

Request for Proposals
Kentucky Energy Commercialization Grants
June 20 – July 21, 2008

Section 1 – Background on the Department for Energy Development and Independence

In accordance with Kentucky Revised Statutes Chapter 152.712, the Department for Energy Development and Independence (DEDI) strives to enhance the economic opportunities and benefits to Kentucky citizens and industry through expansion of current markets and the development of market opportunities for Kentucky coal, natural gas, petroleum, oil shale, tar sands, liquid and gaseous fuels from coal, and chemicals from coal.

To the extent funding is available the DEDI administers grant programs to support energy-related research, development, and demonstration, including the support of multi-state cooperative regional partnerships and research initiatives.

The DEDI strives to implement programs for the development, conservation, and utilization of energy in a manner to meet essential human needs while maintaining the Kentucky economy at the highest feasible level.

The DEDI enters into agreements, administers grant programs, and serves as a liaison with the federal government and other states in matters relating to energy.

The DEDI uses state funding as a match for federal or private funding to increase the resources available to support energy research and development.

The DEDI explores and develops regional partnerships and cooperative research initiatives with other states and governmental entities to enhance resources available for energy research and development.

Section 2 – Description of Funding

Under the enacted biennial budget, DEDI is appropriated \$3,500,000 in fiscal year 2008-2009 and \$3,500,000 in fiscal year 2009-2010 which will be used for research projects relating to:

- >clean coal
- >new combustion technology
- >thin-seam coal extraction
- >safety
- >tracking and communication devices
- >coal slurry disposal

>synthetic natural gas produced from coal through gasification processes, and

>the development of alternative transportation fuels produced by processes that convert coal or biomass resources or extract oil from oil shale, and other coal research.

These grant dollars must be targeted solely to Kentucky's Local Government Economic Development Fund-eligible counties.

<http://www.thinkkentucky.com/kyedc/pdfs/lgedf.pdf>.

The list of eligible counties is maintained by the Department of Local Government. They are indicated on the following map:

<http://gold.ky.gov/NR/rdonlyres/10DA326F-7DB6-4A16-BBF3-08195B07BF61/0/CoalSeverance1007.pdf>

Section 3 - Description of the Project

This is a request for proposals (RFP) from firms or groups of firms having qualifications and experience to successfully commercialize energy related industrial projects in Kentucky. Such projects may include, but are not limited to, gasification projects to convert coal or biomass to liquid fuels, coal-to-gas, clean coal electricity generation, as well as other projects related to the industrialization of Kentucky's energy resources, including processes that facilitate, enhance, or improve extraction, processing or utilization of these resources.

One or more project or technologies will be awarded funding under this program. The successful respondent(s) to this Request for Proposals will have a project or technology at or near the commercialization stage and will have adequate funding to supplement any awards received through this program. The proposals ultimately funded will be consistent with and part of the broader energy strategies for Kentucky.

Section 4 - Proposal Requirements

Respondents shall submit a detailed project plan for further developing a project or technology related to the industrialization of Kentucky's energy resources. The plan shall include the following:

- A narrative description of the plan for further development of the project or the technology as well as discussion of the role that funds from this program would play in the further development of the project or technology. The narrative shall include a list of tasks to be performed and a description of how each task shall be accomplished, discussion of the viability of the project, and any documentation of independent review;

- A detailed schedule;

- Identification of project deliverables;
- Resumes of personnel who will be involved in the project and a description of the ways and degrees that they will be involved; (please provide resumes of all key personnel who will work on the project and a management organization chart).
- A detailed budget for each task, including, but not limited to, personnel charges, fringe benefits, subcontracts, materials and travel;
- Available funding committed from sources other than these funds, and letters of commitment;
- Socio-economic aspects, including numbers and locations of persons living near the project site and description of workforce in reasonable proximity to the site;
- Applicable environmental permits issued or timeline for receiving permits;
- An estimated number of jobs created by the project;
- A required affidavit for bidders or offerors (completed, signed and notarized):

https://eprocurement.ky.gov/NR/ronlyres/44B49391-74C7-4F67-BEBD-0C7B36DE2D21/0/Attachment_2.doc

Section 5 - Criteria for Selection

Proposals will be evaluated according to the respondent's ability to meet the objectives of this RFP as indicated by (a) demonstration of the economic and technical feasibility of the project and its ability to further the energy development goals of the Commonwealth; and (b) the expertise and experience of personnel who will be involved in the project. The plan will be evaluated in terms of the following:

- Amount of funding committed to this project by sources other than this program;
- Demonstration of the economic and technical feasibility of the project;
- Demonstration of how this funding would contribute directly to the commercialization of this project;
- Demonstration of project's ability to further the energy development goals of the Commonwealth;
- Clearly defined responsibilities, timelines, and milestones for accomplishing the project tasks;
- Regular and timely reporting of progress and expenditures;
- Qualifications of project managers and personnel;

-Commitment of key managers and personnel to the project;

Section 6 - Relative Importance of Particular Qualifications

After determining that a proposal includes all required information and data, the DEDI will evaluate the proposal based on the following criteria:

- Funds requested relative to total project cost (35%)
- Experience with similar projects (15%)
- Personnel and management (15%)
- Relevance to the energy development goals of Kentucky (30%)
- Time required for completing the project (5%)

Section 7 - General Information

Respondents are advised that any personal service contract resulting from this RFP must comply with all applicable provisions of KRS 45A and KRS 12.210 prior to its becoming effective. The DEDI reserves the right to cancel this RFP at any time for any reason. A contract, based on this RFP, may or may not be awarded. Any contract award from this RFP is invalid until properly approved and executed by the Finance and Administration Cabinet.

All contracts awarded resulting from this RFP will terminate on **June 30, 2009**. Proposals should be structured to be completed by this date, with a draft final report of all activities to be submitted one month prior.

Proposals submitted against this RFP must be received in hardcopy form no later than **July 21st, 2008 at 4:30 p.m. Eastern Time**. Proposals that arrive after this date and time will not be considered.

Respondents shall submit one original and three copies of the proposal in hardcopy form, marked "Kentucky Energy Commercialization Project" to the following address:

Department of Energy Development and Independence
12th Floor, Capital Plaza Tower
500 Mero Street
Frankfort, KY 40601
Attention: Donna Norton