



Power Project Fund Application Cover Sheet

Eligible applicants

Legal name of applicant: _____

Check all that apply

- Electric utility
- Regional electric authority
- Regional or village corporation
- Independent power producer (IPP)
- Borough or municipal government
- Village council

Type of PPF loan

Check all that apply

- Powerhouse production facility
- Alternative energy facilities and equipment
- Transmission or distribution system
- Heat recovery
- Supply side efficiency and conservation
- Bulk fuel storage facility
- Reconnaissance or feasibility study
- Other: _____

Loan request

Loan amount \$ _____

Total project cost \$ _____

Term request (years) _____

Interest rate request _____

Primary contact person

Name: _____

Phone: _____

Title: _____

Email: _____

Address: _____

Date: _____

Please submit this cover sheet with your completed loan application package. The loan application instructions that follow should be read carefully and followed step-by-step. The Alaska Energy Authority will not begin review of a loan application until all documents and the application fee are received.



Alaska Energy Authority Power Project Fund (AS 42.45.010)

Loan Application Instructions

Please read this document carefully and provide all of the required information described below. Applications will not be evaluated until the: 1) cover sheet, 2) all required information detailed below, and 3) the application fee is received.

Authorization

Provide a certified copy of the resolution or other official action by the governing body of the applicant authorizing this loan application.

Applicant officers

State the names and titles of the principal officers of the applicant, including the chief executive officer or general manager.

Advisors and/or consultants

State the name and address of the engineer, legal counsel, financial advisor or consultant, and any management, engineering, design, economic, or other advisors or consultants which the applicant may have for this project.

Project description

1. Provide the geographic location of the project.
2. Provide a comprehensive statement clearly demonstrating public need for the project and the project's eligibility under AS 42.45.010.
3. Provide a budget which shows proposed allocation of loan money to each purpose and/or each phase of the project.
4. Provide a detailed description of the project, including the purposes of the project, a timeline and description of project phases, and the estimated annual operating costs and revenues of the project once project operations commence.
5. If applicable, describe additional funding sources that will be used to pay for the project including amounts and sources.
6. If the proposed loan will be entered into under a "leveraged lease financing arrangement" as described in AS 42.45.010(b)(2), describe the leveraged lease financing arrangement for the project, identify the party that will be responsible for the project, demonstrate that the leveraged lease financing arrangement results in lower costs for consumers than alternative financing arrangements, and provide written documentation of the leveraged lease agreement signed by participants.

Technical feasibility

For a loan to construct, equip, modify or expand a project, provide information from which the Authority can determine technical feasibility as follows:

1. Information on design and engineering for the project, including drawings and specifications from the vendor as appropriate, current and projected loads, any efficiency measures underway or completed, existing conditions of power systems, current or future consultants who will assist in the project,

2. Information to determine that a project or piece of equipment complies with applicable rules and regulations governing use and will perform as presented in the application: such as the equipment make and model, serial numbers for powerhouse equipment, efficiency data, availability of equipment and replacement parts,
3. Information regarding:
 1. environmental impact,
 2. land use and
 3. land ownership,

from which the Authority can determine if other steps are necessary before the project can start.
4. Schedule and timing to design, procure, ship and install the equipment.

Financial feasibility

Provide information from which the Authority can determine financial feasibility as follows:

1. If funds in addition to the requested PPF loan are needed to complete the project, identify the amount of additional funds required and document that the additional funds are available to the applicant.
2. Document the expected impact of the project on annual operations and maintenance costs, including changes in fuel costs, and state the project's expected useful life.
3. Demonstrate that sufficient revenue will be available to the applicant in the future to repay all project debts without causing unreasonable increases in consumer costs, and identify the source or sources of such revenue. Include projections of the impact on rates associated with servicing the debt associated with the PPF loan being requested, assuming that the terms (length of loan and interest rate) requested are used.
4. Identify all viable alternatives for financing the project other than the PPF program.
5. Provide information on all of the applicant's outstanding loan debts. Include: lender name, original amount of loan, current balance of loan, date of issuance, date of maturity, amount and frequency of payments, and indicate if payments are current.

Financial statements and credit references

1. Attach financial statement of the applicant and any other party or parties acting as guarantor of the loan for a minimum of the most recent two complete calendar or fiscal years. Three years of financial data is preferred. Financial statements must include balance sheets and profit-loss statements and, if available, be audited by an independent certified public accountant.
2. Attach any related management reports.
3. List at least two credit references, including name, address and telephone number.
4. Attach signed Authorization to Obtain Credit Information form provided at the end of this document for all credit references. Duplicate and provide an original signed form for each credit reference.

Interest rate reduction justification

For applicants requesting a rate lower than the rate set forth in AS 42.45.010(F)(2)(A), provide information sufficient for the Authority to determine:



1. The financial impact on non-industrial ratepayers;
2. If the project improves stability and sustainability of local energy or heat systems; and
3. Whether the project will help meet new load demands or diversify the generation resource portfolio.

Owner’s business history

In the case of a borrower other than a governmental entity or a cooperative, provide a business history of any person or entity owning or controlling 10 percent or more of the applicant’s stock or business.

Permits

State the status of any proceedings undertaken by the applicant to obtain permits, certificates or other authorizations from any federal, state or legal agency necessary to begin, complete, and operate the project.

Waiver of sovereign immunity

If the applicant is a Native village council, a resolution waiving sovereign immunity on a form provided by the Authority.

Fees and charges

1. Application fee – The application fee is not refundable and applications will not be reviewed until the application fee is received. Please make a check or money order payable to the Alaska Energy Authority and submit payment with the application. See table below to determine application fee.

Loan amount requested	Application fee
Up to and including \$100,000	\$200
>\$100,000 up to and including \$500,000	\$1,000
>\$500,000 up to and including \$1 million	\$2,000
>\$1 million	\$5,000

2. The Authority may require the applicant to enter into an agreement obligating the applicant to reimburse the Authority for the Authority’s costs to conduct feasibility analyses of the loan application or project.
3. If the Authority approves an application, the borrower shall pay a closing fee of 1% of the total loan amount at the time of closing. The application fee will be credited toward the loan closing fee. If the Authority entered into an agreement with the applicant for reimbursement of the Authority’s costs, this cost may, at the discretion of the Authority, be added to the balance of the loan at closing.

Application submission

Please submit the completed application package with the appropriate application fee to:

Alaska Energy Authority
 Attn: Power Project Fund
 813 West Northern Lights Blvd.
 Anchorage, Alaska 99503



AUTHORIZATION TO OBTAIN CREDIT INFORMATION

By my signature below, I authorize any individual or institution to release credit information concerning _____ (Applicant) to the Alaska Energy Authority. This authorization is given to enable the Alaska Energy Authority to evaluate my loan request. Verification may be obtained from any source named in this application and from any credit-reporting agency.

It is understood that either an original or a photocopy of this form shall serve as authorization.

Applicant's Authorized Representative's Signature

Title & Printed Name

Date

Creditor or Vendor _____

Account #	Date Opened	High Credit	Current Balance	Payment Amount & Frequency	Next Payment Due Date

In the past 24 months, the number of times the payments were:

30-59 Days Late	60-89 Days Late	Over 90 Days Late

Additional information which may be of assistance in determining applicant's credit worthiness.

Signature of Creditor	Title	Date

Please complete this verification as soon as possible and fax (907-771-3044) or email (clister@aidea.org) to Cady Lister at the Alaska Energy Authority. Please attach a separate page if necessary.