

Minutes of the
RENEWABLE ENERGY COUNCIL
Wednesday, January 8th, 2020
1:00 p.m. (CT)
ND Department of Commerce, Icelandic Room – Bismarck, ND

CALL TO ORDER

Members Present:

Al Christianson
Mark Nisbet – (phone)
Terry Goerger – (phone)
Rod Holth
Gerald Bachmeier

Others Present:

Jonathan Russo, ND Department of Commerce
Sherri Frieze, ND Department of Commerce
Karlene Fine, ND Industrial Commission
Andrea Pfennig, ND Industrial Commission
Corey Krachta, (phone) c2renew
Chad Ulven, c2renew
Geordon Traver, Living Stone Lodge
Diane Hall-Traver, Living Stone Lodge
Dr. Jessica White Plume, Living Stone Lodge

WELCOME AND OPENING COMMENTS

On behalf of Chairwoman Michelle Kommer, Al Christianson called the Renewable Energy Council meeting to order at 1:00 p.m.

APPROVAL OF MINUTES

It was moved by Holth and seconded by Bachmeier to approve the October 14, 2019 meeting minutes. The motion carried unanimously.

PRESENTATION OF FINANCIAL STATEMENT

Fine presented the financial report that had been posted on the Industrial Commission/Renewable Energy Program website. The uncommitted dollars available for projects at the end of the 2017-2019 biennium were \$2,029,677.33. Additional funding during the 2019-2021 has been received. As of November 30, 2019, the uncommitted cash for the current biennium is \$3,575,306.40. **It was moved by Bachmeier and seconded by Holth to approve the Financial Report dated January 8, 2020. The motion carried unanimously.**

CONSIDERATION OF APPLICANTS

R-42 A – “Living Stone Lodge, Phase III”; Phase III; Submitted by MHA Nation – South Segment
Project Duration: 8 months
Requesting: \$398,850
Total Project Costs: \$917,812

Russo gave an overview of the project and stated the applicant is contributing a 57% cash match of \$518, 962.

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Project's Objective

To develop and commercialize an affordable, energy efficient home that surpasses ENERGY STAR rating and can be easily built on rural Native American Reservations. The goal is to reach net-zero energy use and construct the home for under \$100 per square foot.

Reviewers' Ratings

- Fund – 187
- Fund – 226
- Funding May Be Considered – 155
- Average Weighted Score – 189 out of 250

Achievability

One reviewer had some concerns about the project achievability because there was limited information on how estimates were calculated and what supported these numbers. Applicant has since given explanations for how estimates were calculated. The costs were based on vendor quotes.

Methodology

One reviewer had concerns about when energy modeling would be taking place and the budget for the modeling. The applicant has given more detail on the modeling and that it will be complete in January 2020 and is part of Phase II.

Scientific/Technical Contribution

Two reviewers felt there was a lack of strategy in how this would be commercialized on a national level. Applicant responded that a business plan will be developed and finalized at the end of Phase III.

Knowledge/Awareness

All three reviewers felt the applicant's knowledge and awareness was sufficient.

Project Management

Three reviewers felt the project management plan was adequate.

Value of Budget

Two reviewers felt the value of the budget was sufficient. One reviewer had concerns about the difference in values in the LSL Budget Detail and the Phase III Project Cost Analysis. Applicant responded that the Budget Detail is calculated and grouped differently from the Cost Analysis. While the break down numbers are not the same, the end costs are equal.

Overall Comments from Reviewers

- This type of project is important because it adds to the knowledge base of the industry and addresses a well-documented housing issue on reservations.
- ND has a negative reputation in energy efficiency and projects like this can help change the perception.
- LSL houses provide added benefits in the form of health and safety due to indoor air quality.

Technical Advisor Recommendations

- Funding may be considered. One of the significant areas of concern that the reviewers had dealt with a lack of details in the project methodology and the applicant has responded to these concerns. However, there is

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still a lack of a true business plan. Part of this phase is to create one. A main potential benefit of the project is that it addresses a major issue found on reservation in North Dakota and the rest of the country.

- If successful, this project could provide significant benefits to:
 - The reservations through energy efficient affordable housing.
 - The state through revenue created through sales.
 - North Dakota manufacturers who will be producing the product parts.

Suggested Contingencies if Funded

- Results of the modeling/study being conducted should be given to the Renewable Energy Council upon completion. This is assuming it hasn't already been submitted.

Dr. Jessica White Plume, representing the MHA South Segment, presented the project.

In response to a question, Geordan Traver stated that the three homes that are currently being built are 2,000 square feet, with an unfinished loft of 600 square feet. All infrastructure is in place on the street that the homes are to be located on.

