Renewable Energy Fund

IMPORTANT NOTICE

Requests for Grant Applications (RFA) AEA 23001 for

Renewable Energy Fund Grant Program (ROUND 14)

RFA ISSUE DATE: November 16, 2021
APPLICATION DUE DATE: Tuesday, January 18, 2022 at 4 p.m.

Register to Receive Notification: Interested applicants that want to be notified of updates or changes to the Renewable Energy Fund (REF) Request for Applications (RFA) must subscribe to the State of Alaska REF List Server. Follow the link list.state.ak.us, scroll down until you find the listserve "aea.renewable.energy.fund," click on it, and follow the subscription instructions.

Two Applications: The Renewable Energy Grant Fund and Recommendation Program ("Renewable Energy Fund"), has two application forms for two categories of renewable energy projects:

1) **Heat Application Form** is for projects with a primary purpose of producing heat, and
2) **Standard Application Form** is for all other eligible projects, as defined in Section 1.5 of this document.

Both applications may be found at the Alaska Energy Authority's (AEA) website at: https://www.akenergyauthority.org/What-We-Do/Grants-Loans/Renewable-Energy-Fund/2021-REF-Application.

Economic Model: AEA makes available to all applicants the economic model used to evaluate projects. This model has built-in future fuel cost projections and other important information that we use to ensure a level playing field for all applications. Applicants are not required to use the model.

Public Records Notice to Applicants:

- AEA is subject to the Public Records Act, Alaska Statute (AS) 40.25 and materials submitted to AEA may be subject to disclosure requirements under the act if no statutory exemptions apply.
- In accordance with Alaska Regulations (3 AAC 107.630 (b)) applicants may request certain information be kept confidential subject to review and approval by AEA.
- All applications and information received will be posted on AEA's website after final recommendations are made to the Legislature.

Contact: Questions about this RFA and the application process should be directed to**:**

Grants Coordinator
Alaska Energy Authority
Phone: (907) 771-3081
Email: grants@akenergyauthority.org

Deadline: Applications must be submitted to AEA by no later than 4 p.m. on Tuesday, January 18, 2022 either by email or physical delivery. Faxed applications will not be accepted. See Section 1.7 of this RFA for instructions and details.

Past Applicants: AEA encourages applicants who were recommended but not funded in previous rounds to resubmit **updated** applications using the current application for consideration

in the current round. If you have any questions regarding resubmittal of your previous application please contact AEA's grants coordinator listed above.

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1. Introduction and Instructions

1.1 Purpose

Pursuant to Chapter 31 Session Laws of Alaska 2008 and as amended by Chapter 12 Session Laws of Alaska 2012 (referred to below as the program legislation), which establishes and amends the renewable energy grant recommendation program in AS AS 42.45.045, AEA is soliciting competitive applications from qualified applicants for the purpose of recommending grants for renewable energy (RE) projects to be funded by the Alaska State Legislature. Applications will be accepted and evaluated in accordance with AS (AS 42.45.045), and regulations (3 AAC107.600 – 695) and this RFA.

1.2 Introduction

This RFA sets out the purpose, instructions, requirements, evaluative criteria, and other information for submitting an application to AEA for recommendation for grant funding.

This RFA is organized as follows:

Section 1 – Introduction and Instructions: describes program and procedural requirements for preparing and submitting an application.

Section 2 – Project Requirements: describes project information that is required to be discussed in each application.

Section 3 – Grant Requirements: describes specific grant terms and conditions related to this program.

Section 4 – Application Evaluation Process and Criteria: describes the criteria that will be used to evaluate and rank each application.

Section 5 – Appendices: provides additional reference material to assist in application preparation, application forms, grant documents, and applicable law.

Accompanying this RFA are application forms to use in preparing your application for a REF Grant.

1.3 Government Roles and Responsibilities

The Alaska Legislature established the Renewable Energy Grant Fund and the associated Renewable Energy Grant Recommendation Program in Chapter 31 SLA 2008, which the Legislature enacted in 2008. This bill included a new statute, AS 42.45.045, outlining the program and giving AEA responsibility for administering the program. The Legislature is responsible for final approval and funding of all REF grant projects, with the Governor's approval.

AEA is a public corporation of the State of Alaska with the mission to reduce the cost of energy in Alaska and by carrying out the powers and duties assigned to it. AS 42.45.045 gives AEA the authority to solicit applications for projects, develop and implement regulations, and recommend grants for renewable energy projects to the Alaska Legislature. AEA has adopted regulations under 3 AAC107.600 – 695 for the purpose of implementing this program.

AEA's grants coordinator is responsible for accepting applications, coordinating any communications with grantees, and posting any changes or clarifications to the application process. AEA's REF program manager is responsible for coordinating the evaluation of all applications, and developing the lists of grant projects to be recommended to the Legislature.

AEA consults with REFAC in establishing the final ranking of recommended applications.

An AEA project manager will be assigned to assist each grantee whose application is selected for grant funding. Tasks and level of AEA's project management will vary according to the project management plan developed under the grant agreement with the goal of safeguarding the AEA's investment in the project. At a minimum, the AEA project manager will clarify grant requirements, review progress reports and billings, and review and accept deliverables of the grant project. The project management plan developed under the grant agreement may have applicants self-manage the awarded project or have AEA manage the project. Unless AEA is the primary project manager, the applicant should be prepared to have staff or a contractor available to perform all of the duties required to adequately manage the project.

The Executive Director of AEA or a designee will approve the final grant and carry out all other duties as defined in statutes, regulations, and this RFA.

1.4 Eligible Applicants

To be eligible for a grant recommendation the applicant must demonstrate formal approval and endorsement of its project by its governing authority (such as board of directors or executive management if it does not have a governing board) and be one of the following types of entities:

1. An electric utility holding a certificate of public convenience and necessity under AS 42.05;
2. An independent power producer as defined under 3 AAC 107.695 (a) (1);
   "independent power producer" means a corporation, person, agency, authority, or other legal entity or instrumentality, that is not an electric utility and that owns or operates a facility for the generation or production of energy entirely for use by the residents of one or more municipalities or unincorporated communities recognized by the Department of Commerce, Community, and Economic Development for community revenue sharing under AS 29.60.850 - 29.60.879 and 3 AAC 180.
3. A local government; or
4. A governmental entity (which includes tribal councils and housing authorities).

In accordance with 3 AAC 107.610, an applicant must also be able to demonstrate that they will take ownership of the project; own, lease, or otherwise control the site upon which the project is located; and upon completion of the project operate and maintain it for its economic life for the benefit of the public.

Applications whose applicants do not meet these requirements will be rejected without further evaluation.

1.5 Eligible Projects

AEA may recommend grants for reconnaissance studies, feasibility studies, final design and construction of an eligible project. Applications for projects that are not eligible per the statute and regulations will be rejected without further evaluation.

To be eligible for a grant recommendation the applicant's project must:

1.5.1. Be a

- new project not in operation on August 20, 2008 or,
- an addition to an existing project made after August 20, 2008;

AND

1.5.2 Be a

- hydroelectric facility:
- direct use of renewable energy resources;
- facility that generates electricity from fuel cells that use hydrogen from renewable energy resources or natural gas; or
- facility that generates energy from renewable energy resources.

