

# Fuel Crisis in Rural Alaska



- **Is Fuel available?**
- **Where does the fuel come from for Rural Alaska?**
- **How is it transported?**
- **At what Price?**
- **What is the fuel used for?**
- **What are the impacts of large increases for fuel in Rural Alaska?**

**The short answer is yes. We are being told by suppliers that diesel will be available. No one knows however, how much overall availability will be affected by the military actions in the Middle East. Fuel suppliers say they have enough fuel now to supply urban areas in Alaska, but availability for the later deliveries for off the road system communities is uncertain. Some fuel suppliers in our community are already out of fuel.**



# Where does the fuel for Rural Alaska from?



**Fuel for Northwest Rural Alaska is transported by barge lifts. Fuel transferred from a large barge to smaller barges in multiple trips to communities like Kotzebue adding additional cost to already expensive fuel. This can only be done once per year during the summer months when the water is ice free. The price is fixed until the fuel delivery the following year.**



**More remote villages in upriver systems will have the fuel broken down on even smaller barges. These river systems are becoming less navigable and are more frequently requiring fuel delivery the most expensive way – by air.**



# At what cost????\$\$\$\$

- **Rural Communities are already living on the edge of sustainability. Home heating costs can exceed the monthly costs of residents rent or mortgages.**
- **Retail prices for diesel in Kotzebue are \$8.00 per gallon and as high as \$17.00 gallon elsewhere in the region.**
- **Projections for this year's fuel price are 30% - 50% higher than last year.**
- **Last year the Kotzebue Electric Association paid \$3.10 per gallon for diesel fuel. Today we are being quoted \$4.76 per gallon which translates to a 53% price increase.**
- **The cost of fuel is a direct pass through to our members and will put them at even greater risk for financial sustainability.**
- **Rural communities may not be able to obtain loans large enough to cover these increases**

# Impacts

- Fuel shortages / unavailability in rural communities
- Loss of heating capacity
- Loss of electrical generation
- Price increases in the cost of goods
- Transportation cost increases
- Inability to participate in subsistence activities due to the high cost of fuel

