Industrial innovation in food systems implementation grants

Request for proposals

This request for proposals (RFP) assists applicants in applying for Industrial Innovation in Food Systems implementation grants, including information on who may apply for funding, activities eligible for funding, and other information that will help applicants plan their project and submit a competitive application. The Industrial Innovation in Food Systems program is part of the Minnesota Climate-Smart Food Systems initiative funded by the Environmental Protection Agency (EPA).

Applications will be accepted and evaluated on a quarterly "first-come, first-considered" basis until April 1, 2028, or until funds are fully encumbered, whichever occurs first. To be considered for review in any given quarter's batch of applications, applicants should submit applications by **5:00 p.m. Central Time** per the schedule:

Round 1: applications accepted until July 1, 2026

Round 2: applications accepted until October 1, 2026

Round 3: applications accepted until January 1, 2027

Round 4: applications accepted until April 1, 2027

Round 5: applications accepted until July 1, 2027

Round 6: applications accepted until October 1, 2027

Round 7: applications accepted until January 1, 2028

Round 8: applications accepted until April 1, 2028

Applicants should check the Industrial Innovation Implementation Grants website for the most recent updates on this competitive grant, including questions and answers (Q&A) and any addendums. The application form, which includes the work plan template and Exhibits C, D, E, and H, as well as the budget template and can also be found on this website.

Contents

1. Overview

As greenhouse gas (GHG) emissions continue to rise within Minnesota, the Industrial Innovation in Food Systems Program was created to support industrial food and beverage manufacturers and food system organic waste processors in reducing climate pollution and improving business competitiveness. These industries pose a unique opportunity with significant potential to reduce emissions and operating costs through reducing waste.

This RFP focuses on supporting project implementation at food and beverage manufacturing and organic waste processing facilities. The goal of the program is to implement circular economy principles and innovative technologies at these sites toward achieving carbon neutrality and zero waste through energy efficiency, fuel-switching, and strategic integration and stacking of advanced technologies. These grants will support eligible entities to execute projects at their facility that will improve their operational efficiency and reduce operating costs while also lessening environmental impacts to communities through reducing GHG emissions, criteria air pollutants (CAP), hazardous air pollutants (HAP), and/or waste through incorporating cutting-edge and emerging technologies. It also provides opportunities for entities to reduce fossil fuel use, decrease grid reliance, and/or produce energy from waste. This funding will help ensure that Minnesota's food and beverage industry remains competitive, operational, and located within Minnesota.

2. Funding

Using a competitive review process, MPCA expects to award approximately $40 million in grant funds in the following tiers:

Project size	Total available in funding	Minimum grant award	Maximum grant award
Small	$9,000,000	$50,000	$499,999
Medium	$6,000,000	$500,000	$2,999,999
Large	$25,000,000	$3,000,000	$8,000,000

Each proposal received prior to the application deadline will be scored by the Minnesota Pollution Control Agency (MPCA) for its quality of documentation against the scoring rubric in Attachment A. Awards are offered until funds are exhausted. The MPCA reserves the right to award grant amounts that are lower than the amount requested by an applicant and reserves the right to move unused money between the funding pools for different sized projects.

Grants will be cost reimbursement, and grantees will be required to provide documentation for all payments and match (see match requirements below).

Projects must be completed, all invoices submitted for reimbursement requests, and final reports/required documentation submitted no later than June 30, 2029, to be eligible for funding.

Match requirement

The Industrial Innovation in Food Systems program will provide up to 60% of the total project cost, with grant recipients providing the remaining 40% of the total cost. For example, if an applicant is applying for $90,000 in funding, then the matching requirement by the applicant is $60,000, for a total project cost of $150,000.

Matching funds (eligible costs) include cash or in-kind contributions, loans, and other state or private grants that have been secured. Grantees will be expected to track and report all match provided for the project by kind and source. In-kind contributions are defined as the value of goods or services provided for the benefit of the grant project, where no funds transferred hands. Typically, in-kind contributions are in the form of the value of direct staff time, goods and services, and/or indirect costs. If you provide in-kind match, you will be required to track, document, and verify your in-kind contributions in a similar format as a cash match as part of your reporting and reimbursement requests. The MPCA reserves the right to impose additional tracking and documentation procedures for in-kind contributions to ensure the accuracy of your in-kind match to the project.

Reimbursement schedule

Awardees will be required to complete a baseline GHG Inventory or Energy Assessment (detailed in Attachment B.), as well as all necessary and required permitting prior to starting work and requesting reimbursements.

Grant funding for eligible costs of the project will be reimbursed during and upon completion of the approved project with approved invoices. Invoices for expenses incurred will be submitted on a schedule agreed upon by the grantee and MPCA and may be submitted as frequently as monthly. Payment of the final 10% of grant funds will be held back until the project is completed satisfactorily and all deliverables have been submitted and approved. No funds shall be disbursed by the MPCA in the absence of adequate documentation of matching funds as determined by the MPCA.

3. Eligible and ineligible applicants

Eligible applicants

To be eligible, the applicant's target facility must be located within Minnesota boundaries or serve Minnesota, including Tribal lands.

The following entities are eligible:

- **Industrial food and beverage manufacturing facilities and related support facilities** as defined in Attachment D.
- **Food system organic waste processors**, including but not limited to solid waste landfill, wastewater treatment facility, anaerobic digestion facility, or source-separated organic material (SSOM) compost facility, as defined in Attachment D.

Both new construction and existing facilities are eligible if they meet the definition for food and beverage manufacturer or food system organic waste processor and are implementing eligible projects that reduce GHG emissions.

The following eligibility criteria are addressed in the Application Form. Failure to check yes/no boxes and provide adequate explanation for each of these items may result in disqualification. Applicant must attest:

1. **Good standing with the State of Minnesota:**
   - No back taxes owed;
   - No defaults on Minnesota state-backed financing for the last seven years;
   - Acceptable performance on past MPCA grants, as applicable;
   - Compliant with current local, state, and federal regulations; and
   - No principals of the applicant organization or others involved in this project have been convicted of a felony financial crime such as theft, embezzlement, and forgery in the last 10 years.
2. **Unique Entity Identification (UEI):** Applicant currently has, or plans to apply for, a federal UEI. The information required for getting a UEI is minimal but must be completed before award. It only validates your organization's legal business name and address. Start here to request a new UEI in SAM.gov.
3. **Current licensing:** As applicable, applicant has current license(s) with Minnesota Department of Agriculture's Manufactured Food Program.
4. **Ownership responsibility:** As of the date of application submission, applicant holds title to the subject property, OR if applicant is a lessee, then the application includes a letter of owner concurrence that references this application.

If an entity has more than one facility, the applicant may apply for more than one grant. However, each facility will be treated as a separate project and will require a separate application to be submitted.

Ineligible applicants

- Any other organization not listed above as an eligible applicant, including cottage food producers
- Businesses or other entities located outside of Minnesota who do not have a business located in Minnesota or who do not serve Minnesota
- Individuals
- Entities that are currently suspended or debarred by the State of Minnesota and/or the federal government are ineligible applicants
- The MPCA may also deem an applicant ineligible because of, but not limited to: enforcement issues, labor standards, tax status, past grant performance, or other such issues

4. Eligible and ineligible projects

Eligible projects

Eligible projects must reduce GHG emissions (Scope 1, 2, and/or 3 as defined in Attachment D) by implementing efficiency measures (EM) at a site or facility, which may be an existing facility, an expansion project, or new construction). Project can bundle one or more technologies within the same site/facility. Projects must be completed (that is, operational and in use) by the end of the grant award period.

Eligible technologies, equipment, and process management systems

EM projects include the purchase and installation of commercially available pollution control technologies, equipment, and/or process management systems that reduce GHG emissions through reducing utility energy demand (either by direct fuel usage or electric utility consumption) and/or reducing or recycling waste. Projects may span a variety of functions across manufacturing or processing operations, such as heating, cooling, lighting, processing, packaging, sanitizing, and storage.

