



Financial Assistance Award

DENALI COMMISSION
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 www.denali.gov

Project Number 0048-DC-2002-I1
Amendment No. 11

Project Title Bulk Fuel Consolidation Upgrades & Power Generation

Performance Period February 1, 2002 – January 31, 2004

Recipient Name & Address
 State of Alaska
 Alaska Energy Authority
 813 W. Northern Lights
 Anchorage, AK 99503

Phone: (907) 269-3000
 Fax: (907) 269-3044

Authority 112 Stat 1854
CFDA Number 90.100

Denali Commission Finance Officer Certification *Ullm for CEE*

<u>Current Obligations</u>		<u>Cumulative Obligations</u>	<u>Denali Commission</u>	<u>Other Contributors</u>	<u>Totals</u>
FY03 Base funding	\$ 1,476,397.00	Current Funding	\$ 1,476,397.00		\$ 1,476,397.00
		Funding From Prior Periods	\$ 90,956,765.56	\$ 28,252,278.00	\$ 119,209,043.56
Prior period	\$ 90,956,765.56	Funding Totals	\$ 92,433,162.56	\$ 28,252,278.00	\$ 120,685,440.56
Total Current Denali Commission Budget	\$ 92,433,162.56	DC Expenditures as of 6/30/03	\$ 45,632,567.54		

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions indicated below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Federal Co-Chair of the Denali Commission and the Recipient shall retain the third document. If not signed and returned without modification by the Recipient within 30 days of receipt, the Federal Co-Chair may unilaterally terminate this Award.

- Special Award Conditions and Attachments
- Line Item Budget
- OMB Circular A-133, Audits of States, Local Governments and Indian Tribal Governments (www.whitehouse.gov/OMB/circulars/a133/a133.html)
- Administrative Requirements (check one)**
- 15 CFR 24, Uniform Admin Requirements for Grants/Cooperative Agreements to State and Local Governments (www.access.gpo.gov/nara/cfr/waisidx_99/15cfr24_99.html)
- 15 CFR, Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations (www.access.gpo.gov/nara/cfr/waisidx_99/15cfr14_99.html)
- Cost Principles (check one)**
- OMB Circular A-87, Cost Principles for State and Local Governments and Indian Tribal Governments (www.whitehouse.gov/OMB/circulars/a087/a087-all.html)
- OMB Circular A-122, Cost Principles for Nonprofit Organizations (www.whitehouse.gov/OMB/circulars/a122/a122.html)
- OMB Circular A-21, Cost Principles for Educational Institutions (www.whitehouse.gov/OMB/circulars/a021/a021.html)
- 48 CFR 31.2, Contracts with Commercial Organizations

Signature of Authorized Official - Denali Commission *[Signature]* **Typed Name and Title** Jeffrey B. Staser, Federal Co-Chair **Date**

Signature of Authorized Official *[Signature]* **Typed Name and Title** Ronald W. Miller, Executive Director **Date** 9/16/03

PROJECT	NEW FUNDING (\$)	REALLOCATED FUNDING (\$)	FUNDING SOURCE
Energy Efficiency Retrofits-Village Specific Measures (per December funding request)	\$-	\$800,000.00	Reallocation of FY 02 RUS funding for Manokotak Intertie
Larsen Bay BFU	\$-	\$1,200,000.00	Reallocation of FY 02 RUS funding for Manokotak Intertie
RPSU Metering Demonstration Project	\$-	\$520,000.00	Reallocation of FY 00 DC funding for Old Harbor Hydroelectric
Village Specific Wind Monitoring (per December funding request)	\$-	\$370,000.00	Reallocation of FY 00 DC funding for Old Harbor Hydroelectric
Solicitation of Energy Cost Reduction Projects in FY 04	\$-	\$50,000.00	Reallocation of FY 00 DC funding for Old Harbor Hydroelectric
Update Statewide Community Priority Lists for Bulk Fuel and Power Projects per August proposal	\$-	\$454,783.83	Reallocation of AEA excess direct costs
Update Statewide Community Priority Lists for Bulk Fuel and Power Projects per August proposal	\$175,013.67	\$-	FY 2003 Base Funding
Chalkytsik BFU	\$600,000.00	\$-	FY 2003 Base Funding
False Pass BFU	\$701,383.33	\$-	FY 2003 Base Funding
Total Amd. 11 \$	\$1,476,397.00	\$3,394,783.83	

**Revised Award Conditions to the Financial Assistance Award
between the Denali Commission and Alaska Energy Authority
for Rural Bulk Fuel and Power System Upgrades
September 2003
Project # 0048-DC-2002-11, Amendment 11**

