

STATE ENERGY PROGRAM

Clean Energy Advanced Manufacturing in Green Chemistry

GRANT DESCRIPTION: A total of \$850,000.00 in funding is available through the Department of Energy, Labor and Economic Growth's State Energy Program and the Department of Natural Resources and Environment's Office of Pollution Prevention and Compliance Assistance to help small manufacturing companies, currently located in Michigan, to diversify into high-growth clean energy sectors and invest in advanced manufacturing of (1) chemical energy systems i.e. food, batteries and fuel; (2) painting, electroplating, coating and surface finishing systems. The proposed system must use processes routed in green chemistry. Project proposals are due on **Thursday, September 30, 2010.**

Chemical Energy Systems - AREAS OF INTEREST 1

Chemical Energy Systems or Component

Applications under Area of Interest 1 are sought to develop or increase production capacity of existing chemical energy systems (advance battery systems, bio-energy systems, fuel, etc) or components utilizing green chemistry principles.

Applications should provide evidence of commitment from one or more potential customers of chemical energy system(s) or component to buy systems produced at the facility. Original Equipment Manufacture (OEM) partners may be included. The type, amount, and duration of the commitment shall be included. Applications that indicate significant interest and intent (at a minimum, letters of commitment and preferably orders) from a chemical energy system or component's customer(s) are preferred and will be given priority. Applications shall also provide evidence of the ability to meet the required production volume to satisfy OEM demand.

Applications shall provide evidence of supplier commitments which clearly indicate their ability or expected ability to supply the projected demand from the chemical energy system or component.

For each award made in this area, recipients are expected to build or increase production capacity of the chemical energy system or component funded within their existing constructed factory's footprint utilizing green chemistry principles. A production quota is not specified in this RFP. However, applicants must provide the number of units expected to be produced annually. For awards made in this area, recipient must provide an updated analysis of their current and future production rates in their quarterly reports.

Applications shall provide a detailed description of the chemical energy process, employment of green chemistry, and end product, including materials and performance. The system description must include estimates of energy produced per unit and any available supporting data for the system's specifications and performance claims.

Applications shall address the approach to product recycling in terms of plans for recovery, transportation of (if required), and reuse of materials within the manufacturing process. Analysis shall address the amount of recycled material that will reenter the process as well as the anticipated waste material or residue that will be discarded. A

business case analysis shall be provided for instances where recycling will not be pursued.

Applications must provide a detailed description of the number and type of potential jobs created and retained by their project. In addition, applicant shall provide an estimate of the ancillary number of jobs created and retained that could result from this activity.

Lastly, the applicant must describe in detail the direct economic benefits this technology to the state.

PAINTING and COATING (i.e. ELECTROPLATING, SURFACE FINISHING) – AREAS OF INTEREST 2

Painting and Coating Systems

Applications under Area of Interest 2 are sought to utilize green chemistry principles in one or more of the above operations and show technology will result in an increase of energy efficiency.

Applications should provide evidence of commitment from one or more potential customers to buy product produced by the award recipient. Applications that indicate significant interest and intent (at a minimum, letters of commitment and preferably orders) from customer(s) are preferred and will be given priority. Applications shall also provide evidence of the ability to meet the required production volume to satisfy demand.

Applications shall provide evidence of supplier commitments which clearly indicate their ability or expected ability to supply the projected demand from the energy efficiency technology.

For each award made in this area, recipients are expected to increase production capacity, utilize green chemistry principles and show an increase in energy efficiency technology funded within their existing constructed factory's footprint. A production quota is not specified in this RFP; however, applicants must provide the number of units expected to be produced annually. For awards made in this area, recipient must provide an updated analysis of their current and future production rates in their quarterly reports.

Applications shall provide a detailed description of their process, employment of green chemistry, and energy efficiency technology in their manufacturing process and end product, including materials and performance. The system description must include estimates of energy produced per unit and any available supporting data for the system's specifications and performance claims.

