

**ADDENDUM TWO**  
**Request for Proposal 16001**

**Liquefied Natural Gas (LNG) Feasibility Study**

July 1, 2015

EMAIL TO: All RFP recipients on record.

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

1. The RFP deadline is changed to July 13, 2015, 3:00 P.M.
2. Reference Proposed Scope of Services, 5.2.1 Suggested Phase Methodology, 1. Economic Evaluation:
  - The following is moved to Section 5.2.2 Suggested Phase 2, Methodology, Part 2:
    - a. "Estimate the volumes needed by community, sub-region, and region.
      - i. Use data available from the AEDG and AEA's community economic and forecasting model to estimate electricity generation and thermal loads."

**QUESTIONS AND ANSWERS:**

3. **Q:** There appears to be an issue in 5.2.1 where the volumes of LNG needed by community, sub-region, and region is being required before the expected date of availability for the economic model?  
**A:** This is an error in the RFP and is internally inconsistent. Please see the correction listed above.
4. **Q:** Who will be doing the population forecasts?  
**A:** ISER will be doing the population forecasts. We are still working on how granular their forecasts will be. The contractor will not be responsible for these assumptions for population forecasts, and AEA will require that our assumptions are used in order to maintain consistency across all projects in the AkaES research.
5. **Q:** Are resumes included in the page count?  
**A:** No, they are not counted towards the page count of **five** pages. Also, the page count for **five** pages remains unchanged.
6. **Q:** Will presentations be required?  
**A:** No, a presentation will not be included in this RFP. If a presentation is required, it will be funded through an amendment to the contract.
7. **Q:** Sequence of tasks. The policy options identified in RFP Section 5.3.5, Phase 4, are to be applied to the communities that meet High and Medium criteria (RFP section 5.2.3, page 6), NOT the whole state. Is this a correct reading?

**A:** Yes.

8. **Q:** Benefits and Costs. We believe AEA would like to use the statewide perspective, correct?

**A:** Yes, AEA is not considering costs carried by the state (such as grants) as differently from private funds. The total cost of a project will count all sources of funds equally.

9. **Q:** The assumed economic lifespan of some infrastructure projects may exceed the 20-year project time frame (RFP section 5.2.2, page 5), such as those discussed on the last page of Addendum #1 (“...economic life of project: 10-50 years, depending on type...”). Is the required B/C analysis to be done similar to Renewable Energy Fund projects, where the project with the longest economic life (50 years) determines the analysis timeframe?

**A:** The process will remain consistent with the methods used by the Renewable Energy Fund.

10. **Q:** Can we have more clarity on the inputs that will be supplied by other contractors and when they are expected to be completed?

**A:** The main economic assumptions will remain consistent with AEA’s method for evaluating projects applying for the Renewable Energy Fund: fuel price projections, heating fuel premiums, O&M and R&R costs, discount rates, and the economic life will remain consistent with the other program.

Project inputs that will come from other contractors:

Populations: Expected before Phase 2 will be due. This will be performed by ISER and be input into the economic model.

Economic Model: The functionality needed to perform Phase 2 analysis is expected to be completed by the end of September 2015. Current and forecasted electric (in kWh/year) and thermal loads (in MMBtu) will be available on a community basis across the AKAES.

Regional energy plans for most of the state are being completed. Much of the work that would be applicable to this study has already been completed, with final documents due in September 2015.

11. **Q:** Can LNG come from other places than North Slope?

**A:** AEA is not restricting the source of LNG to any geographic area.

12. **Q:** Will there be additional funding allocated per phase?

**A:** No, the budget is for the entire project. The AKAES has a constrained budget, and there will not additional funding for this project.

13. **Q:** For inputs that will come from other contractors, will the Offeror be required to chase down those inputs themselves or will it be provided?

**A:** Any inputs that are being developed by other contractors will be provided by AEA, and AEA can be the first step to check for data availability. As the AkAES is investigating a number of options for reducing energy costs in communities, it is important that AEA uses consistent data across all study areas as much as is possible.

14. **Q:** The RFP refers to an economic model that is being developed. Will AEA provide the methodology, will it be the Offeror's duty to do the economic analysis, or will it be done by the economic contractor?

**A:** In order to provide as much consistency across research areas as possible, AEA will provide the method that will be used. AEA will appreciate, and expect, that if the method doesn't make sense that the Offeror will provide feedback for the method to be improved.

AEA will require that economic assumptions are internally consistent with AEA's other programs, particularly the Renewable Energy Fund. Assumptions such as discount rate, interest rates, economic life, etc. will be provided (or developed with the contractor if there is an obvious need).

15. **Q:** Under the deliverables for Phase 2. Is it expected that it will cover every region and community in the State?

**A:** Yes, AEA will provide model inputs for community thermal loads and has a lot of other data that will be useful and available for this project. Potential loads for electricity are readily available.

16. **Q:** Anticipate the deliverable for the economic model to be publically available?

**A:** While the contract is still being negotiated, the expected delivery date for the portions that will effect this RFP is early September.

17. **Q:** In Phase 1, will all transportation modes—road, coastal, and up rivers—need to be analyzed?

**A:** Yes. AEA are interested in knowing the extent that LNG may be viable. It may be found that there are certain insurmountable barriers exist for delivering LNG to certain types of communities, and this may simplify the analysis.

18. **Q:** Current Contractors updating the energy gateway?

**A:** It will be the priority of AEA to update the Energy Gateway and new PCE is expected soon. Cady Lister is the PM for this project.

**Attached:** Meeting Sign-in sheet

All other terms and conditions remain the same.

**END OF ADDENDUM**

We appreciate your participation in this solicitation.

Sincerely,



Rich Wooten, CDT  
Contract Compliance Specialist  
[rwooten@aidea.org](mailto:rwooten@aidea.org), 907-771-3019

# Meeting Sign-in Sheet

Date July 1, 2015

Project RFP 16001 Liquefied Natural Gas (LNG) Feasibility Study

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

Name	Firm	Telephone/Fax	Email
LARRY HOULCE	HDR	907-223-6806	larry.houlce@hdrinc.com
David Weiss	Northern Econ.	907-264-5414	david.weiss@norecon.com
DAVID KERR	"	907-242-6416	dal.kerr@norecon.com
ERIC HATLEBERG	BTSC, LLC	907-947-5915	ehatleberg@gmail.com
CHUCK CLARK	NWP	907-771-2239	CHARLES.L.CLARK@NANAWORLD EXPRESS.COM
Neil McMahon	ASA		
Jay Hansen	WHPacific	907-339-6574	jhansen@whpacific.com
Brian Hirschak	Deer Stone	907-299-0268	bhirschak@gmail.com
Jason Hoke - Copper Valley Dev Assoc			
Lee Alder - Cardno Entrix			
Ann Donnelly - Global Energy Consult.			
Asish Kumar Mohanty - Galway Energy			
Jamie Hansen - Information Insights		450	
		+5	
Chris Clark	HDR	644-2053	christopher.clark@hdrinc.com