



MONTANA  
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

FUELS FOR SCHOOLS AND BEYOND  
COMMUNITY WOOD ENERGY PROGRAM

**BIOMASS FUEL PURCHASE GRANTS  
FOR  
FIRST-YEAR ENERGY PROJECTS  
(REGIONAL)**

**ANNOUNCEMENT AND REQUEST FOR APPLICATIONS (RFA)**

**RELEASE DATE:** NOVEMBER 2, 2011

**SUBMISSION DEADLINES:**  
**ROUND 1: DECEMBER 2, 2011**  
**ROUND 2: MAY 4, 2012**  
**5:00 PM**

**SUBMIT APPLICATION TO:**  
Julie Kies  
Biomass Utilization Program  
Montanan Department of Natural Resources and Conservation  
2705 Spurgin Road, Missoula, MT 59804  
[jkies@mt.gov](mailto:jkies@mt.gov)

## **INTENT OF BIOMASS FUEL PURCHASE GRANTS:**

The intent of the Biomass Fuel Purchase Grants is to promote the utilization of woody biomass generated from forest management and habitat restoration projects in Western Montana. This is accomplished in part through providing financial assistance to public and non-profit facilities investing in wood-fired energy system installations.

The continued development of a strong network of small-scale biomass energy systems in Montana provides support for actively managing for healthy forests and maintaining the strength of our current forest product infrastructure. The anticipated results of this grant program are: (1) additional facilities generating wood biomass energy in Montana, (2) increased utilization of otherwise low-valued woody biomass, (3) jobs retained in the wood products industry, (4) a more diversified forest product market, (5) enhanced economic development opportunities, (6) reduced cost of forest stewardship and hazardous fuels treatments, (7) improved forest conditions, and (8) reduced air emissions from open slash-pile burning.

## **ELIGIBLE APPLICANTS**

Minimum eligibility criteria for grant recipients:

- 1) Public school or institution, non-profit or tribal facility. This may include school districts, universities, hospitals, local and state government entities, tribe-owned facilities, and non-profit organizations.
- 2) Proposed project must:
  - a) be located within the boundary of the “Eligible Applicant Area” defined in the attached map (Attachment 1),
- 3) Applicant must have an engineering assessment for a wood biomass energy system completed by a professional firm that demonstrates the project is technically and financially sound.
- 4) Facility is committed and moving forward with project to install a wood-fired energy system.

## **ELIGIBLE ACTIVITIES**

Purchase of woody biomass fuel for the first year of operating a newly installed wood biomass energy system. Selected applicants will receive a grant award that is equivalent to the estimated cost of woody biomass fuel required by the facility in its first 12 months of operating the biomass energy system.

Eligible woody biomass fuel includes wood pellets, wood fuel processed with a chipper or grinder, cordwood, or other woody biomass fuels compatible with the facility’s biomass energy system.

These funds may not be used for equipment purchases or construction.

## SUBMISSION GUIDELINES

Applications will be accepted on a rolling basis and evaluated on a first-come, first-served basis within two granting cycles (rounds).

Round 1 closes December 2, 2011.

Round 2 closes May 4, 2012.

This Request for Applications will remain open for two consecutive granting cycles or until all funding authorized for this grant program is awarded to eligible projects.

Application packages shall contain:

- 1) Completed Grant Application Form (Attachment 2)
- 2) Copy of completed engineering assessment of biomass energy installation at facility
- 3) Documentation of facility's commitment to moving forward with the project (this may include, but is not limited to a letter of commitment from an administrative board, or proof of contract with project design/construction firm to provide services)

Please read **the entire packet** before preparing your proposal. Be sure that all relevant information is in the body of your application, not in cover letters or letters of support.

- Two (2) copies of the proposal must be submitted.
- Please do not use special covers or binders. Pertinent letters of support from community leaders and businesses can be included as attachments to the proposal.

### **Submit Application to:**

Julie Kies, Montana DNRC by either:

- 1) Email at [jkies@mt.gov](mailto:jkies@mt.gov) with words "Biomass Fuel Grant" in the subject line, or
- 2) Mail to DNRC Forestry Division Office, 2705 Spurgin Rd., Missoula, MT 59804.

**Applications must be received by DNRC on or before 5:00 PM on the following dates for each respective grant cycle:**

Round 1: December 2, 2011

Round 2: May 4, 2012

## EVALUATION CRITERIA AND SELECTION PROCEDURES

Application packages must contain (1) completed Grant Application Form (Attachment 2), (2) copy of completed engineering assessment, and (3) supporting narratives and documentation that address the

evaluation criteria described below that may not have been addressed in the Grant Application Form. This is the information the review team will use to evaluate and prioritize projects for funding.