1. Reduce utility energy demands examples:
   - Advanced air conditioning and low global warming potential refrigerants

- Boiler upgrades/economizers, condensate return, or steam traps
- Distributed energy resources (solar, electric battery storage, thermal battery, or other power generation)
- Electrification of equipment (roasters, boilers, dryers, ovens, etc.)
- Energy efficiency equipment (high-efficiency electric pumps, motors, compressors, and/or lighting)
- Energy efficiency materials for building envelopes or infrastructure
- Fuel-switching to low carbon fuels such as biomass, solar-thermal, renewable natural gas, etc.
- Fugitive emissions reduction
- Hydrogen-fueled stationary equipment
- Industrial heat pumps
- Mobile or stationary combustion emissions reduction
- Process efficiency or process change
- Process water usage reduction
- Smart energy systems (building energy management systems, sensors and controls, automatic boiler blowdown, compressed air, etc.)
- Utilizing peak-shaving, load-shifting, or curtailed renewable energy
- Variable volume or load efficiency equipment
- Other energy efficiency technologies as approved by the MPCA

2. Reduce or recycle waste examples:
    - Anaerobic digesters
    - Carbon capture utilization and storage (CCUS) or carbon management
    - Combined heat and power
    - Food waste valorization technologies or food waste recovery equipment
    - Waste heat recovery technology or systems
    - Waste reduction (organic, solid, water, or wastewater)
    - Other technologies that reduce or recycle waste as approved by the MPCA

Technologies and/or equipment should be best-in-class for energy efficiency and may be low or zero carbon emitting. Projects should demonstrate reliability and effectiveness through incorporating commercially available "off the shelf" components of the pollution control technology/equipment. Projects may include nascent or emerging technology/equipment as long as the technology/equipment has a technology readiness level (TRL) of 7 or higher as defined by the U.S. Government Accountability Office and approved by the MPCA.

Projects involving anaerobic digesters should identify Low-Income and Disadvantaged Communities (LIDAC) and/or surrounding community disbenefits and implement strategies to mitigate disbenefits, such as location (near feedstock location) or transport routing (e.g., delivery windows, route path, etc.) to minimize transport distances, spill risk, and enclosing feedstock storage (e.g., manure lagoons, etc.) with enclosed facilities or incorporating technologies that reduce odors.

Projects involving biomass boilers or usage of biomass as an energy feedstock will be required to include a combustion test analysis in addition to a lifecycle analysis to evaluate GHG, CAP, and HAP emissions compared to the fossil fuel(s) of displacement upon receiving an award. If biochar production results of energy generation from food system organic waste, reference permitting and guidance from the Small Business Environmental Assistance – Industry and Process Resources.

Projects involving advanced air conditioning or refrigerants must switch from a high global warming potential refrigerant (GWP > 1300) to a natural refrigerant (GWP < 10), as defined in Attachment D. Projects involving existing equipment upgrades must document proper disposal of high-GWP refrigerants at a facility certified through an EPA-approved training program with EPA-approved refrigerant recovery or recycling equipment.

Projects that are "shovel ready" as defined in Attachment D will score higher against the evaluation criteria in Attachment A.

Other requirements for project eligibility

The following components are also required for a project to be eligible:

1. **Agree to complete pre-project baseline energy assessment and/or GHG inventory:** Applicants agree to complete the required baseline energy assessment and/or GHG inventories prior to starting project. See Attachment B for detailed requirements for the assessment and inventory. Applications submitted without the energy assessment/GHG inventory completed will be considered but applicants must complete baseline metrics prior to starting work on project.
2. **Measurement and verification (M&V):** Award recipients must conduct post-installation M&V of GHG reductions and/or energy produced in the final report for comparison to baselines. M&V must include at least three months of post-installation data demonstrating GHG emission reductions (e.g., reduced utility usage, production efficiencies, wastewater reductions, organic/solid waste, etc.). M&V will also assess any additional outcomes proposed in the application, including co-benefits and CAP/HAP impacts.

   Costs associated with post-installation M&V are reimbursable if performed by a third-party qualified assessor. Verification using in-house staff is also acceptable, but costs for staff-time will not be reimbursable by the grant. The MPCA reserves the right to conduct an audit of projects to verify assumptions and estimates of GHG emissions reductions, energy savings, and other outcomes.
3. **Permit and regulatory compliance:** All projects must comply with all applicable federal, state, and local laws, regulations, permits, codes, and policies. Applicants are responsible for ensuring full compliance, including but not limited to environmental regulations, zoning ordinances, building codes, health and safety standards, and labor laws.

   Grantees should secure all permits (including amendments) required for the project (approvals of federal, state, or local permits), including any required by the MPCA prior to project start. If permits are required for the project, copies of the permits must be submitted to the Industrial Innovation program staff. The MPCA reserves the right to withhold reimbursement payments prior to receiving a copy of the required permit(s). If applicable to the project, a final building inspection report must be signed and a copy submitted to the MPCA prior to final reimbursement payment.

   Additionally, all projects must comply with MPCA Environmental Review, as applicable.

   Applicants are encouraged to consult relevant regulatory agencies, such as the Minnesota Business First Stop and the Minnesota Environmental Quality Board, and stakeholders early in the planning process to fully understand all requirements and support timely, successful project implementation.
4. **Buy America, Build America (BABA):** Projects are required to comply with BABA requirements, which says that all iron, steel, manufactured products, and construction materials used in the project are produced in the United States. BABA requirements for iron and steel are the same as American Iron and Steel. BABA manufactured products require the final manufacturing in the United States. Project waivers may be pursued after award contract is signed; however, without an EPA-approved waiver the BABA requirements must be met with compliance records sent to MPCA staff. See Attachment E for more details.

Ineligible projects

Projects outside the scope of the implementation grants are ineligible, including those that are denied permit(s) or fail to meet regulatory compliance. Projects required for compliance with federal, state, or local laws are ineligible.

Projects that have received an allocation from the IRS Advanced Energy Credit Program are ineligible. Applicants are required to self-attest they have not and/or do not intend to apply for the Advanced Energy Credit Program.

Ineligible projects include those in which the primary means of reducing GHG emissions of facilities are procuring renewable energy or environmental attributes associated with the generation of renewable energy (e.g., renewable energy credit programs, such as Renewable Energy Certificates and Renewable Thermal Certificates) to offset current GHG emissions.

5. Eligible and ineligible costs

Eligible costs

Eligible costs include those costs directly related to project expenses, included, but not limited to the following:

- Capital costs associated with implementation of EM projects, including pollution control and waste reduction equipment and technologies, contractual labor and work, materials, delivery, installation, retrofitting, tools, and construction. Construction, as defined in Attachment D, must be integrally related to and necessary for the project.
- Performance monitoring equipment (e.g., sub-meters, data-loggers, etc.) and verification reporting as conducted by a third-party qualified assessor, as defined in Attachment B.

Ineligible costs

Ineligible costs include costs that are not directly related to the work plan tasks of the project. The following costs, including but not limited to, even if they are directly related to the project, are ineligible:

- Any expenses incurred before the contract is fully executed, including applicant's expense for preparing the eligibility and costs associated with preparing applications
- Staff costs are not eligible for reimbursement but may be considered an eligible expense which can be counted towards the match requirement if staff time is directly related to the project and adequately documented (e.g., time sheets or equivalent records, staff hourly/salary rate, and work task summary)
- Bad debts, late payment fees, finance charges or contingency funds, interest, and investment management fees
- Costs associated with establishing baseline estimates (GHG and/or energy)
- Costs associated with the purchasing of renewable energy, negotiating utility tariffs, or environmental attributes (e.g., renewable energy credit programs, such as Renewable Energy Certificates and Renewable Thermal Certificates)
- Maintenance costs and/or contracts for equipment
- Costs for leased equipment or services
- Costs associated with measurement and verification services after close out of the grant award (i.e., after the minimum three-month M&V is completed)
- Attorney fees or legal fees, or fees associated with securing financing
- Employee worksite parking, land acquisition, permits, or landscaping
- Lobbying, lobbyists, and political contributions
- Mark-up on purchases and/or subcontracts
- Taxes, except sales tax on eligible equipment and expenses
- Activities associated with permit fees
- Activities addressing enforcement actions or that involve a financial penalty
- Memberships (including subscriptions and dues)
- Stipends or reimbursement to non-staff stakeholders for their attendance at stakeholder participation meetings or their related expenses
- Alcoholic refreshments, entertainment, gifts, prizes and decorations
- Merit awards and bonuses
- Donations and fundraising
- Purchase of computer(s), tablets, software, or mobile communication devices such as pagers, cell phones, and personal data assistants, unless unique to the project and specifically approved by the MPCA as a direct expense

