

Renewable Energy Feasibility Fund

GRANT PROGRAM

Governor Ted Kulongoski's Executive Order 06-02 entitled "Sustainability for the 21st Century" directs the Oregon Economic and Community Development Department (OECDD), in coordination with the Oregon Department of Energy, to establish a revolving loan fund "within existing funding and authority" to support feasibility studies for "community renewable energy projects." OECDD has established the Renewable Energy Feasibility Fund (REF Fund) within the Special Public Works Fund (SPWF) for this purpose, namely to encourage the widespread adoption of renewable energy projects that reduce Oregon's dependence on fossil-based energy sources and promote sustainable economic development for communities throughout the state.

Who is eligible to apply for REF Fund assistance?

The following municipalities are eligible to apply for REF Fund assistance:

- Cities
- Counties
- County service districts (organized under ORS Chapter 451)
- Tribal Councils of Indian tribes
- Ports
- Districts as defined in ORS 198.010
- Airport districts (ORS 838)

Who is not eligible to apply for REFF assistance?

All entities that are not explicitly included in the list above are ineligible to apply. Examples

of ineligible entities include, but are not limited to, individuals, private businesses and non-profit organizations, schools and universities, public agencies, etc.

What type of feasibility study is eligible for funding?

Studies must be for the purpose of developing a construction project that is a municipally owned facility, and fits within the definition of a community energy project (see definition below). Further, the municipality must be willing and committed to developing the construction project when it is appropriate to do so.

What is a "feasibility study?"

A feasibility study is broadly defined as an analytical tool that assists in determining the viability of a "community renewable energy project" for the purpose of generating electricity, heat and/or fuel. The study should entail a comprehensive analysis that provides the necessary information to determine if a development project is viable.

For the purposes of the REF Fund, a community renewable energy project pertains to an existing or proposed facility or infrastructure project that clearly demonstrates a benefit to the local community. The ownership of the project *must* reside with the municipality to be eligible for funds.

May a feasibility study be used to support a privately owned development project?

No. The REF Fund may only be used to support *municipally-owned projects*. Funds may be available through the Oregon Department of Energy to support privately owned projects. For more information, please contact the Department of Energy.

Web site: oregon.gov/ENERGY/index.shtml;
Phone: 503-378-4040 (800-221-8035)

More Information

REF Fund Program Coordinator
[Glenn Montgomery](mailto:Glenn.Montgomery@oeccd.org)
503-229-5223

REFF program information, or to download an application visit econ.oregon.gov or to request application information by phone, call OECDD at 503-986-0123, or by mail, send request to OECDD, 775 Summer St. NE, Suite 200, Salem, OR 97301-1280.

For more information on the **Special Public Works Fund** visit econ.oregon.gov or call the department at 503-986-0123.

For more information about the **BETC program** visit www.oregon.gov or call the Oregon Department of Energy at 1-800-221-8035 (in Salem at 503-378-4040).

For more information about the **State Energy Loan Program** visit www.oregon.gov

For more information on the **Governor's Executive Order 06-02** visit governor.oregon.gov/Gov/pdf/eo0602.pdf

May “demonstration” projects or R&D projects qualify for the REF Fund?

No. Pilot demonstration and/or R&D projects are not eligible for funding under the REF Fund program. The intent of the REF Fund is to support renewable energy development projects that rely on commercially viable technologies and are highly likely to lead to construction. Thus, feasibility studies are limited to those projects that incorporate technologies with a demonstrated maturity in the marketplace or can provide definitive proof of commercial viability.

What type of funding assistance is available?

Limited funding is available through a grant program on a competitive basis. A “Call for Pre-Proposals” is typically announced in the September/October and March/April timeframes each year.

Are there restrictions to the funding?

The awards made under the REF Fund program are subject to statutory and administrative rules requirements of the Special Public Works Fund and these REF program guidelines. The statutory series is ORS 285B.410 to 285B.464. The Administrative Rules are contained in OAR 123–042. Additional requirements, such as the municipality’s responsibilities when using lottery bond proceeds, and public procurement requirements, etc, are contained in the standard contract of the REF Fund program.

Is there a funding limit for a feasibility study?