**Evaluation Criteria:**

1. Facility's proximity to existing woody biomass users.
2. Economic viability of biomass energy installation (i.e. timeframe for project to achieve positive accumulated cash flow)
3. 30-year energy cost savings projected from displacing fossil fuels with biomass energy.
4. Amount of biomass estimated to be consumed annually by proposed project.
5. Demonstrated financial need of the school district, public facility or community.
6. Applicant's intent to procure wood fuel from habitat restoration or forest management projects in proximity to and/or in partnership with Department of Interior lands and bureaus (this includes, but is not limited to the Bureau of Land Management, U.S. Fish and Wildlife Service, Bureau of Indian Affairs, Bureau of Reclamation, and National Park Service).
7. Project partnerships and community commitment to the project.
8. Demonstration of a new application for biomass heat/energy that differs from existing systems in Montana

The panel will evaluate each criterion independently rating each criteria response as low, medium or high. Differences in evaluation among panel members will be jointly discussed and a consensus reached as to which project(s) receive funding.

## **FUNDING GUIDELINES**

The DNRC will award grants in the amount equivalent to the estimated cost of wood biomass fuel required by the facility in its first 12 months of operating the biomass energy system. Grant payment will be issued in a single, lump-sum award to the Grantee upon issuance of a Certificate of Substantial Completion to DNRC. The DNRC reserves the right to offer a different grant amount than proposed by applicants. Funding amounts may vary due to the number and quality of applications received. No match is required.

All awards from this grant program shall be considered final awards to the project(s) selected. If project costs increase beyond what was projected at the time of the grant award, the grantee is responsible for finding additional funding from sources outside this program.

This grant program is currently authorized at a total of \$107,000 to be awarded by DNRC. This Request for Applications will remain open for two (2) consecutive granting cycles or until all funding authorized for this grant program is awarded to eligible projects. The submission deadline for Round 1 is December 2, 2011. The submission deadline for Round 2 is May 4, 2012.

## **LEGAL AUTHORITY**

The DNRC Biomass Utilization Program and related activities, including this RFA, are authorized by Montana Code Annotated, section 2-15-112(2)(c).

Funding for the grants is provided under the authority of the American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5 and Federal Land Policy and Management Act of 1976, 43 U.S.C. 1737 (b), as amended, Public Law 94-579, Section 307 (b), which authorizes cooperative agreements for the management, protection, development and sale of public lands.

Applicants awarded funds through the federal ARRA program will be required to provide their Central Contractor Registration (CCR) DUNS number and CAGE (Commercial and Government Entity) Code to the DNRC prior to award.

## **FUNDING NOTIFICATION AND GRANT AWARD**

Successful applicants will be notified within 30 days of RFA closing date(s). Grant payment will be provided upon issuance of Certificate of Substantial Completion to DNRC. Applicants must consult with the DNRC before incurring any expenses, as pre-award costs are not allowed without written approval from DNRC.

In accordance with section 49-3-207, MCA, the grantee agrees that the hiring of persons to perform work on the project will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing work on the project.

