Renewable Energy Fund Round 18 Status Report

Alaska Energy Authority — Renewable Energy Fund – Round XVIII

Alaska State Legislature
January 2026

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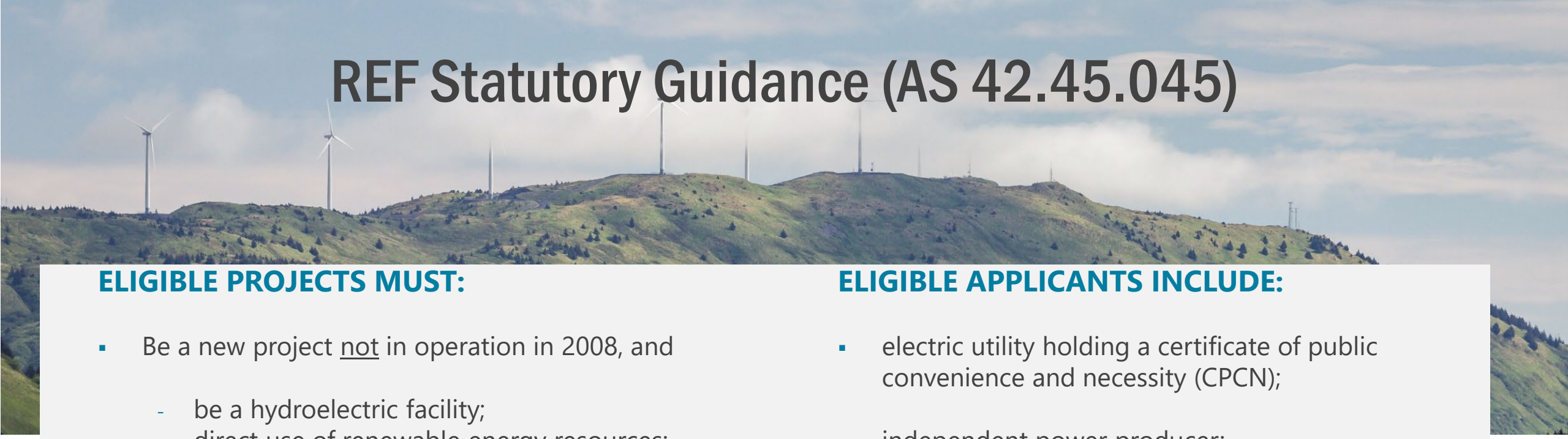
Renewable Energy Fund (REF) Overview

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 The REF's sunset date provision was repealed with House Bill 62, signed into law by Governor Dunleavy on May 25, 2023.

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

- $333 million in REF appropriations by the State.
- 110+ operational projects, 49 in development, 120 million gallons displaced to date.
- The 34th Alaska State Legislature appropriated $6.3 million for 6 projects recommended by AEA and the REFAC for Round 17.



REF Statutory Guidance (AS 42.45.045)

ELIGIBLE PROJECTS MUST:

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

ELIGIBLE APPLICANTS INCLUDE:

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

REF Evaluation Process: Stage 1 Eligibility and Completeness

The REF evaluation process is comprised of four stages. Stage 1 is an evaluation of the applicant, project eligibility and, completeness of the application, as per 3 AAC 107.635. This portion of the evaluation process is conducted by AEA staff.

- Applicant eligibility is defined as per AS 42.45.045 (l).
  - "*electric utility holding a certificate of public convenience and necessity under AS 42.05, independent power producer, local government, or other governmental utility, including a tribal council and housing authority*;"
- Project eligibility is defined as per AS 42.45.045 (f)-(h) and is provided on the preceding page.
- Project completeness:
  - An application is complete in that the information provided is sufficiently responsive to the Request for Applications (RFA) to allow AEA to consider the application in the next stage (Stage 2) of the evaluation.
  - The application must provide a detailed description of the phase(s) of project proposed.

STAGE 1 CRITERIA	PASS/FAIL
Applicant eligibility, including formal authorization and ownership, site control, and operation	PASS/FAIL
Project Eligibility	PASS/FAIL
Complete application, including Phase description(s)	PASS/FAIL

Applications that fail to meet the requirements of Stage 1 are rejected by the Authority. Each applicant whose application is rejected is notified of the Authority's decision.

REF Evaluation Process: Stage 2 Technical and Economic Feasibility

Stage 2 is an evaluation concerning technical and economic feasibility. This portion of the evaluation process is conducted by AEA staff, Alaska Department of Natural Resources, and contracted third-party economists.

