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*Serving Lenawee, Macomb, Monroe, Oakland,
St. Clair, Washtenaw and Wayne Counties*

WOOD ENERGY PRELIMINARY ASSESSMENT GRANTS

ANNOUNCEMENT AND REQUEST FOR PROPOSALS (RFP)

RELEASE DATE: APRIL 15, 2009

GRANT SUMMARY

The Southeast Michigan Resource Conservation and Development Council has been working since 2004 to identify value-added uses for urban wood residues, driven largely by the need for wood disposal options following the state's emerald ash borer outbreak. At this time, the Council is allocating \$3,000 in grant funding to assist an institution or business in evaluating opportunities for using locally generated wood residues as a biomass energy source. The funds will allow a building manager to hire a qualified contractor to preliminarily review the feasibility of retrofitting or replacing an existing boiler or other energy system to accommodate wood fuel.

Grantees are expected to follow a tight timeline, with assessments to be completed shortly after the award announcement. Funding preference will be given to local governments, public institutions, community facilities, and/or private businesses within the Southeast Michigan RC&D Council area (Lenawee, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties). Prompt applications are strongly encouraged. Proposals should be submitted by May 1, 2009. The Council anticipates making a single \$3,000 grant award.

BACKGROUND INFORMATION

The emerald ash borer (EAB) has killed 15-20 million ash trees in southeastern Michigan, causing massive environmental and economic damages to this region of the state. In response to the destruction, the Southeast Michigan Resource Conservation and Development Council (RC&D) began work on its Ash Utilization Options Project in early 2004 through funding from the U.S. Forest Service Economic Action Program. This project aimed to reduce wood waste disposal costs for communities, promote sustainable use of urban wood resources, and create economic development opportunities for the area. Through continued additional financial support from the U.S. Forest Service's Wood Education and Resource Center, this project has been very successful in creating new market opportunities for EAB-impacted ash wood and in building public support for urban wood utilization programs.

Many of the Council's previous efforts have focused on characterizing the resource supply within the urban wood "waste" stream and on boosting the production of solid wood products from this material source. In addition to funding several demonstration projects with local businesses and communities, the RC&D sponsored research on urban wood residue generation and wood disposal yard activity in southeastern Michigan. Based upon the RC&D's experiences, there is additional need to further explore opportunities in using the state's abundant wood residues as a biomass energy resource. In particular, given rising fuel prices nationwide, this issue is a timely one for large public institutions (schools, prisons, hospitals, etc.) facing high energy costs.

Energy costs represent a huge burden to school districts and other public institutions. The U.S. Department of Energy reports that energy costs represent the second highest budgeting expense for many school districts, behind only salaries. Use of biomass energy, especially where wood chips are plentiful and cheap, can result in significant savings for these types of institutions. In Vermont, where the Fuels for Schools program was pioneered, fuel costs for institutions converting to wood boilers were lowered 15% - 20% as compared to natural gas and 40%-50% compared to fuel oil.

Similarly, a recent engineering assessment completed by Oakland University showed that the Michigan institution could potentially see first year operating savings of as much as \$1.7 million by switching to a wood-fueled system.

The RC&D has begun directing significant effort toward increasing the use of wood residues in biomass energy production in the region. In 2007, the Council released results of a statewide study of existing boilers that could be potential conversion sites for wood-fueled systems, provided funding for two institutions to conduct complete feasibility studies for wood fuel conversions, and contributed funding toward the installation of a wood-fueled boiler in a local municipal recreation building. The Council also created the Michigan Wood Energy website (<http://michiganwoodenergy.org/>) to provide more information to those considering alternative energy options. This site may be particularly helpful for those considering submitting an application to this current grant program. The site features the Wood Energy Calculator, which allows users to generate cost savings estimates for switching to wood as a boiler fuel and a copy of the *Exploring Woody Biomass Retrofit Opportunities in Michigan Boiler Operations* research study. This report lists over 2,000 public and private facilities in Michigan that would be likely to see significant cost savings by switching to wood fuel.

PROGRAM DESCRIPTION

At this time, the Council is seeking proposals from institutions seeking funds for preliminary wood biomass engineering assessments. The Council anticipates making a single \$3,000 award to a local community group or business. The funds will allow a building manager to hire a qualified contractor to preliminarily review the feasibility of retrofitting or replacing an existing boiler or other energy system and to compare a new wood fuel-based system with the existing non-renewable system. Preference will be shown to sites already examining alternative energy choices and expressing a commitment to implement an actual conversion if appropriate. Projects committed to using locally generated urban or undervalued wood residues (such as tree removal, forest residues, or manufacturing wastes) as fuel sources will also receive preference.

