

**RENEWABLE ENERGY RESOURCES PROGRAM
GUIDELINES AND APPLICATION FOR THE
DEVELOPMENT OF WIND ENERGY
PRODUCTION PROJECTS**

September 2006



ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

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

Rod Blagojevich
Governor

Jack Lavin
Director

SECTION 1.

GENERAL INFORMATION

1.1 PURPOSE. The Illinois Department of Commerce and Economic Opportunity (the Department) administers the Renewable Energy Resources Program (RERP) in order to foster investment in and the development and use of renewable energy resources within the state of Illinois. The RERP will, to the extent funds are available, fund projects focused on increasing the utilization of renewable energy technologies in Illinois. The primary intent of this RFA is to support development of utility scale wind project of at least .5 MW of nameplate capacity; however, depending on applicants, one or multiple smaller projects may be selected for support. This program will not fund projects outside the state of Illinois. Only customers of a municipal electric utility or electric cooperative that assesses the Renewable Energy Resources Trust Fund charge as established in 20 ILCS 687 Article 6 Section 6-5 of the Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997, are eligible for RERP funding.

1.2 AUTHORITY AND FUNDING. The Department is authorized by 20 ILCS 687, Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997, Article 6 Section 6-1 through 6-5, to administer the state's Renewable Energy Resources Program.

SECTION 2.

ELIGIBILITY CRITERIA

2.1 Eligible Applicants. Units of state and local government, associations, public and private schools, colleges and universities, research organizations, not-for-profit organizations, private companies and individuals may be eligible for funding. Any eligible applicant may submit unsolicited applications that are consistent with these guidelines. The Department may direct specific solicitations to organizations or entities involved in activities and projects similar in technical nature to the work required by the program. Applicants to this program may also be solicited based on their prior experience with or recommendations from DCEO, USDOE and other program partners.

2.2 Project Location. The project must clearly demonstrate the potential to provide an economic or environmental benefit to Illinois residents or the Illinois business community.

2.3 Authority/Approvals. The applicant must certify on the cover sheet that it has the authority to enter into grants/contracts and agreements to accomplish the tasks set forth in this RFA and any subsequent grant.

2.4 Legal Compliance. The applicant's signature at the end of the cover sheets, attached as Appendix B, is its certification 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 180 days following the project start date set forth in the Notice of Grant Award issued by DCEO.

SECTION 3.

GENERAL PROGRAM INFORMATION

3.1 Maximum Grant Award. The maximum grant award that may be requested for each eligible planning/development project is **\$25,000**. Please refer to the Appendix A (Section A.2) The Director 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 Development of Wind Energy Production Projects. The Director has the authority to implement pilot projects under this RFA.

3.2 Eligible Expenditures. Grant funds may be used for costs incurred in conducting research, preparing reports, the purchase of equipment and/or materials, development of educational and informational materials, planning activities, dissemination of information, conducting conferences and meetings, and for promoting renewable energy technologies relative to approved guidelines for the Renewable Energy Resources Program for the Development of Wind Energy Production. The eligibility of project expenditures will be determined on a project-specific basis. The applicant should include a detailed budget in its application, using the format set forth in Appendix D.

3.3 Ineligible Expenditures. Grant funds may not be used for the following types of expenditures:

- purchase/rental of real property (land or buildings)
- grantee's normal operating/administrative expenses (not directly related to an eligible project) including
 - equipment/machinery lease payments
 - purchase of consumable/disposable items unrelated to an eligible project
 - personnel expenses, including travel (unrelated to an eligible project)
 - feasibility studies and planning efforts (except for eligible Development projects).

3.4 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.

3.5 Reporting Requirements/Project Monitoring. Grantees will be required to submit 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.

3.6 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 to the Department. For purposes of these guidelines, the project commencement date is the date on which all necessary procurement is complete, equipment is installed and operational, and all project tasks have commenced. The project commencement date for Research and Development projects should occur no later than three months from the beginning date set forth in the Notice of Grant Award. The project commencement date for Planning/Development projects will be established on a project-specific basis.

Typically, the Department requires 12 months of performance, following the project commencement date. The Department reserves the right to require a longer performance period based upon the nature of the application.

3.7 Freedom of Information Act/Confidential Information. Applications that are funded 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.

3.8 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 ownership to the State of Illinois 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.

3.9 Dissemination of Information/Technology Transfer. Grantees will be contractually required to allow the Department access to the project site and the ability 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.

SECTION 4. APPLICATION PROCESS

4.1 Application Format. The application should be prepared in the format described for each project category. The application should include the cover sheets set forth in Appendix B, completed and signed by an authorized representative of the applicant. The application should not exceed 10 pages in length.

