



ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY
Rod Blagojevich, Governor • Jack Lavin, Director

**RENEWABLE ENERGY RESOURCES
SMALL WIND
GRANT PROGRAM**

**GRANT APPLICATION GUIDELINES
FISCAL YEAR 2007**

Submittal Deadline 4:30 p.m. Monday, April 30, 2007

**ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY
BUREAU OF ENERGY AND RECYCLING
RENEWABLE ENERGY DEVELOPMENT SECTION
620 EAST ADAMS STREET
SPRINGFIELD, ILLINOIS 62701**

SECTION 1:

GENERAL INFORMATION

1.1 PURPOSE. The Illinois Department of Commerce and Economic Opportunity (the “Department” or “DCEO”) administers the Renewable Energy Resources Program (“RERP”) to encourage utilization of renewable energy and support economic development in the state of Illinois. The RERP will, to the extent funds are available, fund projects focused on increasing the utilization of alternative energy technologies in Illinois. The primary focus of the Renewable Energy Resources Grant Program this fiscal year is to fund projects focused on increasing the utilization of renewable energy technologies in Illinois. The focus of the Small Wind Grant Program, through the RERP, is to demonstrate the use of small wind energy conversion systems for energy generation in Illinois. The RERP will not fund projects outside the state of Illinois. In addition, if the Applicant’s electric or gas utility does not impose a Renewable Energy Resources and Coal Technology Development Assistance Charge as defined in 20 ILCS 687/6-5, the applicant will not be eligible for RERP funding under this program.

1.2 AUTHORITY AND FUNDING. The Department is authorized by the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997 (20 ILCS 687/6-1 *et seq.*) to administer the state’s Renewable Energy Resources Program. The funding source for this program is the Renewable Energy Resources Trust Fund.

1.3 DEFINITIONS. The terms used in this document shall have the meanings set forth below. Words and terms not defined here, if defined in the Environmental Protection Act (415 ILCS 5) shall have the meanings as defined therein.

“Act” means the Public Utilities Act.

“Applicant” means (i) an Illinois unit of state or local government, association, public or private school, college or university, (ii) a not-for-profit organization or private company licensed to transact business in Illinois, or (iii) individual(s) proposing a renewable energy project in Illinois.

“Applicant Investment” means the amount of funds that the Grantee will be obligated to contribute to the project, including, but not limited to, all personal contributions, other private financial partners or contributors, and any public funds received, excluding grant funds received under the RERP Program, or anticipated to be received by the applicant. The applicant investment shall be a sum no less than 50 percent of total project cost.

“Application” means a request for RERP funds by submitting the required information, on the Department’s approved forms and attachments as prescribed in these guidelines.

“Biogas” means methane produced by livestock manures and wastes, municipal waste water sludge, and segregated organic wastes (not mixed with inorganic wastes).

“Biomass” means all plant and plant-derived material that can be used either as a

source of energy or for its chemical components and includes dedicated crops grown for energy production as well as agricultural residues.

"Dedicated Crop" means non-consumable crops grown specifically for energy production.

"Entity" means any applicant submitting an application to the Department.

"Fuel Cell" means a device without moving parts that uses the chemical energy in hydrogen and oxygen to produce electricity.

"Grantee" means an entity that has been awarded a grant.

"Hydropower" means generating electricity by conversion of the energy of running water.

"Installer" means a licensed, bonded, and insured contractor authorized to conduct business in the state of Illinois.

"Organic Waste Biomass System" means any device designed to use biogas as a source of fuel to produce electricity or process heat.

"Performance Period" means the length of time the grantee is required to operate the project and submit information/data to the Department.

"Photovoltaic Cells and Panels" means semiconductor materials that convert sunlight directly to electricity. These components are part of a photovoltaic system.