The following items are evaluated as part of the Stage 2 evaluation, as required per 3 AAC 107.645:

- Project management, development, and operations;
- Qualifications and experience of project management team, including on-going maintenance and operation;
- Technical feasibility – including but not limited to sustainable current and future availability of renewable resource, site availability and suitability, technical and environmental risks, and reasonableness of proposed energy system; and,
- Economic feasibility and benefits – including but not limited to project benefit-cost ratio, project financing plan, and other public benefits owing to the project.

All Stage 2 criteria are weighted as follows as part of the evaluation process. Applications that score below 40 points in this stage are automatically rejected by the Authority, however, those projects scoring above 40 may also be rejected as under 3 AAC 107.645(b) has the Authority to reject applications that it determines to be not technically and economically feasible, or do not provide sufficient public benefit.

CRITERIA	CRITERIA DESCRIPTION	WEIGHT
1	Project management, development, and operation	25%
2	Qualifications and experience	20%
3	Technical feasibility	20%
4.a	Economic benefit-cost ratio	25%
4.b	Financing plan	5%
4.c	Other public benefit	5%

REF Evaluation Process: Stage 3 Project Ranking

Stage 3 is an evaluation concerning the ranking of eligible projects. This portion of the evaluation process is conducted by AEA staff in conjunction with solicitation from the Renewable Energy Fund Advisory Committee (REFAC) .

The following items are evaluated as part of the stage three evaluation, as required per 3 AAC 107.655-660:

- Cost of energy
- Applicant matching funds
- Project feasibility (levelized score from stage 2)
- Project readiness
- Public benefits (evaluated through stage 2 benefits)
- Sustainability
- Local Support
- Regional Balance
- Compliance

All Stage 3 criteria are weighted as follows as part of the evaluation process. The Stage 3 scoring is used to determine the ranking score.

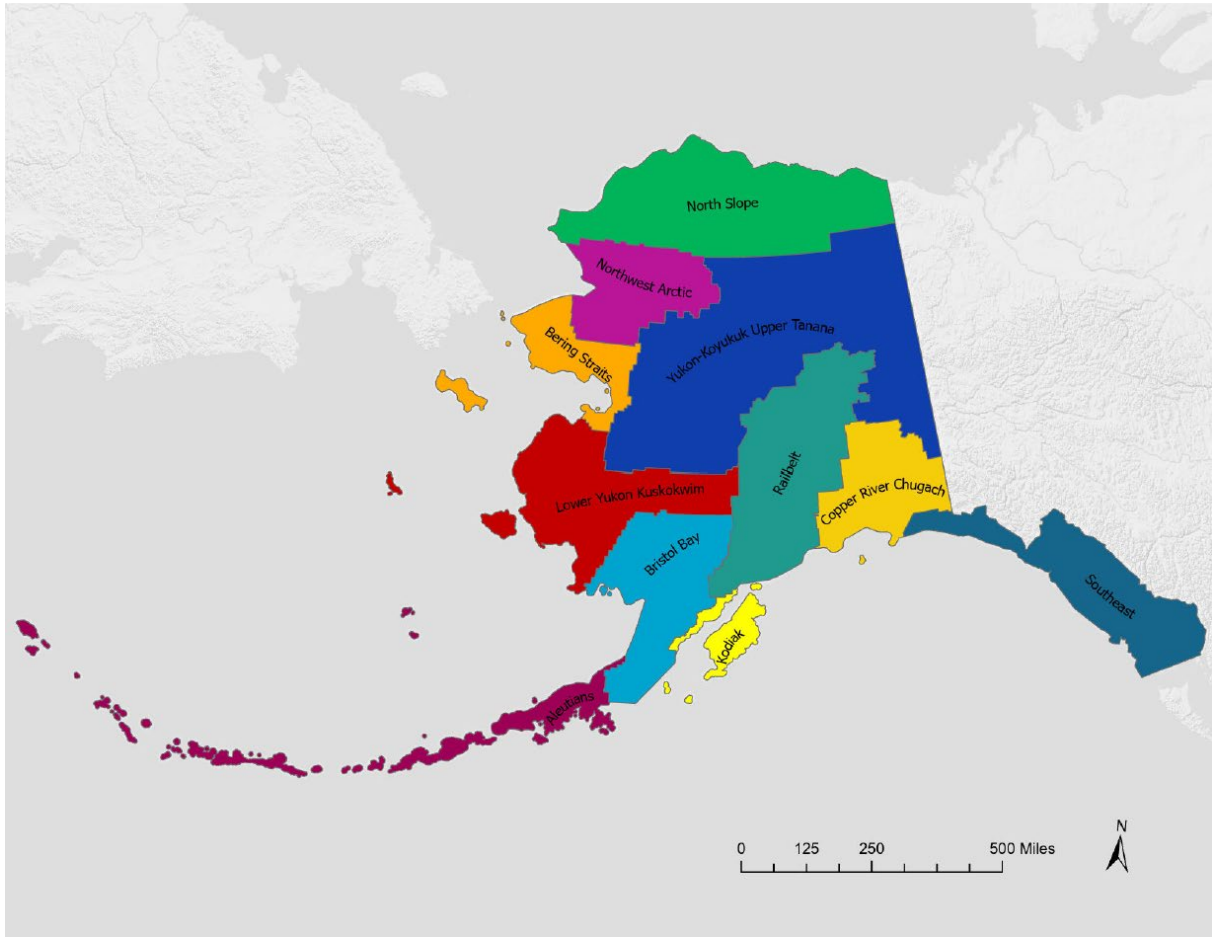
CRITERIA	CRITERIA DESCRIPTION	WEIGHT
1	Cost of Energy	30%
2	Matching Funds	15%
3	Project Feasibility (levelized score from Stage 2)	25%
4	Project Readiness	5%
5	Public Benefits	10%
6	Sustainability	10%
7	Local Support	5%
8	Regional Balance	Pass/Fail
9	Compliance	Pass/Fail