4.2 Submittal Instructions. One original and three copies of the completed cover sheets, Appendix B, and application should be mailed or delivered (**fax submissions will not be accepted**) to:

William Haas, Program Manager
Illinois Department of Commerce and Economic Opportunity
Bureau of Energy and Recycling
Renewable Energy Development Section
James R. Thompson Center
100 W. Randolph, Suite 3-400
Chicago, Illinois 60601
312-814-4763

4.3 Application Evaluation. Applications may be submitted on an ongoing basis as long as Renewable Energy Resources Program Development of Wind Production funds are available. All eligible applicants will be independently evaluated based on the applicable evaluation criteria. Evaluation criteria have been developed to assist the Department in identifying those projects that display the most potential for achieving the goals and objectives of the Renewable Energy Resources Program.

4.4 Rejection of Applications. The Department reserves the right to reject any applications that do not comply with the requirements of these guidelines and approved program initiatives. Unsuccessful applicants who wish to discuss the evaluation of their application should submit a written request to this effect to DCEO.

The submission of an application under these guidelines confers no rights upon any applicant. DCEO is not obligated to award a grant or to pay any costs incurred by the applicant in the preparation and submission of an application.

APPENDICES

- Appendix A Development of Wind Energy Production Project-Feasibility Studies/Evaluation Criteria
- Appendix B Application Cover Sheets
- Appendix C Project Background Information for Wind Production Project
- Appendix D Proposal Budget
- Appendix E System Information, Financing, and Certifications (If applicable)

APPENDIX A

DEVELOPMENT OF WIND ENERGY PRODUCTION PROJECT-FEASIBILITY STUDIES/EVALUATION CRITERIA

A.1 Eligible Development Projects for Wind Energy Production. Development projects involve providing assistance for the development of new wind production projects in Illinois that will increase domestic renewable energy production and improve the economy of the State through new business development.

Examples of eligible projects include the development of business plans, engineering designs and drawings, advanced market studies and financial analyses, technical assistance, and other business development activities.

During State of Illinois Fiscal Year 2007, the Department is interested in funding applicants from units of state and local government, associations, public and private schools, colleges and universities, research organizations, not-for-profit organizations, private companies and individuals that will lead to the development of new wind energy production projects in Illinois.

To be eligible for funding, the project applicant must be submitted by an organization in existence, as of the date of application, for the purpose of developing and constructing a wind energy production project.

A project to be eligible for funding must have selected a site, completed a preliminary feasibility assessment, identified and secured funds for planning and organizational expenses and is in the process of developing a business plan, selecting a design or engineering firm, developing designs or securing financial commitments.

A.2 Maximum Grant Award. The maximum grant award that may be requested for a Development project is **\$25,000.00**. The Director 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 Development of Wind Energy Production Projects. The Director has the authority to implement pilot projects under this RFA.

The actual amount of the grant will be determined by DCEO based upon availability of Renewable Energy Resources Program for the Development of Wind Energy Production Projects funds and the Department's evaluation of the proposed project in accordance with the Evaluation Criteria set forth herein, and in the approved program initiatives as stated in 20 ILCS 687, Renewable Energy, Energy Efficiency, and Coal Resources Development Law of 1997 (Article 6 Section 6-1 through 6-5 to administer the state's Renewable Energy Resources Program).

A.3 Development Project Proposal Format. The following information must be provided in the application:

- completed cover sheets (use format set forth in Appendix B)
- completed Appendix C "Project Background Information"
- narrative description of the project, including project objectives and anticipated accomplishments (1 page maximum)
- detailed statement of work by task and description of deliverables (1 page maximum)
- estimated amount of Renewable Energy Resources Program Development of a Wind Energy Production Project grant requested, Applicant Investment/contribution to the

- project, other sources of funding, and completed proposal budget (use the format set forth in Appendix D)
- pertinent experience of the applicant and participants (1 page maximum)
 - proposed project timetable (project milestones, completion of deliverables) (1 page maximum)

A.4 Project Deliverables

- Monthly reports
- Organization meeting schedule
- Engineering and design (if applicable)
- Final report
- Accomplishments
- Schedule for completion
- Future project needs
- Plans for completion of the production facility

A.5 Evaluation Criteria for Planning/Development Projects

A.5.1 Overall Quality of Application

- Measurable project goals, tasks and activities
- Well developed work plan
- Easily identifiable deliverables

A.5.2 Technical Feasibility of the Project

- Results of the preliminary feasibility studies
- Potential of the project to accomplish the defined objectives
- Potential for the project to assist the further development of the wind energy production facility
- Support of other interested participants, such as industry, etc.