"Photovoltaic System" means a stationary ground, roof, or wall mounted system. Furthermore, a photovoltaic system shall consist of photovoltaic cells and panels, inverters, mounting systems, associated wiring, and devices used to protect the system. Batteries and other electrical storage devices are not included as part of the system and may not be used as a matching contribution on the part of the grantee.

"Project" means an eligible renewable energy resources project that the Department agrees to fund through the RERP.

"Project Commencement Date" means the date that all necessary procurement is complete, equipment is installed and operational and all project tasks have been started. The project commencement date may not exceed six months after the grant beginning date.

"Proprietary, Privileged or Confidential Commercial Information" means any process or design exclusively owned under trademark, patent or in the process of becoming patented, or other information that falls within an applicable exemption under the Illinois Freedom of Information Act (5 ILCS 140/1 *et seq.*).

“Renewable Energy” means energy from wind, solar thermal energy, photovoltaic cells and panels, dedicated crops grown for energy production and organic waste biomass, hydropower that does not involve new construction or significant expansion of hydropower dams, and other alternative sources of environmentally preferable energy. Renewable energy does not include, however, energy from the incineration, burning or heating of waste wood, tires, garbage, general household, institutional and commercial waste, industrial lunchroom or office waste, landscape waste, or construction or demolition debris.

“Small Wind” means a wind energy conversion system with a nameplate capacity ranging from 1 to 50 kilowatts.

“Solar Thermal Energy” means rooftop or ground-mounted panels to collect and transfer heat for space, water heating, and/or electric generation.

“Wind” means the natural and perceptible movement of air parallel to or along the ground.

SECTION 2: GRANT ELIGIBILITY CRITERIA

2.1 PROJECT LOCATION. Eligibility is limited to projects physically located in the state of Illinois.

2.2 CUSTOMER OF PARTICIPATING UTILITY REQUIREMENT. An applicant must be a customer within the service area of an investor-owned electric or gas utility or a municipal gas or electric utility or electric cooperative that imposes the Renewable Energy Resources and Coal Technology Development Assistance Charge as defined in 20 ILCS 687/6-5 and listed in Appendix A.

2.3 ELIGIBLE PROJECTS/EQUIPMENT. Eligibility is limited to project costs for the purchase and installation of renewable energy generation equipment, and related metering components as appropriate, of the following types:

2.3.1 The Department may support any new small wind energy conversion system with a nameplate capacity ranging from 1 to 50 kilowatts mounted on a tower of at least 60 feet in height. Eligible systems must be sited on a parcel of land of 1 acre or greater and be mounted at least 30 feet above any structures or natural features within 300 feet of the installation that may adversely impact the wind resource. Additionally, the applicant must demonstrate that the project location is suitable for wind generation by providing documentation including, but not limited to, wind resource maps, airport or weather station data, and topographical maps.

2.3.2 Related to an approved project per 2.3.1, the Department may support renewable energy metering experiment designed to collect energy

consumption data both before and after the installation of the renewable energy equipment so that the specific actual energy savings associated with the project may be known and made available to the public.

2.3.3 Should sufficient funding be available the Department may entertain applications for other types of environmentally preferable renewable energy such as biogas, fuel cells, photovoltaic cells and panels, and wind energy.

2.4 INELIGIBLE PROJECTS AND COSTS. The following projects are not eligible for funding under these guidelines: projects located outside the state of Illinois, projects that have applied for funding through other guidelines under the Department's Renewable Energy Resources Program, or energy projects involving the incineration, burning or heating of waste wood, tires, garbage, general household, institutional and commercial, industrial lunchroom or office waste, landscape waste, or construction or demolition debris.

2.4.1 Grant funds may not be requested or expended for project expenses incurred prior to the beginning date of a DCEO grant agreement, including the applicant investment requirement.

2.5 MAXIMUM GRANT AWARD AND REQUIRED APPLICANT INVESTMENT. The Department may provide up to, but not more than, a grant award equal to 50 percent of eligible project costs **per project**, with a maximum grant amount of \$25,000. Funding decisions are made as funding is available and the Department is not obligated to provide the maximum grant amount. The Department reserves the right to review applications and negotiate lower grant amounts.

