

# **North Dakota Industrial Commission**

## **Renewable Energy Development Program Policies**

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### **REC – 01 GENERAL PROVISIONS**

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**REC – 1.01 History – Administration.** Beginning July 1, 2007, the North Dakota Industrial Commission has been authorized to make funds available from the Renewable Energy Development Fund to provide financial assistance for contracts for renewable energy education, research, development, and marketing. The Renewable Energy Council, established by NDCC 54-63 (Senate Bill 2288, 2007 Legislative Session), will review and make recommendations to the Commission on all applications for financial assistance under this Program. The 2009 Legislative Assembly combined the Biomass Incentive and Research Program/Fund and the Renewable Energy Development Program/Fund into the Renewable Energy Development Program/Fund (Senate Bill 2129, 2009 Legislative Session). The 2013 Legislative Assembly authorized an on-going funding source for the Renewable Energy Development Fund from the Resources Trust Fund and established a cap of \$3,000,000 a biennium for this Program (Senate Bill 2014, 2013 Legislative Session).

**REC – 1.02 Definitions.** As used in these policies:

1. “Applicant” means any person or entity applying to the Commission for a grant from the Renewable Energy Development Fund.
2. “Application” means the written document that is submitted to the Commission by an applicant seeking a grant from the Fund.
3. “Commission” means the North Dakota Industrial Commission or its representative.
4. “Contract” means the signed agreement between the Commission and Grantee which describes the rights and duties of the Commission and Grantee with regard to the program.
5. “Council” means the Renewable Energy Council as appointed by the Governor.
6. “Fund” means the Renewable Energy Development Fund available to the Commission to provide funding for the Program and as authorized in NDCC 54-63.
7. “Grant” means the monetary award made by the Commission under the Program.
8. “Grantee” means a successful applicant for a grant from the Fund.
9. “Loan” means the monetary award made by the Commission under the Program.

10. “Program” means the Program administered by the Commission to foster the development of renewable energy and related industrial use technologies including, but not limited to, wind, biofuels, advanced biofuels, biomass, biomaterials, solar, hydroelectric, geothermal, and renewable hydrogen through research, development, demonstration and commercialization, demonstrate to the general public the importance of the state renewable energy industry, to encourage and promote the wise and efficient use of renewable energy and materials or products, to develop the state’s renewable energy resources, and to support research and educational activities concerning the renewable energy and materials or products industries.
11. “Technical Advisor” means the Department of Commerce with whom the Commission will enter into a contract to provide technical assistance.
12. “Technical Reviewers” mean independent technical reviewers selected by the Commission to review the merits of applications.

**REC – 1.03 Costs of application preparation.** The Commission is not liable for any cost, including costs of preparation of applications, incurred by applicants prior to issuance of a contract. The Commission will be liable only for those costs and expenses expressly identified by contract.

**REC – 1.04 Acceptance and rejection of applications.** These policies do not commit the Commission to award funds. The Commission reserves the right to accept or reject any or all applications received as a result of the Program and to negotiate with any and all qualified applicants. An application must have received a favorable Renewable Energy Council recommendation prior to consideration by the Industrial Commission.

**REC – 1.05 Reservation of funds.** The Commission is not obligated to award the total amount of funds made available under this Program. Funds not awarded will be reserved for future grants under the Program.

## **REC – 02 ELIGIBILITY**

REC – 2.01 Eligible Applicants

REC – 2.02 Eligible and Ineligible Projects

**REC – 2.01 Eligible applicants.** Any person, corporation, partnership, cooperative, association, cooperating agricultural producers organized through a limited liability corporation or cooperative, or other appropriate entity, or consortium of such parties, may apply for funds under this Program. With regard to site-specific feasibility studies, only owners of facilities, sponsors of projects or operators having effective control of a facility or project may apply. Applicants who do not own or control or have the clear and firm commitment of ownership or control are ineligible for feasibility study assistance. Any interested person in doubt as to eligibility should contact the Commission.

**REC – 2.02 Eligible and ineligible projects.** Any project proposing education, research, development, or marketing of renewable energy resources, materials or products, or advanced energy technology 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.
- g. Expenses incurred prior to submission of application. Note, applicants may incur expenses after submission of their proposal for which they intend to seek reimbursement; however, they do so at their own risk as the Council/Commission may not award funding.

