark	Swenson*
Agnew::Beck	Shelly	Wade*
Agnew::Beck	Molly	Mylius*
Northern Economics	Cameron	Dick*

Other Participants	First	Last
Atautchikun	Katie	Conway
Lake & Peninsula Borough	Natalie	Kiley-Bergen
Retired (formerly Alaska Energy Authority)	David	Lockhard

* Indicates SAG and Core Team Members in attendance.

Meeting Agreements

- ***Be Respectful.***

Speak to be understood, avoid personal attacks, and focus on issues – not people.

- ***Listen Fully.***

Let others finish, ask clarifying questions, and avoid interrupting.

- ***Stay on Topic and Be Concise.***

Honor time, keep comments focused, and avoid side conversations (including chat).

- ***Disagree Constructively.***

Critique ideas, not individuals, and aim for solutions rather than conflict.

- ***Maintain a Safe Space.***

If things get heated, accept facilitator guidance and pause when needed.

The technical details:

- *Please use your mute button when you are not talking.*
- *We want to see you! Consider turning on your webcam if bandwidth allows.*
- *We will be recording today's conversation.*

Today's Agenda and Purpose

Topics

A. Welcome, Introductions, and Today's Purpose

B. What Aggregation Scenarios Did We Consider?

- Introductions to the four scenarios
- Summary of findings

C. How Did We Arrive at our Recommendation?

- Model inputs
- Measures of success
- Modeling assumptions

D. What Did We Learn?

- Costs to consumers by gallon
- Comparison of costs for large facilities

E. Where Do We Go From Here?

- Recommendations
- Phase 2
- Next Steps

Reminder of Project Purpose: Alaska Bulk Fuel Aggregation Study



Big Question:

Can aggregating some or all aspects of bulk fuel facilities improve facility lifespan, limit or prevent spills, and save money that could be reinvested in capital improvement projects, thereby lessening the investment burden by state and federal agencies?



Project Partners

Joint Effort, *supported by:*

- Denali Commission
- Alaska Energy Authority



Rural AK Communities & Leaders

Study Advisory Groups

- Owners & Operators
- Regulators & Supporters

Contracting Team

- HDL Engineering
- Agnew::Beck Consulting
- Northern Economics

Activities Since Last SAG Meetings

Presentations

- October 2025: Business of Alaska Rural Energy Virtual Workshop
- December 2025: Alaska Municipal League Local Government Conference
- March 2026: Alaska Tribal Conference on Environmental Management
- March 2026: Bulk Fuel Tank Farm Finances Group
- Northwest Arctic Borough Steering Committee Meetings (multiple)

Data Collection and Analysis

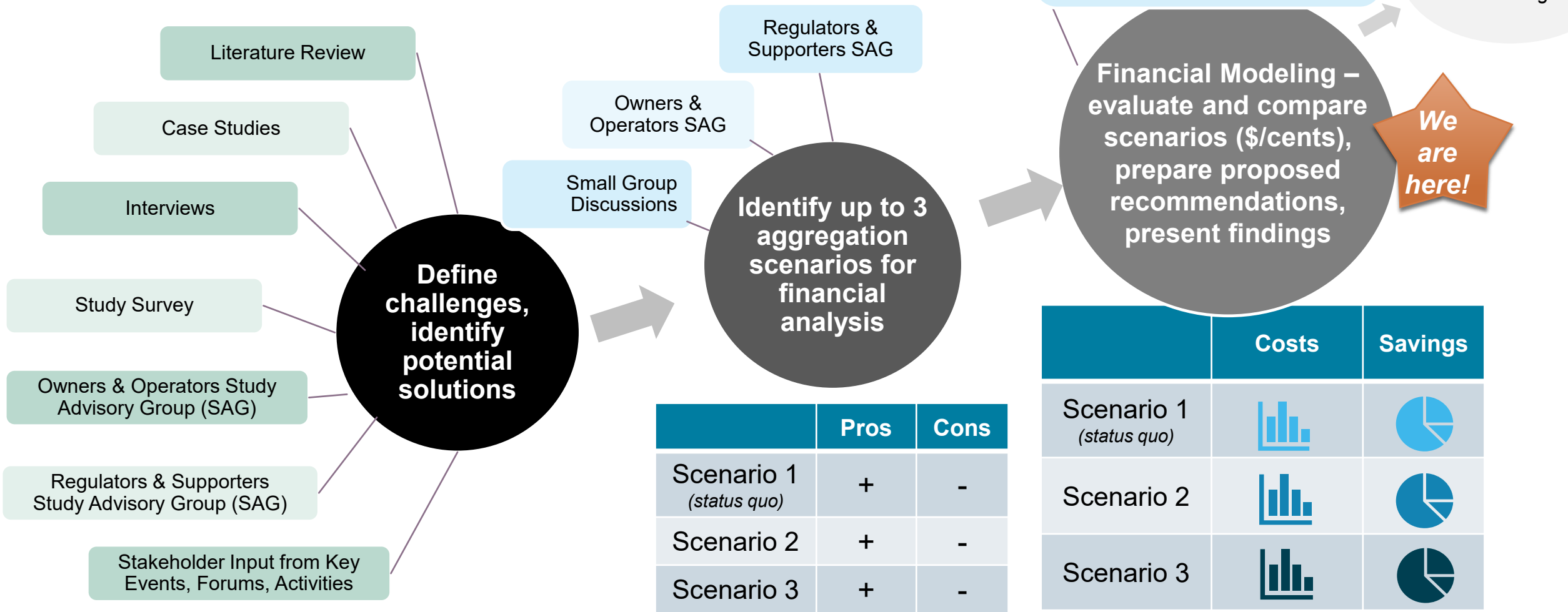
- Collected data from individual tank farm owners and existing cooperatives
- Compiled public state data
- Integrated data into the financial model and ran scenarios for analysis



