



Bulk Wood Pellet Delivery Infrastructure Grants

REQUEST FOR LETTERS OF INTENT

November 6, 2015

INTRODUCTION

Deadline: Monday, November 30, 2015

The Clean Energy Development Fund (CEDF) invites sole proprietors, businesses, and organizations to submit a Letter of Intent (LOI) to apply for a CEDF grant in support of bulk wood pellet delivery infrastructure projects located in Vermont.

The CEDF intends to support, through competitively awarded grants, infrastructure investments to improve the bulk delivery of wood pellets, preferably those manufactured and sold by Vermont companies. Eligible projects include: bulk pellet delivery trucks, delivery depots, bulk filling stations at pellet mills, expanding the amount of pellets available for bulk delivery, and/or other projects deemed to support the bulk delivery of wood pellets in Vermont.

The investment of CEDF funds in support of the bulk pellet market represents a significant step toward meeting CEDF's goals including:

- Increased renewable energy production
- Increased economic development through:
 - Local renewable fuel procurement
 - Increased retention of energy dollars within the state
 - Installation and service of systems
 - Local manufacturing of boilers, equipment, and pellets
 - Support of forest products industry
 - Support of the working landscape
- Increased energy cost savings for Vermonters
- Decreased environmental impact of heating

Wood pellet delivery infrastructure projects supported with CEDF grants shall be developed in coordination with the wood heating program for Windham County (Windham Wood Heat), the State Wood Energy Team’s efforts, and other related CEDF related programs.

Support for the bulk pellet delivery market will shall follow the four components of CEDF’s definition of advanced wood heating: 1) uses highly efficient combustion technology, 2) emits low levels of particulates and pollution, 3) supports healthy forest ecosystems, and 4) produced using local wood.

GRANT PROGRAM TIMELINE

- Letter of Intent Submission Deadline: Monday, **November 30, 2015**
- Invitation(s) to Submit a Grant Proposal: Distributed Week of **December 7, 2015**
- Grant Proposal Submission Deadline: Friday, **January 15, 2016**
- Award Notification: **January or Early February, 2016**
- Final Reports due within 30 days of the project’s conclusion.

A Letter of Intent (LOI) is the first step in this process and is required of all applicants. Letters of Intent are screened by the CEDF staff to determine eligibility, after which select applicants will be invited to submit a full grant proposal. The Proposal guidelines will be distributed at that time. ***Please note: Receipt of an invitation to submit a grant proposal does not infer, confer, or guarantee receiving a grant or funding for any project.***

GRANT PROGRAM DESCRIPTION

Eligible Applicants:	<ul style="list-style-type: none"> • Businesses • Sole Proprietors • Organizations (including non-profits)
Eligible Projects:	Vermont infrastructure development in support of the bulk delivery of wood pellets.
Funding Type and Source:	Grants. State CEDF Funds.
Total Amount available:	\$600,000
<u>Maximum Grant:</u>	<u>\$250,000</u>
<u>Minimum Grant:</u>	<u>\$15,000</u>
Awardee Cost Share Required:	At least 65% of the project’s total cost (CEDF’s grant cannot cover more than 35% of the total project cost). LOI describing projects with greater amounts of awardee cost share will be more likely to be invited to submit a grant proposal

INFORMATION REQUIRED FROM APPLICANTS

Applicants must submit Letters of Intent (LOI) as described below. The LOI should be prepared simply and economically, providing a straightforward, concise description of the applicant's project. The LOI should not be longer than three pages, including CEDF's Project Description Sheet. Colored displays, promotional materials, and so forth are not desired. Emphasis should be on clarity of content.

To be considered complete a LOI must include the following two items: The CEDF issued Project Description Sheet and a Cover Letter. These two items are described below.

I. Project Description Sheet

Applicants must complete the Project Description Sheet (an example is included as Appendix A) in an Excel (or readable by Excel) format as part of the LOI. The Project Description Sheet is available as a separate document at

www.publicservice.vermont.gov/topics/renewable_energy/cedf or can be obtained from the grant administrator (andrew.perchlik@vermont.gov). The following section explains the information required for each question on the Project Description Sheet:

1. Project Title

Provide a descriptive title for the project.

2. Identification of Applicant

State the full name and mailing address of the organization that is submitting the LOI and (if a separate entity) the potential grant recipient. List the main contact person and contact information. This person should also be listed as an Authorized Negotiator below.

3. Applicant's Related Experience

Provide a short paragraph describing the Applicant's (and any other principal parties') related experience.

4. Identification of Subcontractors and/or Partners

If applicable and known, list any subcontractors and/or partnering firms/organizations that will perform, or assist in performing, the work; include contact information.

5. Authorized Negotiator(s)

Include the name, phone number, and email address for individuals authorized to respond to any and all questions regarding the submitted LOI. The Project Description Sheet must be signed by a duly authorized representative of the party (or parties) submitting the LOI.

6. Location of Proposed Project(s)

Include physical address (AKA the 911 address), town, and county of the project. If the project is not limited to one physical location list the other locations and/or areas of the state to be served by the project.

7. Project Description

Provide a short paragraph describing the essential elements of the proposed project; including how it will increase the accessibility, availability, and/or lower the cost of, bulk delivered wood pellets to customers in Vermont. Also include information on ownership and beneficiaries.

7. A&B: List any work or purchases that have been made to date regarding the project and any funding (including \$ amount) secured for the project.

8. Expected Project Dates

Provide an estimated date for the start and completion of the proposed project.

9. Total Project Costs

Applicants must include the estimated total project costs for the proposed project. Only costs directly connected to bulk pellet delivery infrastructure should be included.