### **REC – 3 MAXIMUM GRANT AMOUNT AND MATCHING FUND REQUIREMENT**

REC – 3.01 Maximum Grant or Loan Amount

REC – 3.02 Matching Funds

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

**REC – 3.02 Matching funds.** A grant or loan may not exceed fifty percent of the total project cost. Commission funding must be matched with industry or other sources (e.g., various federal government agencies, non-profit organizations) of cash or in-kind services (contributed equipment, materials, or services). In-kind services may not exceed fifty percent of the total Commission funding amount. The value of in-kind match funding must be verified with appropriate documentation. Documentation demonstrating the matching funds, including letters of commitment from other funding sources, must be submitted to the Commission within sixty days of the approval of an application by the Commission, or within any additional time granted by the Commission. The Commission's approval is contingent upon receiving this documentation. If it is not received, the approval lapses and no funding may be made. Any grants, loans, or other financial assistance must be matched on a dollar-for-dollar basis. A higher priority will be given to those applications having private industry investment equal to at least 50% or more of total cost.

### **REC – 4 APPLICATION REQUIREMENTS**

REC – 4.01 Application Format

REC – 4.02 Application Deadline

REC – 4.03 Application Contribution

**REC – 4.01 Application format.** An application must be direct, concise, and informative. The application form to be completed is available on the Commission's website or can be obtained from the Industrial Commission at the address noted below. It must be accompanied with the application contribution of \$100. It must be typed and double spaced on eight and one-half-inch by eleven-inch paper. Each page shall be numbered and the application shall not exceed 15 pages in length (including the transmittal letter). A copy of the application should be submitted electronically to [kfine@nd.gov](mailto:kfine@nd.gov) and two paper copies of the application are to be submitted to the following address.

North Dakota Industrial Commission  
ATTN: Renewable Energy Development Program  
State Capitol – Fourteenth Floor  
600 East Boulevard  
Bismarck, North Dakota 58505

The application must contain the following as outlined in the application form:

1. Transmittal letter. A transmittal letter setting forth a binding commitment on behalf of the applicant to complete the project as described in the application if the Commission makes the grant requested. The letter must be signed by someone authorized to contract on behalf of the applicant.
2. Title Page. A title page setting forth the project title, applicant, principal investigator, date of application, and amount of the request.
3. Table of contents.
4. Abstract. A one-page abstract of the project stating its objective, expected results, duration, total project cost, and participants.
5. Project description. A detailed description of the project, including its objectives; its methodology; its anticipated results; the facilities, resources, and techniques to be used and their availability and capability; the environmental and economic impacts of the project while it is underway; its ultimate technological and economic impacts; and why the project is needed.
6. Standards of success. The standards by which the success of the project is to be measured. This should include the value to North Dakota. An explanation of what parts of the public and private sector will likely make use of the project's results, and when and in what way; of the potential that commercial use will be made of the project's results; how the project will enhance the education, research, development and marketing of North Dakota's renewable energy resources; how it will preserve existing jobs and create new ones; and how it will otherwise satisfy the purposes established in the mission of the Program.
7. Background/Qualifications. A summary of prior work related to the project conducted by the applicant and other participants as well as by other organizations. This should also include summary of the experience and qualifications pertinent to the project of the applicant, principal investigator, and other participants in the project.
8. Management. A description of how the applicant will manage and oversee the project to ensure it is being carried out on schedule and in a manner that best ensures its objectives will be met, and a description of the evaluation points to be used during the course of the project.
9. Timetable. A project schedule setting forth the starting and completion dates, dates for completing major project activities, and proposed dates upon which the interim reports will be submitted.
10. Budget. An itemized list of the project's capital costs; direct operating costs, including salaries; and indirect costs; and an explanation of which of these costs will be supported by the grant and in what amount. Identification of all other committed and prospective funding sources and the amount of funding from each source, differentiating between cash, indirect costs and in-kind services. An explanation why the funding requested is necessary to achieve the project's objectives and, if less funding is available than that requested, whether the project's objectives will be unattainable or delayed. The budget should identify all other committed and prospective funding sources and the amount of funding from each source. Higher priority will be given to those projects have matching private industry investment equal to at least 50% or more of total cost. (Note ineligible activities or uses and unallowable expenses listed under REC 2-02.)

11. Tax liability. An affidavit stating that the applicant does not have an outstanding tax liability owed to the State of North Dakota or any of its political subdivisions.
12. Confidential information. Any information in the application that is entitled to confidentiality and which the applicant wants to be kept confidential should, if possible, be placed in an appendix to allow for administrative ease in protecting the information from public disclosure while allowing public access to the rest of the application. Such information must be clearly labeled as confidential and the applicant must explain why the information is entitled to confidentiality as described in North Dakota Century Code 54-63-02.
13. Patents and Rights to Technical Data. Any patents or rights that the applicant wishes to reserve must be identified in the application.
14. State Programs and Incentives. Any programs or incentives from the State that the applicant has participated in within the last five years must be identified, along with the timeframe and value.
15. Appendices. Any necessary supporting documentation.