Applications shall address the approach to product recycling in terms of plans for recovery, transportation of (if required), and reuse of materials within the manufacturing process. Analysis shall address the amount of recycled material that will reenter the manufacturing process as well as the anticipated waste material or residue that will be discarded. A business case analysis shall be provided for instances where recycling will not be pursued.

Applications must provide a detailed description of the number and type of potential jobs created and retained by their project. In addition, applicant shall provide an estimate of the ancillary number of jobs created and retained that could result from this activity.

Lastly, the applicant must describe in detail the direct economic benefits this technology to the state.

PULP AND PAPER – AREA OF INTEREST 3

Pulp and Paper

Applications under Area of Interest 3 are sought to utilize green chemistry principles in one or more of the above operations and show technology will result in an increase of energy efficiency.

Applications should provide evidence of commitment from one or more potential customers to buy product produced by the award recipient. Applications that indicate significant interest and intent (at a minimum, letters of commitment and preferably orders) from customer(s) are preferred and will be given priority. Applications shall also provide evidence of the ability to meet the required production volume to satisfy demand.

Applications shall provide evidence of supplier commitments which clearly indicate their ability or expected ability to supply the projected demand from the energy efficiency technology.

For each award made in this area, recipients are expected to increase production capacity, utilize green chemistry principles and show an increase in energy efficiency technology funded within their existing constructed factory's footprint. A production quota is not specified in this RFP; however, applicants must provide the number of units expected to be produced annually. For awards made in this area, recipient must provide an updated analysis of their current and future production rates in their quarterly reports.

Applications shall provide a detailed description of their process, employment of green chemistry, and energy efficiency technology in their manufacturing process and end product, including materials and performance. The system description must include estimates of energy produced per unit and any available supporting data for the system's specifications and performance claims.

Applications shall address the approach to product recycling in terms of plans for recovery, transportation of (if required), and reuse of materials within the manufacturing process. Analysis shall address the amount of recycled material that will reenter the manufacturing process as well as the anticipated waste material or residue that will be discarded. A business case analysis shall be provided for instances where recycling will not be pursued.

Applications must provide a detailed description of the number and type of potential jobs created and retained by their project. In addition, applicant shall provide an estimate of the ancillary number of jobs created and retained that could result from this activity.

Lastly, the applicant must describe in detail the direct economic benefits this technology to the state.

ELIGIBLE RECIPIENTS: Any business physically located in Michigan with 500 or fewer full-time or equivalent employees, or a business that relocates to Michigan by the time of the award is eligible to apply.

INELIGIBLE RECIPIENTS: Federal Government, State Government agencies, local Government agencies, institutions of higher education, other nonprofit organizations, and companies with greater than 500 full-time employees state-wide.

AVAILABILITY OF FUNDS: A total of \$850,000.00 in funding is available. The State Energy Program and the Office of Pollution Prevention and Compliance Assistance anticipate awarding loans, grants, or combination thereof, covering up to 100 percent of eligible activities where feasible. Most awards will be for total project costs between \$400 thousand and \$500 thousand. The State Energy Program and Office of Pollution Prevention and Compliance Assistance may choose to make an award up to the total amount available funds in this solicitation. The applicant should propose a funding level that is appropriate to their needs.

MATCHING REQUIREMENTS: Preference will be given to applicants that demonstrate up to a 50 percent cost share of the total allowable project costs (i.e. the sum of the State Energy Program share and the recipient share of allowable costs equals the total allowable project costs). Applicant's cost share must come from a non-Federal and non-state sources, unless otherwise allowed by law. Cost sharing is not applicable to recipients who are approved to receive a revolving loan.

DUE DATE: Proposals for projects are due September 30, 2010.

FURTHER INFORMATION: Contact Mr. Robert Jackson 517-373-2731, or you can download the Request for Proposal from the Internet at: