

Fuel Supply and Purchases in Rural Alaska

Sandra Moller, Director

Division of Community and Regional Affairs

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT



House Finance
5/5/2026

Agenda

- 2026 Concerns:
 - Fuel Price Projections
 - Fuel Access
- Bulk Fuel Revolving Loan
- Options and Opportunities

Definitions

AEA	Alaska Energy Authority
DCRA	Division of Community and Regional Affairs
PCE	Power Cost Equalization



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2026 Concerns

Fuel Prices

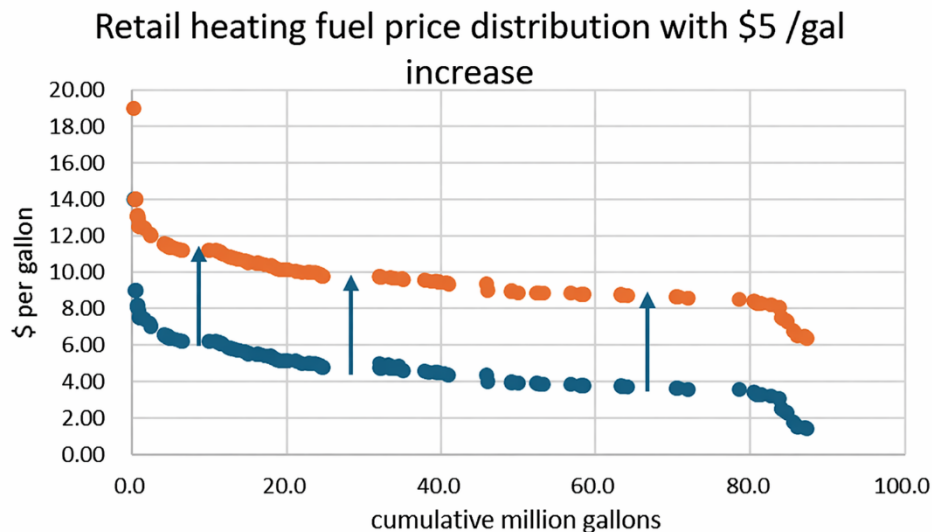
Fuel Access



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Statewide Projections for Retail Heating Fuel



Total increase
\$5/gal x 90
million gal =
\$450 million

Credit: Steve Colt,
Alaska Center for Energy and Power



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2026 Fuel Access



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Fuel Price Survey

Alaska Fuel Price Report: Winter 2026

State of Alaska; Division of Community and Regional Affairs
February 17, 2026



Fuel Costs Across Alaska
100 Communities Surveyed | Winter 2026

Average Price per Gallon:

Gas \$6.63

Heating fuel \$6.32



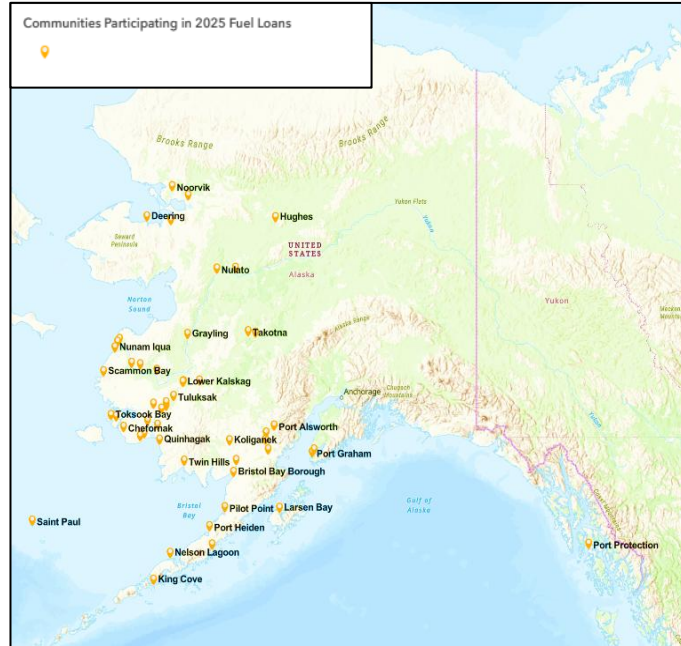
Online Report



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Bulk Fuel Loan Participants



In 2025, 51 communities participated with a total of 76 loans.



