



UAF Combined Heat and Power Plant Replacement Information Item

PROJECT UPDATE

The air permit is being prepared for issuance by the Alaska Department of Environmental Conservation (ADEC). It is expected to be issued by March 20, 2014. An oral update will be provided at the meeting to confirm the permit was issued.

The permit was expected to be issued in January 2014 but ADEC was delayed by comments submitted after the official comment period by EPA. The comments were minor in nature but it took ADEC six weeks to resolve the issues with EPA. UAF is confident that the issues have been addressed.

A Pre-Qualification of boiler vendors was completed and four vendors were issued RFP's for pricing. The proposals are due May 1, 2014. The current authority from the Board of Regents only allows awarding the engineering portion of the purchase. If funding is obtained for FY15, additional authority will be obtained to award the purchase contract. The estimated cost of the boiler purchase is \$35M.

Procurement documents for steam turbine, plant controls and air cooled condenser are being developed by the design consultant. They will not be issued until the air permit is received. The solicitation for a Construction Manager at Risk (CM@R) is scheduled to occur in May 2014. Only Pre-Construction services can be awarded until additional authority is obtained.

If UAF has received the permit and FY15 funding, a Schematic Design Approval (SDA) will be submitted in June 2014 to allow purchase of major equipment and site preparation activities, and an SDA for the entire project will be submitted in December 2014.

HIGHLIGHTS FROM PREVIOUS INFORMATION ITEMS

- The estimated cost of the coal/biomass boiler plant option is \$245M
- The estimated cost of a natural gas option is significantly lower, but operating costs are significantly higher. This option is not considered viable until a price and source of natural gas is identified and evaluated.