



Request for Pre-Proposals

RFP Number 2010-001

Opens *immediately* and closes 2.12.10 at 8:00 p.m. Eastern. (*Any pre-proposals received after 2.12.10 may not be considered*).

Woody Bio-based Energy: Demonstrating New Processes and Practices to Sustainably Produce Green Energy, Provide Markets for Low-value Trees and add Jobs in Rural Communities

1. Statement of Purpose

The U.S. Endowment for Forestry and Communities (the Endowment) is seeking pre-proposals from qualified service providers who can address the potential of woody biomass for energy at two different places in the value chain:

A. Taking promising conversion technology from the laboratory to demonstration level – the awkward stage after lab development and prior to commercialization. The Endowment’s intent is to provide partial funding for one or more tangible projects that can quickly prove (or disprove) the commercial potential of the technology. The basis for determination is the ability of the technology to yield a useful energy product in a cost effective manner and to assess the level of commercial interest in its future use.

B. Develop one or more demonstrations of how consumers of woody biomass for energy might collaborate with others to develop new wood procurement, land ownership or land management models that provide sustained sources of woody biomass while ensuring the underlying forests are retained in forest cover.

2. Background

The Endowment believes that wood-to-energy, when developed at proper scale and in concert with traditional forest-based industries offers significant opportunity to yield new sources of locally-developed green energy while providing markets for low-value trees and fiber and adding new jobs in rural communities. To date the Endowment has invested in three foundational works in the woody biomass sector: 1) creation of a “wood2energy” database of wood using facilities across North America; 2) a state-of-the-technology/industry report; and, 3) opportunities for forest product business clustering report.

While it is clear that there are limits to the amount of energy that can and should be supplied from woody biomass (including threats to loss of jobs in traditional forest

products companies), there are also potential benefits. In many parts of the country forests are unnaturally dense with small-diameter, low-value or dead & dying trees that are not being sought in the amounts available by traditional industry. Too, without additional markets for these low-value trees forest landowners are faced with limited management options and higher risks to overall forest health and productivity.

Large-scale wood-to-energy facilities – especially those planned to yield ethanol or electricity for direct integration into the grid – are beyond the scope of Endowment resources. However, there are a number of promising technologies that offer potential at the local/regional-scale (e.g. rapid pyrolysis and torrefaction) that might be developed in ways that are well balanced with forest sustainability and serve to aggregate higher-value energy products for further refinement or transportation to another facility.

Too, many new wood-using energy producers do not have experience in procuring and handling woody raw materials common to that of the forest industry. On one hand it is unlikely that these new energy producers will wish to invest directly in fee ownership of forests (perhaps with the exception of short-rotation woody fiber crops). On the other hand, it is just as unlikely that many forest owners will be willing to enter into long-term fixed-price contracts to supply biomass to users in ways that compare with traditional energy stocks. Thus, there appears to be significant opportunity to develop new perhaps shared-ownership, shared management or cooperative models that serve the interests of multiple segments of society from industrial interests seeking wood as an energy raw material to landowners, conservationists, natural resources agencies and others concerned about long-term retention of working forests as forests.

3. Scope of Work

- **Key Objectives: Each pre-proposal should:**

- Define Process/Means. In adequate detail for review, describe:
 1. The technical aspects and capabilities of the process or system being proposed to take a lab-proven technology to demonstration scale, including who the partners will be and their role. **OR,**
 2. The concept for a proposed demonstration of a new wood procurement/ownership/management model to integrate the interests of wood-to-energy users with long-term retention of forests as forests, including who the partners will be and their role.
- Primary Benefits:
 1. Describe the advantages that your approach will have in generating support and participation from affected interests.
 2. Address how implementation provides benefits to forest communities (e.g. small-scale, local ownership options, job creation potential).
- Budget. Include the total proposed cost of development of the project, system or model including the sources of additional funds necessary to achieve success.
- Timeline. Describe in high-level detail the process and timeline necessary to develop and implement the system, project or model as proposed.

4. Process Schedule

A. Commitments made in the pre-proposal stage will be viewed as “contract ready” with the exception of items where the Endowment and the vendor agree to project modifications that alter expected product outputs and timelines and therefore call for adjustment of timelines and cost as set forth in the pre-proposal.

B. Review of pre-proposals may result in selection of one or more respondent(s) who will be invited to submit a full proposal.

C. The Endowment will engage the successful vendor at the earliest possible time assuming proposed costs are within the ability of the Endowment and any potential funding partners to go forward.

- Submit/review pre-proposals (4 weeks)
- Communicate with respondent(s) to submit full proposals (2 weeks)
- Choose vendor and sign contract (4 weeks)
- Finalize contract (1 week)

5. Outcome and Performance Standards and Deliverables

The successful vendor(s) will work closely with the Endowment staff and perhaps a small group of its partners:

A. in the performance of this agreement. Work will progress from a detailed work plan agreed to by both the vendor and the Endowment followed by periodic updates on progress leading to the final product.

B. to inform evaluation and monitoring programs of the Endowment. Information to be collected and reported will be developed mutually as part of the full proposal and follow-up.

6. Method of Work Arrangement

The services agreement will be by written contract in the form of a grant agreement between the Endowment and the successful vendor.

7. Endowment Funding Available

The Endowment’s Board of Directors may choose to allocate up-to a total of \$750,000 for funding of one or more initiatives. We anticipate that no single project would be granted in excess of \$250,000. Matching funds equivalent to at least 50% of the grant are required with not more than 25% of that amount from in-kind contributions.

8. Evaluation and Award Process

The Endowment and its partners will rate pre-proposals on a range of criteria including:

- i. Relevant work experience
- ii. Quality of prior work
- iii. Evidence of support and interest by related organizations and interests
- iv. Ability to meet timelines desired
- v. Proposed methods and products
- vi. Total project price

9. Contact and Questions

For questions or clarifications contact rfp@usendowment.org . You may wish to check the Endowment website frequently during the open call period for a complete listing of Questions and Answers generated by other potential respondents.

10. Pre-Proposal Process

The Endowment ONLY accepts Pre-proposals via its online process. Please review all relevant grant guidelines prior to commencing a pre-proposal application. These are found on the Endowment's website. To start a pre-proposal application use the following address or click on the link in the "Request for Proposals" section of the Endowment website.

http://www.GrantRequest.com/SID_841?SA=SNA&FID=35003