- Advertising, business start-up costs, and business operating or indirect costs, such as general administrative and overhead
- Construction costs unrelated to the project or costs associated with facility closure/downtime costs

6. Additional considerations

Additional project co-benefits

Beyond GHG reductions, this program prioritizes projects that contribute to additional pollution reduction or other co-benefits, including:

- Construction jobs created
- Energy produced and used on-site (natural gas/biogas from waste and/or electricity)
- Permanent jobs created
- Production of renewable energy to be sold in energy markets (natural gas/biogas from waste and/or electricity)
- Reduction in CAP and/or HAP, as defined in Attachment D
- Reduction in costs associated with waste removal
- Reduction in other waste
- Reduction in wastewater and/or organic waste
- Reduction in water usage
- Workforce trained
- Others as approved by the MPCA

Environmental Justice (EJ)

It is the policy of the State of Minnesota to ensure fairness, precision, equity and consistency in competitive grant awards. This includes implementing diversity and inclusion in grant-making. The Policy on Rating Criteria for Competitive Grant Review establishes the expectation that grant programs intentionally identify how the grant serves diverse populations, especially populations experiencing inequities and/or disparities.

The MPCA is committed to making sure pollution does not have a disproportionate impact on any group of people by prioritizing the principle of environmental justice. This means that all people regardless of their race, color, national origin, or income benefit from equal levels of environmental protection and have opportunities to participate in decisions that may affect their environment or health. It is MPCA's strategic plan to address environmental concerns in all programs.

To learn more, visit: https://www.pca.state.mn.us/about-mpca/mpca-and-environmental-justice.

Projects benefitting underserved communities and environmental justice areas will be rated higher. Minnesota Statute 116.065 defines "environmental justice areas" as census tracts:

- in which at least 40% of the population is people of color
- in which at least 35 percent of households have income at or below 200 percent of the federal poverty level
- in which at least 40 percent of the population has limited proficiency in English
- that are located within Indian Country, which is defined as federally recognized reservations and other Indigenous lands

Census tracts need to meet only one of these criteria to be considered an environmental justice area. This Grant Contract Agreement will prioritize projects that serve and improve communities with higher concentrations of low-income residents and people of color, including tribal communities. Click here to see if the project is located in an Environmental Justice area:
https://experience.arcgis.com/experience/bff19459422443d0816b632be0c25228/

Evaluation will be conducted using the most up-to-date environmental justice information available at the time of evaluation.

Community engagement

Meaningful community engagement should be considered a measure of project risk-mitigation through building community consensus, as well as an opportunity to build relationships through involving the prospect of public feedback. Applicants should consider the added vulnerabilities of these populations in EJ areas and the immediate communities in which facilities operate by proposing projects that specifically address them. Projects should include meaningful involvement from the community, which happens when:

- People have an opportunity to participate in decisions about activities that may affect their environment and/or health;
- The public's contribution can influence the regulatory agency's decision;
- Community concerns are considered in the decision-making process; and
- The decision makers seek out and facilitate the involvement of those potentially affected.

The State of Minnesota's Environmental Justice Framework Report further explains meaningful involvement.

7. Application instructions

When completing the application, ensure all sections are fully addressed and the application is submitted before the deadline. Pay close attention to any specific information that is requested and demonstrate connections to project eligibility.

Applicants must complete and submit all required materials to be eligible:

- **Application form**, which includes the work plan template (submit as Microsoft Word)
- **Exhibits C, D, E, and H** (submit as Microsoft Word)
  - Exhibit C: Capacity responses
  - Exhibit D: Certification that the entity is not suspended or debarred by the State of Minnesota or the federal government
  - Exhibit E: Evidence of good standing (for and non-profit entities only)
  - Exhibit H: Certification that no current principles have been convicted of a felony financial crime in the last ten years
- **Budget** template (submit as Microsoft Excel)
- **Proof of matching funds** (submit in any format)
- **Budget documentation** (vendor quotes for equipment, qualified assessor criteria for M&V, etc.; submit in any format)
- **Approval letter from property owner** if facility is leased (submit in any format)

Applicants are strongly encouraged to submit the application form and budget in the formats provided.

8. Application submission instructions

Applications must be received electronically by the MPCA via emailing all application documents to grants.pca@state.mn.us, subject line: "**Application for Industrial Innovation Implementation Grant.**" The MPCA is not responsible for any errors or delays caused by technology-related issues.

Applications submitted via any other method, including but not limited to fax, mail, or in-person deliveries, will not be accepted.

The MPCA will accept and evaluate applications on a quarterly "first-come, first-considered" basis until April 1, 2028, or until funds are fully encumbered, whichever occurs first.

9. Application questions

The MPCA is obligated to be transparent in all aspects surrounding grant work. To meet this obligation, all questions must be submitted in the same manner, and answers are only provided via the Industrial Innovation Implementation Grants website. It is the applicant's responsibility to check the Industrial Innovation Implementation Grants website for the most recent updates.

Applicants who have any questions regarding this RFP must email questions to grants.pca@state.mn.us, subject line: "**Questions for Industrial Innovation Implementation Grants.**" Answers to questions will not be emailed back to you directly but will be posted on the Industrial Innovation Implementation Grants website on a regular basis as they are received.

The MPCA will hold an **informational webinar** to provide attendees with an overview of the grant program, eligibility, and applicable requirements. The webinar will be hosted on Zoom on Thursday, May 14, 2026, from 11:00 a.m. to 12:00 p.m. The webinar will close with a Q&A, in which applicants will be provided an opportunity to ask the MPCA questions concerning the RFP. Questions from the meeting will be posted for public access on the Industrial Innovation Implementation Grants website.

MPCA employees are not authorized to discuss this RFP with applicants outside of the Q&A forum or the webinar, nor can MPCA employees give advice on any applications. Contact regarding this RFP with any MPCA employee may result in disqualification.

10. Application review process

Applications will be evaluated on a quarterly "first-come, first-considered" basis. Applicants are encouraged to review the Evaluation Scoresheet (Attachment A) before submitting their application and make sure they are providing all the relevant information. Formal review of applications will be conducted by a team of MPCA staff.

Applications will be reviewed by MPCA staff using a two-step process, as follows.

Step 1: Eligibility review

The MPCA will determine if eligibility requirements are met. Any application found to be ineligible will be eliminated from further evaluation. Minimum requirements:

- Applicant is eligible as described in section 3 of this RFP
- Project is eligible as described in section 4 of this RFP
- All required forms are submitted

Step 2: Application scoring

Only applications meeting the eligibility criteria under Step 1 will be considered for scoring in Step 2. Reviewers will evaluate applications per project using the weighted criteria listed in Attachment A.

In addition to the ability to partially award projects, the MPCA reserves the right to refrain from awarding any grants.

Notification

All applicants will be notified by MPCA staff approximately 60 days following application submission. Applicants selected for funding will be contacted concerning the next steps in the award process, including the pre-award

financial and grantee capacity review as applicable, and execution of the appropriate agreements, with follow-up by the grantee within a reasonable time frame.

Timeline and deadlines

- **Public webinar**: Thursday, May 14, 2026, from 11:00 a.m. to 12:00 p.m.
- **Deadline to submit grant program questions**: The MPCA will answer questions as they are received until the end of the RFP period or until funding is fully encumbered, whichever occurs first. As questions are received, answers will be regularly posted for public access on the Industrial Innovation Implementation Grants website.
- **Applications due:** Applicants should submit applications by **5:00 p.m. Central Time** per the following schedule:
  - Round 1: applications accepted until July 1, 2026
  - Round 2: applications accepted until October 1, 2026
  - Round 3: applications accepted until January 1, 2027
  - Round 4: applications accepted until April 1, 2027
  - Round 5: applications accepted until July 1, 2027
  - Round 6: applications accepted until October 1, 2027
  - Round 7: applications accepted until January 1, 2028
  - Round 8: applications accepted until April 1, 2028
- **Applicants notified of decisions and grant agreement negotiations begin:** 60 days after application submission
- **Anticipated grant start date**: 60 days after award notification

11. Grantee responsibilities

Awardees are required to be a registered vendor in SWIFT and will sign the grant agreement using DocuSign. To register, go to the Supplier Portal webpage in SWIFT and click on the *Register for an Account link* and then Register as a Supplier.