Application Formula

**Project cost x 0.5 = _____ (or \$25,000, whichever is less).
This is your potential grant amount.**

The Director reserves the right to determine the appropriate payment structure on a project specific basis and may elect to waive the maximum grant limitation or the payment structure upon a finding that such waiver is appropriate to accomplish the purpose of the Renewable Energy Resources Program. The Director has the authority to implement pilot projects under this RFA.

2.6 LEGAL COMPLIANCE. The applicant must certify on the application cover page that the project complies with all applicable state, federal, and local environmental and zoning laws, ordinances, and regulations and that all permits, licenses, etc., required to perform the project have either been obtained or will be obtained no later than 60 days following the grant beginning date.

2.7 ENVIRONMENTAL APPROVALS. Funded projects will be subject to review by the following Illinois agencies: Departments of Natural Resources, Historic Preservation, Agriculture, and the Illinois Environmental Protection Agency. Grantee will be required to comply with requirements established by said agencies relative to their respective reviews. Grantees will be responsible for coordinating directly with the applicable agencies. Any requirements shall be communicated to the Department and shall be incorporated into the incentive agreement awarded as of its execution date, or if received from the applicable agency subsequent to execution, as an addendum to the incentive agreement. Grantees will be contractually obligated to comply with such requirements. Prior to notification of compliance by the applicable agency, grantees may request disbursement of funds only for the following purposes: administrative, contractual, legal, engineering or architectural/engineering costs incurred that are necessary to allow for compliance by the grantee with requirements established by the external agency. Funds will not be disbursed for any activity that physically impacts the project site until the Department receives the appropriate approvals from the applicable agencies.

2.8 INSTALLER REQUIREMENTS. An installer of the renewable energy system must be licensed to transact business in the state of Illinois and maintain appropriate types and levels of insurance coverage.

SECTION 3: PROGRAM INFORMATION

3.1 PAYMENT SCHEDULE. The grant agreement will specify the conditions of payment and the payment schedule. The Department reserves the right to determine the appropriate payment structure on a project specific basis.

3.2 REPORTING REQUIREMENTS/PROJECT MONITORING. Grantees will be required to submit quarterly progress and expenditure reports in accordance with the requirements of the grant agreement. The Department reserves the right to structure reporting requirements on a project specific basis. The Department project manager will monitor the grantee's compliance with the terms of the grant agreement.

3.3 GRANT DURATION/PERFORMANCE PERIOD. The grant term/performance period will be determined on a project specific basis. Grantees will be required to certify the project commencement date. The agreement may require up to 12 months of performance data following the project commencement date.

3.4 OWNERSHIP/USE OF EQUIPMENT. The grant agreement will specifically prohibit the sale, lease, transfer, assignment, or encumbrance of any equipment or material purchased with grant funds, without the express written approval of the Department for the duration of the grant term. In the event of a grantee's failure to comply with this requirement, the grant agreement will provide that the Department may, at its discretion, require the grantee to return all grant funds provided by the Department, require the grantee to transfer to the state ownership of equipment and material purchased with grant funds and bar the grantee from consideration for future

funding. The Department reserves the right to require the grantee to give it a purchase money security interest in equipment purchased with grant funds for the duration of the grant term.

3.5 DISSEMINATION OF INFORMATION/TECHNOLOGY TRANSFER. The grantee will be contractually required to allow the Department access to the project site and to obtain, publish, disseminate, or distribute any and all information obtained from the project (except any data or information that has been negotiated as being confidential or proprietary), without restriction and without payment or compensation by the Department. Grantee shall permit any agent authorized by the Department, upon presentation of credentials during normal business hours, access to the renewable energy project site subject to the grant agreement.