THANK YOU
to those who
shared data
with us!

Study Timeline & Progress to Date:

Phase 1



	Pros	Cons
Scenario 1 <i>(status quo)</i>	+	-
Scenario 2	+	-
Scenario 3	+	-

	Costs	Savings
Scenario 1 <i>(status quo)</i>		
Scenario 2		
Scenario 3		

Fall '24 – Spring '25: Complete

Summer '25: Complete

Target Completion: Fall '26

B. Refresher & Punchline –

What Aggregation Scenarios Did We Consider & Which One Are We Recommending?

What are the Proposed Scenarios for Analysis?

Proposed Scenarios	1 – Status Quo*	2 – Collaborative Partnerships	3 – Regional Cooperative	4 – Consolidated Ownership
Description	Assumes no changes to current ownership or management. <i>*Will consider the continued trend of decreased funding availability and related anticipated cost increases.</i>	Tank farm owners contribute to a centralized new or existing entity that coordinates fuel purchasing, training, maintenance, and knowledge sharing.	Everything is consolidated except for tank farm ownership.	All tank farm ownership and maintenance is consolidated.
Example	No change	AVCP, Kawerak, KANA	AVEC	n/a



Consolidation Scenarios – The Details! X = includes this option N/A = does not include this option	1 – Status Quo	2 – Collaborative Partnerships	3 – Regional Cooperative	4 – Consolidated Ownership
A. Expanded training for owners, operators, and administrators/managers	N/A	X	X	X
B. Standardization of parts and facility design	N/A	N/A	X	X
C. Centralized maintenance and training	N/A	X	X	X
D. Centralized facility repair and replacement	N/A	N/A	X	X
E. Centralized access to technical resources and technicians	N/A	N/A	X	X
F. Centralized ways to share knowledge such as mentor and peer networks	N/A	X	X	X
G. Centralized fuel purchasing and delivery	N/A	X	X	X
H. Building ongoing maintenance and training costs into the price of fuel	X	X	X	X
I. Centralized administration, operations, and bookkeeping	N/A	X	X	X
J. Centralized tank farm ownership	N/A	N/A	N/A	X

Overview of Results: All three aggregation scenarios save money compared to the status quo. *We recommend the Regional Cooperative scenario.*

	1 – Status Quo	2 – Collaborative Partnerships	3 – Regional Cooperative	4 – Consolidated Ownership	
Operating Costs <i>When facility lifespan not considered...</i>	\$\$\$	\$ Biggest operational cost savings	\$\$	\$\$	Key \$ Lowest cost \$\$ Moderate cost \$\$\$ Highest cost
Operating Costs <i>Assuming longer facility life due to better maintenance...</i>	\$\$\$	\$\$	\$ ★ Recommendation Biggest cost savings over the lifetime of the facility	\$	
Broadly, more aggregation = more cost savings, <i>when facility lifespan is considered</i>					