10. CEDF Funds Requested

Applicants must specify the amount of funds they are requesting from the CEDF to be applied toward their proposed project.

11. Signature:

Sign the form to indicate it has been read and the applicant acknowledges, to the best of her/his knowledge the information supplied is accurate.

II. Cover Letter

On the applicant's letter head, introduce the project and applicant(s). State why the proposed project is necessary or desired, and why the grant award from the CEDF is needed. Describe what would happen if the project is not invited to submit a grant proposal. The Cover Letter should include a short statement of the project's goals, objectives, benefits and risks. The Cover letter should not be over two pages in length.

EVALUATION CRITERIA

All LOI submitted will be evaluated by staff at the CEDF, Public Service Department (PSD), and possibly by staff at the Department of Forest and Parks, members of the State Wood Energy Team, and any other reviewers the PSD deems necessary. The CEDF reserves the right (but is not obligated) to request additional information from applicants before inviting projects to submit grant proposals.

All LOI submitted will be evaluated based upon how well the proposed project meets the purpose of this request, the goals of the CEDF, qualifications and relevant experience of the individuals/firms involved, reasonableness of cost, and any other criteria deemed relevant. At the

sole discretion of the PSD invitations to submit a grant proposal could be issued to all or none of the entities that submit a LOI.

Any eventual grantees will be subjected to transparency and reporting requirements including, but not limited to: financial and performance reporting, tracking, documentation of incurred costs, and access to records.

Cost share is required. Any eventual grants will require cost share of at least 65% of the total eligible project cost, and more is encouraged. Applicants are encouraged to explain the justification for the amount of cost share proposed in their Cover Letters. The amount of cost share will be taken into account as part of the LOI review.

SUBMITTING A LETTER OF INTENT

Any questions regarding this Request should be submitted in writing, preferably by email, with the subject line, "Bulk Pellet Delivery LOI - Question." Questions are due by 4 p.m. on Friday November 13, 2015 and will be answered in a comprehensive Q&A document that will be posted at the CEDF web site alongside this Request by November 20, 2015.

LOIs must arrive at the Public Service Department (PSD) office by 4:00 P.M. on Monday, November 30, 2015. A hard copy is not required. The LOI can be submitted electronically but must be signed. If mailing a hard copy of an LOI please allow adequate time to ensure receipt of their proposal(s) by the deadline. LOI received after the application deadline will not be considered.

For an LOI to be accepted it must include a Cover Letter and a completed Project Description Sheet as described above.

This request and all the required components of a LOI are posted on the CEDF website or can also be acquired by contacting the CEDF. Electronic copies of a submitted LOI should be emailed to:

Andrew Perchlik
CEDF Director
C/o Vermont Public Service Department
112 State Street
Montpelier, VT 05620-2601
Phone: (802) 828-4017
Email: andrew.perchlik@vermont.gov

CEDF BACKGROUND

In 2005, the Vermont General Assembly established the CEDF through Act 74 (30 V.S.A. § 8015). The Act specifies the CEDF scope of work and authorities. 30 V.S.A. § 8015 (c) states the purpose of the CEDF as follows: "The purposes of the fund shall be to promote the development and deployment of cost-effective and environmentally sustainable electric power and thermal

energy or geothermal resources for the long-term benefit of Vermont consumers, primarily with respect to renewable energy resources, and the use of combined heat and power technologies.”

The CEDF offers a portfolio of funding opportunities to accelerate the development, commercialization, and production of clean energy in Vermont including: grants, direct incentive payments through the *Vermont Small-Scale Renewable Energy Incentive Program*, credit enhancements for renewable energy lenders, contracts for specific products or services, and other offerings as may be authorized by the Vermont General Assembly and subject to approval of the PSD. Since its inception, the CEDF has awarded over \$64 million in federal and state resources to businesses, community groups, municipalities, schools, institutions, farms, and individuals for renewable energy and energy efficiency in Vermont. These funds leveraged total investments of more than \$258 million in the state’s clean energy infrastructure. Programmatic activities and associated funding are developed by the CEDF staff in conjunction with the appointed CEDF Board, which oversees development of the CEDF strategic plan and annual budget. Additional information on the CEDF is available on the PSD website at:

http://publicservice.vermont.gov/topics/renewable_energy/cedf

Potential Grantees should be aware that CEDF grant awards can be considered taxable income. Grant recipients shall be responsible for all individual tax obligations under federal, state, and local laws.

APPENDIX A – PROJECT DESCRIPTION SHEET
Don't use the sheet below. Complete using Excel compatible version.

Vermont Clean Energy Development Fund (CEDF) Project Description Sheet for the 2015 Request for Letters of Intent for Bulk Wood Pellet Delivery Infrastructure Grants Note: Instructions for each field are in the request for the LOI document	
1. Project Title:	
2. Applicant Name, Address, and Contact Information:	
3. Applicant's Related Experience:	
4. Subcontractors or Partnering Company (if known):	
5. Authorized Negotiator(s) (Name and Contact Info. if different from Applicant information):	
6. Proposed Project Location (s) (Site address, town, and county):	
7. Project Description: <i>Describe project and how it will increase the availability and/or lower the cost of bulk delivered wood heating pellets to customers in Vermont:</i>	
A. List any work/purchases that have been made to date in relation to this project:	
B. List all other funding sources:	
8. Expected Project Start and Completion Dates:	
9. Total Project Costs:	
10. CEDF Funds Requested:	
11. Signature:	

The above is only to show what the Project Description Sheet looks like as should not be used. Please use the Excel version.