

ALASKA ENERGY AUTHORITY

# RENEWABLE ENERGY FUND ROUND 16

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Safe,  
Reliable, and  
Affordable  
Energy  
Solutions

# Renewable Energy Fund (REF)

Established in 2008, the REF is a unique and robust competitive grant program, which provides critical financial assistance for statewide renewable energy projects. The REF's sunset date provision was repealed with House Bill 62, signed into law by Governor Dunleavy on May 25, 2023.

The REF funds projects across all development phases, serving as a catalyst for the continued pursuit of integrating proven and nascent technologies within Alaska's energy portfolio.



\$317 million invested in the REF by the State.



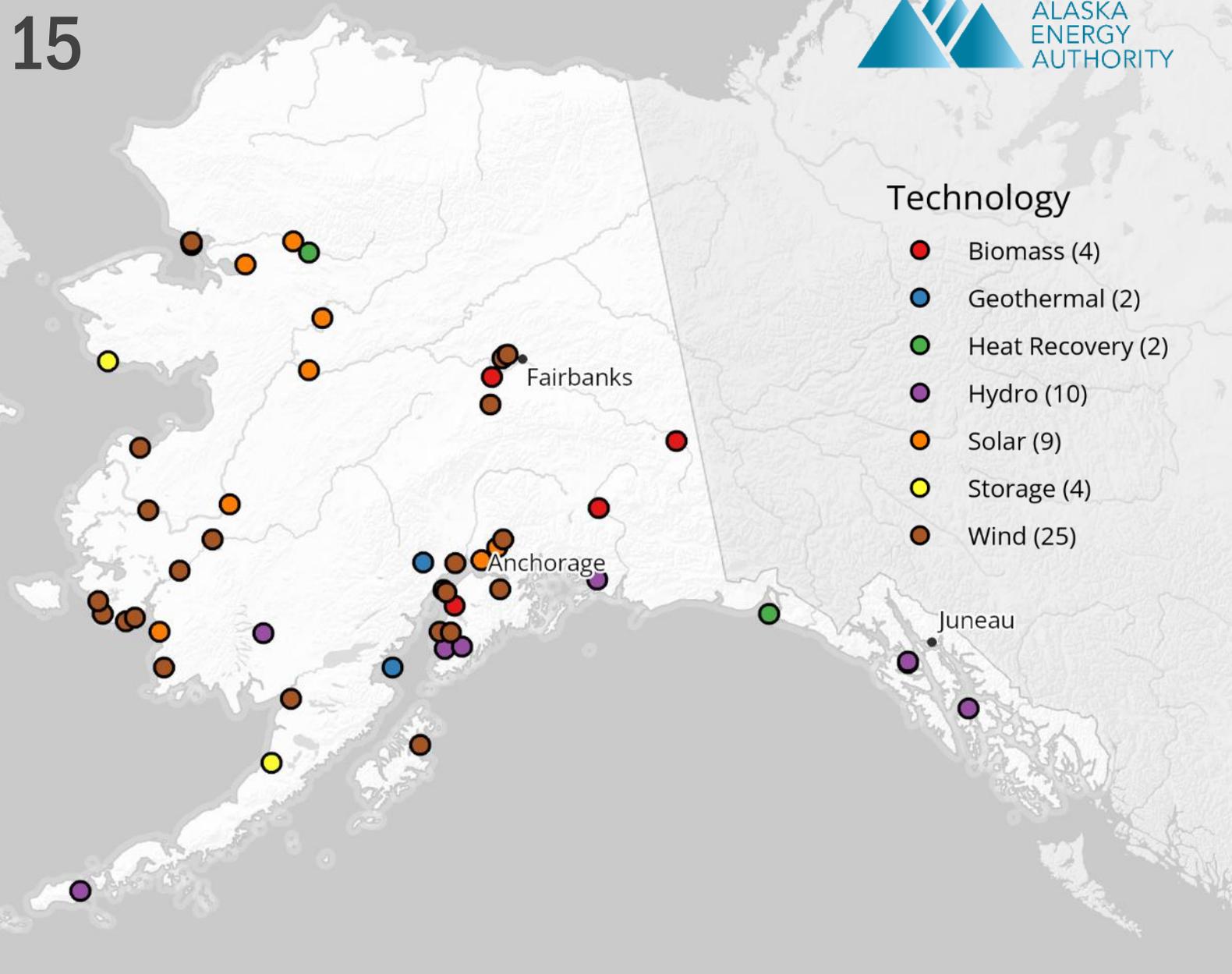
100+ operational projects, 44 in development, and 18 projects funded for FY24.



The 33<sup>rd</sup> Alaska State Legislature appropriated \$17 million for 18 projects recommended by AEA and approved by the REF Advisory Committee.

# REF Rounds 13, 14, and 15

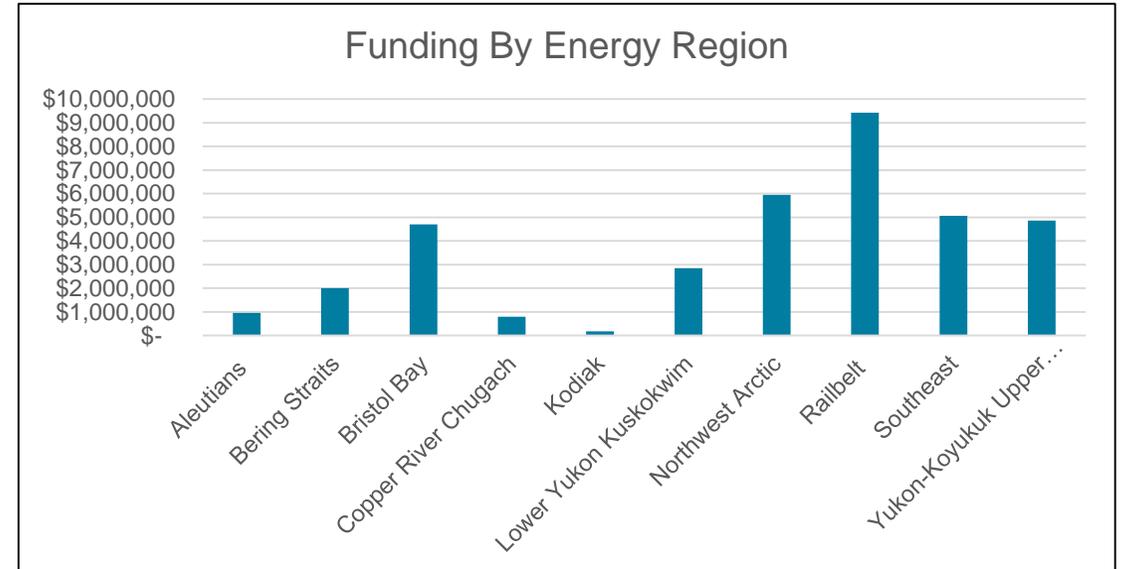
- Through recommendation by the Governor and approval by the Legislature, the State of Alaska appropriated nearly \$37 million in support of 56 REF projects from Rounds 13, 14, and 15.
- The appropriation of \$17 million in the fiscal year 2024 for Round 15 was the largest appropriation since the fiscal year 2014.
- State funding has been supplemented with hundreds of millions of dollars from local sources to develop viable renewable energy projects that will reduce reliance on fossil fuels.



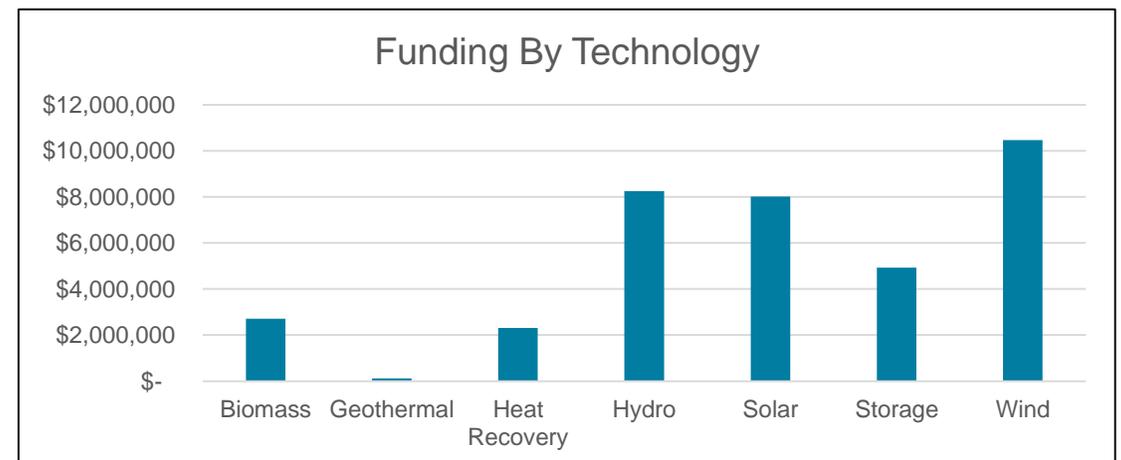
# Rounds 13,14, and 15: Funded Projects Summary

In REF Rounds 13, 14, and 15, the State of Alaska funded 56 projects totaling approximately \$37 million.

Projects by Energy Region	No. of Projects	Funding
Aleutians	3	\$ 957,650
Bering Straits	1	\$ 2,000,000
Bristol Bay	5	\$ 4,699,984
Copper River Chugach	2	\$ 794,642
Kodiak	1	\$ 172,600
Lower Yukon-Kuskokwim	11	\$ 2,850,982
Northwest Arctic	6	\$ 5,955,542
Railbelt	19	\$ 9,433,940
Southeast	4	\$ 5,062,368
Yukon-Koyukuk Tanana	4	\$ 4,867,000
<b>Total</b>	<b>56</b>	<b>\$ 36,764,708</b>



Projects By Energy Technology	No. of Projects	Funding
Biomass	4	\$ 2,711,107
Geothermal	2	\$ 113,500
Heat Recovery	2	\$ 2,303,607
Hydro	10	\$ 8,255,160
Solar	9	\$ 8,020,000
Storage	4	\$ 4,921,484
Wind	25	\$ 10,469,850
<b>Total</b>	<b>56</b>	<b>\$ 36,764,708</b>



# REF Statutory Guidance (AS 42.45.045)

## ELIGIBLE PROJECTS MUST:

- Be a new project not in operation in 2008, and
  - be a hydroelectric facility;
  - direct use of renewable energy resources;
  - a facility that generates electricity from fuel cells that use hydrogen from renewable energy sources or natural gas (subject to additional conditions);
  - or be a facility that generates electricity using renewable energy.
  - natural gas applications must also benefit a community that:
    - Has a population of 10,000 or less, and
    - does not have economically viable renewable energy resources it can develop.

## ELIGIBLE APPLICANTS INCLUDE:

- electric utility holding a certificate of public convenience and necessity (CPCN);
- independent power producer;
- local government;
- or, or other governmental utility, including a tribal council and housing authority.

# REF Funding Limits

## REF Round XVI Grant Funding Limits

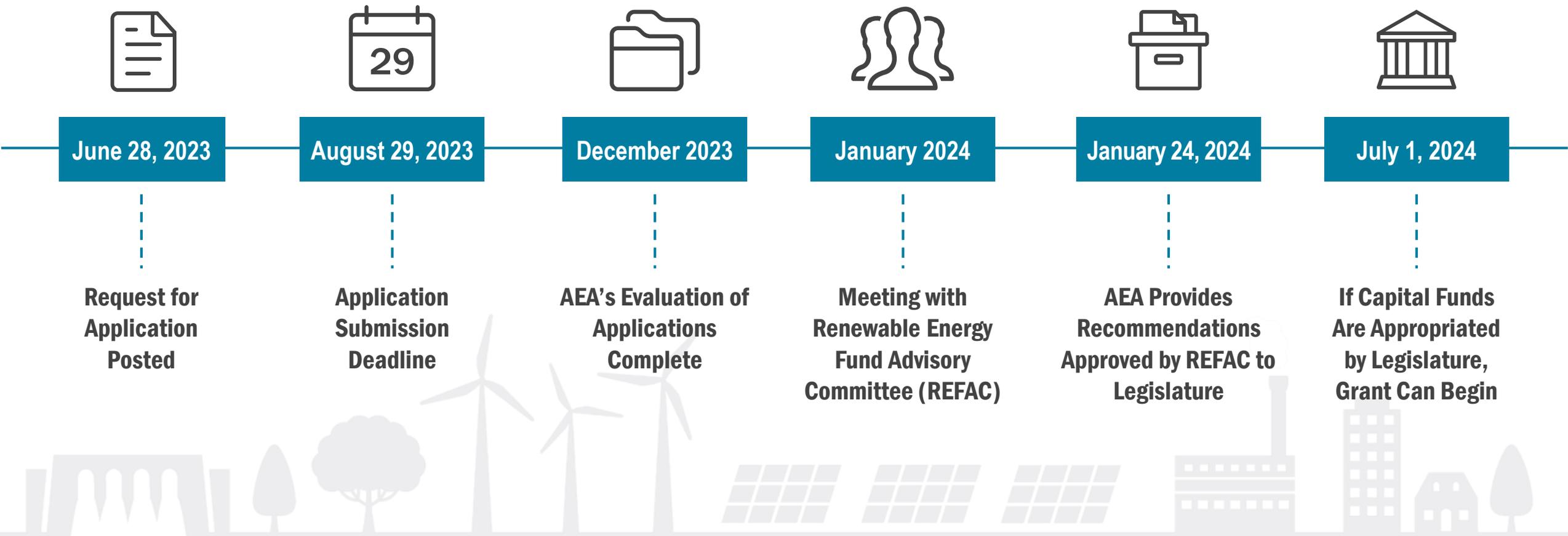
Phase	Low Energy Cost Areas*	High Energy Cost Areas**
Total Project Grant Limit	\$2 Million	\$4 Million
Phase I: Reconnaissance Phase II: Feasibility and Conceptual Design	The per <u>project</u> total of Phase I and II is limited to 20% of anticipated construction cost (Phase IV), not to exceed \$2 Million.	
Phase III: Final Design and Permitting	20% of anticipated construction cost (Phase IV), and counting against the total construction grant limit below.	
Phase IV: Construction and Commissioning	<u>\$2 Million per project</u> , including final design and permitting (Phase III) costs, above.	<u>\$4 Million per project</u> , including final design and permitting (Phase III) costs, above.
Exceptions		
Biofuel projects	Biofuel projects where the applicant does not intend to generate electricity or heat for sale to the public are limited to reconnaissance and feasibility phases only at the limits expressed above. Biofuel is a solid, liquid or gaseous fuel produced from biomass, excluding fossil fuels.	
Geothermal projects	The per-project total of Phase I and II for geothermal projects is limited to 20% of anticipated construction costs (Phase IV), not to exceed \$2 million /\$4 million (low/high cost areas). Any amount above the usual \$2 million cap spent on these two phases combined shall reduce the total Phase III and IV grant limit by the same amount, thereby keeping the same total grant dollar cap as all other projects. This exception recognizes the typically increased cost of the feasibility stage due to test well drilling.	

REF Round XVI funding limits are governed by the requested phase(s) in the application and the technology type applied.

### Low vs High Cost Energy Areas:

- **\*Low Energy Cost Areas** are defined as communities connected to the Railbelt electrical grid or with a residential retail electric rate of below \$0.20 per kWh, before Power Cost Equalization (PCE) reimbursement is applied. For heat projects, low energy cost areas are communities with natural gas available as a heating fuel to at least 50% of residences, or availability expected by the time the proposed project is constructed.
- **\*\*High Energy Cost Areas** are defined as communities with a residential retail electric rate of \$0.20 per kWh or higher, before PCE funding is applied. For heat projects, high energy cost areas are communities that do not have natural gas available as a heating fuel.

# REF Rounds 16 Timeline



AEA provides  
**energy solutions**  
to meet the  
unique needs of  
Alaska's rural  
and urban  
communities.

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