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Bulk Fuel Revolving Loan Program

Created through statute

For rural communities, power utilities and fuel retailers

Communities with a population under 2,000, maximum loan \$750,000

To purchase fuel for power generation & to supply the public with fuel

Purchases for bulk shipments needed before freeze-up

Participating entities would not qualify for conventional loans

DCRA provides direct assistance with application and administration

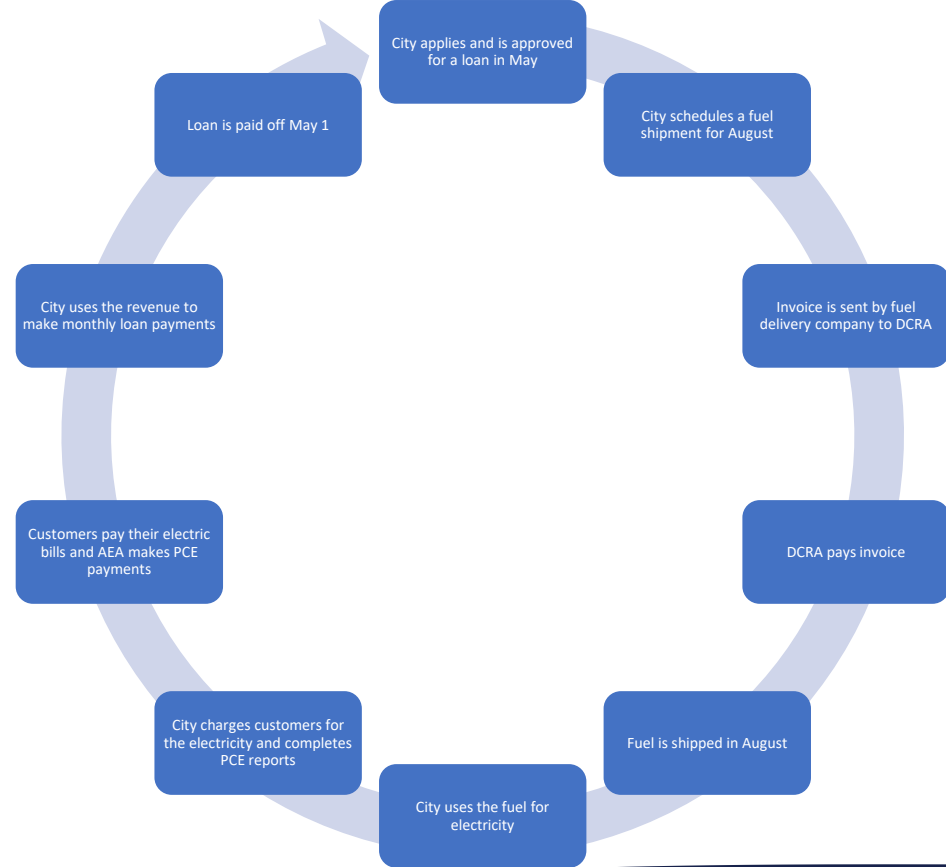
Must protect the integrity of the principal to ensure a revolving fund



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Bulk Fuel Revolving Loan Program

