Minnesota Department of Agriculture

625 Robert Street North, St. Paul, MN 55155-2538
www.mda.state.mn.us

Agricultural Marketing and Development, Phone: 651-201-6000 or 1-800-967-2474 Fax: 651-201-6120

FY 2014 Bioenergy and Biochemical Grant Application

Request for Proposals

The purpose of this Minnesota Department of Agriculture (MDA) Request for Proposal (RFP) is to provide potential applicants with the necessary information regarding the Fiscal Year 2014 Bioenergy/Biochemical* Industry Grant round and application procedures.

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*Biochemical pertains to the definition for biobased content and biobased formulated product included in MS § 41A.105.

In accordance with the Americans with Disabilities Act, this information is available in alternative forms of communication upon request by calling 651-201-6000. TTY users can call the Minnesota Relay Service at 711 or 1-800-627-3529. The MDA is an equal opportunity employer and provider.

Introduction

Statutory Authority

The Minnesota Legislature appropriated money from the Agricultural Growth, Research, and Innovation Program (AGRI) fund that may be used by the MDA for grants involving bioenergy, biobased content, or a biobased formulated product (Laws of Minnesota 2013, Chapter 114, Article 1, Section 3, Subdivision 4). By law, the NextGen Energy Board is charged with making recommendations to the commissioner of agriculture as authorized to make grant awards.

So as not to duplicate these bioenergy/biochemical related activities funded through other publicly-funded initiatives in the state, this RFP places emphasis on proposals that demonstrate strong technical merit and viability to specifically enhance performance and development of Minnesota's bioenergy/biochemical industry.

Purpose

Minnesota Session Laws 2007, Chapter 45 established the NextGen Energy Board. The Board's primary focus is to examine the use of the state's resources to decrease our reliance on fossil fuels; to increase our use of home-grown energy sources; to work towards agricultural and natural resource sustainability; and to ensure rural economic vitality. In addition, the Board is statutorily charged with "examin[ing] the future of fuels, such as synthetic gases, biobutanol, hydrogen, methanol, biodiesel and ethanol within Minnesota," examin[ing] the opportunity for biobased content and biobased formulated product production at integrated biorefineries or standalone facilities using agricultural and forestry feedstocks and, "develop[ing] equity grant programs to assist locally owned facilities," among others. (Minn. Stat. § 41A.105)

To achieve these goals, the Board has the following objectives:

To increase the use of our state's bioenergy resources:

- Prioritize investments and incentives for fossil fuel replacements that capitalize on Minnesota's resources, talents and technologies while ensuring sustained benefits to the state.

To encourage energy self-reliance and security:

- Strengthen Minnesota's current biofuel industries—including corn-based ethanol and soy-based diesel—to sustain first generation and increase next generation biofuels production;
- Expand renewable fuel economic opportunities for Minnesota communities and individuals.

To promote sustainability:

- Ensure the efficient, innovative and sustainable use of energy and natural resources as well as continued improvement in air quality;
- Support the development of bioenergy feedstocks and systems;
- Increase public awareness about the benefits of developing and maintaining biofuels in Minnesota.

Background and Grant Specifics

Eligible Applicants and Projects

Owners of Minnesota facilities that currently produce or will produce bioenergy, biobased content, or biobased formulated product.

Project must increase use of Minnesota's bioenergy resources, encourage energy self-reliance and security, or promote sustainability, and involve bioenergy, biobased content, or biobased formulated product. **Up to half of the total project cost may be covered by the grant, with a maximum award amount of $500,000.**

Organizations that provide for on-station, on-farm field scale research and outreach.

Project must develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy/biochemical systems. Such systems include the cultivation, management, harvesting, processing/treating or transport and delivery of prairie plants and other perennials (including testing) for use in a potential or actual bioenergy/biochemical product facility. **Up to half of the total project cost may be covered by the grant, with a maximum award amount of $500,000.**

Non-governmental entities

Project must develop business plans and structures related to community ownership of eligible bioenergy/biochemical facilities to new or expanding bioenergy/biochemical producers. **Up to half of the total project cost may be covered by the grant, with a maximum award amount of $150,000.**

Bioenergy: Bioenergy consists of biomass-based transportation fuels or biomass-based commercial heat, industrial process heat or electrical power from cellulosic materials via gasification or other processes.