C. The Path Here – How Did We Arrive at Our Recommendation?

Model Inputs and Data Sources

1. Publicly owned tank farm financial data (9 tank farms) from the State of Alaska

2. Private data requested from existing cooperatives (ANICA, IPEC)

3. Public data from existing cooperative (AVEC)

4. AEA business plans for tank farms (3 tank farms)

CITY OF: Golovin PAGE 20 of

OPERATING EXPENDITURES		FUEL SALES	
CERTIFIED FINANCIAL STATEMENT		FY21 BUDGET AS AMENDED	FY21 ACTUAL
Personal Services:	Salaries	\$ 29,503.00	\$ 29,745.62
	Stipends	\$	\$
	Payroll Taxes	\$ 2,699.52	\$ 3,076.40
	Workers Compensation	\$ 1,519.95	\$ 1,519.95
	Retirement / Pension	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Personal Services		\$ 33,722.47	\$ 34,341.97
Travel:	Airfare	\$	\$
	Per Diem	\$	\$
	Training, Workshop & Conference Fees	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Travel		\$ -	\$ -
Facility Expenses:	Telephone	\$ 2,400.00	\$ 2,610.67
	Rent	\$ 3,600.00	\$ 3,600.00
	Electricity	\$	\$
	Water & Sewer	\$	\$
	Fuel Oil	\$ 144,766.52	\$ 125,403.40
	Other Heating Costs	\$	\$
	Other Energy Costs/Source:	\$	\$
	Other:	\$	\$
Total Facility Expenses		\$ 150,766.52	\$ 131,614.07
Supplies:	Office & Clerical Supplies	\$ 500.00	\$ 461.14
	Postage Supplies	\$	\$
	Copier Supplies	\$	\$
	Other:	\$ 1,700.00	\$ 1,926.55
	Other:	\$	\$
Total Supplies		\$ 2,200.00	\$ 2,387.69
Equipment:	Equipment	\$ 4,000.00	\$ 1,953.52
	Vehicle / Equipment Maintenance	\$	\$
	R&R Account	\$ 11,172.92	\$
	Other: fuel pump	\$ 100,000.00	\$
Total Equipment		\$ 115,172.92	\$ 1,953.52
Other Operating Expenses:	Interest & Late Charges	\$	\$
	Insurance & Bonding General Liability	\$ 1,104.29	\$ 1,104.29
	Insurance & Bonding	\$ 3,242.00	\$ 3,242.00
	Bank Charges	\$	\$
	Other Contractual: Audit	\$ 5,000.00	\$
	Other: rafs	\$ 7,000.00	\$ 4,800.00
Total Other		\$ 16,346.29	\$ 9,146.29

How Are We Measuring Success?

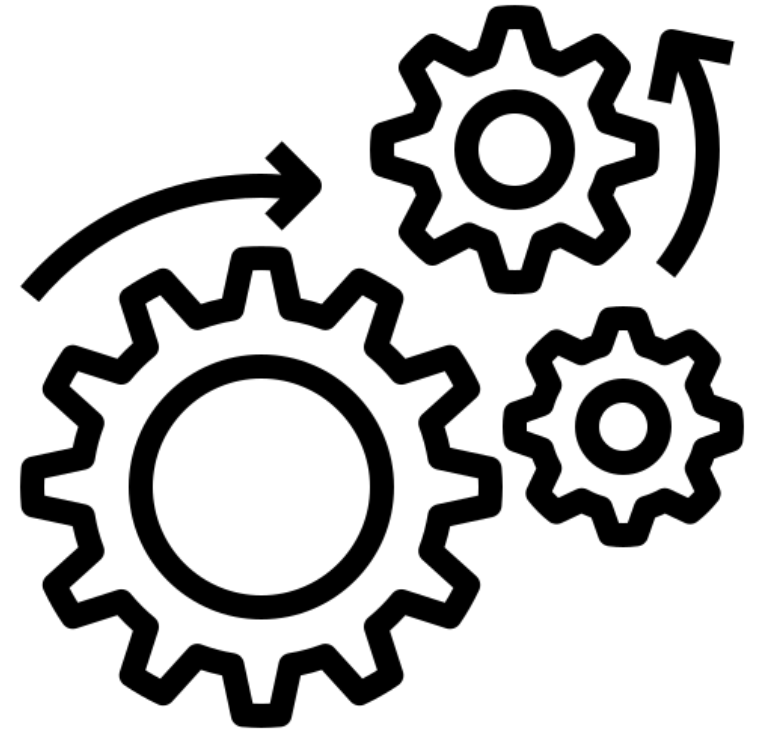
The model has many data points. Here are two important ones for comparing financial success:

- **Total facility cost over 50 years.**
 - The sum of all costs over the analysis period without accounting for when the costs occur. **Using undiscounted values, which treat a dollar received or spent today the same as a dollar received or spent in the future, with no discounting or adjustments for inflation.*
- **Consumer fuel costs.**
 - The amount bulk fuel operators need to charge for sustainable operations, including maintaining a replacement fund to build a new facility when the current facility reaches the end of its useful life.



Modeling Assumptions – Part 1, General

- The analysis compares each scenario once **operational**. It does not consider the start up costs to transition to that model.
- The analysis will assume aggregation will happen **regionally** (e.g., Bering Strait Region, Northwest Arctic Borough).
- The inputs use **historical data averages**; current short-term impacts on fuel costs are not considered (e.g., the conflict with Iran).



Modeling Assumptions – Part 2, Repair & Replacement

- The model assumes that, in any scenario, the operator would **need to maintain a repair and replacement fund sufficient to fund facility replacement** when it reaches the end of its useful life. Many tank farms today do not currently have a repair and replacement fund.

Today
tank farm operators are charging
customers an average of
\$7.68 per gallon

However, at this price, operators will not be able to fund facility replacement and may struggle to adequately fund repairs.



We estimate
individual tank farm operators would need
to charge customers between
\$11.42 - \$11.51 per gallon

if they are operating independently to fully fund repair and replacement. This is reflected in the status quo estimates.

Modeling Assumptions – Part 3, Facility Lifespan

1 – Status Quo	2 – Collaborative Partnerships	3 – Regional Cooperative	4 – Consolidated Ownership
25 years <i>Assumed facility lifespan</i> We assume that while there is funding set aside for major repairs and a facility replacement fund is created, the lack of technical support and non-monetary resources to perform preventative maintenance still results in a shorter facility life.		35 years <i>Assumed facility lifespan</i> The additional resources available to support preventative maintenance and facility upkeep would likely extend facility life by at least another 10 years.	

Modeling Assumptions – Part 4, Financing Options

- Today, many tank farms are built with federal and/or state funding.
- However, future grant funding will no longer be able to meet the need of tank farm replacement.
- As a result, more tank farms will need to be paid for with financing.
- We looked at scenarios both with and without financing costs built in.



How much does it cost to build a tank farm?

We assume the cost to build a new facility is \$35 per gallon of storage capacity built.

This assumption was informed by the average expected cost of several facilities constructed in recent years.

Definitions

- **Revenue.** The total amount of money a bulk fuel operator earns from normal operations before expenses are deducted.
- **Cost of goods sold.** The cost of acquiring fuel for resale, including the purchase price of the fuel and the cost of transporting and delivering it to the tank farm.
- **Personnel services.** The costs associated with employing staff to operate and manage the tank farm, including wages, salaries, payroll taxes, employee benefits, and other compensation-related expenses.
- **Travel and training expenses.** Costs associated with employee travel and training, including airfare, lodging, per diem, conferences, certifications, and technical training necessary to support safe, compliant, and effective tank farm operations.
- **Non-fuel facility expenses.** Routine facility-related operating costs that are not otherwise captured in other expense categories, such as utilities, insurance, communications, permits, and professional services.
- **Supplies expenses.** The cost of consumable materials and routine operating items used in the day-to-day operation of the tank farm.
- **Equipment expenses.** The costs associated with the purchase, rental, or operation of equipment used to support tank farm operations, excluding major repairs, replacements, and improvements.
- **Repair and replacement expenses.** The cost associated with repairing and maintaining existing tank farm infrastructure and equipment (except for full facility replacement).
- **Aggregation administrative expenses.** The costs associated with executing aggregated fuel operations on a yearly basis.
- **Other expenses.** The miscellaneous operating costs that do not fit within the other defined expense categories. The financial statements we were able to obtain often did not define what was in this expense category, instead just listing it as “other” on the statement. It is likely that there is some variability in what is included in this category due to differences in record keeping and accounting practices.

