

North Slope leaders to meet with Secretary of Energy

Edward E. Hopson, president of the Arctic Slope Regional Corporation (ASRC), announced that he has invited Secretary of Energy Charles Duncan to meet with ASRC and other North Slope Leaders during his visit to Prudhoe Bay this summer. Hopson believes that by meeting with them in one of the villages, the Secretary will better understand the acute energy problems they continually face.

In Nuiqsut, residents pay \$160 per drum of stove oil to heat their homes. They worry about oil supplies lasting through winter. It is ironic: the Prudhoe Bay oil fields - the largest discovery in the United States in recent years - are only 50 miles away.

The fields have been producing since 1977. When Prudhoe Bay's natural gas reserves are developed, the gas will be piped - like the oil - southward. In the midst of all this large-scale production, Nuiqsut face only rapidly increasing costs and shortages of fuel oil for life essential heating and electricity.

Hopson also announced a proposal to the Department of Energy (DOE) which could solve the energy problems of Nuiqsut and other villages on the North Slope, and to develop other remotely situated natural gas reserves on a commercial scale.

The proposed project will assess the viability of using North Slope gas to produce methanol to fuel the region's villages. If funded, the study will be the

first step in ASRC's efforts to tap the vast natural gas reserves of the North Slope. ASRC believes that potential for small-scale methanol production extends far beyond Alaska, to any area where natural gas reserves are undeveloped due to their isolation from existing or planned gas transportation systems or from major markets.

ASRC officials say they have enlisted a qualified team of corporate and consultant expertise to study the technical, transportation, financial, environmental and sociological aspects of the small-scale methanol project. Two major corporations involved are DM International, Inc. (Houston, Texas), and Westinghouse Offshore Power Systems (Jacksonville, Florida).

ASRC officials believe the project holds great promise for the North Slope's native residents. The residents still rely a great deal on subsistence hunting for their livelihood. Unfortunately, the rapidly escalating cost of imported petroleum forces them to spend a major portion of available cash on fuel for heating and generating electricity.

ASRC believes the proposal should be funded for several reasons:

First, the program gives preference to proposals featuring Native American involvement. ASRC, one of the most successful Native corporations in Alaska, would manage and control the study.



Barrow's mid winter electrical needs.

Second, the concept has potential for much broader application in other areas of Alaska, the United States, and worldwide. The issues the ASRC study will address will mean significant starts in competitive methanol plants for worldwide use.

Third, natural gas-to-methanol conversion is a well-developed technology being used to produce methanol in other areas of

the world. The ASRC plan would provide the North Slope with the opportunity to reduce and eventually overcome its dependence on imported petroleum products by converting its natural gas deposits to methanol for local consumption.

Only a fraction of North Slope gas reserves would be needed to satisfy local demand.

If the project proved economically viable, the market could be expanded to other Alaskan communities.

The DOE evaluation period for all proposals submitted to DOE is underway. ASRC's proposed study would take a year to complete and, if successful, be followed by design, financing, manufacturing and construction phases.