Biobased content: a chemical, polymer, monomer, or plastic that is not sold primarily for use as food, feed, or fuel and that has a biobased percentage of at least 51 percent as determined by testing representative samples using American Society for Testing and Materials specification D6866.

Biobased formulated product: a product that is not sold primarily for use as food, feed, or fuel and that has a biobased content percentage of at least ten percent as determined by testing representative samples using American Society for Testing and Materials specification D6866, or that contains a biobased chemical constituent that displaces a known hazardous or toxic constituent previously used in the product formulation.

Timeline

- To be considered for funding, proposals must be received by the Minnesota Department of Agriculture no later than **4:00 p.m. (Central Daylight Time) on Friday, January 10, 2014.***
- Proposal review with the NextGen Energy Board: Thursday, February 20, 2014.
- Applicants notified of status: March, 2014

* For emailed applications, the time and date the proposal is received by the program administrator will be considered the received-by date. The Department is not liable for any problems or delays with electronic submittal of documents. Applicants are solely responsible to make sure applications are received by the deadline.

Grant Match Requirement

Awardee must contribute at least 50% of the total project cost.

- At least 25% of awardee's contribution must be a cash-match.

  Cash-match may include: non-state funds (funds that were NOT obtained through the budgeting process of the MN Legislature) in the form of cash, loans, other grants or liquid capital assets dedicated to the project.

- Up to 75% of project match may be non-cash/in-kind.

  In-kind contributions may include: labor/fringe, material, travel; and, new equipment and the use of existing equipment that is made otherwise unavailable for its dedicated purpose as required for the successful completion of the proposed project.

- Matching funds must be documented in writing as secured funding. Matching funds are considered identified and documented as secured when a) the applicant is providing all matching funds, or b) the applicant lists the amount(s) and source(s) of the match and submits written documentation (letters of award, support or resolutions) as proof of secured funding. These documents must be submitted along with the grant application.

Review Process

An interagency technical review team will review, score, and rank grant proposals based on the 100 point Evaluation Profile, and provide this information to the NextGen Energy Board. Grant awards will be based on available funding and the review of applications to determine which projects will be most beneficial in furthering the goals and objectives of this grant.

To assure scores are based on a clear understanding of an applicant's intent and capabilities, the review team or designated member may communicate with an applicant in person, by phone or in writing as needed to obtain clarification. The Board will further evaluate the review team's assessment and make recommendations to the Commissioner, who will then select the final grant recipients. The MDA reserves the right to reduce the funding award for any recipient.

In addition to scoring proposals based on the Evaluation Profile, by law the NextGen Energy Board is required to make a good-faith effort to recommend projects for funding to the Commissioner of Agriculture that have merit and, when taken together, represent a variety of bioenergy technologies, biomass feedstocks, and geographic regions of the state.

A copy of the Evaluation Criteria can be found on the last page of this RFP.

Trade Secret Information: While the intent of publicly funded projects is to make information developed through the projects available to the public, applicants may request that certain information from the applications be designated trade secret under Minnesota Statute § 13.599. For more information, please contact Kevin Hennessy at 651-201-6223 or **Kevin.Hennessy@state.mn.us**.

Instructions

Completing the Application

- Complete the preformatted application.
- Answer the four required essay questions; follow page limits for each.
- Responses must be typed in 11 point font, within 1 inch page margins.
- All questions must be addressed. If not applicable, write NA and why it is not applicable to your proposed project.
- If you are submitting Trade Secret Data, please mark the data "Trade Secret" and submit a statement addressing the trade secret justification requirements in Minn. Statute § 13.37 subd. 1(b).
- Attachments may be submitted electronically as separate Word, Excel, or PDF files. There is no page limit to the attachments portion of application.

Proposal Submission

Applications may be mailed, emailed or personally delivered to the MDA.

An electronic version of the complete application, saved in Microsoft Word or Excel, must be emailed to Kevin.Hennessy@state.mn.us. Please insert "NEXTGEN Grant Proposal - (applicant's name)" in the subject line.