"Renewable energy resources" means:

- wind, solar, geothermal, waste heat recovery, hydrothermal, wave, tidal, river in-stream, hydropower; or
- low-emission nontoxic biomass based on solid or liquid organic fuels from wood, forest and field residues, or animal or fish products; or
- dedicated energy crops available on a renewable basis; or
- landfill gas and digester gas.

"Wasteheat recovery" means systems for the recovery of unused heat from systems or processes in operation when the applicant applies for a renewable energy grant. REF grant funds will be allocated only to the portions of existing systems that are required for the capture and distribution of heat.

A project involving the "direct use of renewable energy resources" means it either uses renewable energy to generate energy or to make fuel used to generate energy. (3 AAC 107.615)

To qualify for a grant, a natural gas project (other than one using landfill or digester gas) must benefit a community that:

- has a population of 10,000 or less; and
- does not have economically viable renewable energy resources that it can develop.

Or the applicant's project must:

1.5.3 Be for the construction of transmission or distribution infrastructure located in Alaska that links a renewable energy project or natural gas project to other transmission or distribution infrastructure. For electrical projects, distribution from the grid to end users is not an eligible use. (An applicant requesting a grant for transmission or distribution infrastructure is not required to be involved in the financing or construction of the renewable energy project or natural gas project it may be connecting.)

As mentioned on page 1 of this document, two application forms are available. One for heat projects, one for all other projects. Heat projects are those with a primary purpose to produce thermal energy via renewable energy source. These include but are not limited to: biomass or biofuels for heat generation; geothermal for heat; geothermal heat pumps; wind to heat; hydro to heat; heat recovery; and solar thermal. Applicants proposing heat projects as defined above should complete the heat project application form. All other projects should complete the standard application form. If the proposed project generates heat *and* electricity, the applicant should complete the standard application form.

1.6 Public Benefit

In accordance with 3 AAC 107.605, an application for a grant from REF must provide sufficient public benefit. Therefore, an independent power producer will be required to have rates reviewed and approved by the Regulatory Commission of Alaska or, if the Regulatory Commission of Alaska does not have or exercise jurisdiction, reviewed and approved by the authority, for the use of assets funded in whole or in part with a renewable energy grant and for energy generated by those assets.

During the economic evaluation and scoring of applications, only the economic benefits to the public, direct and/or indirect will be included in the benefit/cost analysis. For example, if 50 percent of the energy produced is for the purpose of providing power to one private industry user, that portion of the energy will not count as a public benefit in the economic evaluation.

Projects proposed to generate energy from renewable energy (RE) resources whose primary markets are private sector industry (such as sawmills, cruise ships, mines, etc.) are required to provide additional information to demonstrate the public benefit of the project. Private market sales can increase the public benefit of the RE project if they are accounted for correctly and the general public purchases the remaining RE power. For the purposes of the economic evaluation of projects submitted to REF, the RE energy price Alaskans pay is calculated as the total cost of the RE generation divided by the total expected lifetime electric sales to Alaskans. Revenue from private sector industry sales can be used to offset the total cost of RE generation so Alaskans pay a price based on a smaller total cost. Using this approach, an RE project will still need to sell some power to the general public in order to produce a net benefit. Net revenue from industrial sales may also be considered in the cost/benefit calculation since the net revenue could potentially reduce cost to the public consumer.

The additional support information needed includes: (1) define the available renewable energy resource (in kWh) by month and (2) estimated sales (kWh) and (3) revenue ($) for displacing diesel generation for use at these private sector industry users and (4) estimated sales (kWh) and (5) revenue ($) for displacing diesel generation for use by the Alaskan public. The benefit-cost ratio calculated during the evaluation of the project application will take into account solely the savings to the general public through reduced unit power sales costs after project completion.

1.7 Filing an Application

Applicants may either submit their applications by (1) attaching their application and supporting documents to an email and sending it to the AEA grants coordinator, or (2) by having their applications physically delivered to AEA.

Applicants choosing to submit their application via email are asked to address the email to grants@akenergyauthority.org with the subject line of “REF Round 14 Grant Application”. Applicants are asked to submit the application and applicable documentation in searchable PDF or other word searchable electronic format. Applicants using this method are encouraged to use delivery receipt and read receipt. It should be noted that AEA’s email system limits attachments to 40MB and will not accept .zip files or executables.

Applicants choosing to submit their application via physical delivery method are asked to submit one (1) electronic version on an electronic storage device (i.e. CD/DVD or thumb drive) in a searchable PDF or other word searchable electronic format.

Additionally, if a hard copy of the completed application is submitted, AEA requires that the hard copy be double-sided with minimal binding, including appendices that can be duplicated. Physical delivery of either of the above must be in a sealed envelope(s) clearly labeled:

From: Applicant Return Address

To: Alaska Energy Authority
Renewable Energy Fund Grant Application
813 West Northern Lights Blvd
Anchorage, AK 99503

Any questions or concerns about filing an application should be directed to:

Grants Coordinator
Alaska Energy Authority
Direct Phone: (907) 771-3081
AEA Main Phone: (907) 771-3000
Email: grants@akenergyauthority.org

1.8 Application Deadline

All applications must be received no later than 4 p.m. on Tuesday, January 18, 2022.

The applicant is solely responsible for complete and timely submission of its application. AEA accepts no responsibility for submission of applications or for applications that are received after the application deadline, whether because they were misdirected, delayed, erroneously addressed, or for any other reason. While clarifying questions may be asked by AEA after this deadline, no new significant information will be accepted in support of an application.

Failure to meet the deadline will result in the application being rejected.

1.9 RFA Project Website

AEA's website at: https://www.akenergyauthority.org/What-We-Do/Grants-Loans/Renewable-Energy-Fund/2021-REF-Application has been set up to make information available to the public regarding the program. The site contains the following Round 14 information and documents:

- This RFA
- Application and Grant forms
- A summary of relevant questions received regarding the RFA and responses
- Clarifications and addenda to the RFA
- A list of all applications received upon completion of the review process
- Status of applications received (upon completion of the review and ranking process)
- PDF versions of all applications received (upon completion of the review and ranking process). Applicants are reminded that all information submitted with an application will be posted to the web; unless it is determined to be confidential. Resumes that are submitted as separate electronic files will not be posted to the web. **Please submit electronic copies of resumes in a separate electronic file from the application.**

1.10 Questions about the RFA

Applicants should carefully review all documents and AEA's website prior to contacting the grants coordinator with questions. Any questions regarding the RFA or grant documents should be directed to:

Grants Coordinator
Alaska Energy Authority
Direct Phone: (907) 771-3081
AEA Main Phone: (907) 771-3000
Email: grants@akenergyauthority.org

Questions that require clarification or interpretation of this RFA that the applicant cannot answer by careful review of the RFA should be submitted in writing (letter or email) no later than **January 5, 2022** (10 business days before the application due date).

The grants coordinator may contact the applicant directly by phone or email to respond to non-material questions. The grants coordinator will post the answer to material questions on the project website.

1.11 Modifications of the RFA

Applicants may submit written requests for modifications to this RFA to the grants coordinator no later than **January 5, 2022**. Please be advised that AEA cannot modify requirements of Statutes AS 42.45.045 or regulations 3 AAC107.600 – 695 as it relates to the solicitation.

