

## Questions and Responses Received February 11-16

1. In looking through the requirements for Phase 2 there is made reference to "a Model Phase 2 SOPO". Can you provide guidance regarding where we are to find this model since we can't seem to find it in the Model Cooperative Agreement. Is this something you will be sharing with us as we develop our Phase 2 project narrative?

The Model Phase 2 SOPO (Statement of Project Objectives) is included in the Model Cooperative Agreement that was issued with the Funding Opportunity Announcement. It is not in the Recipient's finalized Cooperative Agreement. This Model SOPO provides a general format that must be tailored to the Recipient's specific project needs, as opposed to the specific format used under Phase 1. The Model SOPO is provided at this link <http://www.netl.doe.gov/technologies/iccs/index.html>.

Since this Model SOPO was issued with the original Funding Opportunity Announcement, it states that a "brief general discussion" of Phase 2 work should be provided. However, since Recipients are now providing Phase 2 applications, you should provide a **detailed, comprehensive description** work to be performed under Phase 2.

2. Question: Is there a link or a reference sheet somewhere that we could find the "prevailing" wage rates for the Davis Bacon provision? Are those dictated by the DOE? Our guys need to see what those rates look like in order to come up with good estimates.

DOE utilizes Wage Determinations developed by the Department of Labor (DOL). Prevailing wage rates under the Davis Bacon Act can be found by conducting a search on DOL's website at <http://www.wdol.gov/dba.aspx#0>. The current and applicable Wage Determination will be included as an Attachment to the Cooperative Agreement at the time of Phase 2 award.

3. Our Phase 2 application will be based on an applicant only project approach; however, as we optimize the project during later phases, we may consider having third parties to operate and own the facilities. In that case, third parties will be investing the CAPEX and charging the applicant a processing fee. Can we pass on the DOE cost share to third parties if later on we decide to have third parties to operate and own facilities?

Applicants may choose to incur allowable costs themselves, or through sub-awardees, sub-recipients and subcontractors. Recipients are allowed to have third parties operate the facilities. Issues relating to sale of property and equipment are pending and will be answered in the future.

4. The pipeline in our Phase 2 application will have over capacity, providing opportunities for third party tie-in to the pipeline. If another company decided to join the project at a later time to provide additional CO2 sources, can they be added in for DOE cost sharing?

DOE does not plan to set aside funds for cost overruns or addition of scope to existing projects. Any activities related to a third party tie-in to the pipeline not originally proposed to DOE would be considered outside the scope of the Cooperative Agreement and would not be considered allowable project costs and not subject to DOE cost sharing.

5. How will DOE manage scope change during Phase 2 execution? Will DOE cost share be based on % of CAPEX with a not-to-exceed cap? If we eliminate some equipment pieces, will this reduce the total cost share amount from DOE? What if we add in additional equipment pieces?

Scope changes and budget revisions are governed by financial assistance rules found under 10CFR600.125 and 10CFR600.315.

Allowable project costs will be shared between DOE and the Recipient on an as-expended, dollar for dollar basis at the arranged cost share ratio. If the actual project cost is less than the estimated cost, DOE's total contribution will be the DOE cost share percentage times the total allowable actual project cost.

Any scope increases will likely result in a cost overrun, which is governed by the Cost Overrun provision of the Cooperative Agreement. The Cost Overrun provision states that DOE is not obligated to share in any overruns. If funds are available, DOE may share in overruns. However, DOE's share will not exceed DOE's percentage cost share for the overall project cost, and then only up to 25 percent of the original contribution.