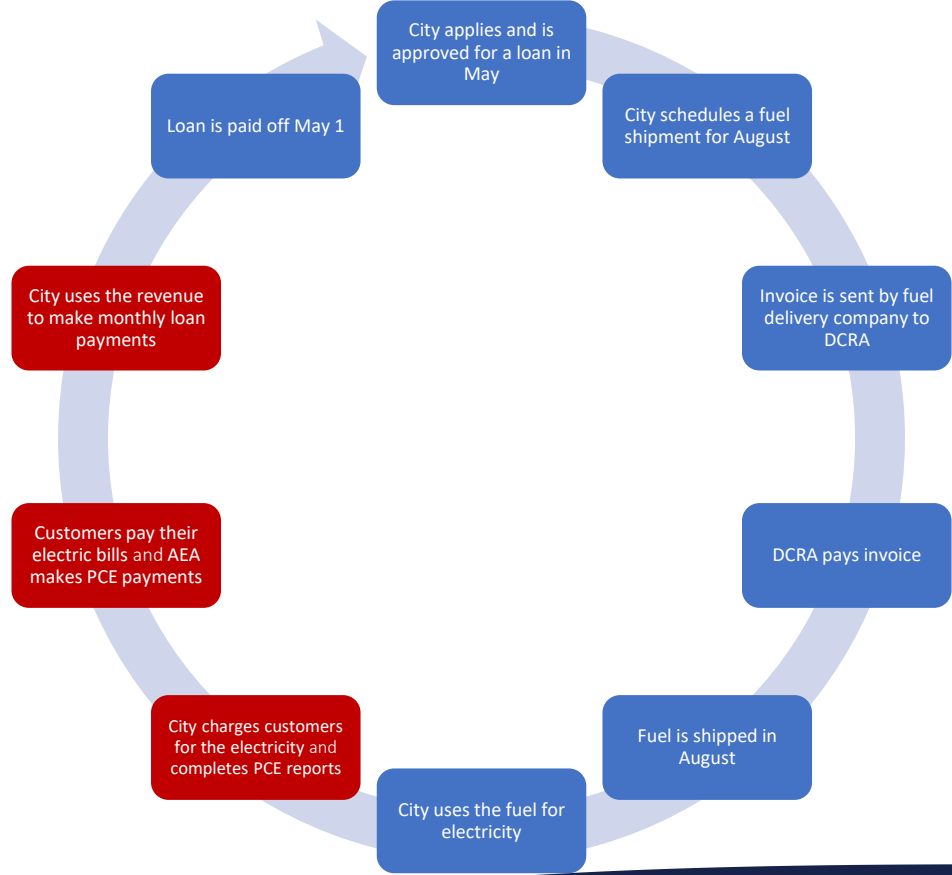


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Bulk Fuel Revolving Loan Cycle

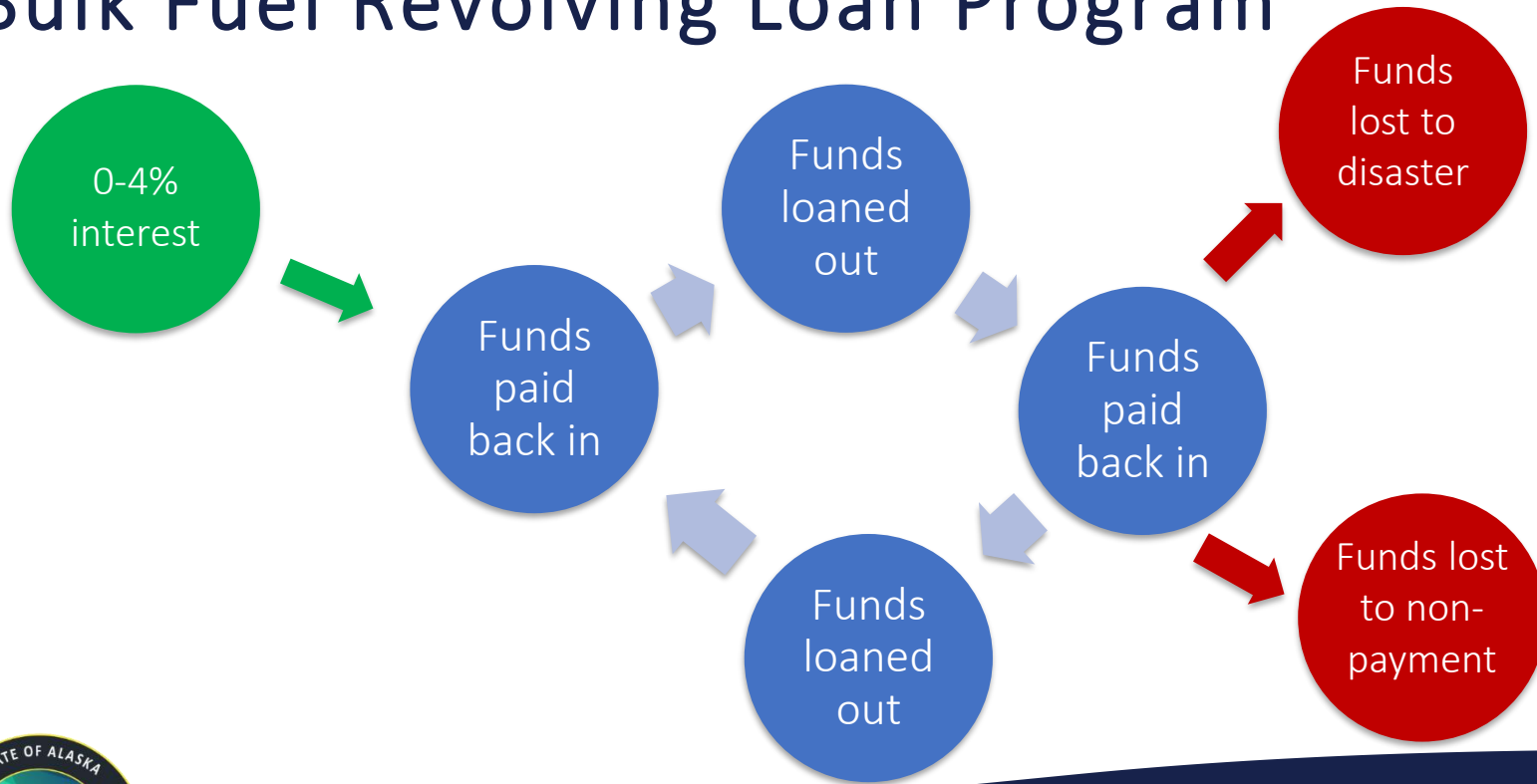
Struggle point:



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Bulk Fuel Revolving Loan Program



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Bulk Fuel Revolving Loan Program

2022-2025
Averages:

- Average number of loans per year: 67
- 2025 saw highest amount of loans: 76 total
- Average amount per loan: \$358,413
- In 2025, five took out the max \$750,000



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Bulk Fuel Revolving Loan Program

The Bulk Fuel Revolving Loan Program is successful:

- DCRA assists at all stages: application, billing, payroll, financial management, loan payment, etc.
- As of January 2026, only three borrowers were past-due
- Annual collection rate: 99.5%
- Annual collection rate on conventional loans: 97.4%

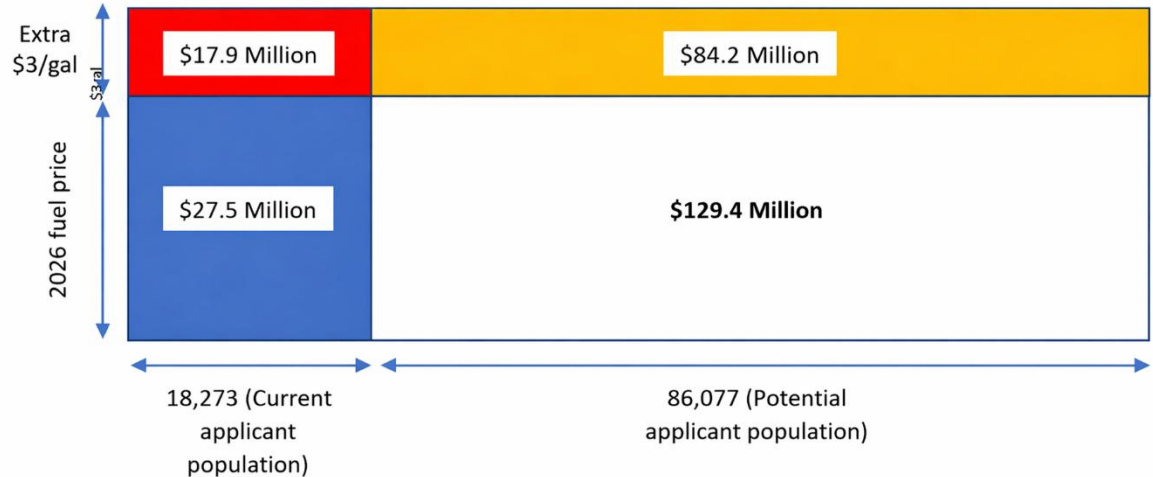


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Bulk Fuel Revolving Loan Program

Assumption: Fuel prices will increase by \$3 per gallon – projected effects on the fund is sustainable only if status quo number of vendors remain. If all potential borrowers ask for loans, then fund would be short \$2.4 million by May when 25% of applications are received.