Acceptance or denial of the request is solely at the discretion of AEA. The grants coordinator has 10 calendar days to respond, but not later than 4 calendar days prior to the application deadline. Failure of the grants coordinator to issue a written modification within 10 days from submittal of request shall be considered a denial of the request.

Modifications to this RFA may be issued at any time prior to the deadline for receipt of applications at AEA'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 website at https://www.akenergyauthority.org/What-We-Do/Grants-Loans/Renewable-Energy-Fund/2021-REF-Application and AEA will provide email notice to those registered as described on the cover page of this RFA.

1.12 RFA Schedule

Below is a schedule of critical dates related to this request and the award of grants. Actual dates after the application due date are tentative and may vary depending on the number of applications received, the complexity of applications, and the timing of the final state budget.

Task	**Actual or *Target* Dates**
Application Due Date	**1/18/2022**
Complete Evaluation of Applications	*3/20/2022*
AEA Submits Recommendations to Legislature	*4/15/2022*
Projects Approved for Funding by Legislature and Signed by Governor	*4/15/2022 - 5/30/2022*
Finalize Grant Award Documents (Contingent upon AEA receiving all documentation needed for award)	*6/1/2022 - 6/30/2022*

Actual award dates may vary depending on timing of legislative approval and any modifications that may be required to the grantee's proposal prior to grant award.

1.13 Grant Regulations

Grant regulations, 3 AAC107.600 – 695, effective 10/16/2009, have been developed and are available for review at: https://www.akenergyauthority.org/What-We-Do/Grants-Loans/Renewable-Energy-Fund or the State of Alaska Folio Infobase

1.14 Grant Funding Program Targets

A grant resulting from this RFA is subject to legislative appropriation. The program legislation indicates that the Legislature intends to provide $50 million per year from State fiscal year 2009 through 2023 for Renewable Energy Projects under this program. The actual amounts available for the program and for any particular grant are subject to legislative appropriation; previous years have been as high as $100 million and as low as $0. Through FY 2021, the Legislature has authorized over $275 million in grants that are being awarded as a result of AEA's past Requests for Applications. For the preceding Round 13, the Legislature approved and authorized $4.75 million to fund 11 AEA-recommended projects.

AEA must receive approval from the Legislature prior to award of any grant.

In a 2019 consultation with REFAC, AEA has established funding allocation targets by project phase as indicated below as goals in its selection of projects to recommend. The targets are preliminary and subject to adjustment based on the available funding and the type, number, and quality of projects submitted. This change is a reflection of the importance of state funding assisting projects in the early development stages that cannot as easily be financed through other mechanisms. Once through early development, strong projects are able to attract a variety of financing mechanisms.

Project Phase	Target Allocation – Percentage of Grant Funds Recommended
I. Reconnaissance Study	75%
II. Feasibility/Conceptual Design or Energy Resource Monitoring	
III. Final Design and Permitting	25%
IV. Construction and Commissioning	

1.15 Grant Funding Project Limits

In addition to the above program targets, AEA intends to impose limits on the amount of funds that will be available for individual grant projects. For a given project, the limits are cumulative by project phase; including all prior rounds of funding from REF, and are subject to adjustment based on the available funding and the type, number, and quality of projects submitted.

The purpose of these limits is to be able to fund more projects statewide and encourage financial participation on the part of the grant applicants. Applicants should take these limits into account when preparing their application as it is expected that the grantee will be responsible for any project costs beyond the grant funds available to complete the project. Note that these limits are lower than the $2/$4 million limits used in funding round prior to round 13, but these recognize the lower appropriation levels in past years.

Phase	Grant Limits by Location	
	Low Energy Cost Areas*	**High Energy Cost Areas****
Total project grant limit	$1 Million	$2 Million
Phase I, Reconnaissance	The per project total of Phase I and II is limited to 20% of anticipated construction cost (Phase IV), not to exceed $1 Million.	
Phase II, Feasibility and Conceptual Design		
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	**$1 Million** per project, including final design and permitting (Phase III) costs, above.	**$2 Million** per project, 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 $1 million /$2 million (low/high cost areas). Any amount above the usual $1 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.	

*Low Energy Cost Areas are defined as communities connected to the Railbelt electrical grid or with a residential retail electric rate 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. “Expected” is defined as: the project has a secured supply of natural gas and secured financing to build out the system needed to deliver gas to consumers.

**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.

For a given project, the limits are cumulative by project phase; including all prior rounds of funding from REF, and are subject to adjustment based on the available funding and the type, number, and quality of projects submitted.

1.16 Grantee Reimbursement

Reimbursement to grantees under this program is on a cost reimbursable basis. In accordance with the terms of the grant, a grantee is required to submit requests for reimbursements that document commitment, expenditures, and demonstrate meeting milestones identified in the grant.

The milestones, with a proposed reimbursement schedule, should be identified in the applicant’s proposal. The final reimbursement schedule is subject to negotiation and will be incorporated into the final grant agreement.

AEA may authorize a percentage of grant funds as an advance payment of the Grant; however, the grantee is still obligated to document all expenditures of grant and matching funds including any advance payment in subsequent requests for reimbursement.

AEA will withhold a percentage of the total grant subject to completion of the project and submission of final reports and other documentation that may be required by the grant.

1.17 Pre-Award Obligations and Reimbursement

If a potential grantee anticipates award of a grant the grantee may proceed with work on projects prior to fully executed grant award provided:

- They do so at their own risk as there is no guarantee projects will be funded or funded at the level requested in their application.
- They must have sufficient funds from sources other than this program to meet their project commitments prior to grant award.
- The grantee documents all pre-award expenditures including matching fund commitments and when requesting reimbursement for pre-award expenses follows the reimbursement requests requirements in the grant document.
- **No work performed or obligations incurred prior to July 1, 2022, or whatever the first day of the fiscal year for which the money has been appropriated, will be considered for reimbursement unless special pre-approval is granted by AEA for long-lead items or special circumstances.**

1.18 Applicant Match

Matching funds are a scoring criterion and while not required to be recommended for funding, points will be awarded to an applicant based on the percentage of total grant costs. Matching funds can be cash or in-kind and may come from any source not specifically prohibited. Applicants should identify the amount and source of matching funds or other resources (collectively referred to as "match") the applicant will contribute to the project based on the total proposed grant project budget.

In order for funds to be considered as match, the amount and source of funds must be verified to AEA. Verification may be accomplished by submitting a resolution from the applicant's board or assembly that clearly recognizes the obligation of providing matching funds. When reviewing applications for construction AEA will require the applicant to demonstrate financial ability and commitment to provide the necessary funds to cover the estimated cost to construct the project as proposed, assuming the requested grant is awarded.
Failure to provide this verification will result in no points being awarded for proposed matching funds during the scoring of the application.

The proposed matching funds for this project cannot be used to match other state grants.

If matching funds or in-kind contributions are proposed, the applicant will be required in the grant award to document the match contribution in their reimbursement requests. If labor or equipment costs are to be presented as matching costs, the proposed rates for the labor or equipment must be approved by AEA.

