



ALASKA INDUSTRIAL DEVELOPMENT
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Alaska Energy Authority awarded \$5 million USDA Rural Development Grant for the Bulk Fuel Revolving Loan Fund

ANCHORAGE, AK – The Alaska Energy Authority (AEA) has been awarded a grant that will allow it to expand its Bulk Fuel Revolving Loan Fund program more than four-fold. Over the last 8 years, AEA has annually distributed an average of \$1,756,000 in loans to communities throughout Alaska to assist in the purchase of bulk fuel. By consolidating its fuel needs into one large order, communities can take advantage of once-a-year barge service and buy fuel at competitive wholesale prices. Today, the US Department of Agriculture (USDA) awarded AEA a \$5 million grant to further the efforts of the loan fund.

While income in rural Alaska is 75% less than the national average, energy expenditures are more than triple. The purchase of bulk fuel allows Alaska communities to offset that cost, as retail prices are from 30% to 250% higher than Anchorage.

"Imagine if you or I had to write a check this week to pay for all the fuel you would need to heat your house and put gasoline in all your vehicles from now until June." said Bob Poe, AIDEA/AEA's Executive Director. "Not many of us could do it. This program provides low interest loans to rural communities for their bulk fuel needs and allows them to pay it back in nine monthly installments."

Congress created the USDA Rural Development Grant in 2000 specifically to ease the high cost rural communities pay for energy. Residents of rural Alaska are a prime example of those who benefit from the program.

The AEA Rural Bulk Fuel Revolving Loan Fund provides loans to organized municipalities or unincorporated villages with a population under 2,000 people. The maximum amount for any one loan is \$100,000 per fiscal year and may not exceed 90% of the wholesale price of the fuel plus the cost of fuel transportation. Loan proceeds may not be used to subsidize a business or to make a profit unless the profit is used to purchase additional fuel supplies.

Communities interested in applying for a Bulk Fuel Loan should contact AEA at 907-269-3000. Applicants are considered on a first-come, first-served basis. A non-refundable \$25.00 application fee is required at the time of the submission of the application.

AEA is a public corporation of the state that assists in the development of safe, reliable and effective energy systems and tank farms that are financially viable and environmentally sound. AEA also owns six (6) hydroelectric projects across the state and the Alaska (Railbelt) Intertie.

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