Grant agreement

Each grantee must formally enter into a grant contract agreement. The grant contract agreement will address the conditions of the award, including implementation for the project. Grantees should read the grant contract agreement, sign, and once signed, comply with all conditions of the grant contract agreement. No work on grant activities can begin until a fully executed grant contract agreement is in place and the State's Authorized Representative has notified the Grantee that work may start. The funded applicant will be legally responsible for assuring implementation of the work plan and compliance with all applicable state requirements including worker's compensation insurance, nondiscrimination, data privacy, budget compliance, and reporting.

Reporting requirements

Email updates about the status of the project are required to be provided to the MPCA Authorized Representative whenever an invoice is submitted to MPCA Accounts Payable. The MPCA Authorized Representative will not approve an invoice through the state system without this project update. A Grant Project Final Report, in a format provided to the grantee by the MPCA, is required to be submitted to the MPCA Authorized Representative at the same time as the final invoice is submitted to MPCA Accounts Payable.

Public data

Applications are private or nonpublic until opened. Once the applications are opened, the name and address of the applicant and the amount requested is public. All other data in an application is private or nonpublic data until all agreements are fully executed. After all agreements are fully executed, all remaining data in the applications is public with the exception of trade secret data as defined and classified in Minn. Stat. § 13.37. A

statement by a Grantee that the application is copyrighted or otherwise protected does not prevent public access to the application (Minn. Stat. § 13.599, subd. 3).

Conflict of interest

MPCA will take steps to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers per Minn. Stat.§ 16B.98 and Minn. Stat. § 10A.07.

Organizational conflicts of interest occur when:

- A grantee or applicant is unable, or potentially unable, to render impartial assistance or advice to the Department due to competing duties or loyalties.
- A grantee's or applicant's objectivity in carrying out the grant is, or might be otherwise, impaired due to competing duties or loyalties.

In cases where a conflict of interest is suspected, disclosed, or discovered, the applicants or grantees will be notified and actions may be pursued, including but not limited to disqualification from eligibility for the grant award or termination of the grant agreement.

Grant monitoring

Minn. Stat. § 16B.97 and Policy on Grant Monitoring require the following:

- One monitoring visit during the grant period on all state grants of $50,000.00 and higher.
- Annual monitoring visits during the grant period on all grants of $250,000.00 and higher.
- Conducting a financial reconciliation of grantee's expenditures at least once during the grant period on grants of $50,000.00 and higher. For this purpose, the grantee must make expense receipts, employee timesheets, invoices, and any other supporting documents available upon request by the State.

The monitoring schedule will be determined at a later date.

Prevailing wage requirements

For grant-funded projects that include construction work and have a total project cost of $25,000.00 or more, prevailing wage rules apply per Minn. Stat. §§ 177.41 through 177.44. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.

You can learn more about prevailing wage at Prevailing-wage information | Minnesota Department of Labor and Industry.

Grantee bidding requirements

Grantees that are for or not-for-profit must follow:

Any grant-funded services and/or materials, not including equipment, that are expected to cost:

- $100,000.00 or more must undergo a formal notice and bidding process
- Between $25,000.00 and $99,999.00 must be competitively awarded based on a minimum of three verbal quotes or bids
- Between $10,000.00 and $24,999.00 must be competitively awarded based on a minimum of two verbal quotes or bids or awarded to a targeted vendor

The requirements of prevailing wage for grant-funded projects that include construction work of and have a total project cost of $25,000.00 or more, per Minn. Stat. §§ 177.41 through 177.44. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.

The grantee must take all necessary affirmative steps to ensure that targeted vendors from businesses with active certifications through these entities are used when possible:

- State Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List
- Metropolitan Council's Targeted Vendor list: Minnesota Unified Certification Program

- Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: Central Certification Program

The grantee must maintain:

- Written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts
- Support documentation of the purchasing and/or bidding process utilized to contract services in their financial records, including support documentation justifying a single/sole source bid, if applicable

The grantee must not contract with vendors who are suspended or debarred in Minnesota: Suspended/Debarred Vendors / Minnesota Office of State Procurement.

Grantees that are municipalities must follow:

- The contracting and bidding requirements in the Uniform Municipal Contracting Law as defined in Minn. Stat. § 471.345.
- The requirements of prevailing wage for grant-funded projects that include construction work of and have a total project cost of $25,000.00 or more, per Minn. Stat. §§ 177.41 through 177.44. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole.

The grantee must not contract with vendors who are suspended or debarred in Minnesota: Suspended/Debarred Vendors / Minnesota Office of State Procurement.

Pre-award risk assessment and financial review

In accordance with Minnesota Statutes § 16B.981 OGM Policy 08-06: Pre-award Risk Assessment of Potential Grantees, it is required to consider a grant applicant's past performance and financial and operational capacity before awarding grants of $50,000.00 or more. Granting agencies will request, review, and analyze information, including Exhibits C-H, as referenced in this RFP, as applicable.

In order to comply with this requirement, the following information and documents will need to be submitted before the Grant Contract Agreement is fully executed:

I. **Capacity Responses: All potential grantees: Exhibit C**
   a) Please describe your history of performing the work that will be funded by the grant.
   b) This includes describing your organization's current staffing and current budget.

II. **Certification: Certification that the entity is not suspended or debarred by the State of Minnesota or the federal government: Exhibit D**

III. **Evidence of good standing: For-profit and nonprofit potential grantees: Exhibit E**
   For-profit and nonprofit grantees: Filed and up-to-date with the Secretary of State

IV. **Nonprofit grantees as applicable: Exhibit F**
   - Most recent Form 990 or Form 990-EZ
   - Most recent audited financial statement of a charitable organization which has received total revenue in excess of $750,000.00 for the 12 months of operations covered by the statement per Minn. Stat. § 309.53
   - Most recent board-reviewed (or managing group if applicable) financial statements, description of internal controls over business expenditures and outcomes of grant funds, if awarded, and evidence of exemption

V. **For-profit Certification Disclosure and required documents: Exhibit G**
   - Most recent federal and state tax returns:
     - If not in business long enough to have a tax return, description of internal controls over business expenditures and outcomes of grant funds, if awarded
   - Current financial statements (audited)
   - Certification that business is not under bankruptcy proceedings

- Disclosure of any liens on assets

VI. Certification: No current principals have been convicted of a felony financial crime in the last ten years: All potential Grantees: Exhibit H

The submission of inaccurate or misleading information may be grounds for disqualification from the Grant Contract Agreement and may subject an organization to suspension or debarment proceedings, as well as other remedies available to the State, by law.

Based on Minnesota Statutes § 16B.981/Chapter 62 - MN Laws, Article 7, Section 11, Subd. 3-5 establishes the authority for a granting agency to:

- Provide or require enhanced grant oversight
- Request additional information from a potential grantee to determine whether there is a substantial risk that the potential grantee cannot or would not perform the required duties of the Grant Contract Agreement
  - The potential grantee has 30 business days to respond
- Develop a plan to address the risk or concerns identified
- Not award the grant.
  - The granting agency must provide notice of this determination to not award the grant to the grantee and the Commissioner of Administration.
  - The notice must include the following:
    - The reason for postponing/not awarding the grant
    - The timeline for the process for contesting the agency's decision

Please note, only awarded applicants will be required to fill out and provide documentation related to Exhibit F and G.

Audits of project

Per Minn. Stat. § 16B.98, subd. 8, the grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the MPCA and either the legislative auditor or the state auditor, as appropriate. This requirement will last for a minimum of six years from the grant agreement end date, receipt, and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

Affirmative action and non-discrimination requirements for all grantees

A. The grantee agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the employee or applicant for employment is qualified. Minn. Stat. § 363A.02. The grantee agrees to take affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.