In response to a question, Traver mentioned the project is mostly funded by the tribes, with one grant coming from DMA Engineering for approximately \$22,000. Technical assistance for software was given as an allowance from the Department of Energy, that was originally to be grant funded.

In response to a question, Traver said all material is copyrighted and patented. All real time data is collected every day and that data can be accessed on the Living Stone Lodge website.

CONSIDERATION OF MODIFICATION REQUESTS

R-036-045- Low Pressure Electrolytic Ammonia Production; Submitted by EERC

Project Funding: \$437,000

Total Project Costs: \$3,164,000

Objective: To demonstrate significant NH₃ production energy reduction by replacing HB-based NH₃ Synthesis with LPEA process.

Request for Modification to the Budget

Andrea Pfennig reviewed a request for a budget modification. EERC is asking to move \$14,666 from the salaries line to travel, supplies and food. There were no concerns with this budget modification.

R-025-035- Pilot Scale Facility for Biocomposite Development for Industrial and Consumer Products – Phase II; Submitted by C2renew corporation

Project Funding: \$500,000

Total Project Costs: \$1,000,000

Request for Modification to the Budget & Timeline Extension

Chad Ulven, co-founder of c2renew, asked the Council for an amendment to the 2nd amended budget made on April 2019. C2renew is asking for \$30,000 of state dollars, to purchase smaller equipment than originally planned. Instead of a 1:1 match, c2renew would like to change the match to operational expenses associated with growing the business. The \$151,320.56 match from c2renew would consist of utilities, rent, labor and materials for projects.

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Russo commented that the contract has had many alterations and it would be more beneficial to extend the contract or reapply with a budget that fits the current needs of the company.

Ulven commented that the scope of work has not changed, only the scale of equipment, along with the increase of the timeline.

In a response to a question, Ulven commented on the relationship with the other two tenants in the building and sharing a lease by ½ of 15,000 square feet.

Ulven stated that if an extension date is granted, the company will be able to execute within 2-3 months. If the budget modification is denied, but the grant is extended, then a later date of October will be required to complete the work.

In response to a question, Christianson mentioned F&A (indirect costs) must be part of the original contract, and this was not in the original contract for c2renew.

In response to a question, Fine stated the second amendment to the contract, executed on April 19th, 2019, shifted the c2renew match funding from equipment purchases to project management /engineering services in the amount of \$247,817.71 and reduced the overall c2renew match funding from \$750,000 to \$500,000. The current request is to shift the c2renew match funding amount from equipment to project management/engineering services by an additional \$151,320.56. The Commission/Council's commitment to the project continues at the \$500,000 level.

In closing, Ulven commented that, as a company c2renew is very pragmatic in growing, but it has taken longer than anticipated, and they are trying to be the best stewards of the grant funds.

COMPLETION OF BALLOTS

It was moved by Goerger to take Option 2 for the c2renew project off the ballot. This option would recommend granting a contract extension to October 31, 2020 with no budget amendments. The motion failed for lack of a second and remained on the ballot.

It was moved by Holth and seconded by Day to use Option 2 for the c2renew project on the ballot. It was recorded by a voice vote with Christianson, Day, Bachmeier, Holth, and Nisbet voting aye, and Goerger voting nay. The motion carried.

R-42A – “Living Stone Lodge”; Submitted by MHA Nation-South Segment

Fund: 6 No: 0

Conflict of Interest: none

R-036-045- Low Pressure Electrolytic Ammonia Production; Submitted by EERC

Remove: \$14,666 from Labor

Add:

\$2,050 to Travel

\$11,838 to Supplies

\$778 to Food

Fund: 6 No: 0

Conflict of Interest: none

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R-025-035- Pilot Scale Facility for Biocomposite Development for Industrial and Consumer Products – Phase II; Submitted by C2renew corporation
Grant a contract extension to October 31, 2020

No budget amendments

Fund: 6 No: 0

Conflict of Interest: Terry Goerger

OTHER ADMINISTRATIVE BUSINESS
Proposal to Revise Technical Reviewer Rating Form

Russo presented a recommendation to revise the technical reviewer rating form for consideration. The proposed change would eliminate the scoring matrix that is shown on the technical reviewer rating form. The current matrix lists the reviewers scores and the weighted factor. This could have a biased effect on the funding categories of; Fund, Do Not Fund, and Funding may be Considered.

It was moved by Christianson and seconded by Bachmeier to remove the matrix on the Application Rating Form. The motion carried unanimously.

ADJOURNMENT

Meeting was unanimously adjourned at 3:00 p.m.

Al Christianson

05.20.20

Al Christianson, on behalf of Michelle Kommer
Chair

Date

Sherri Frieze

05.20.20

Sherri Frieze
Recording Secretary/Boards & Commissions E.A.

Date