If you are not capable of submitting an electronic version, a hard copy of the complete application and attachments can be accepted. Address and mail it to:

Kevin Hennessy
Minnesota Department of Agriculture
625 Robert Street North
Saint Paul, MN 55155-2538

ZIPPED files and faxed submittals will not be accepted.

Please contact Kevin Hennessy prior to the submittal deadline at 651-201-6223 or **Kevin.Hennessy@state.mn.us,** with submission questions.

Terms and Conditions

The MDA reserves the right to amend or cancel this RFP at any time if the best interest of the State requires such action.

The MDA reserves the right to reject any or all proposals and to waive informalities and minor irregularities in proposals received and to accept any portion of a proposal if deemed in the best interest of the State.

The MDA assumes no liability in any fashion with respect to this RFP or any matters related thereto. All prospective service providers and their assigns or successors, by their participation in the RFP process, shall indemnify, save and hold the Department and its employees and agents (including NextGen Energy Board members) free and harmless from all suits, causes of action, debts, rights, judgments, claims, demands, accounts, damages, costs, losses and expenses of whatsoever kind in law or equity, known and unknown, foreseen and unforeseen, arising from or out of this RFP and/or any subsequent acts related thereto, including but not limited to the recommendation of a service provider and any action brought by an unsuccessful prospective service provider.

Reporting grant progress once the grant contract would be executed is on a quarterly basis for the life of the project. The final 10% of grant funds are withheld pending submission of project final report or project closure documentation. The MDA supplies grantees the template to be used for listing invoices and filing for reimbursement, as well as for reporting on progress with project goals and tasks. A seminar will be conducted with all selected grantees to explain the reporting expectations and process before contracts are executed.

Awards are contingent on available funding and the applicant's successful execution of a grant agreement within the specified timeframe.

All questions concerning RFP should be submitted in writing to or email to:

Kevin Hennessy
Minnesota Department of Agriculture
625 North Robert Street
Saint Paul, MN. 55155-2538

Kevin.Hennessy@state.mn.us

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FY 2014 Bioenergy and Biochemical Grant Application

After applications are received and opened by the MDA, all applicant names, addresses and amount of funding requested become public information. After awardees have been selected and grant contracts have been executed, all contents* of all applications become public information. During the review process, the only persons with access to applications will be those permitted by law, by your written consent, by a court order or by state officials whose job duties require access information requested. Individual grant applicants are not required by law to provide the information requested on the application form. However, in accordance with evaluation criteria for this RFP, incomplete proposals will score poorly or depending on the omission, not be considered at all.

* If the applicant considers that the inclusion of trade secret information is needed to substantiate statements related to scoring criteria for this RFP, please contact **Kevin.Hennessy@state.mn.us** for instruction.

Applicant/Organization Name _____

Mailing Address _____

City _____ State _____ Zip _____

Contact Name _____ Title _____

Email _____ Phone _____

Applicant's Website _____ Fax _____

Project title/Brief Project Description (Include an executive summary of the project, the problem it seeks to solve, and its anticipated outcome **(in 300 words or less).**

Grant Requested: $ _____

Value of Match Contribution(s): **$** _____

Total Project Cost: $ _____

Match as % of Total **$** _____

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Yes	No	
○	○	1. Is Applicant the sole source of Matching Funds for the proposed project?
○	○	2. Has the Applicant received funding obtained through the Minnesota legislative budgeting process, or financial assistance from any state administered program?
○	○	If yes, are those funds to be used as match for this project?
		3. When does Applicant expect to be able to complete the proposed project?
○	○	4. Are Applicant and any significant participant(s) in compliance with Minnesota's tax and environmental regulatory requirements?
○	○	5. Does Applicant have any past environmental compliance violations? If Yes, please describe.

The proposed project is most representative of the following NextGen Objectives
(select as many as apply):

- ☐ Prioritize investments and incentives for fossil fuel replacements that capitalize on Minnesota's resources, talents and technologies while ensuring sustained benefits to the state.
- ☐ Strengthen Minnesota's current biofuel industries—including corn-based ethanol and soy-based diesel—to sustain first generation and increase next generational biofuels production.
- ☐ Expand renewable fuel economic opportunities for Minnesota communities and individuals.
- ☐ Ensure the efficient, innovative and sustainable use of energy and natural resources as well as continued improvement in air quality.
- ☐ Support the development of bioenergy feedstocks and systems.
- ☐ Increase public awareness about the benefits of developing and maintaining biofuels in Minnesota.