Inputs – Average Spending per Gallon, Existing Tank Farms

Tank farms classify expenses in different ways, but most categories are similar across tank farms.

Greatest variability between tank farms	Financial Metric	Median	Min	Max	Sample Size
	Cost of Goods Sold <i>(cost of purchasing, transporting fuel to tank farm)</i>	\$6.45	\$1.93	\$46.87	32
	Personnel Services <i>(salaries, payroll taxes, etc.)</i>	\$0.75	\$0.20	\$5.06	36
	Travel/Training	\$0.00	\$0.00	\$0.21	36
	Non-Fuel Facility Expenses <i>(utilities, insurance, permits, professional services, etc.)</i>	\$0.03	\$0.00	\$0.40	36
	Supplies	\$0.00	\$0.00	\$0.13	36
	Equipment	\$0.06	\$0.00	\$0.87	20
	Other <i>(expenses that don't fit elsewhere; not always defined in source files)</i>	\$0.21	\$0.00	\$2.34	36

Biggest cost

Facility Sizes

Our analysis looked at cost savings across three different tank farm sizes:



Small

Less than 25,000 gallons annually



Medium

25,000-50,000 gallons annually



Large

More than 50,000 gallons annually

Photo

**Location &
Source:**

Hughes, Tanana Chiefs Conference

Allakaket, Allakaket Tribal Council

Kiana, Agnew::Beck

D. The Results – What Did We Learn?

Cost to Consumers per Gallon, *All Facility Sizes & Scenarios*

**Status Quo numbers are based on an average of actual costs, with estimated repair and replacement cost of \$0.50 added in; see Modeling Assumptions Part 2 for details*

	Small Facility	Medium Facility	Large Facility
No Financing			
Status Quo*	\$11.51	\$11.46	\$11.42
Collaborative Partnerships	\$10.74	\$10.70	\$10.65
Cooperative	\$9.71	\$9.68	\$9.66
Consolidated Ownership	\$9.65	\$9.62	\$9.61
Financing			
Status Quo*	\$13.31	\$13.21	\$13.12
Collaborative Partnerships	\$12.51	\$12.42	\$12.33
Cooperative	\$10.89	\$10.82	\$10.79
Consolidated Ownership	\$10.77	\$10.71	\$10.68