**REC – 4.02 Application deadline.** Applications each calendar year must be delivered to the Industrial Commission or postmarked on or before February 1 and August 1. In addition to these grant rounds, the Commission may establish additional grant rounds and set application deadlines for those rounds. The applicant may amend its application at any time before the application deadline. After the application deadline, the applicant may amend its application only upon the approval of the Commission.

**REC – 4.03 Application contribution.** All applications must be accompanied by a one hundred dollars nonrefundable application contribution. Checks or money orders should be made payable to the “State of North Dakota”.

### **REC – 05 REVIEW AND AWARD PROCESS**

- REC – 5.01 Application Evaluation – Criteria
- REC – 5.02 Application Review – Initial Review
- REC – 5.03 Application Review – Technical Reviewer
- REC – 5.04 Application Review – Council Recommendation and Commission Decision
- REC – 5.05 Contracts
- REC – 5.06 Disbursement of Funds
- REC – 5.07 Project Duration
- REC – 5.08 Allocations
- REC – 5.09 Partially Funded or Delayed Projects
- REC – 5.10 Contract Modifications
- REC – 5.11 Reporting Requirements

**REC – 5.01 Application evaluation – Criteria.** All applications will be evaluated according to the criteria set forth in North Dakota Century Code chapter 54-63, and the criteria established by the Commission as stated in these policies.

General Criteria. Priority areas that have the outcome of accomplishing research, development, demonstration, commercialization and public education of the Program include, in no particular order, but are not limited to the following:

- 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.
- 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.
- Promote efficient, economic and environmentally sound development and use of North Dakota's renewable energy resources, materials and products.
- Develop baseline information that will lead to other projects, processes, ideas, and activities.

The project's compatibility with the objectives of the Program will be considered, in particular, the following will be evaluated:

- (1) The need for the project;
- (2) The potential value to the renewable energy industry of the results to be achieved by the project;
- (3) The timeliness of the project;
- (4) The impact on the renewable energy industry and related renewable energy materials and products industries;
- (5) The level of funding requested;
- (6) The level of matching funds, with higher priority given to those projects with private industry investment;
- (7) The short-term and long-term benefits to the applicant, renewable energy industry, renewable energy developers, landowners and agricultural producers, and the counties and state of North Dakota;
- (8) The likelihood that the project will achieve its technical and market goals;
- (9) The scientific soundness and innovation of any proposed technology;
- (10) The financial feasibility of the proposed project; and
- (11) The technical qualifications and expertise of the applicant, the investigators, and the sponsors.

**REC – 5.02 Application review – Initial review.** Upon receipt of an application, the Technical Advisor and/or the Commission will determine if the application meets eligibility requirements and is complete. During this initial review the Commission or the Technical Advisor may seek additional information from the applicant regarding the application including, but not limited to, clarification of budget and matching funds, feasibility of the project meeting timelines, confidentiality request, and viability of the project. Any additional information provided during the initial review shall be included as part of the application. The Commission shall complete this review within thirty days of the application deadline date, though the Commission may extend this time if needed to properly review an application. If the Commission determines that the application meets eligibility requirements and is complete, the application will be referred to Technical Reviewers selected by the Commission. The Commission may also refer any question it has about completeness and eligibility to the Technical Reviewers and such question may then be a consideration throughout the review process. The Commission may waive the independent technical review process if it determines that funding is not available for the Technical Reviewers or a project is time sensitive.

**REC – 5.03 Application review – Technical Reviewer.**

- (1) Technical Reviewers are selected by the Commission. Technical Reviewers should possess the expertise and experience necessary to adequately review the application.
- (2) No individual with a direct financial interest in a proposed project may be involved in any way in reviewing the application. If asked to review the application, the individual with the conflict of interest shall immediately inform the Commission of the conflict. Failure to so notify the Commission disqualifies the individual from serving as a Technical Reviewer unless reinstated by the Commission, and the Commission may disqualify the application from being approved during the round of grants within which the conflict occurred.
- (3) The Technical Reviewers shall assess the technical and fiscal merits of the application. Upon completion of the application review, the Technical Reviewers shall make their recommendation to the Council. The Technical Reviewers shall submit their recommendation within sixty days, though the Commission may extend this time if the Technical Reviewers need more time to properly review the application.
- (4) Notification to applicant. The Commission shall promptly notify the applicant of the recommendations made by the Technical Reviewers to the Council.