B. The grantee must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The grantee agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Minn. R. 5000.3500.

C. The grantee agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

Voter registration requirement

The grantee will ensure voter registration services for its employees and for the public served by the grantee (Minn. Stat. § 201.162).

Funding acknowledgement

This project has been funded wholly or in part by the United States Environmental Protection Agency (EPA) under assistance agreement 66.046 to the Minnesota Pollution Control Agency. The contents of this document do not necessarily reflect the views and policies of the EPA, nor does the EPA endorse trade names or recommend the use of commercial products mentioned in this document, as well as any images, video, text, or other content created by generative artificial intelligence tools, nor does any such content necessarily reflect the views and policies of the EPA.

Attachment A: Application evaluation score sheet

Evaluation factors

A 120-point scale, with an additional 15 possible bonus points, will be used to evaluate eligible applications and develop final recommendations.

Applications will be evaluated and ranked according to the following criteria:

Evaluation Category	Maximum Points
Industrial Innovation TAP awardee: 1. Project facility has previously received a technical assistance and planning (TAP) grant through the Industrial Innovation in Food Systems program.	10
Project readiness: 2. Project scope is clearly described, reasonable, and realistic. 3. Project is shovel ready: a complete baseline energy assessment or GHG inventory and as applicable, one or more project-specific requirements completed and provided as supporting documentation. This could include front-end engineering design, other engineering requirements, final drawings, materials lists, and applicable agreements (e.g., with landowners/lease, feedstock supply, energy offtake, etc.). 4. Applicant clearly understands the permits and approvals necessary for successful project completion. Steps have been taken to secure permits and approvals (i.e., notifications to respective permitting bodies, applications submitted, etc.) or required permitting considerations have been advised or developed through an experienced permitting specialist (facility staff or consultant). 5. Project has a holistic and realistic M&V plan developed and supported by qualified assessors.	25
Project outcomes: 6. Estimated energy usage and GHG emissions from project installation are reasonable, realistic, and justified using methods, models, factors, assumptions, outputs. Calculations from reputable and relevant sources. Key assumptions are clearly described. 7. Project contributes to additional co-benefits. 8. Methodology for measuring the applicant's selected co-benefits is clear, and estimated figures are reasonable and realistic.	25
Environmental justice and community engagement: 9. Project is located in, or serves, an EJ area, and the EJ community is described. 10. Applicant has clearly described how the project has, or will, meaningfully involve the impacted community(s) before, during or after project implementation.	15
Project barriers, risk, and harm: 11. Potential barriers and/or risks (e.g., tariffs, lead times for equipment procurement, limited equipment availability, etc.) have been identified, and contingency plans are considered to mitigate or overcome them. 12. Potential environmental and/or social harm has been identified, and contingency plans are considered to mitigate or alleviate the harm. 13. Project co-benefits result in safety improvement for facility employees and/or product consumers.	15
Project work plan: 14. Contractor collaborators have been selected and meet qualified assessor criteria or otherwise demonstrates relevant experience and qualification for successful project deployment. 15. A construction and/or installation schedule and related work tasks are reasonable and realistic.	10

Evaluation Category	Maximum Points
Project budget: 16. 100% of all project costs are listed, and each cost defines cost category, unit price, and unit quantity. All equipment and technologies include attached documentation that itemize the vendor, model number, any reference information (e.g., product specifications, engineering, etc.), energy capacity, co-efficiency of performance, technology readiness level, and BABA compliance. 17. Costs are reasonable and realistic based on multiple vendor quotes. Vendor quotes are attached. 18. Matching funds that are required to implement and complete the project are secured, detailed, and verified through attached documentation.	20
Total	**120**
Bonus points: • Project facility has previously utilized relevant utility energy assessment program(s). • Project electrifies gas equipment. • Project utilizes grid peak-shaving, load-shifting, or curtailed renewable energy.	15 total (5 per criterium)
Total with bonus points	**135**

Attachment B: Technical guidance on assessments and M&V

Pre-award requirements

Projects which receive awards are required to complete a utility energy assessment or GHG baseline. Applicants should develop a utility energy assessment or GHG baseline for the targeted equipment or systems, using facility data, assessments, or other credible methods. All assumptions, methodologies, and calculation tools used to establish baseline energy use and GHG emissions should be included in the application and rely on reputable methods, tools, and emission factors, with clearly stated assumptions.

Energy assessment and/or GHG inventories conducted for new construction and expansion projects should follow guidance for existing facilities. Modeled scenarios should be provided for annual energy consumption or GHG inventory for processing activity if performed by equipment operating at minimum codes or standards versus that of the annual energy consumption or GHG inventory for alternative equipment which exceeds minimum standards. If available, similar facilities may be used as models in addition to the model scenarios conducted using equipment operating at minimum codes or standards versus that of higher efficiencies or processes.

Baseline energy assessment

The baseline energy assessment calculates utility consumption and spend for each utility used. The period covered includes 36-consecutive months of utility bills by supplier and distribution if separate (e.g., natural gas, propane, electricity, fire suppression, refrigerants, etc.) from the most recent calendar years. If facility operation is less than 36-consecutive months or data is not available, then use the total time of facility operations and data available. The assessment must be validated and signed by the contracting qualified assessor or their supervising assessor.

Required elements:

- Utilities assessed must be within same 36-month window and use date of consumption (i.e., not date mailed or invoiced).
- Bills and data summary must include calendar year or beginning month and ending month.
- Do not include credits or late fee charges from total cost of energy.
- Provide a clear description of the facility's boundaries (i.e., where the work will occur).
    - This physical boundary may cover one, multiple, or all buildings within the property footprint. For more information, refer to the GHG Protocol – Corporate Accounting and Reporting Standard.
    - Describe any specific exclusions and why.

    - If food/beverage processing or waste processing operations occur on adjacent properties under common control, include those buildings within the permit or fenced boundary, as applicable.
    - All assessments and inventories must accurately reflect the facility's current operations.
- Provide a summary by month, year, and cumulative 36-month period for actual utility consumption.
    - Include electricity, natural gas, fuel oil, steam, chilled or hot water, etc. (kWh, MMBtu, gallons, etc.).
    - Include total cost (including taxes and fees) for relevant utility on monthly and annual basis ($ of sum kWh, $ of sum MMBtu, $ of sum gallons, etc.).
    - If distributed energy systems are utilized on-site, include within the assessment.
    - If fuel used on-site is no-cost, provide relevant consumption data with background summary.
    - If utilities consumption is offset via renewable process, such as a Renewable Energy Certificate or Renewable Thermal Certificate, include what consumption would be in absence of offset.
- Provide graph of utility consumption on monthly basis with cost trends over analysis period.
    - If utility is billed periodically (e.g., fuel billed), more data may be required to demonstrate trends (1 or 2 years).
    - If irregular patterns or unexpected fluctuations in monthly energy usage are present (abnormal building operation), present possible causes or considerations.
- Calculate average utilities on a per month and per year basis.
- Calculate projections for business-as-usual cumulative utility consumption for 2026-2030 and 2030-2050.
    - Use annual average from utility energy assessment.
- Provide energy use intensity (EUI) for analysis period.
    - Total annual building energy use for the building, divided by the gross floor area, for entire facility as determined by boundary. Expressed as MMBtu/ft^2/year and kWh/ft^2/year.
- Provide energy cost index (ECI) for analysis period.
    - Total annual energy cost for the building divided by the gross floor area, for entire facility as determined by boundary. Expressed as $/$ft^2$/year.
- Provide current annual baseline production ratio/activity index to produce products (energy used ÷ product units), as relevant.
    - Using average annual utility consumption and a known volume of product produced, report production unit or activity index, as relevant (e.g., 10,000 kWh used ÷ 5,000 lbs of frozen fruit processed = 2 kWh per lb of frozen fruit per year).

Inventory of baseline GHG emissions, CAPs, HAPs

The baseline must be validated and signed by the contracted qualified assessor or their supervising assessor.

