

ADDENDUM TWO

Request for Proposal 16021

Energy Efficiency Program Evaluation and Financing Needs Assessment

July 29, 2015

EMAIL TO: All RFP recipients on record.

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

1. The RFP deadline remains the same.
2. Reference, 4.01, Background Information, Page 19, second paragraph, first sentence:
 - Replace "*Phase 1 economic and forecasting model*" with "*Phase 2 economic and forecasting model*".

QUESTIONS AND ANSWERS:

3. **Q:** The RFP requires that we estimate benefits. In order for this we will need the cost for power generation and heating fuels. Will we be required to come up with these costs or will they be provided?
A: The unit prices of power and heating fuels will be provided.
4. **Q:** There are also non-energy benefits from energy efficiency projects. What types of benefits will be in the scope of this project?
A: The primary concern is cost reduction as this is the requirement from the enabling legislation. Also, as we will be comparing different types of projects and programs (from EE to renewable energy to transportation upgrades, etc.) to develop a suite of recommendations to the legislature, we need to have a common set of measurements. As the budget allows, AEA encourages analysis of other, non-energy benefits, particularly local employment and any other variables that may contribute to the ability of consumers to pay for energy.
5. **Q:** Whose perspective will the costs and benefits be considered through?
A: We will want to look at the costs and benefits from both the state's perspective and from the consumer's perspective.
6. **Q:** The AkaAES will require that different types of projects are compared using a similar metric, has there been a decision on how that will be done?
A: Yes, we are using the same method as that used for the Renewable Energy Fund: the life cycle net present value of the costs and benefits. The legislation requires that recommendations must be cost effective, which we are interpreting to mean that the net present value of the benefits outweigh the costs. We have a

number of assumptions that we use for the economic life, operational expenses, capital costs, and performance of difference project types based on actual operational projects. All of those assumptions will be available to the contractor.

7. **Q:** Does AEA use a fuel escalation factor?

A: AEA has historically used the projections from the EIA. The cost of fuel in individual communities is tied to the EIA projected Brent crude price over the life of the projects. A group at the University of Alaska Fairbanks is providing the community-level price projections. The community-level price projections will be available to the contractor.

8. **Q:** On page 23, Phase 1, section 3b, what were you thinking about the scope of this? What types of groups would you expect the Offeror to contact?

A: No set of groups or people are required, although we provide a list of potential people. Based off of the budget and time restrictions, we are interested in the most efficient way to gather the best, most reliable information, either through conferences, interviews, polling, etc.

9. **Q:** Will AEA be available for connecting to these key stakeholders?

A: Yes, AEA will be happy to assist with that.

10. **Q:** AEA has a portfolio of energy efficiency programs. Is the intention to look at historical data from AEA and the portfolio with other entities and rolling these together? Should we evaluate these programs, such as private sector initiatives [ML&P was given as an example], other state programs?

A: Yes, that's what we all looking for (although not ML&P since it is out of the study area). We are interested in evaluating AHFC programs, private organizations, private nonprofit, or other programs. We are interested in improving our decision making process down the road, and this could include improving current programs, developing new programs, learning from and/or collaborating with private organizations.

11. **Q:** In assessing the efficacy of existing programs (p. 23, Phase 1, section 3b), will the literature review also be relevant for evaluating the existing programs?

A: Yes, it will. It should be another resource to inform the program evaluation.

12. **Q:** If the methodology outlined in section 5.02 is suggested, how will AEA evaluate the proposals on the basis of cost and scope, if the scopes may differ from one proposal to another?

A: AEA is interested in having Offerors provide improved methods to achieve all goals outlined in section 5.01 and all deliverables outlined in section 5.03. Any suggested deviations and improvements on the suggested methodology should be noted, with an explanation of the change included. AEA understands there may be limitations to the amount of data that may be available from a number of programs listed on p. 22-3, and that varying levels of analysis may be accomplished based on the data availability. AEA also understands that within the given budget, the scope of work will

need to be strategic and well defined. AEA will be looking for creative ways of meeting all required deliverables with accuracy, relevancy, and sophistication.