**REC – 5.04 Application review – Council recommendation and Commission decision.**

The Council shall consider, but is not bound by, a recommendation of the Technical Reviewers. The Council shall make a recommendation on each application to the Commission. The Council shall make its recommendation to the Commission within sixty days of its receipt of the Technical Reviewers' recommendations, though the Commission may extend this time if the Council needs to more properly review the application. The Commission shall consider, but is not bound by, a recommendation of the Council.

**REC – 5.05 Contracts.** A grantee must enter into a contract with the Commission and submit any supporting documentation required by the Commission. The application will form an integral part of the contract. The Commission shall provide a proposed contract to



grantees within sixty days of Commission approval of the project. The grantee will then have sixty days to execute a contract. If a contract is not executed by the grantee within the sixty days, the award will be canceled unless an extension of time is granted by the Commission. The Commission may include contract provisions that require payback of a portion of the award. Work carried out under a contract is the work of the grantee and not the Commission.

**REC – 5.06 Disbursements of funds.** Funds will be disbursed only after a contract has been executed. All disbursements will be made according to the schedule in the contract. Disbursements may be withheld if the Commission deems the grantee has not complied with these policies or the contract.

Projects involving research and development may fall into the following categories: early stage, commercialization ready, and technology deployment. Projects designated by the Council to meet the commercialization ready and technology deployment categories may receive a cooperative grant in which the recipient would pay back the award once certain measures of success have been met as defined below.

If an entity (with the exclusion of the Energy and Environmental Research Center, North Dakota universities and colleges, and political subdivisions) receives more than \$1,000,000 in funding or receives direct benefit from Renewable Energy Development Funds by partnering with an excluded entity, within a five-year period through the Renewable Energy Program all future funding requests will be in the form of a cooperative grant.

A successful awardee has the following options for determining success, thereby triggering repayment. Once the cooperative grant becomes a loan, a payment schedule will be established. The options for determining success are:

Option 1

Loan to be made with a 0% interest rate with repayment to begin based on a ten-year amortization when the entity has sales that exceed \$5 million in any one year.

Option 2

Loan to be made with a 0% interest rate with repayment to begin based on a ten-year amortization when the entity is profitable for two consecutive years.

In both options, accrual basis financial statements prepared using generally accepted accounting principles provided by the awardee will be reviewed annually to determine if the threshold for repayment has been met. Once the loan terms have been established, suspension of payments may be made on a case-by-case basis. Notes will be secured as determined on a case-by-case basis by the Program's financial advisor (North Dakota Development Fund staff.)

If the company moves out of state or sells the technology developed with Renewable Energy Program funding to an out-of-state entity, the entire amount of the funding must be repaid at the time of the awardee's relocation or the sale of the technology along with an additional 4% of the funds received.

**REC – 5.07 Project duration.** The project must be completed within the time specified in the contract. If the project cannot be completed within the time specified in the contract, the grantee may make a written request to the Commission for an extension of up to one year. The request must set forth the specific additional time requested and the reasons why an extension is needed. Upon receipt of the request, the Commission shall, in consultation with the Technical Advisor, decide whether or not to grant the request. Additional extensions may be sought under the same procedure described above, but may only be granted if the grantee proves that factors beyond the grantee’s control are the cause of its inability to complete the project on time and that since receiving the first extension the grantee has been diligent in all respects in trying to complete the project on time.

**REC – 5.08 Allocations.** If the work under a contract extends beyond the State’s fiscal biennium in which the contract is made, any further disbursements of the grant by the Commission to the grantee cannot be guaranteed and will be made only if sufficient funds are appropriated in the new biennium to satisfy the contract.

**REC – 5.09 Partially funded or delayed projects.** If the Commission grant is less than the amount requested, the applicant may decline the award or proceed with the project as proposed, notwithstanding the reduced award. Failure of a grantee to proceed with the project in a timely manner or comply with contract terms or these rules entitles the Commission to cancel the grant and contract and to receive from the grantee full reimbursement of all funds the Commission disbursed under the contract.

**REC – 5.10 Contract modifications.** If at any time after entering a contract the grantee desires to change any term of the contract, the grantee shall make a written request to the Commission. The request must set forth the specific change desired and the reasons why the change is needed. Upon receipt of the request, in consultation with the Technical Advisor, the Commission shall review the request. The Commission shall determine if the requested change is substantive. If the requested change is substantive the Commission may use Technical Reviewers to analyze the request. After completion of their review and consideration of any recommendation that may be provided by the Council, the Commission shall decide whether or not to grant the request.

