



## Alaska Village Energy Efficiency Program (VEEP)

### Funding Announcement & Instructions - RFA AEA-14-008

**Announcement Date: July 1, 2013**  
**Application Due Date: August 12, 2013**

## Introduction and Instructions

### Purpose

The Alaska Energy Authority (“AEA” or “Authority”) is soliciting competitive applications from qualified applicants for the purpose of energy efficiency and conservation improvements that will decrease both energy use and cost in public and community buildings and infrastructure in small, high energy cost communities.

### Introduction

The Alaska Energy Authority has received authorization from the State of Alaska to establish the Village Energy Efficiency Program (VEEP) under AS 44.83.080. Regulations for this program can be found under title 3 of the Alaska Administrative Code, 3AAC 108.400 – 3AAC 108.499. Total funding available to small, high energy cost communities under this announcement is \$900,000.

### Eligible Applicants

Alaska communities with a population no greater than 8,000 residents are invited to apply. Eligible applicants may include municipalities, cities, school districts, unincorporated villages, Native regional and village corporations, 501c3 tribal consortiums, regional housing authorities, councils organized under 25 U.S.C. 476 and traditional councils.

### Funding

Funding for this program is provided by the State of Alaska through the Alternative Energy and Energy Efficiency (AEEE) appropriation. Funding will be provided to eligible applicants based on population size. The population currently listed in the DCCED Community Database will be used to determine community population (<http://commerce.alaska.gov/dca/apps/DCRAExternal/>). Only a community’s resident population will be considered. The formula for funding is as follows:

- 100 or fewer people may receive up to \$100,000
- 101 to 200 people may receive up to \$150,000
- 201 to 500 people may receive up to \$200,000
- 501 to 1,000 people may receive up to \$300,000
- 1,000 or more people may receive up to \$400,000.

There is no matching fund requirement but a match is encouraged and is beneficial in the scoring process.

## Timeline

- July 1, 2013: Funding announcement, application process opens
- August 12, 2013: Application deadline
- August 13 to September 10, 2013: AEA review of applications, notification of awards
- October 2013: Grant awards and service provider contracts in place
- October 2014: Deadline for work plan approval
- October 2016: Deadline for all work to be completed
- December 30, 2016: Final reports and grant closeout, if not completed sooner

## Modifications to the RFA

Applicants may submit written requests for clarifications or modifications to this RFA to the Grant Manager no later than July 30, 2013.

Acceptance or denial of the request is solely at the discretion of the Authority. The Grant Manager has 10 calendar days to respond. Failure of the Grant Manager to issue a written modification within 10 days from submittal of request shall be considered a denial of the request.

Modifications to this request for applications may be issued at any time prior to the deadline for receipt of applications at the Authority's option. If modifications are issued within 10 days of the deadline for applications, the application deadline may be extended to allow time for applicants to respond to any changes. All modifications to this RFA will be in writing and posted to the program web site at <http://www.akenergyauthority.org/programs/alternativeVEEP.html> and the Authority will provide e-mail notice to applicants who complete and returned the Intent to Apply form.

## Grant Regulations

Grant regulations 3 AAC 108.400 to 3 AAC 108.499, effective June 30, 2013, are available for review at <http://www.akenergyauthority.org/statutes.html#Regulations>

## Application Preparation Costs

The Authority shall not pay for any costs incurred by the applicants to prepare and submit their application. No costs incurred by the applicants in preparation of their application may be charged as an expense of performing the grant.

## How to Submit an Application

Please submit a completed Village Energy Efficiency Program Application to Alaska Energy Authority as described below by August 12, 2013. Please be as accurate and concise as possible to avoid delays in processing or disqualification.

## Preferred Method of Submittal

- Complete the application forms on a computer (PDF fill-in form), typing responses in the spaces given. Save a digital copy of the completed digital form on your computer.
- Click the submit button at the top of the page to submit the completed document via email to AEA.
- If you do not have an electronic signature please print, sign and fax the Grant Agreement page to **907-771-3930**.
- Please keep a copy for your records.

### **Alternative Methods of Submittal**

- Complete the application forms on a computer (PDF fill-in form), typing responses in the spaces given. If entering the information on a computer is not possible, print and neatly handwrite the application forms.
- Print and sign.
- Fax, mail, hand deliver, or scan and email the documents to the address below.
- Please keep a copy for your records.

### **Submit Applications to**

Email: [veep@aidea.org](mailto:veep@aidea.org)  
Mail: Alaska Energy Authority  
Attn: VEEP Application  
813 W. Northern Lights Blvd.  
Anchorage, AK, 99503-2495  
Fax: (907) 771-3930

**Deadline:** Applications must be received by August 12, 2013.

The Applicant is solely responsible for complete and timely submission of the application. The Authority accepts no responsibility for submissions of applications or for applications that are received after the application deadlines, whether because they were misdirected, delayed, or erroneously addressed or for any other reason. Failure to meet the deadline will result in the application being rejected.

### **Confirmation of Receipt**

A confirmation of the receipt of your application will be made via email to the primary contact within two work days of receiving your application.

### **Review Process**

Applications will be reviewed for completeness and to ensure the proposed communities and projects meet the AEA guidelines. Applications will be reviewed and ranked by an AEA review committee using the evaluation criteria outlined below.

Approved applicants will be notified of their award. Once signed by both parties, the grant agreement is complete and work may begin. Any errors, omissions or illegible writing in the application could delay the review of the application.

### **Contact information**

Receipt confirmation:

Yolanda Inga, (907) 771-3903, [yinga@aidea.org](mailto:yinga@aidea.org)

Application or activity questions:

Frequently Asked Questions:

<http://www.akenergyauthority.org/programsalternativeVEEP.html>

Rebecca Garrett, (907) 771-3042, [rgarrett@aidea.org](mailto:rgarrett@aidea.org)

Cady Lister, (907) 771-3039, [clister@aidea.org](mailto:clister@aidea.org)

Grant agreement questions:

Shawn Calfa, (907) 771-3000, [scalfa@aidea.org](mailto:scalfa@aidea.org)

## Evaluation of Applications

To ensure effective use of the funding, AEA has developed criteria by which to evaluate applications. The first five criteria will be used to score all applicants; each criterion is weighted according to the following table. The sixth criteria may impact the final selection to ensure that resources are distributed in a geographically equitable way.

Criteria #	Criteria	Percentage of score
1	Cost of energy – blend of cost per kWh and per gallon for heating fuel	35%
2	Demand for energy in community from climate	10%
3	Recent past participation in identified state or federal end-use efficiency programs	20%
4	Current participation in state or federal funded end-use efficiency or other energy programs	15%
5	Local match	20%
6	Equitable geographic distribution of the awards	NA

1. Cost of energy. Maximum score = 35
  - a. Communities will be given points for cost of fuel based on a 50/50 blended cost of electricity and heating fuel.
  - b. Electricity cost: For Power Cost Equalization (PCE) communities the PCE level for the most current year will be used to establish electricity costs. For non-PCE communities a statement of cost from the utility must be provided with the application.
  - c. Heating fuel cost: The applicant must provide a copy of an actual invoice for heating fuel from within the last 12 months to establish cost.
2. Demand for energy in the community. Maximum score = 10
  - a. Demand for energy will be established by heating degree days (HDD); **applicant does not need to provide any information.**
3. Past participation in state or federal end-use efficiency programs. Maximum score = 20
  - a. If a community has NOT recently (within the past 4 years) received Village Energy Efficiency Program (VEEP), Energy Efficiency and Conservation Block Grant (EECBG) or Strategic Technical Assistance Response Team (START) assistance they will be given additional points and considered an underserved community. **Please note: communities are still eligible for VEEP funding under this solicitation even if they have recently participated in one of programs listed above.**
  - b. Please see provided list of communities that have recently participated if you are unsure of your community's status.
4. Current participation in state or federal funded end-use efficiency programs and/or programs that offset diesel through heating system improvements such as heat recovery, biomass, ground source heat pumps, etc. Maximum score = 15 points
  - a. If a community is currently participating in a state or federal funded end-use efficiency or other energy program and AEA determines there are cost and energy saving benefits that can be derived from running VEEP in conjunction then the community will receive up to 15 additional points depending on the amount of benefit.

5. Local match. Maximum score = 20 points
  - a. Community match can include: cash, labor resources, equipment resources, and lodging and support for contract workers.
6. Equitable geographic distribution of the awards.

After the applicants have been scored, the evaluation committee will distribute funds to insure geographic equity. Geographic distribution will be evaluated on a 5 year cycle. Some years may be heavily focused in one region of the state but over a 5 year time period funds will be allocated across the state.

## Project Requirements

### Eligible projects

Communities may use VEEP grant funding for the following types of energy efficiency and conservation projects.

1. **Energy efficiency audits of public buildings.** No more than 30 percent of the funding may be used for energy audits. At least 70 percent of the funding must be used for energy efficiency or conservation measures, items 2-4 below.
2. **Energy efficiency measures\* in public buildings.** These include, but are not limited to:
  - a. Efficiency improvements to the building thermal envelope
  - b. Efficiency improvements to the building heating, air conditioning and/or ventilation system
  - c. Efficiency improvements to the building's electrical load, including lighting, motors, pumps, water heaters, heat trace, control equipment (such as timers or occupancy sensors), exit signs, refrigeration, appliances, and other electric loads.
3. **Energy efficiency measures\* to other public facilities,** such as street or trail lighting, or other public infrastructure.
4. **Energy conservation measures\*\*,** are limited to: establish workplace policies or programs for employees regarding the conservation of energy; design and adopt public building and public facility energy conservation programs; and/or conduct public education to increase community participation in conservation activities and implementation of efficiency measures. Conservation measures can use no more than \$10,000 of the total grant award.

\*Energy efficiency measures (EEMs) are generally improvements to a technology or piece of equipment or other building structure that saves energy due to the equipment or materials.

\*\* Energy conservation measures (ECMs) are generally energy use reductions due to a human behavior, such as turning off equipment when not in use, or adjusting window coverings to maximize or decrease solar heat gain inside a building.

### Implementation Options

Grantees may select from one of two implementation options, which are described more fully in the Select Application Packet section:

1. Option 1: Opt-in technical assistance
2. Option 2: Opt-out technical assistance

### Reporting

All grant recipients will be required to file quarterly reports that follow the Authority's reporting requirements. These reports will include narrative, metric, and financial reporting. All reports must be submitted in the format and using the technology required by the Authority.

See samples on our website at  
<http://www.akenergyauthority.org/programsalternativeVEEP.html>

### **Payments**

Grant funds will be paid on a reimbursement basis for eligible documented costs upon receipt of a complete and timely quarterly report (see Grant Stipulations for quarterly deadlines). Additional payment requests may be made up to monthly so long as they also include a progress report on the same form as the quarterly reports. If the grantee chooses Option 1: Opt-in Technical Assistance grant option, payments will be made directly to the service provider on behalf of the community. Regardless of whether extra payment requests are made, quarterly reports are due by the specified day each quarter from initiation until the project is closed. A small portion of the grant funds (up to 10%) will be held until the final reports and operation and maintenance plans have been approved by AEA.

### **Photographs**

Recipients are encouraged to take before and after photographs of their projects to include in their quarterly and/or close-out reports. Digital photographs and brief descriptions may be emailed to [veep@aidea.org](mailto:veep@aidea.org), along with a photo release form if individuals are pictured. The release form is located at <http://www.akenergyauthority.org/programsalternativeVEEP.html>.

### **More Information**

More information can be found at the Alaska Energy Authority web site <http://www.akenergyauthority.org/programsalternativeVEEP.html>, including links to materials about these grants, updates, frequently asked questions (FAQs), and additional information. This link will continue to be updated as new information is available.

## **Select Application Packet**

Select Grant Application Packet – Option 1 if the community will be selecting the “Opt-in Technical Assistance” option. Select Grant Application Packet – Option 2 if the community will be selecting the “Opt-out Technical Assistance” option. These options are outlined below.

### **Option 1: Opt-In Technical Assistance**

The opt-in technical assistance option will provide your community with a qualified energy professional (hereafter “contractor”) that has been screened and selected by the Alaska Energy Authority. The contractor will enter into an agreement with the Authority for payment and reporting and will be required to work closely with the community contact. The community is still the grant recipient and ultimate decision maker under both options. Option 1 is designed to lessen the administrative and technical burden on the community and to increase the benefits of the dollars spent in the community.