Required elements:

- Include sufficient detail to understand the basis of the estimates, including methods, models, assumptions, outputs, sources used, and calculations. Use conversion tables found in the 2025 EPA's Emission Factors Hub.
- Use the most current data available and cite specific references for all models and tools used. Global Warming Potential (GWP) values must align with the IPCC AR5 (2013) (GWP measures compare GHGs relative to CO_2).
- Include data summary materials such as tables, charts, and data summaries.
- Baseline emissions must accurately reflect the facility's current operations.
- Include GHGs, as relevant: carbon dioxide (CO_2), hydrofluorocarbons (HFC), perfluorocarbons (PFC), methane (CH_4), nitrous oxide (N_2O), and sulfur hexafluoride (SF_6).
- Include CAPs and HAPs, as relevant.

- Report emissions as $MTCO_2e$/year (metric tons CO_2 equivalent/year).
- Report baseline GHG emissions, CAPs, HAPs during past 12-consecutive months (most recent calendar year).
- Estimate future business-as-usual cumulative GHG emissions CAPs, HAPs using baseline emissions data for 2026-2030 and 2030-2050.
- Summarize the methodology, tools, and emission factor source information.
  - Provide the source of the developer(s) for tools and models used.
  - Provide a summary statement justifying the relevant sources used and outlining any key assumptions utilized in assessments (e.g., emission rates, factors, etc.).

Post-installation measurement and verification required

Awarded projects must conduct M&V to validate and verify post-installation performance at the equipment-, system-, or facility-level using a robust method of the applicant's choosing. Guidance for methods and assessments are provided by MPCA staff; however, applicants must choose the scope and need for establishing project baselines and post-installation M&V. This work will span a summary of the strategy, framework, and budget used to measure and verify the results of GHG emissions and any additional co-benefits of the project(s). M&V should be performed by an independent third party not affiliated with the technology provider; self-verification is allowed but not reimbursable.

Awardees will be required to provide the commissioning log and report on measured and verified outcomes for a performance period of a minimum of three months post-installation (but still within the grant award period). If more time is required to accurately measure and verify the outcomes and results of the project, a summary detailing reason and proposed timeline must be submitted to the MPCA prior to submitting the request for final reimbursement and final report.

Required elements:

- Identify if the three-month minimum requirement will be sufficient to measure and verify reduction of GHG emissions. The period to be evaluated for future implementation projects awarded from the Industrial Innovation program will be a minimum period of three months post-installation of EM(s).
- Provide outline of the plan with specific details on work tasks, who would complete them, what their qualifications are, and their capacity to develop a M&V report.
  - Outline should follow and use guidance for the M&V commissioning approach, plan, and report as outlined in Section 2. of the U.S. Department of Energy's M&V Guidelines: Measurement and Verification for Performance-Based Contracts Version 4.0.
  - Outline should include the validation and verification of post-installation performance at the equipment-, system-, or facility-level using a robust method of the applicant's choosing. Guidance for methods and assessments are provided by MPCA staff; however, applicants must choose the scope and need for establishing baselines and post-installation M&V.
- Summarize equipment, calibration, and methods that would be used to measure and monitor each EM's energy consumption (utility) and GHG emissions (and co-pollutants, as relevant) reduction and performance.
  - Plan should include a summary to incorporate the same specific methods, tools, and emission factor(s) used as resources to generate estimates of GHG emissions of EM projects, including utility bills, as relevant.
  - Measurement plan to include data types and frequency of measurement activities related to EM project specifics, and any assumptions used for establishing comparison between baseline and post-installation of EM project.
  - Verification plan to include data storage/backup procedures and quality assurance/quality control protocols for measurement, calculation, and data collection.

    - Budget estimates to include costs directly associated with M&V services (e.g., labor, equipment, software, tools, etc.) after the completion of the project.
    - For projects using waste streams as energy, estimates on volumes of waste (pounds, gallons, tons, etc.) should be factored into M&V plan to include a monthly and annual summary, along with production volumes of energy (kWh, MMBtu, etc.) on a monthly and annual basis.
- Calculate post-installation and cumulative (2026-2030 and 2030-2050) reductions of GHG emissions, CAPs, HAPs relative to baseline emissions data.
    - For refrigerant projects, use the following equation: **Baseline equipment** ((Full charge (lb) x Refrigerant GWP x % Annual leak rate x Lifetime)/2204.6 lb/MT) – **Proposed equipment** ((Full charge (lb) x Refrigerant GWP x % Annual leak rate x Lifetime)/2204.6 lb/MT) = Lifetime emission reduction (MTCO2e)
- Provide post-installation energy use intensity (EUI) for analysis period.
    - Total annual building energy use for the building, divided by the gross floor area, for entire facility as determined by boundary. Expressed as MMBtu/ft^2/year and kWh/ft^2/year.
- Provide post-installation energy cost index (ECI) for analysis period.
    - Total annual energy cost for the building divided by the gross floor area, for entire facility as determined by boundary. Expressed as $/$ft^2$/year.
- Calculate new annual baseline production ratio/activity index to produce products (energy used ÷ product units), as relevant.
    - Using average annual utility consumption and a known volume of product produced, report production unit or activity index, as relevant (e.g., 10,000 kWh used ÷ 5,000 lbs of frozen fruit processed = 2 kWh per lb of frozen fruit per year).
- Calculate post-installation annual baseline production ratio/activity index to produce products (energy used ÷ product units), as relevant.
    - Using post-installation utility consumption and/or increased volume of product produced, report production unit or activity index, as relevant (e.g., 8,000 kWh used ÷ 5,000 lbs of frozen fruit processed = 1.6 kWh per lb of frozen fruit per year).

Attachment C: Technical assistance and resources

This list is intended to provide applicants with resources which can be used to develop and produce consistent and quality applications and projects. This list is not meant to be exhaustive; applicants are encouraged to reference or use any resource that is consistent with their proposal.

Qualified assessors include but are not limited to:

ITAC Qualified Assessors

Minnesota Technical Assistance Program (MnTAP)

Agriculture Research Utilization Institute (AURI)

LHB

LEIF

Barr Engineering Co.

Center for Energy and Environment

Cascade Energy

Frontier Energy

SE Advisory Services | Schneider Electric and Industrial electrification consulting | Schneider Electric

Additional technical assistance, grant writing, and state permitting resource groups:

Minnesota Technical Assistance Program (MnTAP)

Agriculture Research Utilization Institute (AURI)

Minnesota Technical Assistance Collaborative

Center for Energy and Environment

U.S. DOE Industrial Training and Assessment Centers (ITAC)

Renewable Thermal Collaborative

B3 Benchmarking – Free/no-cost for public entities, while private entities can subscribe for a $2,400 annual fee.

Environmental Initiative Organization

CERTs

MPCA Small Business Environmental Assistance Program – If you have questions about how your project will affect existing permits or what environmental rules or permits may apply. SBEAP's focus is on small businesses that are independently owned and operated, have fewer than 100 employees, and are not major sources of waste or emissions. Call 651-282-6143 or email smallbizhelp.pca@state.mn.us

MPCA Small Business Ombudsman – Technical and permitting assistance.

MPCA Industry and Process Resources – Information on environmental regulations by industry.

MPCA Air Permit Types

MPCA Solid Waste Permits

MPCA Water Permits and Regulations

MPCA Waste and Recycling Permits and Regulations

MPCA Feedlot Permits and Regulations

MPCA Storage Tanks Permits and Regulations

MDA RFSI Technical Assistance – Some food organizations and businesses may be eligible for consultation or support with their grant application the Minnesota Department of Agriculture's Resilient Food Systems Infrastructure Technical Assistance Program. Review the program webpage to find out if you qualify for assistance and connect with a service provider.

DEED's Minnesota Business First Stop – Assistance Form – Project development and permitting assistance; email firststop@state.mn.us.

Minnesota Environmental Quality Board – Guidance for Practitioners and Minn. R. 4410.4300 and 4410.4400 (project types and thresholds that require environmental review); email en v.review@state.mn.us.

NREL Energy to Communities Program: Expert Match

Minnesota Chamber of Commerce's Environmental Sustainability Foundation

Additional funding resources:

MPCA Environmental Assistance Loans – Applications for Environmental Assistance Loans are competitively evaluated against eligibility criteria and priorities. Loans are awarded on a case-by-case basis and first-come-first-considered taking into consideration the application materials and fluctuating funding availability.