Required Essay Responses *(include with application by attaching to email or mailing)*

(1) Summary of the proposed project. (2-page limit)

(2) Applicant/organization information. (2-page limit)

(3) Proposed scope of work, including breakdown of Tasks. (4-page limit)

(4) Proposed Budget. (1-page limit, landscape or portrait format, 9 point font minimum for budget only)

Attachments to substantiate Required Essay Responses commensurate with project purpose and scope. *(no page limit. Check if attached.)*

- ☐ Evidence of technical and economic feasibility of project.
- ☐ Evidence of financial and technical capability of applicant.
- ☐ Letters of commitment and match if proposed in budget.
- ☐ Resume(s) or curriculum vitae(s) specific to qualifications needed for project.

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Evaluation Profile

Category	Score
Quality of proposal (10 Points) • Clarity and detail of proposed project, submitted in accordance with instructions. • Clear description of problem to be addressed, importance of its resolution, tasks to be undertaken to expedite its resolution, anticipated outcomes, and how progress toward achieving outcomes will be determined. • Clear alignment of financial resources with work to be accomplished.	
Measureable objectives: (20 points) • Extent to which proposed project will achieve one or more of the NextGen Energy Board objectives and clearly defined metrics to document how outcomes achieved (results) will be compared to the outcomes anticipated (proposed).	
Project team qualifications: (20 points) • Background and experience of the applicant and/or project team members. • Technical knowledge about proposed project technologies, methods or processes, and market intended for the product. • Existing facility, equipment or other material resources intended for use in the project. • Financial capacity of team to meet matching requirements and other project needs including the tenability of the matching portion of the proposal. • Applicant's environmental regulatory compliance status. • Applicant's past performance on previous grant awards, including but not limited to MDA grants and contracts.	
Technical merits of the project: (25 points) • Technical feasibility of accomplishing intended tasks and outcomes. • Clear definition of project "success" such as a description of the current stage of the project's pathway to commercialization, identified challenges and risks associated with achieving the next step towards commercial viability, and intended market niche entry point and competition. • Realistic timeframe for technology to become economically competitive. • Project must have a qualified engineer provide certification on the technology and/or fuel source proposed and the project's potential to be replicated in Minnesota.	
Potential impacts of the project on the facility or industry as a whole: (25 points) **Economic impacts, such as:** • Job creation/retention, impact on local economy upon achieving economic viability; • Increase in value-added product production. • Decrease in cost per unit of product produced. • Identification of end-products market niche, competing products, research or patents; • Ability of project to increase Minnesota's competitive position, e.g., by enhancing economic clusters or advancing/differentiating Minnesota bioenergy sectors in wider markets. • Strategic partnerships/opportunities that improve economic viability for the project. **Environmental impacts, such as:** • Enhanced environmental performance of bioenergy facilities including: more efficient use of production inputs including water, energy, feedstock, reduced carbon intensity per unit of product produced and reduced emissions and discharges of pollutants. • Enhanced landscape and watershed health associated with improved soil and water conservation, wildlife habitat or ecosystem restoration associated with feedstock production and supply chain. • Minimized risks of introducing or spreading potentially invasive species or ecologically damaging gene flow from introduced cultivars to native plant communities.	
Total Score	

Additional RFP Instructions

Completing the Pre-Formatted Application

Grant Requested: Specify the funding amount requested from MDA. The maximum grant award is dependent on project type, and is limited to 50% of the total project cost, or $150,000 for NGOs or $500,000 for bioenergy/biochemical product facilities and research projects—whichever is less.

Matching Funds/Value of In-Kind: The applicant must identify sources of match for at least 50% of the total project cost, with at least 25% of total project match cost being by non-state cash. See the section of the application titled Cash-Match Requirement for qualified sources of match.