REF Evaluation Process: Stage 4 Regional Spreading

Stage 4 is a final ranking of eligible projects, as required per 3 AAC 107.660, which gives "significant weight to providing a statewide balance of grant money, taking into consideration the amount of money available, number and types of projects within each region, regional rank, and statewide rank." This portion of the evaluation process is conducted by AEA staff in conjunction with solicitation from the Renewable Energy Fund Advisory Committee (REFAC).

The following items are evaluated as part of the stage four evaluation, as required per 3 AAC 107.660:

- Cost of energy burden = [House Hold cost of electric + House Hold heat cost] ÷ [House Hold income]



REF Evaluation Process: Stage 4 Regional Spreading

Cumulative through Round 17									
	Total Round 1-17 Funding	Cost of Power Allocation					Population		Even Split
Energy Region	Grant Funding	% Total	Cost burden (HH cost/HH income)	Allocation cost of energy basis	Additional funding needed to reach 50%	% of target allocation	% Total	Allocation per capita basis	Allocation per region basis
Aleutians	$18,424,940	6%	14.05%	$25,358,712	($5,745,584)	73%	1%	$3,514,229	$27,996,444
Bering Straits	$23,486,724	8%	17.57%	$31,702,782	($7,635,332)	74%	1%	$3,731,789	$27,996,444
Bristol Bay	$20,728,171	7%	18.59%	$33,543,361	($3,956,491)	62%	1%	$2,717,790	$27,996,444
Copper River/Chugach	$28,047,612	9%	9.45%	$17,063,340	($19,515,942)	164%	1%	$3,765,916	$27,996,444
Kodiak	$16,659,519	5%	12.49%	$22,542,437	($5,388,300)	74%	2%	$5,558,437	$27,996,444
Lower Yukon-Kuskokwim	$41,071,051	13%	24.37%	$43,980,281	($19,080,911)	93%	4%	$10,779,017	$27,996,444
North Slope	$1,251,859	0%	3.44%	$6,205,573	$1,850,927	20%	1%	$3,865,737	$27,996,444
Northwest Arctic	$32,841,133	11%	19.25%	$34,748,549	($15,466,859)	95%	1%	$3,016,401	$27,996,444
Railbelt	$36,449,299	12%	5.80%	$10,471,779	($31,213,410)	348%	78%	$241,095,398	$27,996,444
Southeast	$67,022,738	22%	8.65%	$15,607,458	($59,219,009)	429%	9%	$27,362,185	$27,996,444
Yukon-Koyukuk/Upper Tanana	$20,941,945	7%	36.98%	$66,736,608	$12,426,359	31%	1%	$2,553,980	$27,996,444
Statewide	$1,035,888	0%	0.00%						
TOTAL	$307,960,880	100%		$307,960,880			100%	$307,960,880	$307,960,880

REF Funding Limits

REF Round XVII Grant Funding Limits

Phase	Low Energy Cost Areas*	High Energy Cost Areas**
Total Project Grant Limit	$2 Million	$4 Million
Phase I: Reconnaissance Phase II: Feasibility and Conceptual Design	The per project total of Phase I and II is limited to 20% of anticipated construction cost (Phase IV), not to exceed $2 Million.	
Phase III: Final Design and Permitting	20% of anticipated construction cost (Phase IV), and counting against the total construction grant limit below.	
Phase IV: Construction and Commissioning	$2 Million per project, including final design and permitting (Phase III) costs, above.	$4 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 $2 million /$4 million (low/high cost areas). Any amount above the usual $2 million cap spent on these two phases combined shall reduce the total Phase III and IV grant limit by the same amount, thereby keeping the same total grant dollar cap as all other projects. This exception recognizes the typically increased cost of the feasibility stage due to test well drilling.	