MPCA Small Business Environmental Improvement Loans – Loans at 0% interest to small businesses for capital equipment purchases that help the company meet or exceed environmental regulations, and covering costs associated with the investigation and cleanup of contaminated sites. Email smallbizfunding.pca@state.mn.us.

Minnesota Climate Innovation Finance Authority – A publicly accountable financing authority which supports projects of clean and renewable energy, particularly in low-income communities, environmental justice communities, and communities in which fossil fuel electric generating plants are retiring.

Minnesota State Competitiveness Matching Funds – Grant funding provides contributes to cost-share requirements for federal awards to support clean energy projects in Minnesota. The Minnesota legislature created this $100 million program to provide matching funds for entities and organizations in Minnesota to reduce barriers to pursuing federal grants and awards.

City of Minneapolis Green Cost Share Program – Grant funding for industrial and commercial facilities located in Minneapolis. Eligible projects include energy efficiency upgrades, electrification, and other projects resulting in measurable air pollution reduction, including greenhouse gas emissions.

Minnesota Department of Commerce Conservation Research & Development (CARD) grants– Review CARD RFP specifics to determine applicability.

Minnesota Chamber of Commerce's Environmental Sustainability Foundation

MDA Methane Digester Loan Program

MDA Valued-Added Grant Program

Clean Energy Resource Teams' Pay for your Project search tool

Attachment D: Definitions

Advanced Air Conditioning and Low Global Warming Potential Refrigerants – An advanced technology that uses natural, low-GWP substances within a continuous cycle of evaporation and condensation to transfer heat from one place to another. Examples include refrigeration, air conditioning, heat pumps, and other cooling systems.

Boundary – A defined physical area which encompasses where the assessments, evaluations, and all project activities will occur. A logical boundary may include the entire facility, such as the permit or fence line boundary, and can include adjacent property under common control which directly serves the manufacturing or processing operations.

Business-as-Usual (BAU) – The expected equipment replacement behavior sought in the absence of technical assistance and planning funding support.

Co-Benefits – For the purpose of this RFP, co-benefits are defined as waste reduction within a process, such as water or other mitigation of waste; costs associated with waste removal services, producing renewable natural gas/biogas from waste; improved safety of facility employees; product consumers; jobs created; and workforce trained.

Coefficient of Performance (COP) – The measurement of efficiency of heating or cooling systems as the ratio of desired energy output to the required energy input.

Combined Heat and Power (CHP) – The concurrent production of electricity or mechanical power and useful thermal energy (heating and cooling) from a single source of energy. Also referred to as "co-generation", this type of distributed energy system is located near the point of consumption and can use a variety of fuels to generate electricity or power.

Criteria Air Pollutants (CAP) – For the purpose of this RFP, criteria air pollutants include $PM_{2.5}$, volatile organic compounds (VOCs), carbon monoxide (CO), sulfur dioxide (SO_2), nitrogen oxides (NO_x), lead, and ozone.

Distributed Energy System(s) – On-site production of electric power or heat by a variety of technologies, including energy storage technologies.

Energy Assessment – Assessment requirements for this RFP were developed using guidance from ASHRAE 211 Level II and the EPA's Guide to Industrial Assessments. While not full facility audits per these standards, assessments within TAP reports meet industry best practices and include current baseline utility energy use, recommended improvements with costs, estimated equipment life, energy and cost savings, and prospective waste reductions or co-benefits provided, as well as simple payback period or ROI. The assessment must be validated and signed by the contracted qualified assessor or their supervising assessor.

Energy Cost Index (ECI) – The total annual cost for the building divided by the gross floor area. The ECI is expressed as a site or single facility (as defined by the boundary) and expressed as $/ft^2/year.

Efficiency Measure (EM) – A measure that can be applied to a facility, operations, or equipment that can improve energy efficiency and/or reduce greenhouse gas emissions and criteria air pollutants, and may provide a co-benefit as defined in this RFP. EMs can be life cycle cost effective and can include concepts of energy conservation, co-generation of energy, distributed energy systems, improvements in operations and maintenance, retrofit activities, and result in a reduction of energy consumption from production or maintenance, while maintaining or enhancing the facility's safety, comfort, and functionality.

Energy Use Intensity (EUI) – As defined by boundary, the total annual facility energy use divided by the gross floor area. The EUI is expressed as a site or single facility (as defined by boundary) and expressed as MMBtu/ft^2/year and kWh/ft^2/year.

These facilities are inspected by the Manufactured Food Program within the Food and Feed Safety Division; those producing meat or dairy products may be regulated by the Dairy and Meat Inspection Division.

Expansion – A project involving construction at an existing facility which includes the installation of new equipment to either expand operational capacity/capability.

Food System – For the purpose of this RFP, a food system encompasses activities involved in the production, aggregation, processing, packaging, storage, distribution, consumption, and disposal of food products (for human or animal consumption) that originate from agricultural, forestry, or fisheries, as parts of the broader economic, societal, and natural environments in which they are embedded.

Food System Organic Waste Processor – For the purpose of this RFP, a food system organic waste processor can be public or private and includes but is not limited to a solid waste landfill, wastewater treatment facility, anaerobic digestion facility, or source-separated organic material (SSOM) compost facility. Dependent of their permit, these facilities may process and manage food system municipal or industrial waste. Solid waste landfills, SSOMs, and anaerobic digestion facilities typically accept and process food system materials such as wasted food, food scraps, and/or compostable food service ware products. Wastewater facilities may process food system materials such as liquid waste, biosolids, industrial byproducts, and wastewater. Anaerobic digestion facilities that process manure are also considered a food system organic waste processor.

Greenhouse Gas Emissions – GHG emissions include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFC), and sulfur hexafluoride (SF_6).

Greenhouse Gas Emissions Inventory – A list of emission sources and sinks along with the associated emissions quantified using standard methods. These include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFC), and sulfur hexafluoride (SF_6). The assessment must be validated and signed by the qualified assessor or their supervising assessor.

Gross Floor Area – The sum of the floor areas of all spaces within the facility, as defined by the boundary (no deductions for floor penetrations other than atria). It is measured from the exterior faces of exterior walls or from the centerline of walls separating buildings, but excludes covered walkways, open roofed-over areas, porches and similar spaces, pipe trenches, exterior terraces or steps, roof overhangs, and parking garages, as well as surface parking.

Global Warming Potential (GWP) – A quantitative measure of radiative forcing, or how much a unit of gas is expected to contribute to global warming. This measure determines the potential of an emission of greenhouse gas to contribute to global warming over a 100-year period expressed in terms of the equivalent emission of carbon dioxide needed to produce the same 100-year warming effect.

Hazardous Air Pollutants (HAP) – A group of 188 specific pollutants that cause or may cause cancer or other serious health effects or adverse environmental and ecological effects specific to the Clean Air Act amendments.

Industrial Food and Beverage Manufacturing Facility – An industrial facility that produces finished, packaged food or beverage products through mechanical, physical, or chemical methods using raw materials and bulk ingredients and standardized processes, specialized equipment, and controlled facility environments. These facilities typically operate continuously or in high-volume batches following strict quality, safety, and regulatory standards with the goal of producing consistent, safe, and commercially distributable products efficiently and at scale. The primary products are intended for human or animal consumption and are produced with the intention of wholesale, distribution, or retail sales.

Innovation – A project, in part or in whole, which involves introducing or applying new ideas, methods, or technologies that create meaningful change, improved outcomes, or new value for the facility which processes or produces or for the community where the facility is located.

Improve Energy Efficiency – An arrangement or action taken which results in reduced energy consumption or loss in system operation while allowing the same or better level of facility performance and/or that reduces use of conventional energy in a facility by substituting conventional energy fuels with distributed energy systems, fuel-switching, or electrification.

Lifecycle Cost Effective – The total costs of owning, operating, and maintaining a facility over its useful life.