3.6 FREEDOM OF INFORMATION ACT/CONFIDENTIAL INFORMATION. Funded applications are subject to disclosure, in response to requests received under provisions of the Freedom of Information Act (5 ILCS 140/1 et seq.). Information that could reasonably be considered to be proprietary, privileged or confidential commercial or financial information should be identified as such in the application. The Department will maintain the confidentiality of that information only to the extent permitted by law. If the applicant has a special need to maintain the confidentiality of proprietary or privileged information, please attach a supplemental letter of explanation.

3.7 PREVAILING WAGE REQUIREMENTS. Prevailing Wage Act (820 ILCS 130/0.01 et seq.). All projects for the construction of fixed works which are financed in whole or in part with funds provided by this agreement shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01) unless the provisions of that Act exempt its application. In the construction of the project, the grantee shall comply with the requirements of the Prevailing Wage Act, including, but not limited to, inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the project shall be paid to all laborers, workers and mechanics performing work under the contract and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract.

3.8 STATE NOT LIABLE. Grantee shall hold the state of Illinois harmless from any and all claims, demands, and actions based upon or arising out of any services performed by grantee or by their agents or employees under a grant agreement. The Department, by entering into a grant agreement, does not pledge or promise to pledge the assets of the state nor does it promise to pay any compensation to the grantee from any moneys of the treasury or the state except such moneys as shall be appropriated and paid to the grantee by the Department.

3.9 INDEMNITY. The grantee agrees to assume all risks of loss and to indemnify and hold the Department, its officers, agents, and employees harmless from and against any and all liabilities, demands, claims, damages, suits, costs, fees, and expenses, incidents thereto, for injuries or death to persons and for loss of, damage to,

or destruction of property because of the grantee's negligence, intentional acts or omissions. In the event of any demand or claim, the Department may elect to defend any such demand or claim against the Department and will be entitled to be paid by the grantee for all damages.

3.10 INSURANCE. The grantee shall provide Workers' Compensation Insurance or the same, as required, and shall accept full responsibility for the payment of Unemployment Insurance, premiums for Workers' Compensation, Social Security, and retirement and health insurance benefits, as well as all income tax deductions required by law for its employees who are performing services specified by the grant agreement.

3.11 RETURN OF FUNDS. The grantee shall return to the Department any and all funds that are determined by the Department to have been spent in violation of the grant agreement.

SECTION 4: APPLICATION PROCESS

4.1 GENERAL EVALUATION. The Department will evaluate applications in the order in which they are received. Applications will be evaluated (i) to determine whether the proposed project meets the project eligibility criteria specified in Section 2 as discussed; and (ii) to determine whether, based on the information supplied in the application documentation, the application demonstrates sufficient likelihood of actual project development. Applications satisfying requirements (i) and (ii) will be evaluated on the basis of the evaluation criteria specified in Section 4.2 below.

4.2 EVALUATION CRITERIA. Project applications will be evaluated on a first come first serve basis and grants will be awarded as funding is available. When the available funding is limited, project applications under simultaneous review will be evaluated on the basis of the following criteria:

- 4.2.1 Projects demonstrating cost-effectiveness through energy saved per grant dollar spent.
- 4.2.2. Projects with greater job creation, business development, or economic development impacts.
- 4.2.3 Projects with applicant investment that is greater than the minimum 50 percent requirement.
- 4.2.4 Other criteria as determined by the Department to be in the best interest of the state of Illinois.

4.3 RENEWABLE ENERGY GRANT TERM AND APPLICATION. Renewable energy grants will be awarded according to the schedule in Subpart 4.3.1 of this section. Applications shall be printed or typed on the Department's current approved forms included with these guidelines.

4.3.1 Grant Award Schedule: Applications under this program will be accepted on an ongoing basis through April 30, 2007, subject to funding availability.