**REC – 5.11 Reporting requirements.** A grantee has the following reporting obligations:

- (1) Interim reports. A grantee shall submit to the Commission reports summarizing the project’s accomplishments and expenditures to date. The timing of the reports will be specified in the contract.
- (2) Special reports. If substantial progress on a project occurs earlier than anticipated, the grantee shall immediately submit to the Commission a report explaining the accomplishment.
- (3) Final report. A comprehensive final report must be submitted to the Commission by all grantees within the time specified in the contract. This report must include a single page project summary describing the purpose of the project, the work accomplished, the project’s results, and the potential applications of the project. The rest of the report must explain these subjects in detail as well as the total costs of the project, a summary fiscal accounting of the entire project, any plans for developing or putting to commercial use the results of the project, and whether and in what manner the project met or failed to meet the standards referred to in these policies.

## **REC – 6 PUBLIC INFORMATION – PATENT AND NEW TECHNOLOGIES POLICIES**

REC – 6.01 Application Ownership

REC – 6.02 Rights to Technical Data

REC – 6.03 Invention Rights, Use for Governmental Purposes

REC – 6.04 Patent Rights – Manufacturing in North Dakota

REC – 6.05 Waiver of State’s Rights

**REC – 6.01 Application ownership.** Information contained in unsuccessful applications will remain the property of the applicant, but the Commission will retain file copies of all applications, findings, and reports. Except with regard to confidential information, applications are public information and are available to the public upon request and payment of copying charges.

**REC – 6.02 Rights to technical data.** Rights to technical data, including software developed under the terms of a grant, shall remain with the grantee. The grantee may establish claim to copyright subsisting in such technical data first produced in the performance of a grant. The State of North Dakota and its consultants, independent contractors, and suppliers, to the extent such are providing services to the State of North Dakota, shall have a nonexclusive, irrevocable, royalty-free license in such technical data to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly by or on behalf of the State of North Dakota. However, such license does not discharge the State’s duty of confidentiality and nondisclosure with regard to the grantee’s confidential information.

**REC – 6.03 Invention rights, use for governmental purposes.** Grantee may retain the principal worldwide rights, whether in patent or otherwise, to any invention made with financial support under this program. The State of North Dakota and its consultants, independent contractors, and suppliers, to the extent such are providing services to the State, shall have a nonexclusive, irrevocable royalty-free right to practice under any patents, patent applications, or other new technology developed under this Program. The intent of this section is to enable state agencies to use new technology products or processes for governmental purposes without having to pay the imputed development costs of the products or processes twice; first in the research and development state under Commission funding and then later in the purchase of the processes or products. The State may not use this provision to enter into the private marketplace through direct manufacture or production of goods and services.

**REC - 6.04 Patent rights – Manufacturing in North Dakota.** Grantee shall utilize commercially reasonable efforts to ensure that North Dakota manufacturers will be offered a nonexclusive, fair market value, royalty-bearing license to use any technology developed with funding from the Renewable Energy Development Fund. Unless prohibited by law or conflicting State of North Dakota policy, and as referenced in Section 5.05, the Commission may include a clause within any grant provided that royalties collected from North Dakota manufacturers would be paid to the Industrial Commission until the entire amount of funding supplied by the Commission was returned in full.

**REC - 6.05 Waiver of State's Rights.** The Commission may waive the State's royalty-free right if any other governmental entity, state, federal, or foreign, provides matching funds and imposes conditions that do or may conflict with the rights provided for by this section. A waiver may be given only if the following are met:

- (1) The grantee has requested from the other funding source a waiver of its requirements that conflict or may conflict with this section;
- (2) The other funding source provides at least twenty percent of the project's funding; and
- (3) It is unlikely the State would ever seek to use the right given the State under this section.

The Commission waives the State's royalty-free right if any U.S. federal governmental entity provides matching funds and imposes conditions that do or may conflict with the right provided for by this section.

**Approval dates:**

Renewable Energy Council: 9-18-07; Revised 3-4-09; 7-16-09; 8-6-10; 10-15-13; 7-21-16; 4-9-18; 6-5-19

North Dakota Industrial Commission: 10-17-07; 4-16-09; 7-31-09; 8-24-10; 10-22-13; 7-26-16; 1-17-17; 7-18-17; 4-17-18; 6-20-19