



# INDUSTRIAL COMMISSION OF NORTH DAKOTA

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## RENEWABLE ENERGY PROGRAM

Governor  
**Jack Dalrymple**  
Attorney General  
**Wayne Stenehjem**  
Agriculture Commissioner  
**Doug Goehring**

### Memorandum

TO: Renewable Energy Council Members  
FR: Andrea Pfennig and Karlene Fine  
DT: October 8, 2013  
RE: Amendments to Renewable Energy Program Policies

At the two previous meetings of the Renewable Energy Council policy revisions were discussed. Below is proposed language reflecting what we understand are the wishes of the Council (new language underscored). Please review and let us know if we have correctly reflected your wishes.

**REC – 2.02 Eligible and ineligible projects.** Any project proposing education, research, and/or development of new technologies, or marketing of renewable energy resources, materials or products is eligible for a contract under this Program. In all cases, projects must demonstrate a high probability of advancing to a commercially viable stage supported by a road map to commercialization, must have significant involvement from a North Dakota private entity and not be duplicative of other research or demonstration projects or technology in the Upper Great Plains Region. An entity may apply for grants for different phases of a project, provided appropriate benchmarks are in place and earlier phases have been deemed successful by the Council and Commission. The following are examples, in no particular order, of eligible projects.

- Generate information and knowledge that will have the highest probability of bringing or developing new renewable energy or materials companies and industry investment to North Dakota.
- Have the highest potential for preserving and creating renewable energy jobs, wealth, and tax revenues for North Dakota.
- Have high potential to create economic stability and growth and the creation of jobs related to the production and utilization of North Dakota's biomass resources.
- Most effectively educate the general public about the benefits and opportunities provided by the North Dakota renewable energy, materials and products industry including but not limited to advanced biofuels and sugar-based biofuels.
- Promote efficient, economic and environmentally sound development and use of North Dakota's renewable energy resources, materials and products.
- Identify and develop renewable energy technologies presently not used in North Dakota including but not limited to advanced biofuels and sugar-based biofuels.
- Promote research and utilization of renewable energy coproduct utilization for livestock feed, human food products and industrial use technologies.
- Establish an incentive program to assist the agricultural community to demonstrate the commercial feasibility of production, harvest, storage, and delivery of a biomass feedstock. The program may include providing funds to producers of perennial biomass crops, including but not limited to native grasses, so that such producers have an income during the time needed for these plants to mature and become ready to harvest.
- Maximize the market potential for renewable energy resources, materials and products and the associated byproducts.

- Develop baseline information that will lead to other projects, processes, ideas, and activities.

The following activities or uses are ineligible for funding under this Program:

- a. Business startup capital.
- b. Business working capital.
- c. Business advertising or promotional expenses pertaining to a specific company or entity.
- d. Unallowable expenses include i) food and beverages unless a) the express purpose of the project is to educate individuals outside of the grantee's agency and the costs are being used during those educational meetings for individuals outside of the grantee's agency and b) unless the meetings include an individual(s) outside the grantee's entity and are incurred for the furtherance of the project or for the express purpose of disseminating project information and ii) travel unless directly related to the achievement of the project. Costs incurred for travel to conferences not in furtherance of the project may not be considered as match funding.
- e. Indirect costs in excess of the federal rate may be granted on a case by case basis. It should be noted that the lower the amount of indirect costs the higher the priority given to an application.
- f. Sponsorship of conferences

**REC – 3.01 Maximum grant amount.** Grants may be of any amount up to a maximum of \$500,000. The Council may award multi-grants for different phases of a project, provided appropriate benchmarks are in place and earlier phases have been deemed successful by the Council and Commission.

If these policy changes are adopted the ranking form will be edited as follows:

2Financial commitment from other sources – A minimum of 50% of the total project must come from other sources to meet the program guidelines. Higher priority is to be given if the application has private industry investment equal to or at least 50% or more of total cost. A higher priority is to be given if an application has a lower indirect component in the budget.