The selected contractor will assess the energy efficiency and conservation measures possible in a selected community’s public buildings and facilities with the outcome of saving the community energy and money. The contractor and the Authority will work closely with community designated local points of contact to identify which projects take priority with the funds available. The contractor will also perform or contract to perform implementation of the efficiency measures and will be responsible for all reporting requirements in a timely and accurate manner on behalf of the community. Through this option, the selected contractor will request and receive reimbursements directly from the Authority for expenditures made on behalf of the community.

Alaska Energy Authority has had strong positive results using this contractor arrangement for our VEEP programs. Between 2010 and 2012, 23 communities and 150 buildings and pieces of community infrastructure were served by VEEP for total estimated savings of more than \$600,000 in annual reduced energy costs. On average, for every dollar invested, around \$3.00 is saved in energy costs over the conservatively estimated 10-year average life of the energy efficiency measures. More information, including detailed reports can be found on AEA's web site: <http://www.akenergyauthority.org/programsalternativeVEEP.html>

Any community can opt-in to this program by choosing Option 1. Below are some of the potential positive and negative attributes from the community's perspective.

#### Potential positive attributes of Option 1: Opt-In Technical Assistance

- Obtain technical assistance to identify the largest energy saving measures to create the largest long-term cost savings for the city.
- No reporting requirements for the community.
- Financial tracking of local match only.
- Authority will screen and select qualified contractors.
- Contractor will work closely with city to identify needs.
- More cost-effective measures are likely to be identified.
- Contractor will employ or have access to engineers, electricians, and other resources as needed.
- Contractors will be hired to serve distinct regions of the state to save on expenses and to develop awareness and expertise of regional projects, conditions and needs.
- Contractors may obtain better pricing on purchased supplies and equipment (such as lights) through quantity purchasing for many communities at the same time.
- Contractors may save on shipping costs by consolidating shipments.

#### Potential negative attributes of Opt-in

- Community does not receive funding directly, instead funding is applied to the community's project through the selected contractor.
- Communities that already know their greatest energy efficiency needs and who have the staff or contractors to initiate the project may be better served to hire their own auditor and perform the energy efficiency measures directly.

#### Option 2: Opt-out technical assistance

A community may choose the Option 2: Opt-out if they want to administer the grant directly. Under this option the community is responsible for complying with program rules, regulations and reporting requirements. The Authority reserves the right to deny a community the opt-out option if they cannot demonstrate the administrative capacity needed to successfully oversee the project. Communities can demonstrate capacity by providing resumes of key personnel, describing their organizational structure and providing examples of past successful project management and completion.

# Instructions for the Grant Application Part A

## *Option 1 & 2 Packets*

### **Section 1 “Applicant Information”** Complete all boxes in this section

- Organization EIN is the city’s Federal Employer Identification Number, also known as a Federal Tax Identification Number (TIN).
- Fiscal Year: Month and day of applicant’s fiscal year end
- Principal Contact/Project Manager: Provide the contact information for the contact person for this project, typically the project manager.

**Section 2 “Scope of Grant”:** This section will be prefilled depending on which application packet is selected, be sure to check that the correct application packet has been selected. Different information is required depending on which option is chosen, this information will be submitted as Grant Application Part B for Option 1 or Part C for Option 2 and is included in the appropriate application packet.

### **Section 2.1 “Project Name”**

- Give the project a descriptive name. Please include the community name in the project name.

### **Section 3 “Period of Performance”**

- Review this section to ensure understanding of grant completion date.

### **Section 4 “Appendices”**

- Review all documents listed in this section and complete and return all documents in the application packet.
- If community is NOT a PCE community please include documentation showing electric rate information.

### **Section 5 “Signature Line”**

- Please include the signature of an authorized representative, the printed name and title as well as date. An electronic signature is acceptable.

# Instructions for the Grant Application Part B

## *Option 1 Packet*

1. Required: Name of eligible community
2. Required: Community current population as listed in the Department of Commerce, Community and Economic Development (DCCED) database at <http://commerce.alaska.gov/dca/apps/DCRAExternal/>.
3. Required: Provide cost per gallon of heating fuel in space provided. Applicant must also attach an actual invoice for heating fuel delivered to the community within the last 12 months.
4. Required for applicants providing match: Please indicate in-kind cash match amount on this line. Cash match can include other local, state or federal government funds, loans that are not yet secured but in-process, and other sources of funding.
5. Required only if providing match: Please indicate the total in-kind match dollar equivalent value of non-cash match in the space provided.
6. Required only if providing match: Describe in-kind contributions.
7. Required: Indicate if and details of VEEP, EECBG or START funding that the community has received in the last four years.