1. Scope of Work

The scope of work under this Financial Assistance Award (the “Agreement”) is to plan and construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities, including fuel storage and distribution systems, energy efficiency, cost reduction and alternative energy projects. The projects previously approved by written amendment or direction remain unchanged except that certain previously granted funds, specifically remnants of RUS funding for an intertie from Manokotak to Dillingham, and the remnants of funding for a hydroelectric project at Old Harbor are reallocated in accordance with the attached spreadsheet. Any surplus of other funds (on one or more of the projects funded under this Agreement) may be used on other projects identified under this Agreement that may be experiencing a project shortfall. The intent is not to set aside a specific sum of Commission funding to a particular community, but rather that the projects on “Approved Project List” are completed successfully. Trans Alaska Pipeline Liability (TAPL) funding and Environmental Protection Agency (EPA) funding may be used only for bulk fuel projects, and the EPA funding can be applied only to approved projects, i.e., Port Heiden, Egegik, Deering, Golovin and Akiachak.

Alternative Energy and Energy Efficiency scope of work includes the following:

1. Installing remote data acquisition and control equipment to provide detailed system performance and load data to aid system design, efficiency improvements, and utility management.
2. Performing energy efficiency upgrades on lighting, heating, and ventilation systems in major facilities in conjunction with Denali Commission-supported rural power system upgrades and, with a 25% local cost-share, providing energy efficient lighting and appliances to residential utility customers.
3. Conducting site-specific wind energy assessments in support of siting and conceptual design of hybrid wind-diesel systems.

There are many issues such as facility location, project ownership, construction costs, and compliance with sustainability criteria that require resolution prior to proceeding with construction. If project issues cannot be resolved in a reasonable time frame, the Commission expects AEA to move down the priority list to projects that are ready to proceed to construction. It is expected that the Commission and AEA Project Officers will meet quarterly to review the progress of projects and collaboratively determine if reasonable progress is being made and what steps should be taken, if any, to deal with new developments encountered in the design and construction process.

AEA will make subgrants to Alaska communities or local utilities to construct the projects, and AEA may act as the subgrantees' agent to plan, design, and construct the projects.

2. Award Performance Period

The award performance period is February 1, 2002 through January 31, 2004. Due to the nature of the continuation award, cost incurred prior to February 1, 2002 for projects which have been carried forward from a previous award are allowable under this award.

3. Direct and Indirect Costs

The cost principles of OMB Circular A-87 are applicable to this award. The direct costs of AEA personnel time devoted to and identified on their timesheets for the performance of the award, i.e. plan, manage, and construct the projects under section 1 of this award, are allowable. In addition, up to 3.5% of the total costs under this award are allowable for the direct cost of AEA personnel time devoted to and identified on their timesheets for administration of the award. AEA direct personnel costs for grant administration exceeding the 3.5% limit plus indirect costs will be considered a matching contribution. The excess 0.5% (\$454,783.83) which was previously allocated under this award is hereby reallocated for use in updating the statewide community priority lists for bulk fuel and power projects.

4. Budget and Program Revisions

Budget and program revisions to Commission funding shall be in accordance with 15CFR24.30. Shifting of funding between project line items by AEA is allowed provided there is no increase in the total funding provided by the Commission. The Commission Project Officer is to be notified on all revisions to the "Approved Project List" as part of the quarterly report under section 6.a. of this award.

Written request by letter from the AEA Project Officer to the Commission Project Officer for concurrence is necessary for budget and program revisions where projects are added or deleted or that would result in the need for additional Commission funds.

5. Award Renewal

AEA may apply for a renewal award to begin on the first day after the existing award performance period ends. AEA must submit a properly completed application, in accordance with the instructions provided by the Commission, to the Commission prior to the scheduled expiration date of the award as shown under section 2 of this award. The application will include:

- a. The project status report required under section 6.a. of this award as of the most recently completed quarter and a projected project status report as of the end of the award period.
- b. A description of AEA's plans for the conduct of the projects during the renewal, award period.
- c. A detailed budget for the upcoming award renewal period.

The Commission shall review the renewal award application adequacy of AEA's progress during the current award period and planned conduct of the projects in the renewal award period. The Commission shall not require the applicant to compete against any other application. The Commission will roll-forward to the renewal award period, the unliquidated obligations of the award as of the last day of the award period. The Commission will also roll-forward to the renewal award period, the unobligated balance of the award. The award of any additional funding for the renewal award is subject to the availability of funds.

6. Reporting

Four forms of project reporting are required under this award, listed below. The first quarterly reporting period for this award will be Feb 1, 2002 – Mar 30, 2002. Unless otherwise indicated, reports are due within 30 days of the end of the reporting period. The Commission reserves the right, at a future date, to direct AEA to provide progress reports in electronic format for posting on the Commission web page.