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

Low vs High Cost Energy Areas:

- ***Low Energy Cost Areas** are defined as communities connected to the Railbelt electrical grid or with a residential retail electric rate of below $0.20 per kWh, before Power Cost Equalization (PCE) reimbursement is applied. For heat projects, low energy cost areas are communities with natural gas available as a heating fuel to at least 50% of residences, or availability expected by the time the proposed project is constructed.

- ****High Energy Cost Areas** are defined as communities with a residential retail electric rate of $0.20 per kWh or higher, before PCE funding is applied. For heat projects, high energy cost areas are communities that do not have natural gas available as a heating fuel.

Proposed REF Capitalization for FY2027 / Round XVIII

The REFAC recommends the top 29 recommended projects in REF Round 18 for a total grant request of $41,164,051.

The table to the right provides historical REF program funding from program inception through FY2026 (Round 17).

In the FY2026 capital budget, $6.3 million was approved in support of the top six projects as recommended in REF Round 17.

Legislative Appropriation		Fiscal Year
$	100,001,000	FY2008
$	25,000,000	FY2009
$	25,000,000	FY2010
$	36,620,231	FY2011
$	25,870,659	FY2012
$	25,000,000	FY2013
$	22,843,900	FY2014
$	11,512,659	FY2015
$	-	FY2016
$	-	FY2017
$	(3,156,000)	FY2018 - RPSU Reappropriation
$	11,000,000	FY2019
$	-	FY2020
$	-	FY2021
$	4,750,973	FY2022
$	15,000,000	FY2023
$	17,052,000	FY2024
$	10,521,836	FY2025
$	6,315,507	FY2026

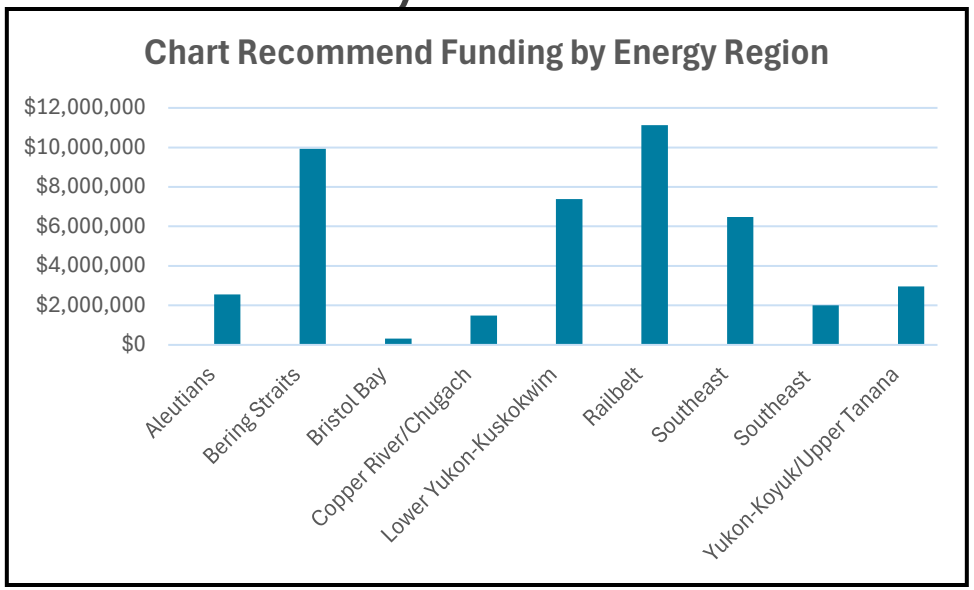
		TOTAL (excl. operating
$	**333,332,765**	**appropriation)**

