

# Minnesota Department of Agriculture

## *Request for Proposals*

### Fiscal Year 2012 Bioenergy Grant Round

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## I. Introduction

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 2012 Bioenergy Grant round and application procedures.

### Bioenergy Grants

The Minnesota Legislature appropriated \$2.5 million in FY2012 to MDA for bioenergy grants (Laws of Minnesota 2011, Chapter 14, Section 3, Subdivision 4). By law, the NextGen Energy Board is charged with making recommendations to the commissioner of agriculture on bioenergy grant awards.

So as not to duplicate bioenergy 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 of Minnesota's bioenergy industry.

### NextGen Energy Board

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," and, "develop[ing] equity grant programs to assist locally owned facilities," among others. ([Minn. Stat. §41A.105](#))

To achieve these goals, the 2011 Board has the following objectives:

1. 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.
2. 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 generational biofuels production;
  - Expand renewable fuel economic opportunities for Minnesota communities and individuals.
3. 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.

## II. Eligibility

Successful applications will contribute toward meeting at least one of the NextGen Objectives outlined on page one (as indicated in the application), and will be scored based on the criteria outlined in Section IV, Review and Evaluation of Applications.

### Eligible Applicants/Projects

- *Owners of Minnesota facilities producing bioenergy.*
  - Eligible bioenergy facilities are those currently producing or that will produce biomass-based transportation fuels or biomass-based commercial heat, industrial process heat or electrical power prior to June 30, 2013. Eligible projects must provide measureable outcomes documenting potential or actual improvements to the economic and environmental performance of bioenergy facilities.
  - The maximum award per project under this category is \$500,000.
- *Organizations that provide for on-station, on-farm field scale research and outreach.*
  - Eligible projects are those that develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems. Bioenergy 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 facility.
  - The maximum award per project under this category is \$500,000.
- *Non-governmental entities providing business development services and structures related to community ownership of eligible bioenergy facilities to new or expanding bioenergy producers.*
  - The maximum award per project under this category is \$150,000.

### Eligible Matching Dollars

- *Grants are limited to 50 percent of the total project cost.*
- *Up to 75% of project match may be non-cash/in-kind.* Eligible matching dollars are non-state funds. Matching funding that has NOT been obtained through the budgeting process of the Minnesota legislature qualifies. In-kind contributions also qualify, including 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.
- *Project match must consist of at least 25% cash.* Eligible cash contributions include expenses for the direct costs of the project that are directly related to achieving the objectives for which the grant was awarded—such as loans, other grants or liquid capital assets dedicated to the 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.
- *Ineligible match funds include:* the purchase of real property; the cost of equipment not required for the successful completion of the project; the cost of activities initiated and costs incurred prior to execution of a grant agreement; the cost of general operating support such as routine overhead expenses not related to the grant project; and, the cost of environmental remediation for compliance.

### **III. Application Process**

For consideration in this funding round, applications **must follow the specified deadlines and format** provided in this RFP.

#### **Applications**

Applications are limited to ten-pages (not including attachments) and must include:

- 1) A **hard copy** of the complete application and attachments, addressed to:  
Christina Connelly  
Minnesota Department of Agriculture  
625 Robert Street North  
Saint Paul, MN 55155-2538
- 2) An **electronic version** of the complete application, including attachments, in Microsoft Word, Excel or Adobe PDF format and e-mailed to: [Christina.Connelly@state.mn.us](mailto:Christina.Connelly@state.mn.us). Insert "NEXTGEN Grant Proposal - (applicant's name)" in the subject line.

**\*ZIPPED files and faxed submittals not accepted.**

**If you anticipate or experience difficulties in submitting the application electronically, please contact Christina Connelly prior to the submittal deadline at (651) 201-6220 or [Christina Connelly@state.mn.us](mailto:Christina.Connelly@state.mn.us).**

#### **Attachments**

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 and technical 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.

#### **Timeline**

- *September 14<sup>th</sup>, 2011*: RFP released.
- *November 4<sup>th</sup>, 2011*: Application due date. Applications must be postmarked or received electronically by 4:00 PM (Central Daylight Time).
- *December 8<sup>th</sup>, 2011*: Technical Evaluation Team will present recommended projects to the Next Generation Energy Board and the Minnesota Commissioner of Agriculture for review.
- *January 2012*: Target date to notify final applicants whether they are selected for a grant.



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

### Terms and Conditions

1. The MDA reserves the right to amend or cancel this RFP at any time if the best interest of the State requires such action.
2. 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.
3. 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.