Total Project Cost: The overall cost of the project—which includes the NextGen Grant requested amount, the match to the grant requested and any additional revenues and resources that are critical to the project but that might not be considered match to the grant requested.

Answering Essay Questions 1-4

1. Summary of the proposed project: (2-page limit). Please include:

- Project goal/description;
- How project meets NextGen Energy Board objective(s) listed in Introduction - Purpose;
- Describe clearly the problem to be addressed, the importance of its resolution, and the tasks to be undertaken to expedite its resolution;
- Anticipated results and proposed measurement techniques;
- Technical merits of the project;
- Applicability/replicability of project elsewhere in Minnesota; and,
- Potential economic and environmental impacts of the project.

2. Applicant/organization information: (2-page limit) Please include:

- Experience and qualifications of applicant and significant partners providing technical expertise related specifically to the proposed project;
- Assets and resources available to support the project;
- Need for state funding;
- Dates, amounts and purpose of previous grants or public funding received that are associated with the goal of this project;
- Ability to implement project in a timely fashion;
- Environmental regulatory history and compliance status;
- Past performance on MDA grants/contracts (if applicable); and
- Contact information for significant partners (identify individuals or organizations other than the applicant that are proposed to receive grant funding, or to provide matching funds or other significant resources - cash or in-kind - such as labor, space, supplies, equipment, advertising, etc.).

3. Proposed scope of work, including breakdown of tasks, and project outcomes (4-page limit). Please include:

- Timeline and outcomes needed to accomplish and quantify results of project.
- If applicant is responsible for providing measurable results of their own technology, it is strongly recommended that appropriate Tasks include independent verification of procedures and results.
- Refer to the problem to be addressed in essay question 1 and the importance of its resolution. Describe anticipated outcomes and how progress toward achieving outcomes will be determined.

4. Proposed budget: (1-page limit, landscape or portrait format, 9 point font minimum for budget only)

- Should you be selected as a recipient of a NextGen Energy Grant, these portions of the application will be used as the basis for your work plan, timeline and budget for your contract with the state. The work plan and budget will also be the template for reporting when you submit status reports and invoices for reimbursement.
- Any budgeted amount allotted for travel should be in the match portion only, which coincides with the requirements in the standard language of the State-Grantee contract.

- Provide a breakdown of anticipated project costs, such as for labor cost, equipment described as called for in Tasks, supplies, travel (in match only), etc. by funding source.
- Use categories and sub-categories as needed to reflect activities specified in your Tasks.
- Identify key personnel assigned and their billing rate so that their responsibilities, cost and funding source are known. If match is provided through letters of commitment by partner organizations, their allocations must be identified in the budget.

Attachments

Attachments to substantiate Required Essay Responses commiserate with project purpose and scope. (no page limit)

Relevant attachments (no page limit)

The nature of attachments will vary depending upon project purpose and scope. Applicants are encouraged to provide supplemental information to accurately demonstrate:

- Evidence of technical and economic feasibility of project;
- Evidence of financial, technical, project management and product development capability of applicant;
- Letters of commitment and match if proposed in budget; and
- Resume(s) supporting project team qualifications.

The names of such documents should clearly be identified with your proposal, and be referenced in the application.

Budget Template

Category	Task 1		Task 2		Task 3		Task 4		Task 5		Project Totals	
	Grant	Match	Grant	Match	Grant	Match	Grant	Match	Grant	Match	Grant	Match
Subtotals												
Total by Task												

Tasks refer to the steps necessary to complete project goals. Categories are breakdowns of anticipated project costs, such as labor costs, equipment described as called for in Tasks, supplies, travel (in match only), etc.

Reminders

- Application must be submitted as a Word document or a PDF file.
- Attachments may be submitted as separate Word, Excel or PDF files. The names of such documents should clearly be identified with your proposal, and be referenced in the application.
- Application submittal, inclusive of the formatted application page, must have minimum one-inch margins and 11-point font.
- All items on the formatted page and all essay questions must be addressed. If not applicable to your proposed project, write NA and provide a brief statement as to why not applicable.
- If you are submitting Trade Secret Data please mark the data “Trade Secret” and submit a statement addressing the trade secret justification requirements in Minn. Stat. § section 13.37 subd. 1(b).