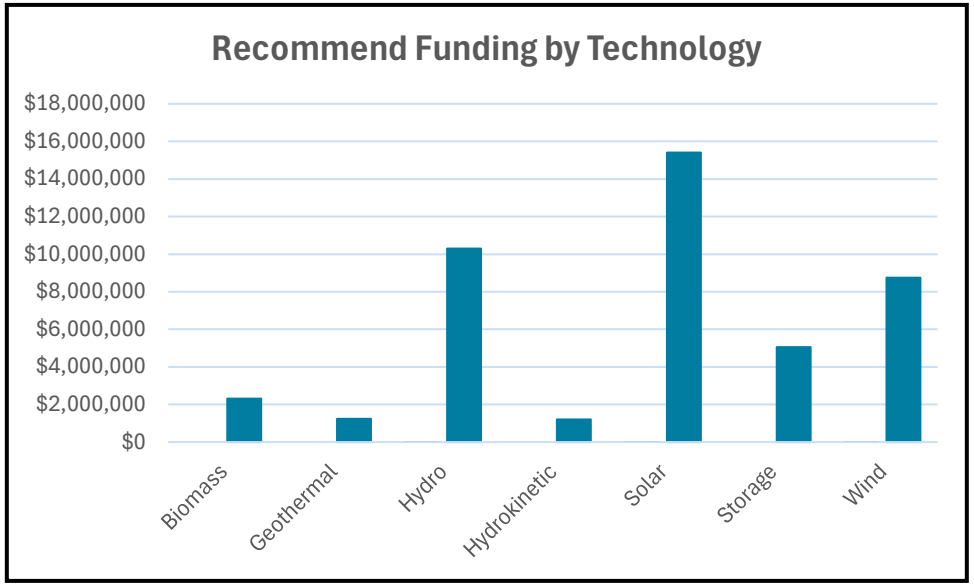
Round XVIII – Recommended Applications Summary

There are 29 recommended applications, totaling a recommended request of $41 million.

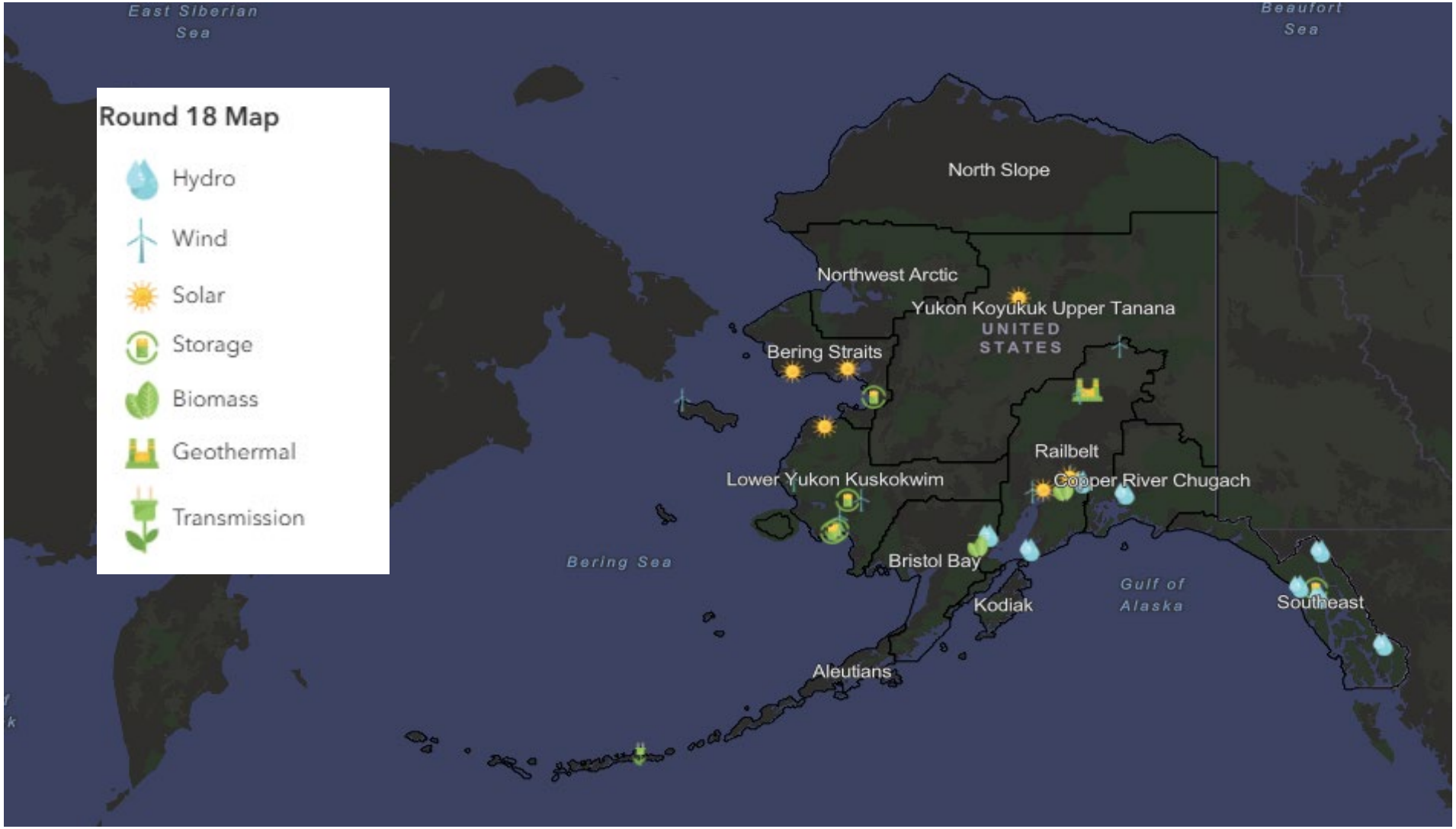
Applications by Energy Region	No. of Applications	REF Funds Requested
Aleutians	1	$ 2,560,000
Bering Straits	4	$ 9,930,541
Bristol Bay	1	$ 312,800
Copper River Chugach	1	$ 1,490,136
Lower Yukon-Kuskokwim	7	$ 7,389,670
Railbelt	10	$ 10,047,819
Southeast	4	$ 6,480,000
Yukon-Koyukuk Tanana	1	$ 2,953,085
Total	29	$ 41,164,051

