



Missouri Department of dnr.mo.gov

NATURAL RESOURCES

Michael L. Parson, Governor

Carol S. Comer, Director

Oct. 9, 2020

Missouri Department of Natural Resources Request for Information – Financing Needs for Energy Infrastructure

I. Introduction

The Missouri Department of Natural Resources (“MoDNR”) issues this Request for Information (“RFI” or “Request”) on financing needs for Missouri energy infrastructure projects. Information gathered from Respondents will be considered in assessing financing mechanisms for Missouri energy infrastructure projects, as well as to identify potential in-state projects that could be financed in the near-term and over longer time frames.

II. Background

Governor Michael L. Parson’s priorities for the state of Missouri include infrastructure and workforce development.¹ Infrastructure investments are crucial to improving Missouri’s aging infrastructure, which has been highlighted by such entities as the American Society of Civil Engineers.² The Governor’s priorities can address the need for economic recovery following the COVID-19 pandemic, and energy infrastructure investment is an important component of both workforce development and broader infrastructure development. Strategic energy infrastructure investments can also improve resilience and emergency preparedness, spur additional economic development, improve customer self-sufficiency, provide affordable and reliable energy services to consumers, and contribute to environmental improvements. Focusing on Missouri-made infrastructure provides the best opportunity to achieve these outcomes.

MoDNR’s mission is to protect the state’s air, land, water, and mineral resources; preserve Missouri’s unique natural and historic places; and provide recreational and learning opportunities; while promoting the environmentally sound and energy-efficient operations of businesses, communities, agriculture, and industry for the benefit of all Missourians.³ This mission is integral to advancing the Governor’s priorities. Within MoDNR, the Division of Energy (“DE”) is focused on supporting affordable, reliable and Missouri-made energy resources. DE is funded through the U.S. Department of Energy’s (“USDOE”) State Energy Program and administers MoDNR’s Energy Loan Program and the Weatherization Assistance Program.⁴ Pursuant to Sections 640.651 through 640.686, RSMo, the Energy Loan Program is financed through the Energy Set-Aside Fund and offers loans to various public-sector entities that enable energy cost savings.

¹ <https://governor.mo.gov/priorities>

² <https://www.infrastructurereportcard.org/state-item/missouri/>

³ <https://dnr.mo.gov/aboutus.htm>

⁴ <https://energy.mo.gov/>



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In addition, Section 640.160, RSMo establishes the “Energy Futures Fund,” which can receive, “... money appropriated by the general assembly or received from gifts, bequests, donations, or from the federal government.” The Energy Futures Fund may be used for a broader spectrum of projects than those that are eligible under the Energy Set-Aside Fund. The Energy Futures Fund received money under the American Recovery and Reinvestment Act of 2009, which enables some additional loans from the Energy Loan Program.

The State Environmental Improvement and Energy Resources Authority (“EIERA”)⁵ is a body corporate and politic and a governmental instrumentality of the State of Missouri authorized and empowered pursuant to the provisions of Sections 260.005 to 260.125, inclusive, RSMo, and Appendix B(1) thereto, to provide for the development of the energy resources of the state, to provide for energy conservation, and to provide for energy efficiency projects and increased energy efficiency in the state. To further such programs, EIERA is statutorily authorized to acquire, construct and finance projects, issue bonds and notes, and make loans. EIERA has the power to issue and sell revenue bonds to provide funds for energy conservation projects, including costs necessarily incidental thereto, pursuant to Section 640.682, RSMo.

III. Purpose

MoDNR issues this RFI in order to determine financing needs for energy infrastructure projects in Missouri. For purposes of this RFI, “energy infrastructure” is broadly defined to include, but not be limited to, equipment, fixtures, vehicles and other physical capital involved in the development, extraction, production, generation, transmission or transport, distribution, and/or consumption of energy resources, as well as service connections to energy resources, distributed energy resources, and the control or disposal of waste products and/or pollution involved in these processes. MoDNR is contemplating the offering of low-interest loans for energy infrastructure projects in underserved sectors beyond what is currently offered through the Energy Loan Program.

Specifically, the questions in Section IV are intended to determine the financing needs of underserved sectors, gaps in available funding, funding sources that could address these gaps, and prospective in-state projects that could be funded if these gaps are addressed. MoDNR is particularly interested in “shovel-ready” Missouri projects, as well as in-state infrastructure that either cannot or is unlikely to be financed in the current market or that would be constructed more quickly if new financial mechanisms become available.

MoDNR is interested in identifying underserved sectors that may not have been previously considered. In the past, DE has identified that underserved sectors include agriculture, multifamily housing, commercial, and water/wastewater treatment facilities. The information gathered through this RFI will be used to consider additional financial mechanisms that could facilitate private capital investment in Missouri energy infrastructure.

⁵ <https://eiera.mo.gov/>

It is MoDNR's intent to use responses gathered through this RFI to consider specific sectors to which DE could issue low-interest loans, as well as to identify additional financial mechanisms that could support investment over the intermediate- and long-term. Responses to the RFI should not be construed as binding on MoDNR or the State of Missouri with regards to offering any particular financing programs or products.

IV. Request for Information Questions

MoDNR requests responses to any or all of the following questions. Other information relevant to the topics addressed above is also welcome.