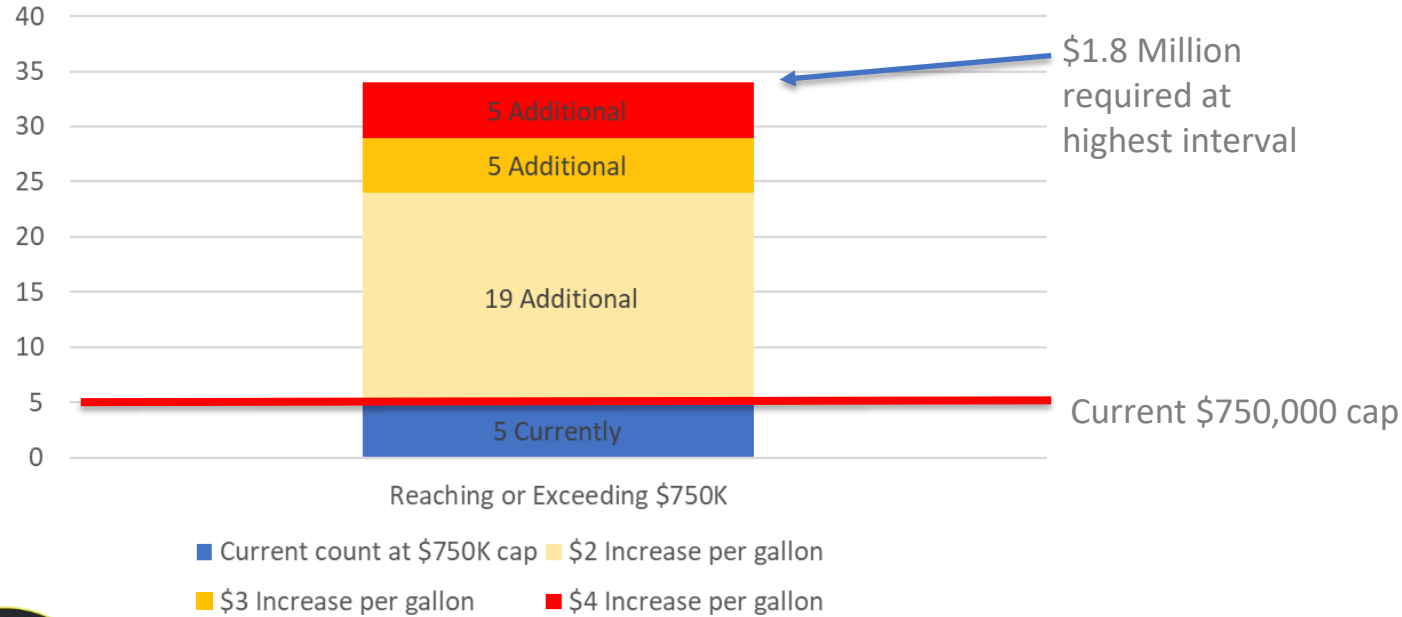


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Fuel Price Projections

Vendors to Exceed \$750,000 Cap



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2026 Concerns: Fuel Prices

Bulk fuel loan borrowers will need to borrow more than in past years

More fuel/electric providers may need to borrow than in past years



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Options

Additional funds for the bulk fuel loan program to cover increase in costs:

- Requires legislative action

Raise the maximum loan above \$750,000

- Require change to Alaska Statute
- Require an infusion into the bulk fuel fund – legislative action

Disaster related assistance: a source of disaster funding to help pay off loan in certain circumstances

- Requires legislative action

However... the final burden of the cost:

- Borrowers still have to pay the loan back; and
- The full cost burden is still on the end consumer



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Partners in Solutions

Regional partners such as:

- Kawerak: partnered with DCRA to provide bulk fuel administrative capacity trainings to rural Alaska
- Northwest Arctic Borough: supported communities through the fuel access disaster of spring 2026
- Coastal Villages Regional Fund: has in the past assisted their communities with fuel/energy costs

Statewide partners including:

- Alaska Municipal League
- Denali Commission
- Fuel providers such as Crowley Fuels, Vitus Energy, etc.
- Consulting companies such as DeerStone Consulting
- University of Alaska Center for Energy and Power



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Thank you!

Sandra Moller | Director
Division of Community and Regional Affairs
sandra.moller@alaska.gov
907-269-4569



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