Applications by Technology	No. of Applications	REF Funds Requested
Biomass	2	$ 2,312,800
Geothermal	1	$ 1,248,029
Hydro	6	$ 8,292,136
Hydrokinetic	1	$ 707,050
Solar	6	$ 15,399,414
Storage	5	$ 5,049,095
Wind	8	$ 8,155,527
Total	29	$ 41,164,051





Round XVIII Geographical Distribution of Recommended Applications



AEA Recommended Applications Overview: #1-7

Recommended Projects											Recommendation				
App. #	Applicant	Project Title	Phase	Energy Region	Election District	Technology	Community	Grant Funds Requested	Matching Funds	Stage 3 Score	Benefit / Cost Ratio	HEC	State Rank	Region Rank	Funding Level	Funding Amount
18012	Kokhanok Village Council	Kokhanok Community Center Biomass Heating Project	Design, Construction	Bristol Bay	S-37	Biomass	Kokhanok	$312,800	$63,200	89	1.43	$13,491	1	1	Full SP	$312,800
18005	Southeast Alaska Power Agency (SEAPA)	SEAPA Grid Resiliency (Tyee Hydro Upgrade)	Construction	Southeast	A-1	Hydro	Petersburg, Ketchikan, Wrangell	$4,000,000	$18,592,510	88	7.56	$6,251	2	1	Partial	$2,000,000
18027	Allakaket Village Council	Allakaket Village Community Solar and Battery IPP	Design, Construction	Yukon-Koyuk/Upper Tanana	R-36	Solar, Storage, Natural Gas	Allakaket, Alatna	$2,953,085	$433,291	80	0.69	$16,319	3	1	Full	$2,953,085
18001	Goat Lake Hydro, Inc.	Goat Lake Hydro Reservoir Expansion - Construction	Construction	Southeast	B-3	Hydro	Haines, Skagway, Dyea, Klukwan, Chilkat Valley	$2,000,000	$250,000	78	6.32	$9,430	4	2	Full SP	$2,000,000
18016	Puvurnaq Power Company	500kwh BESS + Installation, Integration, including upgraded controls	Construction	Lower Yukon-Kuskokwim	S-38	Storage	Kongiganak	$596,000	$152,000	76	1.24	$10,283	6	1	Full SP	$596,000
18008	Alaska Village Electric Cooperative, Inc.	Gambell Battery Energy Storage System Project	Construction	Bering Straits	T-39	Wind	Gambell	$1,932,516	$214,724	75	0.32	$11,548	7	1	Full	$1,932,516
18024	Native Village of Elim	Elim Community Solar Project	Design, Construction	Bering Straits	T-39	Solar, Storage	Elim	$2,987,430	$529,455	74	0.42	$10,721	8	2	Full SP	$2,987,430

Please see related summary report for details concerning the evaluation and description of the individual applications.