A.5.3 Value of the Results of the Project

- How this project will lead to the further development of wind energy production projects
- Market and commercialization potential
- Impact on energy security issues
- Potential employment benefits to Illinois
- Potential economic benefits to Illinois

A.5.4 Capability of Applicant

- Previous experience of the applicant
- Engineering firm selected

- Additional professional resources available to applicant

APPENDIX B: (cont.)

B. 3 Organization Legal Status

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Tax-exempt hospital or extended care facility | <input type="checkbox"/> Corporation not providing or billing medical and/or health care services | <input type="checkbox"/> Foreign corporation, partnership estate or trust |
| <input type="checkbox"/> Owner of sole proprietorship | <input type="checkbox"/> Corporation providing or billing medical and/or health care services | <input type="checkbox"/> Estate or legal trust | <input type="checkbox"/> Other not-for-profit organization |
| <input type="checkbox"/> Partnership | | <input type="checkbox"/> Nonresident alien individual | <input type="checkbox"/> Other |
| <input type="checkbox"/> Governmental entity | | | |

B.4 Legislative Districts Representative: _____ Senate: _____ Congressional: _____

Authorized Official (signature)

Applicant Project Manager (signature)

Typed Name, Title and Date

Typed Name and Date

Title

Title

e-mail address

e-mail address

**APPENDIX C
PROJECT BACKGROUND INFORMATION
FOR WIND PRODUCTION PROJECT**

A. Description of Organization

Name of Organization: _____

Address: _____

Name of Owner: _____

Type of Organization: _____

State of Illinois Registration No.: _____

State the Mission of the Organization: _____

B. Description of the Proposed Wind Production Project

- Identify site location
- Type of facility
- Identify proposed wind energy system capacity
- Identify unique technologies, processes or products
- Describe related facilities or businesses in the area

C. Status of the Project

- Status of the business plan
- Status of the engineering and design
- Status of financing
- Timetable for completion of the facility

D. Attachments

- List of Board of Directors
- By-laws (if applicable)
- Meeting schedules
- Feasibility assessment

**APPENDIX D (cont.)
PROPOSAL BUDGET**

SUMMARY OF BUDGET

Principal Investigator/Project Manager: _____

Address: _____

City: _____ State: _____ 9 digit Zip Code: _____

Duration of project: _____ (months)

	Total Costs	Applicant's Contribution	Contributions From Other Sources	State Funding Requested
A. Purchase of Services				
B. Printing/Supplies/ Commodities				
C. Equipment/Materials				
D. Administrative Costs (no greater than 10%)				

Total

Percent of Total 100

**APPENDIX D
PROPOSAL BUDGET (cont.)**

A. Purchase of Services. List all subcontracts for design, construction, repair, or maintenance and fees for legal, financial, artistic or other professional services. Subcontracts must be explained in detail and attached to the end of this section.

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

B. Printing/Supplies/Commodities. Include expected expenditures for all supplies, duplication, data processing, etc. Also include equipment costing \$100 or less. Specify each line in reasonable detail.

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

**APPENDIX D
PROPOSAL BUDGET (cont.)**

C. Equipment/Materials. List all items of equipment to be purchased valued greater than \$100. Include capital expenditures.

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

D. Administrative Costs. Specify in reasonable detail. Note that in most instances, the Department limits state funding for administrative costs to 10 percent of the total direct cost.

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

APPENDIX E

SYSTEM INFORMATION, FINANCING, and CERTIFICATIONS

If applicable, please provide as much of the following information as possible:

System Information

_____	_____	_____	_____
Make	Model	Warranty Period	Year of Manufacture
_____	_____	_____	_____
Date of purchase	System Size (Watts Equivalent)	Date the system will be installed	

Name, Address, and Telephone Number of entity that will perform the installation

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

Financing Information

A.6.1 Total grant request \$ _____

A.6.2 Total estimated energy production (kWh) of the project over the first two years following the project commencement date: _____

A.6.3 Total value of the Department support request (A.7.1) divided by the estimated energy production, as expressed in dollars per kWh: _____

A.6.4 Total project Cost \$ _____

A.6.5 Total Applicant Investment (cash) \$ _____

A.6.6 Sum of Financial Partner Investment (cash) \$ _____

A.6.7 Sum of other Public Funds \$ _____

A.6.8 Sum of other investment sources \$ _____

Applicant Certifications -- applicant certifies that:

- All authorizations required to perform the project, described in its application, have either been obtained or will be obtained no later than 180 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).
- It has not submitted this project for funding under the Department's Renewable Energy Resources Rebate Program.
- As of the submittal date, the information provided in its application is accurate, and the individuals signing below are authorized to submit this application.