### Questions

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

Christina Connelly  
Minnesota Department of Agriculture  
625 Robert St. N  
Saint Paul, MN. 55155-2538  
[Christina.Connelly@state.mn.us](mailto:Christina.Connelly@state.mn.us)

## **IV. Review and Evaluation of Applications**

Applicants must submit applications in the format and by the deadlines specified in the Request for Proposal (see Section III, Application Process).

Applications are scored and ranked according to the evaluation criteria outlined below. Grant awards will be based on available funding and the review of applications to determine which projects will be most beneficial in furthering the NextGen Energy Board objectives as identified in this RFP.

A Technical Grant Review Team will review, score and rank grant proposals based on the evaluation criteria to provide input to the NextGen Energy Board. The Board will further evaluate this information and make recommendations to the Commissioner, who will then select the final grant recipients.

**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 Statutes 13.599. For more information, please contact Christina Connelly at 651-201-6220 or [christina.connelly@state.mn.us](mailto:christina.connelly@state.mn.us).

*In accordance with the Americans with Disabilities Act, an alternative form of communication is available upon request. TDD: 1-800-627-3529*

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## Evaluation Criteria

Grant applications will be ranked on a 100 point scale, as follows—

1. Quality of the proposal: (20 points)
  - a. Clarity and detail of proposed project;
  - b. Anticipated outcomes of the project;
  - c. Clear alignment of financial resources with work to be accomplished; and,
  - d. Clearly defined metrics for evaluating the success of project tasks and anticipated outcomes.
2. Extent to which proposed project meets one or more of the NextGen Energy Board objectives (see Section I). (15 points)
3. Project team qualifications: (10)
  - a. Background and experience of the applicant and/or project team members;
  - b. Technical knowledge about proposed project technologies, methods or processes;
  - c. Financial capacity of team to meet matching requirements and other project needs;
  - d. Applicant's environmental regulatory compliance status; and,
  - e. Applicant's past performance on MDA grants and contracts.
4. Technical merits of the project: (25)
  - a. Technical feasibility of accomplishing intended tasks and outcomes;
  - b. Clear definition of project "success," i.e., description of the current stage of project on pathway to commercialization and challenges and risks associated with achieving the next step towards commercial/economic viability;
  - c. Realistic timeframe for technology to become economically competitive;
  - d. Certification of proposed technology and/or fuel source by a qualified engineer (as required in legislation); and,
  - e. Ability of project to be replicated in Minnesota.
5. Potential impacts of the project on the facility or industry as a whole: (30)
  - a. Potential economic impacts, such as—
    - i. Job creation/retention upon achieving economic viability;
    - ii. Increase in value-added product production;
    - iii. Decrease in cost per unit of product produced;
    - iv. Identification of end-products market niche, competing products, research or patents;
    - v. Ability of project to increase Minnesota's competitive position, e.g., by enhancing economic clusters or advancing/differentiating Minnesota bioenergy sectors in wider markets.
    - vi. Strategic partnerships/opportunities that improve economic viability for the project.
  - b. Potential environmental impacts, such as—
    - i. Use of less water, raw material or energy/carbon intensity per unit of product produced; and,
    - ii. Soil depletion/erosion/quality associated with bioenergy production.

In addition to the criteria above, 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.

## V. Instructions to Complete Application

For consideration in this funding round, applications **must follow the specified deadlines and format** provided in this RFP.

### Completing the Pre-Formatted Application

The applicant must complete the following:

- *Page 1 summarizes the project.*
  - Brief description of proposed project: In 100 words or less, describe the nature of the project.
  - 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 facilities and research projects—whichever is less.
  - Matching Funds/Value of In-Kind: The applicant must identify sources of match for the total project cost, with at least 25% of total project cost being matched by non-state cash. See Section II, Eligibility, for qualified sources of match.
  - Total Project Cost: The overall cost of the project—which includes the NextGen Grant Requested amount, 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.
  
- *Pages 2-10 provide additional detail in narrative form to the six numbered topics.*
  - Respond to the topic in the numbered order.
  - All questions must be addressed. If not applicable, write NA and why it is not applicable to your proposed project.
  - Submit resolutions, letters of support or any other documentation as attachments. Reference such as documentation in your response narratives.

## 2011 NextGen Energy Grant Application

Application data are private or nonpublic data until grant applications are opened. Names, addresses and requested amounts then become public information. An entire application becomes public when an agency has completed negotiating the grant agreement with a grantee. Individual grant applicants do not have to provide the information requested on the application form. If you do not, we will not be able to consider your grant request. The only persons who will have access to your data during the time that it is protected are those permitted access by law, by your written consent, by a court order or by those department employees whose job duties require access.