- a. a. Project status reports shall be submitted to the Commission project officer quarterly in the attached format. The quarterly status report will include all of the cumulative bulk fuel and power system upgrade projects including projects carried forward from previous awards as well as new projects under this award.
- b. A Financial Status Report (Standard Form 269), www.whitehouse.gov/OMB/grants/index.html#forms and a final Financial Status Report shall be submitted to the Commission Project Officer within 90 days after the end of the Award Performance Period.
- c. A Labor Type, Residence, and Wage Report shall be submitted to the Commission project officer annually. Current report dates are from August 1, 2002 through October 31, 2003 and will be due by December 1, 2003. Annual updates shall be submitted by December 1st of each year. A Labor Type, Residence, and Wage Report must include the following information by construction project for any person employed on the construction of that project: position, place of primary residence, first check date, last check date, rate of pay per hour, payroll earnings. Personal or confidential information such as Social Security numbers, names of individuals, or other information that would identify an individual should not be included in this report.
- d. Photographic documentation of project progress shall be provided with the quarterly reports for active construction projects. The photo documentation shall include a minimum of five, dated photos per quarter such that a complete record of the construction is maintained over time, from "before," showing the situation before the start of construction, to "during" showing work proceeding on the project, and "after" to show the finished project. For minor repair and O&M projects, pictures should be provided of before and after to the extent possible. Photos may be provided as photo quality, 3x5 prints with negative for each picture, and/or print quality electronic photos (digital images).

7. Payments

Payments under this award will be made through the U.S. Department of Treasury's Automated Standard Application for Payment (ASAP) system. The ASAP system is the Denali Commission's mechanism for requesting and delivering Federal funds to financial assistance award recipients. Your organization must be registered with the ASAP program in order to make draw downs. Please contact the Denali Commission project manager for further information about registering with the ASAP program. Payments will be made in accordance with 15 CFR 24.21.

8. Award Close Out Process

The award closeout must be completed within 90 days of the end of the award performance period or within 90 days of the completion of the project, whichever is earlier. Project closeout includes the submission of both a final narrative report and financial status report. Recipients must also draw down any remaining funds for expenditures under this award during this 90-day period. Please refer to the Denali Commission guidance for project closeout for additional details on the requirements. This is available by contacting the Denali Commission office or the Project Manager.

9. Public Policy Laws and Assurances

AEA will comply with the public policy laws and assurances on the signed, attached form SF 424D. Certain of the public policy laws and assurances are highlighted below for your reference.

Local Labor and Small, Minority Owned and Disadvantaged Businesses: To the maximum extent feasible, considering applicable laws, AEA shall accomplish the work of this Agreement utilizing local labor and small, minority owned and disadvantaged businesses.

Lobbying: No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

Environmental Reviews: Based upon proposed Federal funding, project level environmental reviews in accordance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) are required for each project undertaken with Denali Commission funds. In accordance with NEPA and NHPA legislation, AEA shall address all potential environmental concerns (specific and cumulative effects) associated with the projects, identified in this Agreement, in consultation with applicable Federal, State, and local authorities. If the scope of work is changed in the future, then AEA will revisit the project level environmental reviews to determine if potential environmental concerns must be further addressed. In the interest of streamlining the project level environmental reviews and to avoid duplication of effort, any other Federal Agency environmental review process carried out by AEA on projects, identified in this Agreement, shall meet the intent of this paragraph.

10. Project Officers & Contact Information

AEA project officers are Mr. Chris Mello for purposes of project design and construction and Ms. Sara Fisher-Goad for purposes of financial management. The Commission project officers are Ms. Kathleen Prentki. for purposes of project management and Ms. Michelle O’Leary for purposes of financial management.

Denali Commission	Alaska Energy Authority
Ms. Kathleen Prentki 510 “L” Street, Suite 410 Anchorage, AK 99501 Voice – (907) 271-1414 Fax – (907) 271-1415 e-mail: kprentki@denali.gov	Mr. Chris Mello 813 W. Northern Lights Blvd. Anchorage, AK 99503 Voice – (907) 269-4649 Fax – (907) 269-3044 e-mail: cmello@aidea.org
Ms. Michelle O’Leary 510 “L” Street, Suite 410 Anchorage, AK 99501 Voice – (907) 271-1767 Fax – (907) 271-1415 e-mail: moleary@denali.gov	Ms. Sara Fisher-Goad 813 W. Northern Lights Blvd. Anchorage, AK 99503 Voice – (907) 269-4623 Fax – (907) 269-3044 e-mail: sfishergoad@aidea.org

11. Denali Commission Policies

AEA agrees to comply with the Commission’s resolution 01-15 resolution on sustainability, the Commission’s sustainability criteria, private enterprise policy, project prioritization policy, pipelines and dispensers policy, and project design capacity policy, and cost containment policy. In addition, the draft Investment Policy will be considered in determining the readiness and sustainability of proposed projects. These policies are all available on the Denali Commission web page, www.denali.gov.