AEA Recommended Applications Overview: #8-13

Recommended Projects												Recommendation				
App. #	Applicant	Project Title	Phase	Energy Region	Election District	Technology	Community	Grant Funds Requested	Matching Funds	Stage 3 Score	Benefit / Cost Ratio	HEC	State Rank	Region Rank	Funding Level	Funding Amount
18022	Tuntutuliak Community Services Association	Tuntutuliak Turbine Repair & Upgrades	Construction	Lower Yukon-Kuskokwim	S-38	Wind, Storage	Tuntutuliak	$565,000	$33,000	74	5.8	$10,821	9	2	Full	$565,000
18033	Alaska Renewables LLC	Healy Volcanic Region Geothermal: Collaborative Data Collection and Subsurface Exploration	Feasibility	Railbelt	O-30	Geothermal, Transmission, Storage	Railbelt	$1,248,029	$4,992,116	73	2.44	$6,168	10	1	Full	$1,248,029
18010	Nome Joint Utility System	NJUS Solar- Nome Banner Ridge Solar Farm	Construction	Bering Straits	T-39	Solar	Nome	$3,950,000	$50,000	73	1.39	$9,141	11	3	Full	$3,950,000
18006	Unalakleet Valley Electric Cooperative Inc. (UVEC)	Unalakleet Battery Energy Storage System (BESS) Project	Construction	Bering Straits	T-39	Storage	Unalakleet	$1,060,595	$454,540	72	0.5	$9,494	12	4	Full	$1,060,595
18013	Solid Waste Services, Municipality of Anchorage	Anchorage Waste-to-Energy Facility Reconnaissance, Feasibility, Conceptual Design, and Permitting	Recon, Feasibility	Railbelt	Anchorage (Municipality)	Biomass	Railbelt	$2,000,000	$5,950,000	71	0.79	$6,168	13	2	Full SP	$2,000,000
18020	Kongnikilnomuit Yuita Corporation	Kotlik Solar Battery Project	Design, Construction	Lower Yukon-Kuskokwim	T-39	Solar, Storage	Kotlik	$3,216,259	$745,801	71	0.48	$11,083	14	3	Full	$3,216,259

Please see related summary report for details concerning the evaluation and description of the individual applications.

AEA Recommended Applications Overview: #14-20

Recommended Projects												Recommendation			
App. #	Applicant	Project Title	Phase	Energy Region	Election District	Technology	Community	Grant Funds Requested	Matching Funds	Stage 3 Score	Benefit / Cost Ratio	HEC	State Rank	Region Rank	Funding Level	Funding Amount
18009	Native Village of Atka	Atka Hydrogen Power Project	Construction	Aleutians	S-37	Hydro, Storage	Atka	$2,560,000	$4,060,000	70	0.18	$10,896	15	1	Full SP	$2,560,000
18034	Walker Dome Wind LLC	Walker Dome Wind Final Design and Permitting	Design	Railbelt	O-30	Wind, Transmission, Storage	Railbelt	$2,000,000	$8,000,000	70	1.81	$6,168	16	3	Full	$2,000,000
18025	Kwig Power Company	500kwh BESS + Installation, Integration, including upgraded controls.	Construction	Lower Yukon-Kuskokwim	S-38	Storage	Kwigillingok	$598,000	$153,000	68	0.65	$11,195	17	4	Full	$598,000
18021	Copper Valley Electric Association, Inc.	Solomon Gulch Hydroelectric Facility Pool Raise	Feasibility	Copper River/Chugach	O-29; R-36	Hydro	Valdez District, Copper River Basin District	$1,490,136	$300,000	66	1.06	$6,682	18	2	Full	$1,490,136
18018	Chugach Electric Association Inc.	Beluga Solar Array	Construction	Railbelt	Anchorage (Municipality)	Solar	CEA Serving Area	$2,000,000	$24,534,000	66	0.77	$3,887	19	4	Full	$2,000,000
18030	Elfin Cove Utility Commission	Elfin Cove Hydro Final Permitting and Design	Design	Southeast	A-2	Hydro, Storage	Elfin Cove	$130,000	$32,500	63	0.57	$9,402	20	3	Full SP	$130,000
18002	Matanuska Electric Association	Hunter Creek Hydro Electric Feasibility Study Project	Recon	Railbelt	Matanuska-Susitna Borough Region	Hydro	Mat-Su Region	$112,000	$48,000	59.88	1.05	$3,170	21	5	Full SP	$112,000

Please see related summary report for details concerning the evaluation and description of the individual applications.