Applicant/Organization Name: \_\_\_\_\_

Mailing address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip code: \_\_\_\_\_

Contact name: \_\_\_\_\_

Title: \_\_\_\_\_

E-mail: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_ Applicant's Web site: \_\_\_\_\_

Match as % of total = %

### PROJECT TITLE/BRIEF PROJECT DESCRIPTION (100 words or less)

|                     |                                     |                        |
|---------------------|-------------------------------------|------------------------|
| Grant requested: \$ | Matching funds/value of In-Kind: \$ | Total Project Cost: \$ |
|---------------------|-------------------------------------|------------------------|

1. Is Applicant the sole source of Matching Funds for the proposed project? ( ) Yes ( ) No
2. Has the Applicant received funding obtained through the Minnesota legislative budgeting process, or financial assistance from any state administered program since January 1, 2009? ( ) Yes ( ) No If yes, are those funds to be used as match for this project? ( ) Yes ( ) No
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? ( ) Yes ( ) No
5. Does Applicant have any past environmental compliance violations? If Yes, please describe. ( ) Yes ( ) No

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**To complete this section refer to Section II, Eligibility - Eligible Projects.**

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.

**For MDA Administrative Use Only:**

**Grant ID number:** \_\_\_\_\_

### **Required Application Information**

Provide a narrative for each of the 6 information categories below. Refer back to “Section V, Instructions to Complete Application” for additional detail. Use minimum of 11-point font.

- (1) Pre-formatted table page, “Minnesota Department of Agriculture – 2011 NextGen Energy Grant Application.”
- (2) Summary of the proposed project, including: (2-page limit)
  - a. Project goal/description;
  - b. How project meets NextGen Energy Board objective(s);
  - c. Anticipated results and proposed measurement techniques;
  - d. Technical merits of the project;
  - e. Applicability/replicability of project elsewhere in Minnesota; and,
  - f. Potential economic and environmental impacts of the project.
- (3) Applicant/organization information, including: (2-page limit)
  - a. Experience and qualifications of applicant and significant partners providing technical expertise related specifically to the proposed project ;
  - b. Assets and resources available to support the project;
  - c. Need for State funding;
  - d. Dates, amounts and purpose of previous grants or public funding received that are associated with the goal of this project;
  - e. Ability to implement project in a timely fashion;
  - f. Environmental regulatory history and compliance status;
  - g. Past performance on MDA grants/contracts (if applicable); and
  - h. 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.).
- (4) Proposed scope of work, including breakdown of Tasks (steps), 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. (4-page limit)

- (5) Proposed Budget: (1-page limit, landscape or portrait format, 9 pt font minimum)
- a. Provide a breakdown of anticipated project costs, such as for labor cost, equipment described as called for in Tasks, supplies, travel, etc. by funding source.
  - b. Use categories and sub-categories as needed to reflect activities specified in your Tasks.

| Category      | Task 1 |       | Task 2 |       | Task 3 |       | Task 4 |       | Task 5 |       | Project Totals |       |
|---------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|----------------|-------|
|               | Grant  | Match | Grant  | Match | Grant  | Match | Grant  | Match | Match  | Grant | Grant          | Match |
|               |        |       |        |       |        |       |        |       |        |       |                |       |
|               |        |       |        |       |        |       |        |       |        |       |                |       |
|               |        |       |        |       |        |       |        |       |        |       |                |       |
|               |        |       |        |       |        |       |        |       |        |       |                |       |
|               |        |       |        |       |        |       |        |       |        |       |                |       |
|               |        |       |        |       |        |       |        |       |        |       |                |       |
|               |        |       |        |       |        |       |        |       |        |       |                |       |
|               |        |       |        |       |        |       |        |       |        |       |                |       |
| Sub-Totals    |        |       |        |       |        |       |        |       |        |       |                |       |
| Total by Task |        |       |        |       |        |       |        |       |        |       |                |       |

\*Identify key personal 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.

- (6) Relevant attachments, which may include: (no page limit)
- a. Evidence of technical and economic feasibility of project;
  - b. Evidence of financial and technical capability of applicant;
  - c. Letters of commitment and match if proposed in budget; and
  - d. Resume(s) or curriculum vitae(s) specific to qualifications needed for project.

**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 total of 6 information categories 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. Statutes section 13.37 subd. 1(b).