8. Required: Please describe any efficiency programs currently underway or planned for the time period that the current VEEP grant will cover that may create synergistic or value added opportunities. For example, if there is a planned efficiency project around the same time funded through a different source then materials procurement and labor might be shared, lowering costs for both.
9. Required: Please describe the community's readiness and commitment to working with energy service contractor(s) and the Authority for the duration of the grant.
10. Optional: If the community has an idea of where efficiency opportunities exist or where work should be focused please use the table provided to list those opportunities. Please note that this section will have no bearing on the evaluation.
11. Required: Please indicate if the community agrees to the requirement to submit an operations and maintenance plan for each building which receives VEEP funded efficiency measures by checking Yes or No.

## Instructions for the Grant Application Part C

### *Option 2 Packet*

#### *For Option 2 Opt-out Technical Assistance*

Complete fields 1-11 following instructions provided above for Option 1 applicants and:

12. Required: provide the name and qualifications of energy specialists and professionals who will be doing work under the grant. Attach resumes of key personnel. Include verification that commercial energy auditors are Commercial Energy Auditor (CEA) or Commercial Energy Manager (CEM) certified or that they have an equivalent certification that is acceptable to AEA.
13. Required: provide a project timeline including estimated dates for completion of all major milestones including: completion of energy audits, work plan submission to the Authority, implementation of efficiency measures, submission of operations and maintenance plan for each building that has received efficiency and conservation improvements through the grant.
14. Required: confirm that attached budget specifies that no more than 30% of total grant funds will be used to pay for energy audits and that at least 70% of grant funds will be used for implementation of efficiency and conservation measures. Attach copy of project budget on the form provided.
15. Required: Please describe applicants' administrative capacity. Attach resumes of key personnel.

## Instructions for the Grant Application Budget Form

### *Option 1 & 2 Packet*

Table A must be completed by all applicants. To determine the maximum amount of VEEP funds available for the community please see page 1 of this announcement for the funding level associated with community population levels.

Use current community population listed on DCCED database located here:

<http://commerce.alaska.gov/dca/apps/DCRAExternal/>.

Table B and the associated budget narrative is for Option 2 – Opt-out Technical Assistance applicants only.

## Definitions

For the purposes of this application form, the following definitions are provided:

- **Energy efficiency measure (EEM):** An energy efficiency measure is an action (measure) taken to reduce energy use through the use of improved efficiency technology. For example, changing lighting from a less efficient incandescent lighting to more efficient fluorescent lighting; replacing a less efficient motor or appliance with a more efficient motor or appliance.
- **Energy conservation measures (ECM):** an energy conservation measure is an action (measure) taken to reduce energy use through changing human behaviors, for example turning off equipment when not in use, or creating workplace policies that set a standard regarding employees and energy use.
- **Retrofit:** Replacing components of existing equipment with new equipment. For example, a lighting retrofit would typically involve replacing ballasts and lamps in existing lighting fixtures. A **replacement** or **redesign**, by comparison, would replace the entire fixture or would redesign the placement and light output of the new lighting fixtures.
- **Energy audit or assessment:** An energy audit or assessment is an inspection, survey and analysis of energy flows in a building, process, or system with the objective of understanding the energy dynamics of the system under study. For the purposes of these grants energy audits are conducted to understand the opportunities to reduce the amount of energy used without negatively (and sometimes positively) affecting the outputs.
- **Commercial energy auditor:** For the purposes of this program a commercial energy auditor is a professional with either a CEA or CEM certification from the Association of Energy Engineers or, at the discretion of the Project Manager, a certification deemed equivalent.

## Acronyms

- AEA: Alaska Energy Authority
- AHFC: Alaska Housing and Finance Corporation
- DCCED: Department of Commerce, Community and Economic Development
- ECM: Energy Conservation Measure
- EECBG: Energy Efficiency and Conservation Block Grants
- EEM: Energy Efficiency Measure
- PCE: Power Cost Equalization program
- START: Strategic Technical Assistance Response Team
- VEEP: Village Energy Efficiency Program