



ADDENDUM THREE

Request for Proposal DOA RFP Number 2016-0800-3225, Authority No. 16021
Energy Efficiency Program Evaluation and Financing Needs Assessment

July 31, 2015

EMAIL TO: All RFP recipients on record.

The Request for Proposal (RFP) is hereby clarified or changed as follows:

1. Important: The RFP deadline is extended to 3:00 p.m., Alaska Time, on Friday, August 7, 2015.
2. Reference, 4.01, Background Information, Page 19, second paragraph, first sentence, there was a typographical error please replace with the following:
 - Replace "*Phase 1 economic and forecasting model*" with "*Phase 2 economic and forecasting model*".

Questions and answers:

3. The RFP does not mention U.S. EPA's Clean Power Plan. Does the AEA expect the contractor to analyze how energy efficiency will fulfill part of the state's requirements under the Clean Power Plan?

A: No. Since it is uncertain how Alaska, and particularly the communities included in the study, will be treated under the Clean Power Plan, we cannot provide specific guidance on this requirement, which is also out of scope of the enabling legislation for the Affordable Energy Strategy. If this analysis can be included without reducing the scope in other areas, AEA would be interested to see suggestions on how to address the EPA requirements.

4. Does Phase 2 (Forecasting) require the use of any building energy simulation models?

A: No.

5. Regarding Phase 1 – Task 1.b (page 23 of the RFP): The task reads "Best practices as drawn from national programs currently unavailable tools that could be realistically applied in Alaska markets..." Does the AEA want the contractor to examine (1) best practices as drawn from national energy efficiency programs and (2) tools that are available in other states but are not currently available in Alaska?

A: Yes. We apologize for the poorly worded sentence.

6. Regarding Phase 2 - Task 4.a.iii (page 24 of the RFP): Please elaborate on the resolution at which AEA expect the contract to estimate potential costs and benefits “by household income.” How many brackets of income groups does the AEA expect the contract to analyze? If possible, please also provide rationales for dividing households into any specific income groups for the purpose of estimating energy savings potential.

A: It is not known if it will be possible to get income data at the household level to understand the potential benefits. If this is not possible, evaluating at the community level, using median household income, will suffice. The rationale for dividing households into specific income groups will be twofold: 1) AEA is interested in understanding how energy expenditures, retrofit costs, and potential benefits differ amongst income groups, and 2) AEA is interested in understanding if certain income groups are underserved by current programs. As this RFP is supporting the Alaska Affordable Energy Strategy, affordability is key. Although a specific definition of affordability has not been decided, we are collecting data to analyze programs on a need-based and need-blind definition of affordability. A need-based definition requires that we analyze programs by looking at the energy costs and the households’ ability to pay.

7. Does the fixed-price contract apply to each phase or each task within the phase?

A: It applies to each phase.

8. Regarding AEA’s response #22 in the Addendum 2 document: Can you please elaborate more on “a comparison of a number of potential project types (including energy efficiency and generation technologies)”? We are especially interested in learning how this comparison data can be useful for forecasting energy efficiency potential for Alaska. If there is any formal documentation on “the Community Energy and Economic Forecasting model,” please provide us with the documentation.

A:

a. This comparison will not be useful for forecasting the energy efficiency potential in Alaska, but the reference was included to provide context for the work in the RFP. As the final recommendations to the Legislature could include a suite of options to reduce energy costs, it is important that we provide the comparison to determine the most types of opportunities that are likely to be the most beneficial and make the comparison as transparent as possible.

b. The formal documentation of the model is still to be completed. The model will provide high-level estimates for a community based on actual or modeled performance currently available in the community. The residential portion of the model uses modeled data compiled from the Alaska Housing Finance Corporation’s Weatherization and Home Energy Rebate Programs. Non-residential model use estimates based on public and commercial building audits, actual building consumption and square footage gathered through multiple state programs, and a couple other sources. Assumptions for the model include: heating fuel prices by community, electricity prices by community, economic life of retrofits, and discount rate. Population forecasts will be provided by the University of Alaska.

c. AEA will not require that any of these data sets are gathered or verified, but would appreciate any observations that can improve the energy consumption and efficiency model.

8. Will the analysis require the contractor to estimate avoided CO₂ emissions and criteria pollutants such as NO_x and SO₂?

A: No

9. Regarding AEA's response to #14 in the Addendum 2 document: Will the assumptions completed by other groups include energy consumption estimates for alternative energy efficiency scenarios? Or does the contractor need to develop energy savings factors?

A: With regards to energy efficiency, the assumptions within the model will allow a high-level estimate of the consumption by sector (residential, non-residential, water/sewer) in a community and the potential energy efficiency savings based on the average performance of current energy efficiency programs (such as the 30% reduction in residential heating consumption through AHFC's Home Energy Rebate Program). There are related modules for generation technologies, but they have not been specifically tied together to interact with each other.

10. Also in AEA's response to #14 in Addendum 2, what are the estimates of retrofit costs? Are they related to energy efficiency retrofit costs?

A: Yes, these are the energy efficiency retrofit costs. The answer in the previous addendum was imprecise.

11. What level of analysis (e.g., end-use, program, or technology level) does the AEA envision for Phase 2 besides building sector, region, and household income?

A: It is not likely that there will be sufficient data available to perform technology level analysis for energy efficiency. AEA would expect that end-use forecasts (using assumptions that AEA will supply) and program-level analysis will be performed.

12. Does the AEA expect the results of Phase 2 to inform Phase 3, or are these phases independent? If the former, please let tell us which aspects of Phase 2 the AEA expects to inform Phase 3.

A: To the extent possible based on the limitations of data available and budget, Phase 2 should inform Phase 3 in the sense that the strategies developed and/or recommended should be relevant for the respective sectors and targeted to areas to areas with better efficiency opportunities. Other aspects that may be important could be the forecasted changes in population within the communities, as communities that have rapidly growing or decreasing populations may require different types of responses and strategies. Differences in energy cost forecasts across the study area may also impact strategies.

All other terms and conditions remain the same.

We appreciate your participation in this solicitation.

Sincerely,

Althea S Clapp

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