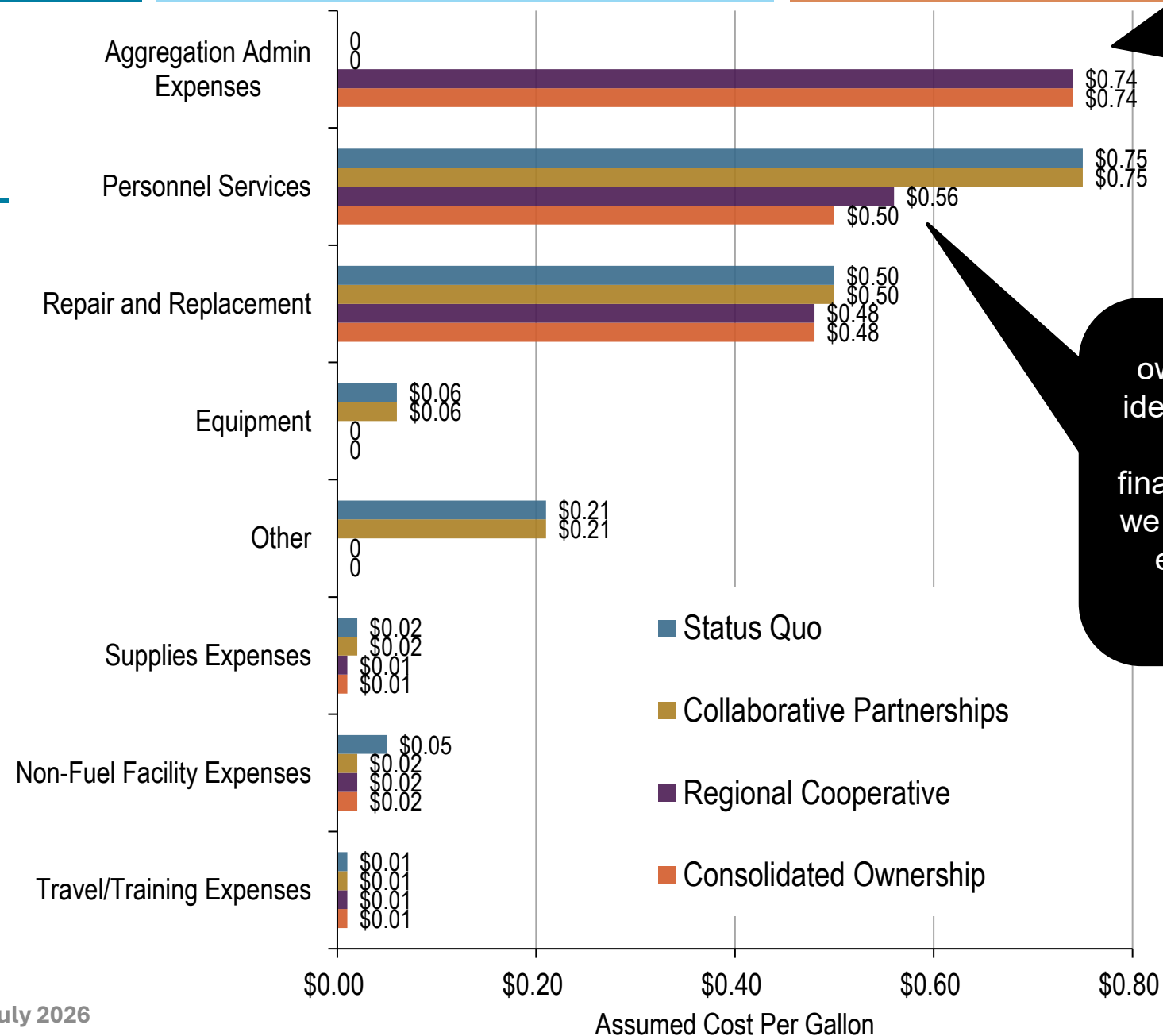
Costs go down as aggregation increases

Costs go down as facility size increases

Cost to Consumers Per Gallon: July 14 SAG Meeting Discussion Notes

- **SAG Member Question:** Are these actual costs, or recommended costs?
 - **Core Team Response:** They are based on actuals, but with an adjustment to ensure the cost of Repair and Replacement (R&R) is sufficiently captured in all scenarios.
 - **SAG Member Follow Up:**
 - It would be helpful to show the current costs we're including in our assumptions, and then separately show the added cost we're including for repair and replacement. The baseline costs change so much given the volatility of fuel prices and they vary community to community.
 - It would be clearer if there was a cost per gallon of storage for R&R that would be a necessary addition on top of whatever a community's current costs look like. When they're combined, they currently make it harder to see in the presentation.
- **Follow U Action:** The study team will display these costs separately in the report and prepare an average R&R cost per gallon of storage.

Cost per Gallon by Scenario & Expense Type – *all expenses except cost of fuel; see previous definition slide for details*



Model assumes new administrative expenses associated with aggregation

Consolidated ownership is nearly identical to a regional cooperative financially, except that we assume additional efficiency can be achieved with personnel

Cost per Gallon by Scenario & Expense Type: July 14 SAG Meeting Discussion Notes

- **SAG Member Question:** Why do the Regional Cooperative and Consolidated Ownership scenarios not have any expense costs?
 - **Core Team Response:**
 - **Study definition of “equipment expenses”:** the costs associated with the purchase, rental, or operation of equipment used to support tank farm operations, excluding major repairs, replacements, and improvements.
- **SAG Member Question:** What is included in the “Aggregation Admin Expenses”? For example, does this include insurance?
 - **Study definition of “Aggregation Admin Expenses”:** the costs associated with executing aggregated fuel operations on a yearly basis.
- **ACTION:** The study team will include additional detail regarding the assumptions of what is included within each of these categories and the assumptions behind the expense variations in different scenarios.

