



February 6, 2024

Chair Sollman, Vice-chair Findley and members of the committee.

Letter in support for increasing C-REP grant award progress funding for SB-1525

I am writing this letter in support of changing the current payment plan for Community Renewable Energy Projects. The current plan that allows up to 30% of the project costs to be released early leaving the remaining balance to be funded after the project is completed does not allow smaller agencies the ability to accept the grant award. The remaining 70% could be as much as \$700,000. In some smaller community agencies this amount could mean 2–3 years of their budget if their project grant award was the full one million dollars.

Allowing an additional 30% for progress payments proposed in SB-1525 is welcomed and will significantly help smaller communities to participate in the program.

However, some small rural communities will remain too budget constrained to participate. There are several ways to assist smaller agencies, one of the best formats for a large grant award that I have worked with was the Seismic Rehabilitation Grant Program. That grant allowed funds to be disbursed to the recipient on an expense reimbursement or costs incurred basis.

Another way to allow for smaller agencies to submit for this grant would be milestone progress payments at 25%, 50%, 75% and 100% completion so that a construction contract could reflect this in the bid proposals.

One additional way to make this grant acceptable to all agencies is the allowance of the cost of a construction loan. If the remaining balance of the award could be financed, and those finance costs could be allowed, it would enable smaller agencies to fund the project to completion while waiting for the C-REP funds to be disbursed at the end of the project.

If you have any other questions from me, or you would like to talk to me please e-mail or call.

Respectfully

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