While specifically funding energy efficiency and training with REF monies is prohibited, AEA has allowed the inclusion of demand-side energy efficiency projects from the previous five years as match for heat projects, funding for training, energy efficiency, and other activities or projects that directly support the proposed project (e.g. the training of an in-house bookkeeper to support the additional workload) with the following provisions:

- In order for the training to be eligible it must be for full or part-time personnel employed by the applicant at the time of the grant award or for a new hire during the execution of the proposed project. The training must be complete before final reimbursements will be made from the grant.

AEA is expanding the use of match for supply-side and demand-side efficiency projects that will assist in the integration and/or performance of the renewable energy project. For projects using supply-side or demand-side energy efficiency completed within the last 5 years as in-kind match, the applicant must provide documentation of the nature and cost of work completed and how it will lead to the success of the RE project. Potential examples include—supply-side efficiency such as new switchgear and controls that will allow the interface of the RE and diesel systems or demand-side efficiency that would reduce the required spinning reserve capacity.

Applicants will be able to choose if the efficiency work is included as match or to assist as scoring in other parts of the application. If the efficiency work is included as match, it will be included as a cost in the benefit-cost scoring. To assist in scoring, applicants should provide as much documentation as possible including:

1. Evidence on how the energy efficiency work either complements or improves the operation of the renewable energy project proposed;
2. Energy efficiency pre and post audit reports, or other appropriate analysis;
3. Invoices for work completed;
4. Photos of the work performed; and/or
5. Any other available verification such as scopes of work, technical drawings, and payroll for work completed internally.

Previous REF grants will not be counted as matching funds.

Applicants should note that if matching funds are pledged and budgeted in the grant agreement; but later not provided during the grant project, the grant amount will be reduced in proportion to the match funds not received.

See the budget form instructions and clarification for matching requirements.

1.19 Application Preparation Costs

AEA 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.

The only reimbursable costs will be those allowed in the grant agreement signed by AEA.

1.20 Application Content Requirements

The application must address all the information required as noted in Section 2 for the type of project proposed. Applicants should download and complete the Microsoft Word application form specific to their project. There is an application for heat projects and one for all other projects. The application form includes a cost worksheet, budget, and authorized signers section. The application may require additional materials be provided as appendices or attachments. The application forms and other materials are provided on the Round 13 website at https://www.akenergyauthority.org/What-We-Do/Grants-Loans/Renewable-Energy-Fund/2021-REF-Application.

1.21 Authorized Signature

Applications must be signed by an individual authorized to bind the applicant to its provisions and to make the commitments of the application.

1.22 Applicant's Certification

By signature on their application, applicants certify that they are complying and will comply with: 1) the laws of the State of Alaska; 2) the applicable portion of the Federal Civil Rights Act of 1964; 3) the Equal Employment Opportunity Act, the Americans With Disability Act (ADA) and the regulations issued thereunder by the federal government; 4) all terms and conditions set out in this RFA; and 5) the amount of matching funds being committed by the applicant.

1.23 Correction, Modification or Withdrawal of Applications

After an application has been received by AEA, an application may be corrected, modified or withdrawn by providing a written request from an authorized representative of the applicant to the grant manager before the time and date set for receipt of the applications.

After applications are opened, applicants may be requested to provide additional information prior to completion of the evaluation process if AEA determines that it is in the best interest of the program to allow modifications.

Applicants who may be recommended for grant awards may be requested to provide additional information regarding their application prior to recommendations being sent to the Legislature or prior to award of a grant if AEA determines that it is in the best interest of the program.

Applicants who fail to respond to requests for additional information within the period specified in the request may have their application rejected or removed from the list of recommended projects.

1.24 Review of Applications - General

Applications will be reviewed in four stages by AEA and the Department of Natural Resources staff, consultants, and members of the Advisory Committee established under the program legislation.

Stage 1 – Completeness and Eligibility Review (3 AAC 107.635)
Stage 2 – Technical and Financial Feasibility Review (3 AAC 107.645)
Stage 3 – Ranking of Projects (3 AAC 107.655)
Stage 4 – Regional and Final Ranking Recommendations (3 AAC 107.660)

The review and evaluation criteria for each stage are listed in Section 4.

Applications that do not comply with AS 42.45.045, 3 AAC 107.600-695, and all of the material and substantial terms, conditions, and requirements of this RFA may be rejected. If an application is rejected, the applicant will be notified in writing that its application has been rejected and the basis for rejection. Appeals for rejected applications will handled following the procedures outlined in 3 AAC 107.650.

AEA may waive minor requirements of the RFA that do not result in a material change in the requirements of the RFA and do not give an applicant an unfair competitive advantage.

At any stage in the review process, AEA may request additional information and the applicant will have a specified amount of time to respond to the request for information. Failure to respond timely or provide adequate information may result in the application being rejected.

If information is sufficient and any minimum scores are met, the application will advance to the next stage of review.

1.25 Public Notice and Recommendations to the Legislature

Upon completion of Stage 4 of the review process, AEA will forward to the Legislature a summary of all applications received, their status, the technical score and the final rank of all applications. AEA will also post on its website the applications, a brief summary of each project, and the final ranking and disposition of all applications. The total cost of all recommended projects may be for more or fewer total dollars than the current funding authorized by the Legislature.

Applicants may be required to provide additional information to the Legislature upon request.

1.26 Notice of Intent to Award a Grant

Upon approval of funding by the Legislature for Round 14 grants and signing of the budget authorization by the Governor, AEA will notify successful applicants of their award. Grantees whose authorizations are less than what was requested or whose scope, schedule, or budget may have changed from their application will be required to update their application to assure the grant is consistent with the funding available.

1.27 Grant Agreement

Applicants whose projects are selected for grant funding will be required to sign a Grant Agreement prepared by AEA that contains the terms and conditions in the Grant. AEA may modify its standard form grant agreement if necessary for this program or for particular projects.

1.28 Failure to Proceed

If an Applicant is unable to respond and indicate acceptance of the Grant Agreement within 30 days of receipt of the Grant Agreement or provide an update to its project as may be required;

then the offer of the grant may be withdrawn by AEA. Available grant funds may be offered to another eligible grant applicant subject to availability of funds and consistent with legislative intent. [3 AAC 107.670(b), 3 AAC 107.675(b)]

If AEA and a grantee are unable to complete a grant agreement within one year of the original Notice of Intent to Award a grant, AEA will lose the ability to make the grant due to lapsing of the legislative appropriation. In that event, the grant offer shall be void and the allocated grant funds will be retained in REF.

2. Project Requirements

An application under the RFA should describe the Applicant's renewable energy project in one or more phases as described in this section and include sufficient information to allow for the evaluation and ranking of the application. The depth of information needed with the application will vary depending on the type and complexity of the project, the number of phases for which grant funding may be requested, the amount of state funds requested, and the estimated total project costs.

All applicants are required to have a project management plan they intend to follow that includes who is going to manage the project, how it is going to be managed, a schedule with milestones, a description of how project risks will be mitigated and the processes and personnel that will be utilized to account for the grant funding. The level of detail in the plan will vary depending on the project phase(s), amount of funds requested, and complexity of the project.

2.1 Project Management Requirements

The Applicant is responsible for implementing and executing a plan for managing the project so that the project is completed within the scope, schedule and budget proposed in the application.