4.3.2 The Department will accept applications at the following address:

Illinois Department of Commerce and Economic Opportunity
Bureau of Energy and Recycling
Attention: William S. Haas
James R. Thompson Center
100 W. Randolph, Suite 3-400
Chicago, IL 60601
312/814-4763

4.3.3 The Department will not accept faxed or electronically submitted applications.

4.3.4 Required Information. Each application submitted under these guidelines must include all of the information required in the grant application documentation set forth in the appendices.

4.4 REJECTION OF APPLICATIONS. The Department reserves the right to reject any application. The submission of an application under these guidelines confers no right upon any applicant. The Department is not obligated to award any grants under this program, to pay any costs incurred by the applicant in the preparation and submission of an application, or pay any grant related costs incurred prior to the grant beginning date.

APPENDIX A
 Illinois Department of Commerce and Economic Opportunity
 Renewable Energy Resources Program
 Application Cover Page

Applicant Information:

Applicant name	FEIN (SSN if individual)
Applicant address (include 9 digit zip code)	
Project address (if different from above)	County of project
Telephone number	Fax number
Web site address	E-mail address
Applicant project manager – typed name	Title

Verification of Renewable Energy Resources and Coal Technology Development Assistance Charge:

If the applicant's electric or gas utility is listed below and if the applicant is a current customer of one of those utilities at the address indicated above, please provide a copy of a recent bill. If your utility is not listed below, or if you are a customer at a different address, please attach a letter from your utility stating that the applicant is serviced by an investor-owned/municipal gas or electric utility of electric cooperative that imposes the Renewable Energy Resources and Coal Technology Development Assistance Charge as defined in ILCS 687/6-1 *et seq.* **The Department will verify this information before issuing a grant to the applicant.**

FOR GAS DISTRIBUTION	FOR ELECTRIC DISTRIBUTION
Ameren CILCO	Ameren CILCO
Ameren CIPS	Ameren CIPS
Consumers Gas Company	Commonwealth Edison Company
Illinois Gas Company	Ameren IP
Ameren IP	Interstate Power Company
Alliant-Interstate	Mid American Energy Company
American Energy Company	South Beloit Water, Gas and Electricity Company
North Shore Gas Company	Ameren UE
Nicor Gas Company	Illinois Rural Electric Cooperative
South Beloit Water, Gas, and Electricity Company	
The Peoples Gas, Light & Coke Company	
Ameren UE	
United Cities Gas Company	

APPENDIX A: (cont.)

System Information:

Make and Model	System Size (watts)
Warranty Period	Year of Manufacture
Date of Purchase	Date of System Installation

Name, Address, and Telephone Number of the Installer

License number, proof of insurance, and bonding of the Installer

Type of Project:

Small Wind

Organization Legal Status:

- | | | |
|--|---|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Not For Profit Corporation | <input type="checkbox"/> Nonresident Alien |
| <input type="checkbox"/> Sole Proprietor | <input type="checkbox"/> Tax Exempt | <input type="checkbox"/> Medical Corporation |
| <input type="checkbox"/> Partnership/Legal Corporation | <input type="checkbox"/> Governmental | <input type="checkbox"/> Pharmacy-Noncorporate |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Estate or Trust | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery/ Corporation |

Legislative Districts:

Representative: _____ Senate: _____ Congressional: _____

Financing Information:

Total grant request	\$ _____
Total estimated energy production (watts) of the project over the first two years following the project commencement date (include calculations in applications)	watt _____
Total value of the Department support request divided by the estimated energy production, as expressed in dollars per watt or equivalent (include calculations in applications)	\$/watt _____
Total project cost	\$ _____
Total applicant investment (dollars)	\$ _____
Sum of financial partner investment (dollars)	\$ _____
Sum of other public funds	\$ _____
Sum of other investment sources	\$ _____

APPENDIX A: (cont.)