Low-Income and Disadvantaged Communities (LIDAC) – Communities with residents that have low incomes, limited access to resources, and disproportionate exposure to environmental or climate burdens. Although the Inflation Reduction Act does not formally define LIDACs, EPA strongly recommends that grantees use the Climate and Economic Justice Screening Tool and the Environmental Justice Screening and Mapping Tool to identify LIDACs in their communities. These tools identify LIDACs by assessing indicators for categories of burden: air quality, climate change, energy, environmental hazards, health, housing, legacy pollution, transportation, water and wastewater, and workforce development.

Match – The percentage of the total project cost that the grantee is required to contribute. Match could include cash or in-kind contributions, loans, other state grants that have been secured, technical assessments conducted by qualified assessors not paid for through this grant, and liquid capital assets.

Meaningful Engagement – As described through the State of Minnesota's Environmental Justice Framework, meaningful engagement occurs when there is consideration of the following: people have an opportunity to participate in decisions about activities that may affect their environment and/or health, the public's contribution can influence the regulatory agency's decision, community concerns are considered in the decision-making process, and the decision makers seek out and facilitate the involvement of those potentially affected.

Communities of color, indigenous communities, and low-income residents have a right to live in conditions that support a healthy and fulfilling life. The MPCA is committed to using its authority and influence to identify and support opportunities that improve environmental conditions and reverse generations of environmental inequities in areas of concern, enhancing environmental quality, and providing economic opportunities for future generations of Minnesotans.

Municipality – A city, town, borough, county, parish, district, or other public body created by or pursuant to State law. Consistent with section 137(d)(1) of the Clean Air Act, a group of municipalities, such as a council of governments, may also be considered an eligible entity under this program.

Natural Refrigerant – A range of organic and inorganic compounds suitable for use in a variety of refrigeration and air conditioning system applications and have low GWP values (< 10). These compounds occur in natural biological and chemical cycles without human intervention. Examples include, but are not limited to, air (R-729), water (R-718), carbon dioxide (R-744), ammonia (R-717), and natural hydrocarbons (e.g., isobutane [R-600a], ethane [R-170], and propane [R-290]).

New Construction – A facility that is being fabricated for the first time, including existing facilities undergoing substantial rehabilitation involving the replacement of major mechanical system replacement, or existing structures repurposed after at least one year of vacancy.

Production Ratio/Activity Index – For this RFP, in the context of food production, a production ratio or activity index is used to compare inputs (energy) to output (product or activity volume) and can be used to compare operations between years. If an efficiency measure enables a production increase, determining the baseline using the current existing equipment can allow for a savings comparison based on the original production levels.

Qualified Assessor – Qualified assessors include accredited third-party organizations, engineering firms, and consultants. Qualified assessors must submit documentation in the work plan, such as a work history summary, demonstrating one of the listed credentials and good standing. During grant implementation, grantees must provide assessor qualification summaries for all work performed.

A qualified assessor must meet one of the following criteria:

- An Association of Energy Engineers (AEE) Certified Energy Auditor (CEA)
- An Association of Energy Engineers (AEE) Certified Energy Manager (CEM)
- A National Association of Energy Service Companies (NAESCO) Accredited Energy Efficiency Contractor (EEC), Accredited Energy Service Company (ESCO), or Accredited Energy Service Provider (ESP)
- An American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Building Energy Assessment Professional Certification (BEAP) or another project-relevant certification
- A Minnesota Licensed Professional Engineer
- An individual from a third-party GHG emission, decarbonization, or carbon accounting consultant who has performed similar types of GHG emissions assessments for industrial facilities in accordance with the GHG Protocol or the intent of ISO 14064, ISO 14065 and/or ISO 14067, or equivalent.

Retrofit – Modification, upgrade, improvement, or replacement of existing equipment at an existing facility.

Scope 1 Emissions – *Direct* GHG emissions that occur from sources that are controlled or owned by an entity.

Scope 2 Emissions – *Indirect* GHG emissions associated with the purchase of electricity, heat, cooling, or steam.

Scope 3 Emissions – For the purpose of this RFP, Scope 3 emissions are defined as GHG emissions associated with food system waste produced on-site by an eligible facility that requires downstream or off-site disposal, or management services purchased from a third party, as applicable. Food system waste treatment activities may include, but are not limited to:

- Disposal in a landfill
- Disposal in a landfill with landfill-gas-to-energy (LFGTE) – that is, combustion of landfill gas to generate electricity
- Recovery for recycling
- Incineration
- Recovery of edible food for donation at hunger relief programs for human consumption
- Recovery of source-separated organic material for organics recycling (e.g., composting or anaerobic digestion)
- Waste-to-energy (WTE) or energy-from-waste (EfW) – that is, combustion of municipal or industrial solid waste to generate electricity downstream
- Waste generated and sent to a wastewater treatment facility

Shovel Ready Project – At minimum, projects are considered shovel ready upon completed baseline metrics (e.g., a complete baseline energy assessment or GHG inventory), as defined in this RFP. Shovel ready projects are generally considered to have completed engineering designs and/or specifications sufficient for contractors to build from (e.g., finalized designs, issued-for-construction packages, detailed engineering packages, etc.). The types of details within a design package are used to bid, permit, and build a project which may include items such as a bill of materials, construction sequencing notes, piping and instrumentation diagrams, detailed process flow diagrams, electrical single-line diagrams, instrumentation and control architecture, final specifications, issued-for-construction drawings, or signed agreements (feedstock, offtake, landowner/lease, contractor, etc.).

Technology Readiness Level (TRL) – A scale that consists of nine levels ranging from one through nine—each one requiring the technology to be demonstrated in incrementally higher levels of fidelity in terms of its form, the level of integration with other parts of the system, and its operating environment than the previous, until at the final level the technology is described in terms of actual system performance in an operational environment. The scale is ordered according to the characteristics of the demonstration or testing environment under which a given technology was tested at defined points in time.

Tribes – Consistent with section 137(d)(1) of the Clean Air Act, groups of Tribes, including Tribal consortia and Tribal partnerships, are considered an eligible entity under this program. Tribes, Tribal partnerships, and Tribal consortia can also participate as collaborating partners in planning efforts managed by lead organizations for states or metropolitan areas.

Upcycling Food – For the purpose of this RFP, upcycling means capturing, processing, and remaking parts of food and food scraps into new food products for human or animal consumption when the parts of food and food scraps do not fit the conditions of adulteration under section Minn. Stat. § 25.37 or Minn. Stat. § 34A.02.

Attachment E: Build America, Buy America (BABA)

All eligible energy-related projects are considered infrastructure and subject to BABA rules. A general guideline, which may not be all-inclusive, is fixtures that are permanent (e.g., hard wired) are required to follow BABA.

Limited projects under this RFP are subject to the Buy America Sourcing requirements under BABA provisions of the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117-58, §§7091170917) when using Federal funds for the purchase of goods, products, and materials on any form of construction, alteration, maintenance, or repair of infrastructure in the United States. The Buy America preference applies to all of the iron and steel, manufactured products, and construction materials used for the infrastructure project under an award for identified EPA financial assistance funding programs.

All the iron, steel, manufactured products, and construction materials used in the project are produced in the United States. BABA requirements for iron and steel are the same as American Iron and Steel. BABA manufactured products require the final manufacturing in the United States.

Project waivers may be pursued after award; however, without an EPA-approved waiver, the BABA requirements must be met.

BABA – Required use of American iron, steel, manufactured products, and construction materials

Recipients of an award of Federal financial assistance from a program for infrastructure are hereby notified that none of the funds provided under this award may be used for an infrastructure project unless:

(1) All iron and steel used in the project are produced in the United States—this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;

(2) All manufactured products used in the project are produced in the United States—this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard that

meets or exceeds this standard has been established under applicable law or regulation for determining the minimum amount of domestic content of the manufactured product; and

(3) All construction materials are manufactured in the United States—this means that all manufacturing processes for the construction material occurred in the United States. The construction material standards are listed below.

For legal definitions and sourcing requirements, consult the EPA Build America, Buy America website, 2 CFR Part 184, and the Office of Management and Budget's (OMB) Memorandum M-24-02 Implementation Guidance on Application of Buy America Preference in Federal Financial Assistance Programs for Infrastructure.