Project Management	
Project Manager	The Applicant must designate a project manager(s) responsible for managing the project for the Grantee. This may be: • An employee of the Grantee • A consultant • Or other partners committed to the project. For example, Native corporations, other utilities, IPPs, or government entities. • If not known, the grantee should indicate how they intend to acquire project managers.
Project Schedule	Schedule for the proposed work that will be funded by this grant.
Project Milestones	Identifies key tasks and decision points in the project schedule. Project management milestone charts and descriptions of major project decision points are encouraged.
Project Resources	Identifies what people, equipment, or services will be used to accomplish the project. Includes any commitments the grantee may have or reference any existing contracts or the selection process that may be used for major equipment purchases or contracts.
Project Communications	Identifies how the grantee will monitor the project and keep AEA informed of the status. Identifies the people that will be tasked with performing the accounting of the project and the methods and processes that will be utilized to ensure proper accounting of grant funds.
Project Risk	Identifies potential problems and how they will be addressed.

2.2 Project Phase Descriptions

Project phases or major project tasks that should be addressed in the applicant's project description are as follows:

Phase I – Reconnaissance	A preliminary, "desktop" study designed to ascertain whether additional study is warranted.
Phase II – Feasibility Analysis, Conceptual Design	This category includes resource monitoring and assessment. Based on the resource assessment, a detailed evaluation intended to assess technical,

	economic, financial, and operational viability and to narrow focus of final design and construction (i.e. the conceptual design report) will be completed.
Phase III – Final Design and Permitting	Project configuration and specifications that guide construction. Land use and resource permits and leases required for construction.
Phase IV – Construction and Commissioning	Completion of project construction and beginning of operations.

The application should describe the project proposed for grant funding by phase in order to demonstrate a likelihood that the project will be successfully completed and will provide substantial public benefits. Applicants who have completed a project phase will be required to sufficiently document to AEA substantial completion of the phase with a positive public benefit for the project prior to AEA recommending, awarding, or releasing funds for a following phase. Each type of technology may have issues or tasks that are specific to that technology that will need to be addressed in addition to the issues or tasks identified in each phase.

Included after each phase described here are a list of possible milestones to assist with the preparation of an application. The milestones should also be consulted to ensure that your proposal is prepared for the phase of funding requested. For instance, if you are applying for Phase II funding, you should have already completed the milestones in Phase I and Phase II and provided those results in the REF application.

2.3 Phase I – Reconnaissance Requirements

The purpose of a Reconnaissance Study is to determine whether further study is warranted. A study is required to consider and address the information and tasks below:

Phase I - Reconnaissance	
Proposed Energy Resource	General description of the extent and amount of the renewable resource. This would generally be a “desktop study” and would not necessary collect new resource data.
Existing Energy System	For rural power systems and/or facility heating systems • Basic configuration (number, size, age, and type of gensets and boilers; efficiency; operating hours) • Capital and replacement costs • Annual fuel consumption • Load information (peak, minimum, average, and future trends) • Plans for system upgrades For all systems • Residential and commercial electrical service rates • Avoided cost of energy
Proposed System Design	• Description of renewable energy technology specific to project location • Alternative system discussion • Expected installed capacity • Realistic expected annual generation • Anticipated technical barriers • Basic integration concept
Proposed System Costs & Financing	• Total anticipated project cost for this phase • Projected capital cost • Projected debt financing, if applicable •

Project Benefits	• Annual fuel displacement and savings (in gallons) over the project life • Discussion of non-monetary benefits
Cost of Energy and Market Analysis	• Identification of potential energy market • Potential energy purchase and sales rates • Annual revenue from energy sales, tax credits, green tags, and other incentives
Land Ownership	• Landowner(s) identified and contacted
Permits & Consultations	• List of applicable permits • Anticipated permitting timeline • Potential regulatory barriers
Environmental	Complete environmental screening that addresses: • Threatened and Endangered species and other habitat impacts • Fisheries and wildlife protection • Water and air quality impacts • Wetland and protected areas • Archaeological and historical resource impacts • Land development constraints • Telecommunications and aviation impacts • Visual and aesthetic resource impacts • Other environmental barriers
Analysis and Recommendations	• Basic economic analysis of alternatives • Recommendations for additional project development work, if any

Milestones for a Reconnaissance Project should include the following:

1. Project scoping and contractor solicitation
2. Resource identification and analysis
3. 3. Land use, permitting, and environmental analysis
4. Preliminary design and cost analysis
5. Cost of energy and market analysis
6. Simple economic analysis
7. 7. Final report and recommendations

2.4 Phase II – Feasibility Analysis, Conceptual Design Requirements

Phase II Feasibility Analysis requires a detailed evaluation intended to further assess technical, economic, financial, and operational viability of a project and to narrow the focus of final design and construction. In addition to addressing all the requirements of Phase I, a feasibility analysis should address the information and tasks below:

Phase II – Feasibility Analysis, Conceptual Design	
Proposed Energy Resource	Site-specific assessment of available energy resource following industry standards usually based on field measurements, discussions with resource owners, and other onsite activities. Examples of assessment activities include: • Collection and analysis of meteorological tower data at proposed wind turbine locations • Assessment of geological data from surface investigation and test wells for geothermal and natural gas projects • Stream gauging and hydrological modeling for hydroelectric projects • Analysis of wood and sawmill residue availability and delivered cost to biomass energy project locations

Existing Energy System	• Annual load profile—power projects may require onsite measurement • Load growth projections • Transmission system layout and capacity • Existing generation system – manufacturer, model number, size, age, and type of gensets and boilers; efficiency; operating hours. • Retirement schedule • O&M costs – AEA evaluation for diesel O&M is estimated based on system size and calculated in $/run hour.
Proposed System Design & Operations	• Identification and analysis of system alternatives • Recommended alternative including discussion of impacts on existing system • Assessment of project site, including geotechnical characteristics as necessary • Annual energy production profile • Conceptual system design • Conceptual integration design • Identification of remaining technical barriers
Project Costs	• Conceptual-level cost estimates for final design and construction • Costs associated with required measurement and reporting • Other project costs including leases, taxes, insurance, and financing
Project Benefits	• Annual fuel displacement and savings (in gallons) over the project life • Discussion of non-monetary benefits
Conceptual Business & Operations Plan	• O&M costs • Training needed • Other operational costs including leases, taxes, insurance, and financing • Preliminary energy purchase or sales agreement • Detailed analysis of revenue from energy sales, tax credits, green tags, and other incentives
Land Ownership	• Assessment of site control requirements for proposed project • Authorization from land owners for onsite feasibility activities
Permits & Consultations	• Obtain authorizations from all applicable agencies for any use of land or resources for feasibility activities • Begin consultations with agencies on longer-term permitting requirements
Environmental	• Site-specific assessment of resources that may be significantly affected. Examples include fish and wildlife habitat assessment, visual impact modeling, and air quality assessment. • Plan for addressing potential environmental impacts
Analysis and Recommendations	• Comprehensive economic and financial analyses of alternatives • Recommendations for project design and construction activities • Draft operational and business plan

Milestones for a Feasibility Project should include the following:

1. Project scoping and contractor solicitation
2. Detailed resource assessment
3. Identification of land and regulatory issues

4. Permitting and environmental analysis
5. Detailed analysis of current cost of energy and future market
6. Assessment of alternatives
7. Conceptual design and costs estimate
8. Detailed economic and financial analyses
9. Conceptual business & operations plan
10. Final report and recommendations

2.5 Phase III — Final Design and Permitting Requirements

Building on information gathered in Phases I and II, applicants will be required to complete Phase III prior to construction. The purposes of Phase III are to establish the project configuration and specifications that will be used to guide construction, refine project costs estimates, finalize business plans, and obtain land use and resource authorizations required for construction. Phase III must be substantially completed and sufficiently documented to AEA before an application for construction funds will be considered for funding. Work should address the information and tasks below:

Phase III – Final Design & Permitting	
Renewable Energy Resource	• Updated data to confirm that resource is still available
Existing Energy System	• Final engineered and approved energy system configuration including upgrades
Proposed System Design	• Final engineered and approved system design • Final engineered and approved integration design • Interconnection study
Project Cost & Financing Plan	• Final engineer's estimate of project cost • Financing plan to pay for construction
Project Benefits	• Detailed financial analysis based on chosen business structure and applicable costs, revenues, and incentives
Power Purchase/Sale	• Executed power purchase/sales agreement
Land Ownership	• Final land use authorizations obtained
Permits & Consultation	• All necessary permits obtained and consultations
Environmental	• All environmental issues resolved
Business & Operational Plan	• Final operational and business plan, including financial and operational plans for end-of-life

Milestones for a Design and Permitting Phase of a project should include following:

1. Project scoping and contractor solicitation
2. Permit applications
3. Final environmental assessment and mitigation plans
4. Resolution of land use, right of way issues
5. Permitting, rights-of-way, site control
6. Final system design
7. Final cost estimate and financing plan
8. Updated economic and financial analyses
9. Power or heat sale agreements in place
10. Final business and operational plan

2.6 Phase IV – Construction

The purpose of the construction phase is to construct and commission the project. Grantees are expected to cover all costs of operations and maintenance in compliance with their operational and business plans developed in Phase III, but O&M cannot be included in the REF grant costs.

Applications that have not provided sufficient supporting documentation of the substantial completion of Phase III will not be considered for funding. The construction phase will address the information and tasks below:

Phase IV – Construction and Commissioning	
Renewable Energy Resource	• Continuous monitoring to verify and update projections of renewable resource availability
Existing Power System	• Coordination of conversion, integration, or surplus of existing system
Proposed System Design	• Construction plan and schedule • Commissioning plan and schedule • Modifications to final design during construction
Project Cost	• Actively track project costs against the project budget • Propose budget modifications as needed • Manage cost overruns
Environmental	• Environmental monitoring as required
Permitting	• Reports as required by permitting agencies
Analysis and Recommendations	• Update business plans and power purchase agreements as needed to account for actual construction costs • Final project report including as-built specifications and drawings, final budget, schedule, and recommendations (see Section 3.12 of this RFA).
End-of-life planning	• Include end-of-useful-life plans in the business plan, including what activities are expected (replacement, refurbishment, retrofitting, decommissioning, etc.) and a financial plan to ensure that funds are available to implement the end-of-life plan.

Milestones for a Construction project will include the following:

1. Design and feasibility requirements
2. Bid documents
3. Vendor selection and award
4. Construction – unique to each project
5. Integration and testing
6. Decommissioning of old system
7. Final acceptance, commissioning and start-up
8. Post-Construction certification and report
9. Operations reporting [not a grant budget item]

3. Grant Requirements

To receive renewable energy grants, applicants must comply with the following standard terms and conditions and the other terms and conditions in AEA's standard grant document, and referenced appendices. If the grantee is a tribal entity, a waiver of sovereign immunity will be required as a condition of the grant.

3.1 Declaration of Public Benefit (3 AAC 107.605)

The grantee acknowledges and agrees that the Project shall be constructed, owned and operated for the benefit of the general public and will not deny any person use and/or benefit of Project facilities due to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

3.2 Grantee Project Manager

For construction projects, the Grantee will contract or hire competent persons to manage all phases of the Project. Work at a minimum will include; management of Grantee's labor for the project, engineering firms and consultants, procurement, management of construction contractors, selection of equipment, review of plans and specifications, on-site inspections and review and approval of work, and other duties to ensure that the completed work conforms with the requirements of the grant and the construction documents.

If the Grantee fails to provide adequate project management AEA may terminate the Grant or assume project management responsibilities with the concurrence of the Grantee. Costs for a grantee project manager must be reasonable to be considered an eligible grant expense.

3.3 Approval to Proceed With Next Phase

A grant award may be for one or more phases of a project. The grantee must achieve substantial completion of work or of designated grant milestones and receive approval from AEA prior to proceeding to the next phase of work.

3.4 Contracts for Engineering Services

In the event the Grantee contracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska and provide proof of licensing and required professional liability insurance.

Unless otherwise agreed by AEA, the insurance required by this section shall, at a minimum, include professional liability insurance covering all errors, omissions or negligent acts in the performance of professional services under this agreement, with limits required per the following schedule:

Contract Amount	Minimum Required Limits
Under $ 100,000	$ 300,000 per Occurrence/Annual Aggregate
$ 100,000-$ 499,999	$ 500,000 per Occurrence/Annual Aggregate
$ 500,000-$ 999,999	$ 1,000,000 per Occurrence/Annual Aggregate
$ 1,000,000 or over	Refer to Risk Management

3.5 Site Control

If the grant Project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property. The Grantee is responsible for securing the real property interests necessary for the construction and operation of the Project, through ownership, leasehold, easement, or otherwise, and for providing evidence satisfactory to AEA that it has secured these real property interests.

3.6 Permits

It is the responsibility of the Grantee to identify and ensure that all permits required for all phases of the project, including the construction and operation of this Project by the Federal, State, or Local governments have been obtained unless otherwise stated in the scope of work. These permits may include, but are not limited to, Corps of Engineers, Environmental Protection Agency, Alaska Department of Environmental Conservation, Alaska Department of Labor, State Historic Preservation Office, State Fire Marshal, Alaska Department of Natural Resources, Alaska Department of Fish and Game, and Boroughs.

3.7 Exclusion of Existing Environmental Hazards

Grant funds will not be awarded for and may not be used for environmental investigation, removal or remediation of contamination, remediation of existing facilities or properties, or any other environmental matters, unless specifically provided in the Grant Agreement. In addition, grant funds will not be awarded for and may not be used for the decommissioning or removal of any existing facilities except as specifically provided in the Grant Agreement.

3.8 Environmental Standards

The grantee will comply with applicable environmental standards, including without limitation applicable laws for the prevention of pollution, management of hazardous waste, and evaluation of environmental impacts.

3.9 Current Prevailing Rates of Wage and Employment Preference

To the extent required by federal and State law, construction projects may require certain grantees to include the requirements for ‘Davis-Bacon’ and ‘Little Davis-Bacon’ when contracting for construction services. This requires contractors to pay minimum rates of pay for specific classes of workers and provide certified payrolls to the State Department of Labor. The current wage rates can be found at the following websites:

The Federal wage rates at beta.sam.gov
The State wage rates at www.labor.state.ak.us/lss/pamp600.htm

If federal funding sources require federal ‘Davis-Bacon’ compliance, the grantee must use both the Federal and State wage scale and the contractor is required to pay the higher of the State or Federal wage scale. When only State Funds are used that requires ‘Little Davis-Bacon,’ the grantee is only required to follow the State Rate schedule.

The grantee is responsible for identifying any other sources of project funds and for ensuring compliance with applicable wage scales for all sources of project funding. If a Grantee believes they or their contractors may be exempt from these requirements, they should contact the State of Alaska Department of Labor and Workforce Development, Wage and Hour Administration, for a determination and forward a copy of that determination to AEA’s grants coordinator.

For further information regarding other State of Alaska Labor Issues, please visit the State of Alaska Department of Labor and Workforce Development website at the link provided above.

3.10 Construction Plans and Specifications Review

Prior to public notice of bidding a construction project, the grantee will provide the plans and specifications to AEA for review. Concurrence that the plans and specifications are consistent with the grant award must be received before grant funds will be released for construction-related costs.

3.11 Construction Contractor Bonding

When the value of the construction is anticipated to be greater than $100,000, prior to beginning construction on a project funded by this grant, the grantee or grantee's contractor(s) must provide AEA either a payment and performance bond, as may be required by AS 36.25.010, a surety in form and substance acceptable to AEA, or some other guarantee or assurance acceptable to AEA that the grantee or the grantee's contractor has the capacity, qualifications, and financial resources necessary to complete construction of the project as proposed in the grant or construction contract(s) funded by this grant.

3.12 Post-Construction Certification

Upon completion of construction the Grantee will submit a final report that includes:

- A summary narrative describing the construction process, any obstacles met, lessons learned or other project highlights;
- Certification that all work is completed in accordance with the grant and all costs claimed are eligible costs and represent work completed on the Project;
- Summary of total project cost including detailed funding sources and any outstanding debt;
- Certification that there is a release of any contractor or subcontractor liens on the project;
- Identification of any outstanding construction issues;
- Demonstration that appropriate insurance is in place and,
- As-built drawings.

3.13 Ownership of Facilities

The grantee shall assume all liabilities arising from the ownership and operation of the project. Grantee will not sell, transfer, encumber, or dispose of any of its interest in the facilities constructed with this grant funding during the economic life of the Project without prior written approval of AEA.

3.14 Operation and Maintenance of Facilities

The grantee is required to maintain and operate the facilities defined in the scope of work of the grant agreement for the economic life of the facility or the specific period of time designated in the grant agreement.

In the event that the grantee is no longer operating the facilities for the intended purposes, AEA may require the grantee to reimburse AEA an amount based on the total contribution of AEA, the value of the assets, and the terms and conditions of the grant agreement. AEA may require that the assets acquired under the grant agreement be sold and the proceeds remitted to AEA.

3.15 Performance/Operation and Maintenance (O&M) Reporting

As per regulation 3 AAC 107.685, a grantee's obligation to report on certain project data/metrics, the conditions obligating, cadence and the duration of the reporting period shall be determined by AEA, and stated in the grant agreement. A grantee's non-compliance with such reporting requirements may render, at AEA's discretion, the grantee ineligible for recommendations for future renewable energy grants or ineligible for other future grants from AEA.

Any metering/tracking equipment identified in the application needed to comply with the reporting requirement will not be included as a project cost as part of the economic analysis.

3.16 Tariffs & Rates for Use of Grant-Funded Assets

Rates for power provided as a result of the use of assets funded in whole or in part with a grant may be subject to review and approval by the Regulatory Commission of Alaska (RCA), or if the rates are not subject to RCA review and approval, they may be subject to review and approval by AEA to ensure reasonable and appropriate public benefit from the ownership and operation of the Project.

As a condition of the grant, and if the Regulatory Commission of Alaska does not have or exercise jurisdiction, Independent Power Producers will agree to sell energy resources for electricity and heat at a rate or rates approved by the authority for the economic life of the project. AEA will hire an independent economist to provide guidance in developing a rate or rates for electric sales consistent with protecting the public interest in and benefit from the use of grant funds while also providing for an appropriate rate of return on equity.

The rate or rates approved by the authority represent the highest rates that the Independent Power Producer will be allowed to charge. The authority will approve cost-based rates as being in the public interest and the authority will consider other possible rate mechanisms or structures as being in the public interest, depending upon the applicant's written justification for the rate mechanism or structure used.

Application for a Certification of Public Convenience and Necessity (CPCN) is also a grant condition. RCA action related to the issuance of the CPCN must be completed prior to the issuance of any construction grant funding.

3.17 Grant-Funded Assets Not Included in PCE

The grantee agrees that it will not include the value of facilities, equipment, services, or other benefits received under this grant as expenses under the Power Cost Equalization Program or as expenses on which wholesale or retail rates or any other energy tariffs are based.

3.18 Procurement and Suspension and Debarment

When the Grantee enters into a transaction with an entity for the purchase of goods or services that are expected to equal or exceed $25,000, or meet other special criteria as specified in 2 CFR section 180.220, the grantee is required to verify that the entity and its principals as defined in 2 CFR section 180.995, are not suspended or debarred or otherwise excluded from participating in the transaction. The Grantee must verify the eligibility of the entity and its principals by one of the following: (1) checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA) (Note: EPLS is no longer a separate system; however, the OMB guidance and agency implementing regulations still refer to it as EPLS) and available at https://www.sam.gov/portal/public/SAM/), (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity stating it is not suspended or debarred from participating in the transaction (2 CFR section 180.300).

4. Application Evaluation Process

Applications will be reviewed in four stages by application evaluation committees, which may include AEA staff, consultants, and members of the Advisory Committee established under the program legislation.

Stage 1 – Completeness and Eligibility Review (3 AAC 107.635)
Stage 2 – Feasibility and Public Benefit Scoring (3 AAC 107.645)
Stage 3 – Ranking of Projects (3 AAC 107.655)
Stage 4 – Regional and Final Ranking Recommendations (3 AAC 107.660)

The review and evaluation criteria for each stage are listed below.

Applications that do not comply with AS 42.45.045, 3 AAC 107.600-695, and all of the material and substantial terms, conditions, and requirements of this RFA may be rejected. If an application is rejected, the applicant will be notified in writing or via email that its application has been rejected and the basis for rejection. Appeals for rejected applications will handled following the procedures outlined in 3 AAC 107.650.

AEA may waive minor requirements of the RFA that do not result in a material change in the requirements of the RFA and do not give an applicant an unfair competitive advantage.

At any stage in the review process, AEA may request additional information and the applicant will have a specified amount of time to respond to the request for information. Failure to timely respond or timely provide adequate information will result in the application being rejected.

If information meets the standard of each stage, the application will be forwarded through to the next stage of review.

Stage 1 Review: Completeness and Eligibility

All applications received by the deadline will initially be reviewed by AEA staff to assess if the application is complete, meets the minimum submission requirements, and has adequate information to proceed to Stage 2 – Feasibility and Public Benefit Review.

The following pass-fail criteria will be used to determine if the application meets the minimum requirements.

Application must meet all of these criteria to be considered further (P/F)
1. The application is submitted by an Eligible Applicant that demonstrates that they will take ownership of the project; own, lease, or otherwise control the site upon which the project is located; and upon completion of the project operate and maintain it for its economic life for the benefit of the public (sec 1.4). Included as documentation is a resolution or other formal authorization of the applicant's governing body is included with the application to demonstrate the applicant's commitment to the project and any proposed matching funds are available and in the applicant's control (sec 1.22).
2. The project meets the definition of an Eligible Project (sec 1.5).
3. The application is complete in that the information provided is sufficiently responsive to the RFA to allow AEA to consider the application in the next stage of evaluation. The application provides a detailed description of the phase(s) of project proposed, i.e. reconnaissance study, conceptual design/feasibility study, final design/permitting, and/or construction (sec 2.2).

