

Renewable Energy Feasibility Fund

The Oregon Economic and Community Development Department (OECDD), in coordination with the Oregon Department of Energy, is directed by a Governor's Executive Order to establish a revolving loan fund "within existing funding and authority" to support feasibility studies for "community renewable energy projects." The Renewable Energy Feasibility Fund (REF Fund) has been established 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.

Feasibility Study

What is a "renewable energy feasibility study?"

A community renewable energy feasibility study is broadly defined as an analytical tool that assists in determining the technical and economic viability of a municipally owned development project that uses renewable energy resources to generate electricity, heat and/or to manufacture a fuel. Renewable energy resources are defined as water, wind, geothermal, solar, biomass, waste materials or waste fuels.

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 proposed development project, which is the subject of the feasibility study, must be a municipally-owned facility.

Eligibility

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)

The following are *not eligible*:

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.

Qualified Projects

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. The intent of the 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.

Other Criteria

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 with an emphasis on small-scale production. Priority will be given to projects that have the potential to qualify as a “Renewable Resource Project” under Oregon’s Business Energy Tax Credit (BETC) program and/or are eligible for the state’s Energy Loan Program (SELP) with the Oregon Department of Energy.

Funding

REF Fund awards may be a loan or grant. Limited grant funds are available on a competitive basis. A “Call for Project Proposals” may be issued once or twice a year based on the availability of planning grant funds within the Special Public Works Fund (SPWF).

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 (SPWF) and these REF program guidelines. The statutory series is ORS 285B.410 to 285B.465. The Administrative Rules are contained in OAR 123–42. Additional requirements, such as the municipality’s responsibilities when using lottery bond proceeds, public procurement requirements, etc., are contained in the standard REF Fund contract.

Is there a funding limit for a feasibility study?

Yes. The maximum grant award amount is \$50,000, or 75 percent of total project costs, whichever is less. The municipal applicant must provide 25 percent of the total cost of the proposed project as match or cost sharing. All or a portion of the cost sharing requirement could be in the form of a loan from the SPWF program. Other funds provided by the applicant or federal, other state or other sources also 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. OECD Regional Coordinators will review and determine the eligibility and acceptability of all proposed “in-kind” support as part of the application review process. In-kind contributions may not exceed 10 percent of the total cost of the project.

How and When to Apply for Funding

A “Call for Proposals” may be issued once or twice annually (Fall and Spring). Applicants must submit a completed Intake Form (pre-application) within the designated timeframe, and those who meet the basic eligibility requirements then will be invited to submit a full proposal. The specific timeline and application details will be made available on the department’s web site during each funding round, and this material can be requested by contacting the respective OECDD Regional Coordinator.

Application Process

This is a competitive process

Limited grant funds will be made available during each application cycle. Once project proposals are determined to meet program eligibility requirements, 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
- 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 the department will work with the applicant to determine how to conduct the study with the adjusted award amount.

Awards and Fund Disbursement

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 pre-application and proposal process, regional coordinators 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 OECDD. In general, funds may be disbursed on receipt and acceptance of the defined study product, or on a reimbursement of expenses based on the “participation rate” (ratio of RED Fund award 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.

Additional Information

[Jim Zelenka](#), Special Public Works Fund Program Coordinator
503-986-0136

[REF Fund](#) program information and application

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.

[Special Public Works Fund](#) or call OECDD at 503-986-0123.

[Oregon Business Energy Tax Credit](#) (BETC) or call the Oregon Department of Energy at 1-800-221-8035 (in Salem at 503-378-4040).

[State Energy Loan Program](#) (SELP)

[Governor’s Executive Order 06-02](#)