The grant funds will allow for a cursory analysis to be done by hiring an engineer to look at the facility for a day to provide basic technical information about the site, survey institutional commitment, and review other relevant local issues. Ideally, the analysis would also provide simple projections on the following:

- costs and savings projected (an estimated “payback through savings scenario”);
- amount of biomass projected to be consumed annually;
- economic viability and efficiencies of the new system, contrasted with that of the old system;
- the supply, availability, and accessibility of raw material to fuel the system;
- likely sources of funding for the retrofit or installation; and
- impact on economic needs of the grantee and/or greater community.

As funding for a preliminary assessment, this grant is intended to provide an introductory step to working with a qualified engineering contractor and should act as an incentive for those who are interested in wood energy, but have not yet taken the next step. These funds should allow the grantee to explore options *beyond* that which can be done using online tools (such as the Michigan Wood Energy Calculator), but *before* a more thorough study that would include more detailed and explicit analyses of the technical and economic feasibility concerns and draft site plans.

If possible, it is recommended that you begin conversations with potential assessment contractors prior to submitting your grant application. This will assist you in creating a strong plan for the use of funds by allowing you to base your proposed activities on the advice of a qualified engineer, develop a workable timetable and workplan, and set an appropriate budget. Applications that have done this groundwork will receive preference in the application review process. Lists of some local contractors can be obtained by contacting the RC&D Council or by viewing the Rebuild Michigan’s 2007 Consultants list (http://www.michigan.gov/documents/CIS_EO_Pre-Qualified_List_2006_153788_7.pdf). (Please keep in mind that the inclusion on either list does not constitute a recommendation or referral; any qualified contractor may be used for this program.)

Funds for any project approved under this program are granted using a 1:1 matching ratio. That means for every \$1 granted by the RC&D Council, \$1 must be provided to the project by the grant recipient in the form of cash holdings, in-kind services, or other outside, non-federal and non-RC&D Council funds. Applications with greater match amounts are encouraged.

Jessica Simons, the Southeast Michigan RC&D Council's natural resources specialist, will act as primary contact for this project.

EVALUATION CRITERIA & SELECTION PROCEDURES

Parties seeking funding under this grant program must submit a completed application packet for funding consideration. A review committee appointed by the RC&D will evaluate each application thoroughly based on the following criteria:

1. Impact of proposed project on energy needs and costs for applicant
2. Impact of proposed project on use of urban wood residues and potential for reducing local wood disposal costs
3. Scientific or technical merit of project and strength of work plan
4. Economic need of the applicant & ability to secure non-RC&D Council funds
5. Role in serving as a pilot or demonstration facility and inclination/ability to pursue full retrofit or installation project if appropriate
6. Prior interest in/commitment to renewable energy projects (through previous completion of energy audits or other energy-related initiatives)
7. Amount of local match
8. Background in managing grants and successfully completing grant funded project

The review committee will not evaluate incomplete applications. Applicants may be asked to modify objectives, work plans, or budgets prior to final approval of each proposal. Applicants may also be asked to complete additional application forms or other documents, as necessary. Subsequent grant and/or contract procedures will be in accordance with all RC&D Council policies and procedures. A summary statement of the review and evaluation by the committee will be provided to applicants upon request.

GRANT PERIOD & PROGRESS REPORT

The entire grant award will be issued as a single reimbursement check upon the RC&D Council's receipt of the grantee's final report. Final reports should provide detail on the project's expenditures (outlining both grant funds and matching funds used), the contractors used, the complete engineering assessment, and a report of the grantee's planned next steps given the results of the analysis. If possible, assessments should be completed by May 31, 2009.

ITEMS ACCEPTABLE FOR MATCHING FUNDS

Matching funds provided by the applicant for this project must be at least equal to the amount of funds requested. These funds must not be derived from any federal funding sources. Matching funds may consist of additional cash toward the contractor services or may be in-kind services (use of staff time, equipment, etc.) toward the project. All matching funds must be documented and reported to the Southeast Michigan RC&D Council.

ELIGIBILITY FOR GRANTS

Any municipality, institution, organization, or business is eligible to submit an application for funding under the grants program, provided that the group can demonstrate that its proposal will serve to promote the use of locally generated wood as an energy source.

Applicants do not have to be located in the RC&D Council area, but applicants from Lenawee, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties will receive priority consideration when their applications are reviewed.

REQUIRED MATERIALS FOR THE GRANT APPLICATION

Grant application materials can be recreated on your computer as long as they follow the exact format as the enclosed forms. Handwritten application materials will not be accepted. An editable, MS Word version of the application can be obtained by contacting the RC&D Office. The following materials must be submitted to the RC&D Council as a complete package for consideration under this program:

- ____ RFP PART A – PROGRAM INFORMATION FORM
- ____ RFP PART B – PROJECT BUDGET & FUNDING SOURCES
- ____ RFP PART C – SPECIFIC PLAN FOR UTILIZATION OF GRANT FUNDS

SUBMISSION GUIDELINES & DEADLINES

Grantees are expected to follow a tight timeline, with projects to be completed shortly after the award announcement. Funding preference will be given to local governments, public institutions, community facilities, and/or private businesses within the Southeast Michigan RC&D Council area (Lenawee, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties). Prompt applications are strongly encouraged. Proposals should be submitted by May 1, 2009 for primary consideration.