AEA may request additional information and the applicant will have a specified amount of time to provide the requested information. Failure to timely respond or timely provide adequate information may result in the application being rejected.

Stage 2 Review: Project Feasibility and Benefits

For all applications that pass Stage 1, AEA will perform a feasibility and public benefit review in accordance with 3 AAC 107.645 and the criteria below:

Application must substantially meet these criteria to be considered for further review:	
Criteria	**Weight**
1. Project Management, Development, and Operation a. The proposed schedule is clear, realistic, and described in adequate detail. 1. The pre-requisites for the stage of the project have been successfully completed and indicate a project that is ready to move forward. See pre-requisite check list in appendix. b. The cost estimates for project development, operation, maintenance, fuel, and other project items meet industry standards or are otherwise justified. c. The Applicant's communications plan, including monitoring and reporting, is described in adequate detail. d. Logistical, business, and financial arrangements for operating and maintaining the project throughout its lifetime and selling energy from the completed project are reasonable and described in adequate detail. For construction projects, the final operational and business plan is sufficiently detailed and complete	25%
2. Qualifications and Experience a. The Applicant, partners, and/or contractors have sufficient knowledge and experience to successfully complete and operate the project. • If the applicant has not yet chosen a contractor to complete the work, qualifications and experience points will be based on the applicant's capacity to successfully select contractors and manage complex contracts. b. The project team has staffing, time, and other resources to successfully complete and operate the project. c. The project team is able to understand and address technical, economic, and environmental barriers to successful project completion and operation. d. The project uses local labor and trains a local labor workforce.	20%
3. Technical Feasibility a. The renewable energy resource is available on a sustainable basis, and project permits and other authorizations can reasonably be obtained. b. A site is available and suitable for the proposed energy system. c. Project technical and environmental risks are reasonable. d. The proposed energy system can reliably produce and deliver energy as planned. e. if a demonstration project is being proposed, i. application in other areas of the state, or another specific benefit of the proposed project, is likely;	20%

ii. the need for the project is shown; and iii. the risks of the proposed system are reasonable and warrant demonstration Or, if a reconnaissance project is being proposed: a. The renewable energy resource is present and can potentially be used for energy generation. b. The proposed technology is suitable for the resources and demands of the community. c. The proposed technology has reached a level of maturity necessary for the proposed application.	
4. Economic Feasibility a. The project is shown to be economically feasible (net positive savings in fuel, operation and maintenance, and capital costs over the life of the proposed project).	25%
b. The project has an adequate financing plan for i. completion of the grant-funded phase, including contingency plans for cost overruns, and ii. has considered options for financing subsequent phases of the project.	5%
c. Other benefits to the Alaska public are demonstrated.	5%

AEA may develop a preliminary list of applications that may be technically and economically feasible and request additional information from applicants at this time to confirm a complete understanding of the project proposed.

If information is requested, the applicant may be required to provide information within a short time frame to allow for AEA to continue to the next stage of the review process.

Applicants that fail to respond to requests for information or to adequately address the criteria in the technical review may be rejected.

If an application for design or construction project funding is incomplete to the point that an economic and/or technical feasibility evaluation cannot be completed, or there is no indication of a feasible financing plan that will provide for project funding through completion of construction, the application will not be recommended for construction funding.

For all projects, the Stage 2 review score must be at least 40 out of 100 possible; otherwise the project will not be recommended for funding and will not be considered for Stage 3 review.

Stage 3 Review – Ranking of Projects

All applications that pass the technical review will be evaluated for the purpose of ranking applications and making recommendations to the Legislature based on the following criteria which include criteria required by 3 AAC 107.655 and AS 42.45.045.

Evaluation and ranking criteria to be used for determining applications to recommend to Legislature:	
Criteria	**Weight**
1. Burden of energy costs (combined electricity and heating costs as a	30%

proportion of household income) in the affected project area relative to other areas of the state	
2. The type and amount of matching funds and other resources an applicant will commit to the project	15%
3. Project feasibility: 25% of the Stage 2 score	25%
4. Project readiness: • How quickly the proposed work can begin and be accomplished and/or success in previous phases of project development. • The existing energy system is in a condition to accept the integration of the proposed system. • The financial and logistical support systems within the community are capable of managing the integrated system.	5%
5. Public benefits including economic benefit to the Alaska public	10%
6. Sustainability: The ability of the applicant to finance, operate and maintain the project for the life of the project. A financial and operational plan, sufficient for the phase of development, is included.	10%
7. Local support for the project	5%
8. Region balance: How the project meets the needs of the region in conjunction with other energy projects	P/F
9. Compliance with previous grant awards and progress in previous phases of project development	P/F

During this stage of review, the evaluation team may conduct interviews of applicants to determine a more complete understanding of the technical or financial aspects of their application.

Stage 4 Review: Regional Distribution and Final Ranking Recommendations

All applications recommended for grants as a result of the Stage 3 evaluation will be ranked in accordance with AS 42.45.045 and 3 AAC 107.660.

To establish a statewide balance of recommended projects, AEA will provide to the advisory committee a statewide and regional ranking of all applications recommended for grants in Stage 3.

In consultation with the advisory committee, AEA will make a final prioritized list of all recommended projects giving significant weight to providing a statewide balance for grant money, and taking into consideration the amount of money that may be available, the number and types of projects within each region, the burden of energy costs, regional rank, and statewide rank of each application.

In its final decision on an application, AEA may recommend a grant in an amount for project phases different from what the applicant requested. In recommending a grant for phases different from what the applicant requested, AEA may limit its recommendation to a grant for one or more preliminary project phases before recommending a grant for project construction. AEA in consultation with the advisory committee may recommend partial funding for projects in order to achieve better statewide balance or in order to fund a greater number of projects.

During the Stage 4 Review, AEA will identify regions of the state that may be under-served and over-served in all cumulative rounds of REF. A target allocation per region will be set based upon the regional cost of energy burden weighted according to the populations of each

community in the region. The cost of energy burden for a region is estimated using community based cost of electricity, space heat divided by household income and then population weighting community results.

A region is considered under-served if they have received less than 50 percent of their target funding allocation in all prior rounds cumulatively. Each region's target funding allocation is based on cumulative REF funding and the regions' population weighted cost of energy burden. Projects from underserved regions may be considered for a higher rank, taking into consideration other factors listed above. Currently, the underserved regions are Bering Straits, Bristol Bay, North Slope, and Yukon-Koyukuk/Upper Tanana. Regions of the state that have received more than twice their regional funding target will not be allowed to grow their current percentage share of REF cumulative funding. The Railbelt and Southeast fall in this last category.

5. Appendices

Application Forms (Heat Applications, Standard Applications)

Standard Grant Template

Business and Management Sustainability Plan Template

Phase Prerequisite checklists

Best practices Checklists (by resource type)

- Biomass
- Heat Pumps
- Heat Recovery
- Hydro
- Solar
- Wind