AEA Recommended Applications Overview: #21-25

Recommended Projects												Recommendation				
App. #	Applicant	Project Title	Phase	Energy Region	Election District	Technology	Community	Grant Funds Requested	Matching Funds	Stage 3 Score	Benefit / Cost Ratio	HEC	State Rank	Region Rank	Funding Level	Funding Amount
18014	The Native Village of Scammon Bay	Wind Power in Scammon Bay	Design	Lower Yukon-Kuskokwim	T-39	Wind	Scammon Bay	$1,172,401	$0	58	0.61	$11,482	22	5	Full	$1,172,401
18032	Chatanika Wind LLC	Chatanika Wind Feasibility and Conceptual Design	Feasibility	Railbelt	R-36	Wind, Transmission, Storage	Railbelt	$583,000	$80,000	56	1.62	$6,168	23	6	Full	$583,000
18028	Chugachmiut	Kenai Peninsula Energy Strategy Planning Project	Recon, Feasibility	Railbelt	C-6	Hydrokinetic	Seldovia, Halibut Cove, Homer	$1,202,442	$416,869	56	1.1	$8,891	24	7	Partial SP	$707,050
18026	Atmautluak Tribal Utilities	ATU BESS Battery Replacement Project	Construction	Lower Yukon-Kuskokwim	S-38	Storage	Atmautluak	$444,500	$75,000	55	1.18	$10,059	25	6	Full SP	$444,500
18007	Inside Passage Electric Cooperative	Hoonah Battery Energy Storage System (BESS) Installation Project	Construction	Southeast	A-2	Storage	Hoonah, Kake, Chilkat Valley, Angoon, Klukwan	$2,350,000	$0	53	0.53	$9,149	26	4	Full	$2,350,000

Please see related summary report for details concerning the evaluation and description of the individual applications.

AEA Recommended Applications Overview: #26-29

Recommended Projects								Recommendation								
App. #	Applicant	Project Title	Phase	Energy Region	Election District	Technology	Community	Grant Funds Requested	Matching Funds	Stage 3 Score	Benefit / Cost Ratio	HEC	Region Rank	State Rank	Funding Level	Funding Amount
18015	Knik Tribe	Solar in the Heart of the Railbelt	Design	Railbelt	Matanuska-Susitna Borough Region	Transmission, Solar, Storage	Knik Tribal members, Mat-Su Region	$292,640	$52,720	52	0.45	$3,191	27	8	Full	$292,640
18019	Akiachak Native Community	Akiachak Wind System Design and Integration	Feasibility, Design	Lower Yukon-Kuskokwim	S-38	Wind, Solar, Storage	Akiachak	$797,510	$25,000	51	0.74	$10,539	28	7	Full SP	$797,510
18023	Bald Hills Wind LLC	Bald Hills Wind Feasibility and Conceptual Design	Feasibility	Railbelt	S-37	Wind, Transmission, Storage	Railbelt	$528,000	$80,000	48	0.94	$6,168	29	9	Full	$528,000
18004	Knik Tribe	Knik Tribe Renewable Reconnaissance and Feasibility Study	Recon, Feasibility	Railbelt	Matanuska-Susitna Borough Region	Wind	Mat-Su Region	$1,165,000	$180,700	38	0.18	$3,170	30	10	Partial SP	$577,100

Please see related summary report for details concerning the evaluation and description of the individual applications.

Round XVIII – Partial Funding Reasoning

As part of the evaluation process and pursuant to 3 AAC 170.655(b), three applications, as provided below, have been recommended for partial funding. Partial funding recommendations were made in full consideration of project phases applied for, application scoring, project scope eligibility, and household cost of energy.

App. #	Project	Requested Funding	Recommended Funding	Partial Funding Reasoning
18005	SEAPA Grid Resiliency (Tyee Hydro Upgrade)	$4,000,000	$2,000,000	Based on the local cost of energy, AEA staff reviewed the application to determine the appropriate funding cap in accordance with the REF Round 18 RFA. Although the application referenced the $4 million maximum award, the project area's cost of power is below $0.20/kWh. As a result, if the project were selected for funding, the final grant award would be required to be reduced to the $2 million maximum specified in the RFA.
18028	Kenai Peninsula Energy Strategy Planning Project	$1,202,442	$707,050	Several proposed budget line items do not appear to align with the primary intent of the REF program, which is to support the deployment of renewable energy technology systems. The program is not intended to fund new, full-time dedicated positions, though eligible staff time for existing personnel is allowable. In addition, the proposed level of travel may not be fully aligned with an adjusted project scope, as coordination activities such as regional planning meetings could potentially be conducted more efficiently. As proposed, the dedicated Energy Program Manager salary, fringe, and associated travel costs are not aligned with the REF program goals. Planning workshops throughout the project term would be subject to AEA review of agendas, locations, and associated costs. As a result, if the project were selected for funding, the final grant award would be required to be reduced to $707,050 from $1,202,442 and scope items discussed here, removed.
18004	Knik Tribe Renewable Reconnaissance and Feasibility Study	$1,165,000	$577,100	The recommended funding level reflects the estimated cost to complete the Reconnaissance Phase, based on the project receiving fewer than 40 points in the Stage 3 evaluation. If selected for funding and the phase is successfully completed, the applicant would be eligible to apply for additional funding under the REF program for subsequent project phases. As a result, if the project were selected for funding, the final grant award would be reduced to $577,100 from $1,165,000.

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