It should also be noted that **Per 1.01 Alternate Proposals, of the RFP:**

“Offerors may only submit one (1) proposal for evaluation.

In accordance with 2 AAC 12.830 alternate proposals (proposals that offer something different than what is asked for) will be rejected.”

All criteria and scope shall be addressed.

13. **Q:** How is it possible to estimate additional cost and benefits of existing local building energy codes since this is generally considered the status quo?
- A:** Alaska does not have a statewide building energy code, and many places do not have any energy codes. Potential ways to evaluate codes could be compare it to the status quo construction in areas, or based on AHFC’s BEES standards.
14. **Q:** Can you explain Phase 2 in more detail? Is this a bottom-up approach?
- A:** The assumptions for the forecasting are being completed by other groups and will be available to the contractor. Population forecasts for communities, housing units and non-residential units and sizes, energy consumption estimates, and estimates of retrofit costs will be provided.
15. **Q:** Will the Phase 2 include the impact of programs?
- A:** Yes, the forecast will include the potential impact on current programs on consumption and on energy costs.
16. **Q:** Need to visit Alaska?
- A:** No.
17. **Q:** Location of Work: How much time is the contractor expected to be on-site?
- A:** There are no time requirements for the contractor to be on-site.
18. **Q:** Is it AEA’s preference that meetings such as a project kickoff and pre-phase planning meetings be in person or can this be done on a conference call to keep travel expenses to a minimum?
- A:** Meetings can be done by conference calls to minimize travel expenses.
19. **Q:** On page 19 of the RFP it states “It is expected that the data collection needed to develop the Phase 1 economic and forecasting model will be completed by October 31, 2015, with the results from this model-which is being developed through separate contract- available soon thereafter.” The timeline on page 25 indicates Phase 1 is to be completed on November 30, 2015. Can you please explain how these two deadlines correspond, and what works needs to be completed by when?

A: This is a partial typo—it should be Phase 2 (changed in #2 above). The economic and forecasting model will be completed through a separate contract, and it is expected that the functionality needed to do Phase 2 will be available on Oct. 31, 2015.

20. **Q:** Phase 1 (page 23 of RFP): Will AEA review the survey instruments, interview guides and polls developed by the contractor prior to fielding?

A: Yes, AEA will review and approve these data tools prior to fielding.

21. **Q:** Phase 1 (Page 23 of RFP): For the task, “Assess the efficacy of existing programs,” will the contractor be conducting primary or secondary research? Have the individual programs all undergone impact and process evaluations in the past or is it the expectation that the contractor will independently assess energy savings, cost etc.?

A: Some of the programs (AHFC’s Weatherization, Home Energy Rebate, AEA’s Village Energy Efficiency Program) have had impact evaluations. There may not be additional impact or process evaluations already conducted. The contractor will need to explore what has been done to determine what is needed for this task.

22. **Q:** Phase 2 (page 24 of RFP): Can you describe the set up and complexity in AEA’s Community Energy and Economic Forecasting model? What are the model inputs?

A: The Community Energy and Economic Forecasting model includes two primary outputs: An estimate of community energy consumption by sector (residential, non-residential, and water/wastewater), and a comparison of a number of potential project types (including energy efficiency and generation technologies). It is based on publicly available demographic data from state and federal sources, project data from state and federal sources, consumption data from a number of state and federal sources.

23. **Q:** Section 4.01 – On page 19 under Figure 1, some of the early completion dates seem to differ from the milestones in section 5.04 on page 25. Can AEA please clarify the expected dates?

A: See response to #19 above. The dates are correct on p. 25.

Attached: Meeting Sign-in sheet

All other terms and conditions remain the same.

END OF ADDENDUM

We appreciate your participation in this solicitation.

Sincerely,



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*Some information is missing, I apologize, in a rush I missed some of the teleconference participants information. If you are missing, or your information is incorrect, please email me your correct information to me and I will add you to the list.

Meeting Sign-in Sheet

Date 7/28/2015

Project RFP 16021

Energy Efficiency Program Evaluation and Financing Needs Assessment

Please print – Email all questions to AEA-Contracting Officer – rwooten@aidea.org

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