Results: Large Facilities *(over 50,000 gallons annually)*

Comparing status quo to regional cooperative

Model Estimates	Status Quo	Regional Cooperative
Annual General Operating Expenses	18% savings, or \$672,000 annually (not accounting for facility replacement)	
Retail Fuel Price	\$11.42/gallon (no financing)	\$9.61 per gallon (no financing)
Facility Replacement	Must set aside \$493k annually (no financing)	Must set aside \$348k annually (no financing)

Beyond the Finances:

Other Benefits of Regional Cooperative Model

- The cooperative model has been successful in rural Alaska (e.g., ANICA and AVEC)
- According to the project survey and interviews, there is broad support for aggregation
- Why it works:
 - ✓ **Efficiency** through centralized maintenance planning, training, technical support, fuel procurement, bookkeeping, and capital planning
 - ✓ **Improved reliability and reduced maintenance** through standardized operating procedures and equipment specifications
 - ✓ **Reduced risk** by pooling resources and expertise, a cooperative may reduce operational risks and strengthen long-term asset management
 - ✓ **Maintain some community autonomy** by allowing member communities to participate in governance and decision-making.

SURVEY RESULT: Q4 & Q6. Listed below are different **aggregation options** that could help address bulk fuel challenges in Rural Alaska. Please share your **level of support** for each option.

N=160

1 = Least
Support

2

3

4

5 = Most
Support

Aggregation Options

- A. **Expanded training** for owners, operators, and administrators/managers
- B. **Standardization** of parts and facility design
- C. Centralized **maintenance and training**
- D. Centralized **facility repair and replacement**
- E. Centralized **access to technical resources and technicians**
- F. Centralized **ways to share knowledge** such as mentor and peer networks
- G. Centralized **fuel purchasing and delivery**
- H. Building ongoing maintenance and training **costs into the price of fuel**
- I. Centralized **administration, operations, and bookkeeping**
- J. Centralized **tank farm ownership**

Average

- 4.22
- 4.13
- 4.06
- 4.06
- 4.00
- 3.86
- 3.76
- 3.75
- 3.58
- 3.39

All aggregation options show some level of support. There is most support for expanded training (4.22 out of 5) and the least for centralized tank farm ownership (3.39 out of 5).

Centralized tank farm ownership was the least supported of all the options

SURVEY RESULT Q9: What factors could make aggregation **hard to accomplish**?

Please select your top three.

n = 156

Communities have different needs (56%), logistical challenges (47%), and determining liabilities and risks (44%) are the top three reasons aggregation is difficult to accomplish.

56%

87

Communities have different needs

47%

73

Logistical challenges of serving
multiple communities

44%

69

It is hard to determine how liability/risk
will be shared

E. Moving Forward – Where Do We Go from Here?

Overview of Results: All three aggregation scenarios save money compared to the status quo. *We recommend the Regional Cooperative scenario.*

	1 – Status Quo	2 – Collaborative Partnerships	3 – Regional Cooperative	4 – Consolidated Ownership	
Operating Costs <i>When facility lifespan not considered...</i>	\$\$\$	\$ Biggest operational cost savings	\$\$	\$\$	Key \$ Lowest cost \$\$ Moderate cost \$\$\$ Highest cost
Operating Costs <i>Assuming longer facility life due to better maintenance...</i>	\$\$\$	\$\$	\$ Recommendation Biggest cost savings over the lifetime of the facility	\$	
Broadly, more aggregation = more cost savings, <i>when facility lifespan is considered</i>					

July 14 SAG Meeting: Reflections from Owner & Operator SAG Members

- Overall Reactions
 - The presentation and results make sense and are compiled in a helpful way.
 - The findings are generally not surprising.
 - Participants feel it's helpful to have done this analysis ("we needed this") and are grateful to be able to share the findings and have an educated decision on what comes next.
 - Cooperatives are working.
 - With ANICA, participating tank farms can do a lot of training, and we hope to continue to establish better training and programs.
 - SAG members are excited to talk about next steps.
- Other Comments
 - While data are valuable, there are also so many variables; scenarios don't necessarily consider all the nuances of a specific tank farm.
 - We are talking with communities about putting in reserve funds for replacement; residents are starting to understand they need to consider this in the future. This study will help us gather that information and move forward.
 - Really cool to see, especially because our region is looking at many of these same questions. Excited to take what you learned and blend it with what we're already seeing.
 - The numbers seem daunting. Already have cost pressures for our rural residents; it is already challenging for the average rate payer to cover costs of electricity and home heating. But we need to study and understand.
 - In some regions there are very small communities (10-15 people) that are served under larger communities. They might not be captured in the data.
 - Not sure if the study captures the challenges of communities that only get fuel delivered twice per year, who are locked into prices. Rural Alaska typically gets fuel delivered when the prices are the highest throughout the year (summer).