## **CONTACT**

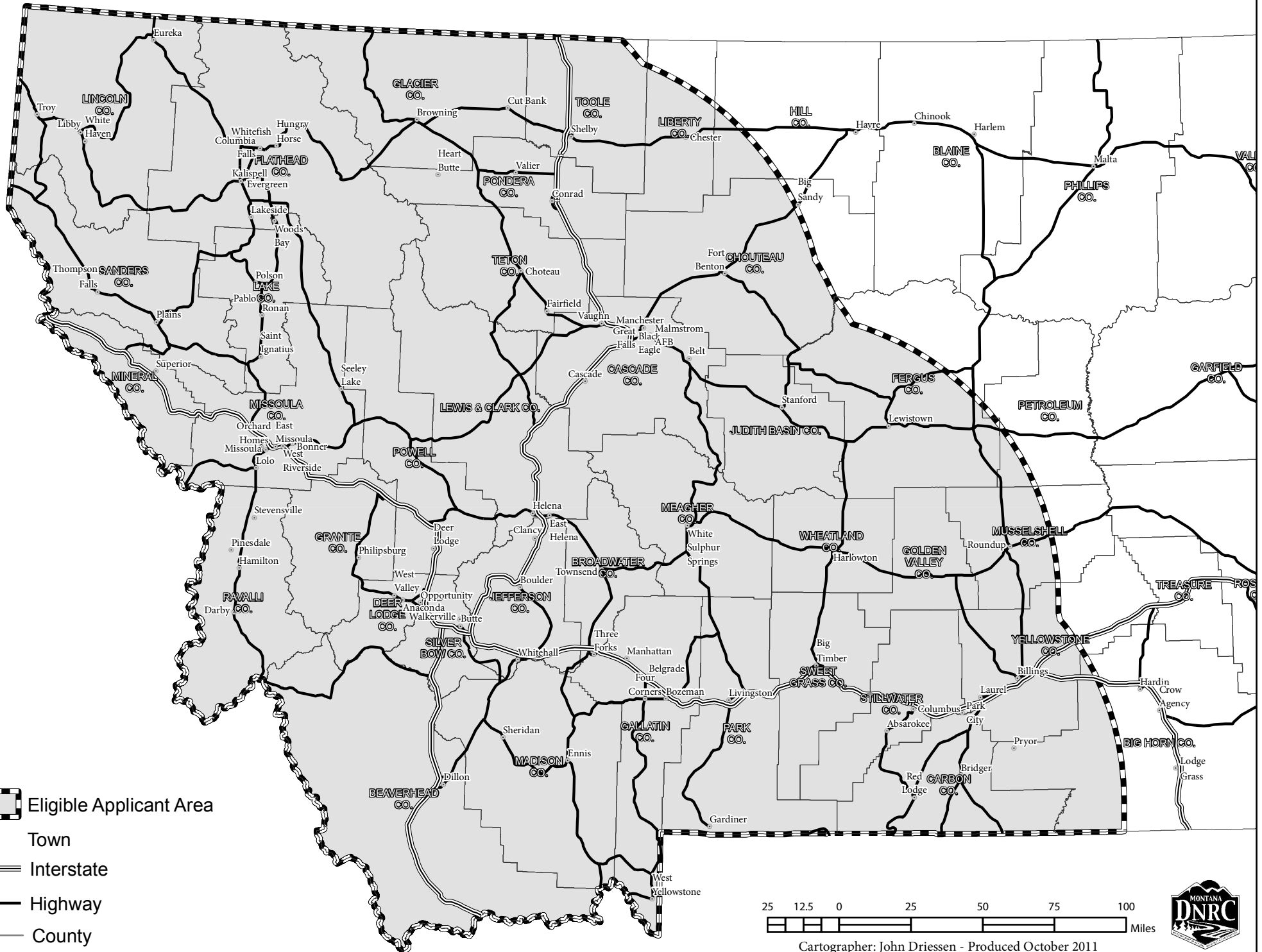
For further information in completing your grant application, please contact the Montana Department of Natural Resources and Conservation contact:

Julie Kies  
Biomass Utilization Program Manager  
2705 Spurgin Road  
Missoula, MT 59804-3199  
Phone: (406) 542-4280  
[jkies@mt.gov](mailto:jkies@mt.gov)

## **ATTACHMENTS:**

Attachment 1: Map of Eligible Applicant Area for Regional Woody Biomass Utilization Grants  
Attachment 2: Grant Application Form

# ATTACHMENT 1: ELIGIBLE APPLICANT AREA FOR REGIONAL WOODY BIOMASS UTILIZATION GRANTS



**ATTACHMENT 2**

**Department of Natural Resources and Conservation  
Biomass Fuel Purchase Grant**

**GRANT APPLICATION FORM**

Facility Name: \_\_\_\_\_

Facility Address/City/Zip: \_\_\_\_\_

Person Filling out Form: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Date Form Filled Out: \_\_\_\_\_

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**PROJECT INFORMATION**

Location

- 1) Facility is located within eligible project boundary identified on map. Yes/No
- 2) Facility proximity to existing woody biomass user(s). Name nearby facilities.

Technical and Financial Attributes

- 1) An engineering assessment for a wood biomass energy system installation has been conducted by a professional firm that demonstrates the project is technically and financially sound. Yes/No Attach copy of complete assessment.
- 2) Facility intends to use woody biomass as the primary heat source for all or a portion of their facility. Yes/No
- 3) Will the biomass energy system installed provide demonstration of a new application for biomass heat/energy that is different than existing systems in Montana? Yes/No Describe.

- 4) Projected 30-year cost savings \_\_\_\_\_
- 5) Number of years for project to achieve positive accumulated cash flow \_\_\_\_\_ years
- 6) Anticipated Date of Project Completion \_\_\_\_\_

Wood Fuel Usage and Costs

- 1) Type of wood fuel facility will use: ground/chipped fuel, wood pellets, cordwood, other?
- 2) Estimated volume of biomass to be consumed annually (within 12 month period following project completion date): \_\_\_\_\_ tons (green or dry?)
- 3) Have you identified potential fuel supply and suppliers and received preliminary bids on biomass fuel? Yes/No Describe findings and suppliers.
  
- 4) Quoted or estimated wood fuel price/ton \$\_\_\_\_\_ (price/ton). (green or dry?)
- 5) Estimated cumulative cost of wood fuel to be purchased within 12 month period following project completion date: \$\_\_\_\_\_
- 6) Describe intent to obtain biomass fuel from forest management or habitat restoration projects in proximity to and/or in partnership with Department of Interior lands and bureaus (this includes, but is not limited to the Bureau of Land Management, U.S. Fish and Wildlife Service, Bureau of Indian Affairs, Bureau of Reclamation, and National Park Service).