1. What Missouri sectors are underserved by current energy infrastructure financing opportunities? In particular:
 - a. Are the following sectors underserved: agriculture, multifamily housing, commercial, and water/wastewater treatment facilities? Please explain.
 - b. What, if any, other sectors are underserved? Please explain.
2. What potential Missouri energy infrastructure projects have difficulty obtaining financing in the current market, are unlikely to be financed in the current market, or would be built more quickly if new financing sources were available? For each project provided in response to this question, please specifically identify:
 - a. The project type and/or technology;
 - b. The timeframe within which the project could be completed;
 - c. The size of the investment required;
 - d. The financing barriers applicable to the particular project (e.g., interest rates, credit or collateral requirements);
 - e. The benefits from the project to the State of Missouri and its citizens. Please quantify the benefits and identify the benefit recipients when possible. Such benefits could include:
 - i. Project value creation for direct beneficiaries (e.g., energy cost savings, improved resilience);
 - ii. Jobs created;
 - iii. Local economic development impacts;
 - iv. State and local tax revenue gains;
 - v. Environmental improvements; and,
 - f. Potential project opposition.
3. What is a realistic cost of capital that could facilitate short-term (i.e., within one to three years) private capital investment in the underserved sectors identified in response to Question 1?
4. Beyond low-interest loans, what financing mechanisms could facilitate intermediate-term (i.e., within three to five years) private capital investment in the underserved sectors identified in response to Question 1?
5. What financing mechanisms could facilitate longer-term (i.e., more than five years) leveraging of private capital investment in the underserved sectors identified in response to Question 1? Please explain.

V. Disclaimers and Notes

This RFI is not a Funding Opportunity Announcement (FOA) or a Request for Proposals (RFP); therefore, MoDNR is not accepting funding applications at this time. MoDNR may issue an FOA or RFP in the future based on or related to the content and responses to this RFI; however, MoDNR may also elect not to issue an FOA or RFP. There is no guarantee that an FOA or RFP will be issued as a result of this RFI. Responding to this RFI does not provide any advantage or disadvantage to potential applicants if MoDNR chooses to issue an FOA or RFP regarding the subject matter. Final details, including any anticipated award or loan size, quantity, or timing of MoDNR funded awards, may be subject to direction from the Governor's Office or the Missouri General Assembly.

Any information obtained as a result of this RFI is intended to be used by MoDNR on a non-attribution basis for planning and strategy development; this RFI does not constitute a formal solicitation for proposals or abstracts. Your response to this notice will be treated as informational only. MoDNR will review and consider all responses in its formulation of applicable program strategies for the identified materials of interest that are the subject of this request. MoDNR will not provide reimbursement for costs incurred in responding to this RFI. Respondents are advised that MoDNR is under no obligation to acknowledge receipt of the information received or provide feedback to respondents with respect to any information submitted under this RFI. Responses to this RFI do not bind MoDNR or EIERA to any further actions related to this topic. Should MoDNR determine that an FOA or RFP will be issued related to this RFI, responses to this RFI will not affect the consideration of applications for the FOA or RFP.

Because information received in response to this RFI may be used to structure future programs and FOAs or RFPs and/or otherwise be made available to the public, **respondents are strongly advised to NOT include any information in their responses that might be considered business sensitive, proprietary, or otherwise confidential.** If, however, a respondent chooses to submit business sensitive, proprietary, or otherwise confidential information, it must be clearly and conspicuously marked as such in the response. Business sensitive, proprietary, or otherwise confidential information marked in accordance with the instructions below will be treated on a confidential basis by MoDNR subject to Section 640.155, RSMo and other applicable laws and rules. MoDNR requests that Respondents also provide public (i.e., redacted) versions of responses.

Responses containing business sensitive, proprietary, or otherwise confidential information must be conspicuously marked as described below. Failure to comply with these marking requirements may result in the disclosure of the unmarked information under applicable laws and rules. The State of Missouri is not liable for the disclosure or use of unmarked information, and may use or disclose such information for any purpose.

If your response contains business sensitive, proprietary, or otherwise confidential information, every line and paragraph containing business sensitive, proprietary, or otherwise confidential information must be clearly marked with double brackets or highlighting. The Respondent should also include a version of any materials containing

business sensitive, proprietary, or otherwise confidential information that redacts the information.

MoDNR will not respond to individual submissions or publish publicly a compendium of responses, although information may be publicly disclosed in an aggregated form that does not enable the identification of individual responses. A response to this RFI will not be viewed as a binding commitment to develop or pursue the project or ideas discussed.

VI. Instructions for Responses

MoDNR requests that entities submit their responses to this RFI to energyfinancing@dnr.mo.gov by the close of business Nov. 19, 2020; the subject line of the email should be, "Response to MoDNR RFI on Financing Needs for Energy Infrastructure." Respondents should also contact energyfinancing@dnr.mo.gov with any questions about this RFI; the subject line of any inquiry email should be, "Inquiry Regarding Response to MoDNR RFI on Financing Needs for Energy Infrastructure."

Please identify your answers by responding to a specific question provided above, if applicable. Respondents may answer as many or as few questions as they wish. Respondents are requested to provide the following information at the start of their response to this RFI:

- Company/institution name;
- Company/institution contact; and
- Contact's address, phone number, and e-mail address.

Respondents may be contacted in order to request additional information to clarify or elaborate upon their responses.

Sincerely,

/s/ Craig Redmon

Craig Redmon

Director, Division of Energy, Missouri Department of Natural Resources