Electronic proposal submissions, e-mailed as an MS Word attachment or PDF, are required.

SEND THE COMPLETED GRANT APPLICATION PACKAGE TO:

Jessica Simons
Southeast Michigan RC&D Council
Phone: (517)851-2372 – E-mail: jessica.simons@semircd.org

About us –

The emerald ash borer has killed 15-20 million ash trees in southeastern Michigan, causing massive environmental and economic damages to this region of the state. In response to the destruction, the Southeast Michigan Resource Conservation and Development Council (RC&D) began work on its Ash Utilization Options Project in early 2004. This project aimed to reduce wood waste disposal costs for communities, promote sustainable use of urban wood resources, and create economic development opportunities for the area. Through continued additional financial support from the U.S. Forest Service's Wood Education and Resource Center, this project has been very successful in creating new market opportunities and building public support for urban wood utilization.

The Southeast Michigan Resource Conservation and Development Council is a non-profit organization that helps the people of southeast Michigan care for, conserve, and protect their natural resources in a way that will improve the community's economy, environment, and quality of life. RC&D provides a framework for partnerships between local citizens, governments, and technical experts to solve resource concerns and to manage and utilize resources wisely. Although Resource Conservation and Development Councils exist nationwide, each one is organized and directed by local people to meet local needs. The Southeast Michigan RC&D Council is made up of representatives appointed by 18 sponsor organizations within the council area: Lenawee, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties. More information about the Ash Utilization Options Project may be found on the Council's website at: www.semircd.org/ash. The website also features a link to sign up for the project's periodic e-newsletter.

Funding for the grants is provided by the USDA Forest Service Northeastern Area State & Private Forestry. Their mission is to lead and support sustainable forest management and use across the landscape to provide benefits for the people of the 20 Northeastern and Midwestern States and the District of Columbia. Northeastern Area State & Private Forestry works with State forestry agencies and many other partners to influence the wise management, protection and sustainable use of urban and rural natural resources. For more information, please visit: <http://www.na.fs.fed.us/>.

Significant technical assistance for this project is also provided by the Michigan Department of Natural Resources.

RFP PART A - PROGRAM INFORMATION FORM

FOR RC&D USE
GRANT APPL. #

Date: _____

Name of Company/Organization submitting application: _____

Name of Owner or Chief Operating Officer: _____

Contact Person (if different than above): _____

Mailing Address: _____

City/State/Zip: _____ County: _____

Daytime Business Telephone #: _____ Business Fax #: _____

E-Mail Address: _____

Project Title or Purpose of Grant: _____

Amount Requested from RC&D Council: \$ _____

Amount of Matching Funds from Applicant: \$ _____

Total Project Costs (Grant + Match): \$ _____

Source of Matching Funds: _____

Project Start Date: _____ Project Completion Date: _____

Note: Any funds awarded from this grant program must be matched with funds from the applicant. (See grant guidelines for additional information on grant matching requirements). Please complete attached budget and project plan outlines.

Authorized Signature: The signature below is that of the person authorized to testify as to the accuracy of this application.

Signature: _____ Title: _____

Date: _____

FOR RC&D COUNCIL USE ONLY

Date Reviewed: _____ Grant Approved: ___ Yes ___ No Grant Amount Approved: \$ _____

Signature of Review Committee Chairman: _____

Signature of RC&D Council Officer: _____

RFP PART B - PROJECT BUDGET & FUNDING SOURCES

Budget Item	RC&D Funds	Matching Funds	Total
Contractual engineering assessment			
Personnel			
Equipment			
Other:			
Other:			
Other:			
Total			

RFP PART C - SPECIFIC PLAN FOR UTILIZATION OF GRANT FUNDS

Please indicate how your organization or business will use funds granted through this program. Provide as much detail as possible about the following:

1. What is your current energy outlook (including recent fuel consumption patterns, energy needs, costs and budgets, etc.)?
2. How might a conversion to wood fuel assist your operation?
3. Does your facility already have access to wood residues that may be suitable for use as fuel?
4. How you will undertake this engineering assessment (including timelines, budget details, and contractor specifics)?
5. How supportive your organization is of pursuing new energy technologies?

Optional: Please summarize your application’s strengths, further describe key impacts that this funding may have on your organization, and/or include additional supporting information that we should take into consideration when reviewing your application.