

**NOME POWER GENERATION FACILITY REPLACEMENT PROJECT
PROGRESS REPORT**

GRANTEE: NOME JOINT UTILITY SYSTEM

PROJECT NAME: NOME POWER GENERATION FACILITY REPLACEMENT

GRANT #: AEA #2195210; DENALI COMMISSION

PERIOD OF REPORT: January 1, 2005 through March 31, 2005

Project Activities Completed:

Bid packages were prepared and released to acquire the metal building package; proposers are invited to submit on supply only, erection only, or supply and erection. Additional direction was provided to the engineers on separation of the various construction components in an effort to maximize local involvement. Additional bid packages were prepared and will be released in April for mechanical and HVAC systems, concrete forming and installation, non-structural framing, fuel oil piping, exterior structural steel and fencing.

A cost-benefit analysis of various cathodic protection options for the facility piling was reviewed. The analysis indicated the additional cost would be between \$300,000 and \$500,000 and require extensive maintenance of anodes but would not materially extend the life of the piling system. The Utility Board unanimously rejected installation of cathodic protection.

A petition was filed with the Alaska Dept. of Environmental Conservation (ADEC) seeking to default the air construction permit BACT determination for SO₂. Per agreement with ADEC, if the incremental cost to use of low sulfur fuel exceeded 4 cents per gallon, a default determination would be enacted; the projected incremental cost based on bids from suppliers exceeded 10 cents per gallon and the product is not commercially available in Alaska.

Existing or Potential Problems:

None related to grant administration.

Activities Targeted for Next Reporting Period:

- evaluate bid results and award contracts
- continue to procure materials
- continue dialogue with Denali Commission on allocation of additional funds previously authorized by Congressional action