July 14 SAG Meeting: Reflections from Regulator & Supporter SAG Members

- Overall Sentiment
 - Similar to Owners & Operators; the findings and recommendations make sense and SAG members appreciate seeing the data.
- Other Comments
 - Some regions will be able to apply these lessons. Other regions won't have the capacity to run with this, and there are concerns these communities will be left out. Statewide models could help by providing needed capacity.
 - The data shows that what happens now is super expensive and not working.
 - Another cost of aging facilities and untrained personnel are the risks of spills. Is that reflected in the analysis? If not, it could be an asterisk on the data: as facilities age, their risk of noncompliance increases. The cost of spill response is exponential compared to what it costs to have a management structure that mitigates spills. The cost of spill clean up is huge and is not integrated into the true cost of fuel in rural communities. How much are facilities investing in spill response now? How much are regulatory bodies spending on spill response? That cost point could further support the cooperative model.
 - We won't be able to do a one-size-fits-all but this is a good step in the right direction. Would like to be able to ground truth this by inviting operators to plug this in their specific data.

Phase 1: Next Steps

- **July/August:** Finalize financial analysis and prepare draft study
- **August:** Release draft study for public comment
- **September:** Finalize report
- **October:** Present results at Alaska Rural Energy Conference

Study

Table of Contents

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2. Study Purpose, Objectives, and Approach
3. The Status Quo
4. What We Learned
5. Evaluating Aggregation Options
6. Recommended Aggregation Scenario
7. Appendices

Where Do We Go From Here?

What Phase 2 Might Look Like

- Prepare recommendations regarding implementation:
 - What steps are needed to transition from the current model to an aggregated model?
 - Who should lead aggregation?
 - What are the estimated costs to transition to an aggregated model?
 - What are potential funding sources?
 - What policy and legislative changes are needed to implement aggregation?
- What other questions should be explored in Phase 2?



July 14 SAG Meeting: Phase 2 Discussion

- Different communities are starting at different levels. Just bringing current tank farms up to a working status will be a big lift.
- Where is the money going to come from to implement?
- We should consider how to handle villages with the highest costs, such as those who fly in fuel. Do we need a state equalizer? The Coop model works fine regionally but how do we deal with communities with costs over \$20/gallon? Do we need something like PCE for getting prices down? Would like to explore in Phase 2.
- It would be great to have a tool where a facility could input their own actual numbers based on their tank farm side to ground truth the model against their reality before making next steps.
- Would love to share tank farm operating data in a collaborative way that everyone can access: e.g., a dashboard where entities from all over the state can contribute. For example, how should we be budgeting for replacement? What are other tank farms doing? There is no sharing of data now.
- The challenge will be in the details. If you have one community with a BIA tank farm from the 60s, and another with a brand new tank farm – how will they equitably distribute costs if they get aggregated?
 - Bristol Bay has done some work on shared work/maintenance in the powerhouses. They learned that sometimes one demanding facility with the a large need can sink the success of the coop.
- There are many new tank farms being built – can we extend their life?

July 14 SAG Meeting: Sharing the Study Results and Wrap Up

- SAG members brought up many of the questions that the study team is proposing be addressed in Phase 2. That feels like confirmation this is going in the right direction and that continued collaboration with this group will be helpful. The Denali Commission looks forward to supporting these efforts.
- Hopefully by having numbers we can generate support for addressing this need and helping Alaska's remote communities. Want to take the report and translate it into actual change we'll see in our communities.
- Grateful for the facilitation and looking forward to future conversations.
- It's important to capture the status quo in the study report. The communities are bearing the quality of life costs but not all the economic costs. What is currently being set aside and how does that compare with actual costs? How would tank farms need to increase the fuel costs to customers to capture actual costs? If that change were implemented tomorrow, could anyone pay for it?
- In the past, congressional office staff have asked, "What should we do?" Everyone has different answers. It would be helpful for this study to include a "quick, down & dirty one pager" on recommendations and key talking points so we're all sharing the same message. We don't want this to collect dust on the shelf, we want to generate support and funding for implementation. The website will be important, too, so we can direct people to data. These overview materials will also help with education and orientation, e.g., for agency staff.

How to Stay Involved

- Visit the project website for project materials and updates:
<https://AKBulkFuelStudy.com>
- Review the draft report this fall.
- Stay tuned for phase 2!
- Final comments or questions?

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