Applicant Certifications:

Applicant hereby certifies that:

- All authorizations required to perform the project, described in its application, have either been obtained or will be obtained no later than sixty (60) days following the grant start date set forth in the Notice of Grant Award issued by the Department.
- The project complies with all applicable state, federal, and local environmental and zoning laws, ordinances, and regulations and that all required licenses, permits, etc., have either been obtained or will be obtained no later than 180 days following a grant award by DCEO.
- It is not in violation of the prohibitions against bribery of any officer or employee of the State of Illinois as set forth in 30 ILCS 505/10.1.
- It has not been barred from contracting with a unit of state or local government as a result of a violation of Section 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33 E-3 and 5/33 E-4).
- It is not in violation of the Educational Loan Default Act (5 ILCS 385/3).
- As of the submittal date, the information provided in its application is accurate, and the individuals signing below are authorized to submit this application

Authorized Official (signature)

Applicant Project Manager (signature)

Typed/Printed Name

Typed/Printed Name

Title and Date

Title and Date

APPENDIX B
Illinois Department of Commerce and Economic Opportunity
Renewable Energy Resources Program
Application Requirements

All applicants shall include documentation of the following:

- History – a brief history of the applicant, including its legal organization.
- Narrative Description of the Project – including a summary description of the project, a description of the project location and demonstration that the location is suitable for wind generation as provided in Section 2.3.1, and a description of the components used and system size in terms of watts (show all calculations).
- Detailed Statement of Work – a description of proposed tasks and deliverables.
- Project Budget – all costs must be directly identified and eligible for grant reimbursement. Expenses must be documentable and traceable to the grant. See Appendix C for additional information.
- Pertinent Experience – a brief description outlining experience of the applicant or project manager.
- Proposed Project Timetable – the work program to be carried out under the grant must specify a timeline for major project milestones and activities including the anticipated start and end date of each activity.
- Merits – brief description of the merits of the project per the evaluation criteria as provided in Section 4.2, with a suggested maximum length of one to two pages.
- Name, address, license number, and proof of insurance of the installer.

APPENDIX C

Illinois Department of Commerce and Economic Opportunity Renewable Energy Resources Program Proposed Project Costs

Summary:

	Total Costs	Applicant Investment	Contributions From Other Sources	State Funding Requested
A. Purchase of Services:				
B. Equipment/Materials:				
Total:				
Percent of Total:	100%			

Purchase of Services: (For the installation of renewable energy generation equipment list all applicable costs for design, construction, repair, or maintenance, and fees for legal, financial, or artistic services. All subcontracts must be explained in detail, include the license number and address of the subcontractor, and be attached to the end of this section.)

	Total Costs	State Funding Requested
1. _____	\$ _____	\$ _____
2. _____	\$ _____	\$ _____
3. _____	\$ _____	\$ _____
4. _____	\$ _____	\$ _____
5. _____	\$ _____	\$ _____
6. _____	\$ _____	\$ _____
Subtotal	\$ _____	\$ _____

Equipment/Materials: (Lists all items of equipment to be purchased valued greater than \$100.)

	Total Costs	State Funding Requested
1. _____	\$ _____	\$ _____
2. _____	\$ _____	\$ _____
3. _____	\$ _____	\$ _____
4. _____	\$ _____	\$ _____
5. _____	\$ _____	\$ _____
6. _____	\$ _____	\$ _____
Subtotal	\$ _____	\$ _____

APPENDIX C: (cont.)

Financial Partners and All Other Sources of Investment: (Specify in reasonable detail including phone number, contact person and address.)

	Total Investment
1. _____ _____ _____	\$ _____
2. _____ _____ _____	\$ _____
3. _____ _____ _____	\$ _____
	Subtotal \$ _____
	Project Total \$ _____
	State Funds Requested \$ _____

Attach additional budget pages if necessary.

Financial Partnerships and Other Investment Sources, Letter or Guidelines:

Provide letters from each financial partner or funding entity indicating the amount of their support and the project commencement date expected for their partnership.

In the event of funding by private foundations or public sources, if such a letter is not yet available, indicate the anticipated source (USDA program name, etc.) and supporting documentation or guidelines for the anticipated source.