Yes. The maximum grant award amount is \$50,000 per study.

Is there a cost sharing requirement?

Yes. The applicant must provide a minimum of 25 percent of the total study costs with at least 15 percent representing direct cash

contributions. All or a portion of the cost sharing requirement could be in the form of a loan from the SPWF, subject to applicant’s eligibility and the availability of funds. In addition, if the applicant secures federal funds, such as grants from USDA or US DOE, or other sources of funding, these may be applied to the total cost share of the applicant.

Do “in-kind” goods and/or services qualify for cost sharing?

Yes. “In-kind” contributions, such as consulting services, equipment, supplies, etc., that are needed to conduct the study may qualify as part of the applicant’s cost sharing requirement. This does not include project overhead costs, such as grant writing costs, contract administration, fringe benefits, office overhead, etc. An Evaluation Committee will determine what qualifies as “in-kind” support as part of the application review process.

Are there other specific criteria required in order to be eligible for funding?

Yes. For electricity production, studies are limited to development projects that aim for capacity of more than 25kW and a maximum of 10MW. For heat and/or fuel generation projects, eligibility will be determined on a case by case basis with an emphasis on small-scale production. Priority will be given to feasibility studies that support projects that have the potential to qualify for additional loan funding through the Oregon Business Energy Tax Credit (BETC) program, and/or the State Energy Loan Program (SELP).

How does an applicant apply for funding?

A Call for Pre-Proposals will be issued twice annually in the Fall and Spring (typically March/April and September/October). Applicants must submit a completed “Intake Form” within the designated timeframe, and those that meet the basic program eligibility requirements will be invited to submit a full proposal. The specific timeline and application details will be made available on OECD’s web site during each funding round, and this material can be requested by contacting the program coordinator or the OECD Regional Coordinator for your area.

Is this a competitive process?

Yes. Limited grant funds will be made available during each application cycle. An Evaluation Committee comprised of a cross-section of state agency staff and external partners will rank the proposals based on the combined merits of each application relative to the pool of applications received. The Evaluation Committee will consider a number of factors in making ranking decisions, including but not limited to:

- Quality of project and likelihood to lead to construction.
- Potential cost/benefit
- Economic development potential, e.g., impacts on jobs and revenue
- Creation of new or enhanced infrastructure to support business and community development
- Clearly defined deliverables and outcomes
- Viability of proposed technology solution

- Likelihood of project to satisfy BETC criteria, assuming project is feasible
- Demonstrated capability of project team
- Demonstrated need, e.g., preference to rural and distressed communities
- Amount of funding request (preference is to maximize the number of studies)
- Nature of project (preference is to maximize the overall diversity of projects)
- Clear and direct benefit to local community
- Availability of state funds to make awards

The Evaluation Committee reserves the right to recommend a downward adjustment to an award amount relative to an applicant’s request to better fulfill the mission of the REF Fund. In these instances, the committee and/or OECDD will work with the applicant to determine how to conduct the study with the adjusted award amount.

What is the process and expected turn-around time for issuing awards?

The approximate timeframe for the REF Fund process is as follows:

Pre-Application	Full Proposal	Review	Awards/Contracts
Month 1	Month 2	Month 3	Months 4–6

As part of the Intake and proposal process, OECDD staff and the Evaluation Committee may request additional information from applicants. Under normal circumstances, awards will be announced approximately 45 days from the full proposal due date, and award recipients will be invited to enter into contractual agreement with OECDD. The contract process varies in length depending on the nature of the project, parties involved, competing demands on OECDD staff, etc., but the goal is to commence projects within 90-120 days of award announcements.

How will the money be disbursed?

Funds will be disbursed only after a financing contract is executed between the municipality and the department. In general, funds are disbursed on a reimbursement basis based on the “participation rate” (ratio of REF funding to total project funding). The specific terms will be included in the financing contract.

Who will own the end product of the feasibility study?

The award recipient will own the study; however, OECDD will be given a copy of the final report and any requested work products as well as full, access to the study and any analysis performed to complete the study. Work products that are created using SPWF funds are subject to public information laws. Provisions may be included to protect intellectual property rights, on a case-by-case basis.