



Remote Alaska Communities Energy Efficiency (RACEE) Competition Fact Sheet

Background

Remote Alaskan communities face a number of unique energy challenges, with the harsh climate and isolation combining to drive up energy costs. The remote locations, in many cases only reached by air or boat, add significant costs to any fuel imported to the communities which on the average are nearly double the medium amount spent throughout the United States, according to the U. S. Energy Information Administration. The climate drives the demand for heat, and can affect the operation and maintenance of electrical and heating systems. It should come as no surprise that energy efficiency improvements can help Alaskans reduce their heat and electricity consumption and lower energy costs, while increasing energy reliability.

Heating fuel dominates rural Alaska's energy consumption—it can account for as much as 80 percent and account for a major monthly expenditure for these remote communities. In July 2015, the unsubsidized cost of heating oil averaged \$5.27 per gallon across Alaska, and up to \$9 per gallon in some regions¹. Likewise, in these remote regions of Alaska the average electricity cost is more than \$0.50 per kilowatt hour (kWh), and as high as \$1.50 per kWh² in some locales.

The Energy Department is now asking eligible Alaskan communities and native villages to sign a simple, yet meaningful, pledge to improve community energy efficiency by 15 percent or more by 2020. Those communities who pledge (Community Efficiency Champions) will become part of a peer network and eligible to apply for technical assistance to prepare implementation plans. Later in 2016 those communities selected to receive technical assistance will be eligible to compete for up to \$1 million in grant funding (\$3.3 million total) to implement energy saving measures. The competition is designed to empower communities to develop and implement solutions that can effectively advance the use of reliable, affordable, clean energy and energy-efficient solutions throughout rural Alaska and other Arctic regions.

¹ Alaska Fuel Price Report - July 2015 Update,
https://www.commerce.alaska.gov/web/Portals/4/pub/FuelPriceReport_July2015.pdf

² 2014 Power Cost Equalization Program report,
<http://www.akenergyauthority.org/Content/Programs/PCE/Documents/FY14PCEStatisticalRptByComtAmended.pdf>



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Objective

The RACEE Competition will empower Alaskan communities and native Alaskan villages to develop effective tools to advance the use of reliable, affordable, and energy efficient solutions that are replicable throughout Alaska and other Arctic regions. The Energy Department intends to issue a \$4M three-phased Competition to support projects designed to encourage rural community energy efficiency improvements through outreach, technical assistance (TA), and project development, provided in partnership with Alaska stakeholders. Communities that pledge to reduce energy consumption by at least 15% by 2020 will be eligible to compete for energy efficiency technical assistance (TA). TA will provide project readiness assistance such as comprehensive building inventories, building audits, energy use benchmarking, community energy fairs, business plan development, and project financing advice. The subset of communities that receive TA will be eligible to compete for implementation grants.

For both Phase 1 and 2, information about the pledge and technical assistance application process can be found in the DE-FOA-0001479: Notice of Opportunity for Technical Assistance (NOTA) for Remote Alaska Communities Energy Efficiency Competition (DE-FOA-0001479), found at <https://eere-exchange.energy.gov/FileContent.aspx?FileID=d4ca82f7-a78a-46f0-9708-46da6aa5d28b>. The forms needed to apply can be found in EERE Exchange at <https://eere-exchange.energy.gov/#FoaId0910a5e2-771f-47f9-a113-f94f10649767>, or requested via email at AlaskaCompetition@hq.doe.gov or via fax at 240-562-1640. Applications can be submitted through the same methods, following the instructions in the NOTA.



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Pledge Process - PHASE 1

- In Phase 1 of the [Competition](#) eligible communities (communities and native Alaskan villages with a population of no greater than 8,000) will sign a simple yet meaningful pledge to improve community energy efficiency by a minimum of 15% by 2020.
- Communities who pledge will be designated as a Community Efficiency Champion and would have access to a peer network, and be eligible to compete for TA that the Department, intends to offer in Phase 2 of the Competition, in partnership with Alaska stakeholders.
- The Department, in partnership with Alaska stakeholders, plans to provide all eligible Community Efficiency Champion communities with guidance on how to effectively reach their savings pledge regardless of selection for Phase 2 or 3.

Technical Assistance Implemented - PHASE 2

- In Phase 2 of the Competition, DOE intends to provide targeted TA to up to twenty selected Community Efficiency Champions. Subject to the availability of funding, the Department plans to fund technical assistance in partnership with Alaska stakeholders.
- The Department anticipates announcing recipients of the TA in Phase 2 at the end of April 2016.
- Phase 2 TA providers will work with selected Community Efficiency Champions to help develop project plans that will meet or exceed the energy efficiency pledge, are sustainable, and that align with the community's vision.
- The Department plans for the TA providers to deliver tailored education and training to participating communities to develop viable energy efficiency project plans that may include, but are not limited to, energy use data collection, building audits, business plan development, financial feasibility assessment, participation in community energy fairs, and available funding and financing tools for implementing economic efficiency measures.
- The success of Phase 2 of the competition will be measured in part by the extent to which each participating community uses those project readiness plans to successfully close loans or win grants to implement cost saving efficiency measures. The TA providers are prohibited from assisting the communities in



actually completing loan or grant applications. Communities and native Alaskan villages will be responsible for completing their own grant and loan applications.

Competitive Awards Conferred - PHASE 3

- The final phase of the Competition, Phase 3 subject to the availability of funding, will award up to \$3.3M in competitive grants to up to five communities for implementation of their community energy efficiency plans developed in Phase II of the Competition.
- The Department anticipates announcing Community Efficiency Champions selected for project implementation funding in October of 2016.